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Editor's Note

The Journal of GMS Development Studies continues to make strides. This third issue focuses on a central issue confronting policy makers in the Greater Mekong Subregion (GMS): tourism and its impact on income distribution. With the subregion fast becoming a major tourism hub, the challenge is to ensure that tourism results in positive economic and social outcomes.

The GMS is culturally diverse, has a rich heritage, and is endowed with stunning natural resources. These combine to make it one of the most promising tourism destinations in the world today. Tourist arrivals are projected to increase fourfold from current levels of 16 million to about 46–52 million in 2015. The subregion is cleverly marketed as a single tourism destination. New products are being developed, and new market segments are being addressed. This strategy is projected to accelerate tourism development even further in the next ten years.

There is public recognition, in this context, of the need to promote socially responsible and sustainable tourism. Equally, there is a growing demand for equitable distribution of tourism benefits, especially among the poor. The GMS Tourism Sector Strategy for 2006–2015 reflects this concern—pro-poor tourism is one of its core programs.

There is nascent research on the development impacts of tourism in the GMS. In a major effort to step up research in this area, the Social Research Institute of Chiang Mai University (SRI-CMU) embarked on two major research projects on tourism in the GMS. The first project, Integrated Development of Sustainable Tourism in the Mekong Region, was supported by the National Research Council of Thailand, and the second project, Mekong Tourism: Learning across Borders, was financed by the Rockefeller Foundation.

This issue of the Journal focuses on the seminal research undertaken by SRI-CMU on the question: How does community-based tourism (CBT) impact on poverty? Five research papers were selected from the SRI-CMU project. The overview article, *Tourism: Blessings for All?*, by Mingsarn Kaosa-ard, discusses the returns from tourism and how these returns are being shared from a national perspective. The benefits and the potential negative impacts of tourism are weighed. Mingsarn concludes by calling for government intervention in tourism markets to manage the negative impacts on ecosystems and communities that are eventually borne by society at large. The authors of the other four articles challenge the conventional wisdom that tourism contributes to poverty alleviation and equity. While the authors affirm the importance of community-based tourism in providing much needed incomes and livelihood opportunities at the village level, each case presents unique perspectives and lessons.

Men Prachvuthy's article on the Cambodian village of Chambok presents an interesting case of how different stakeholders in the community, the national and provincial

governments, and NGOs worked together in developing CBT. The NGO Mlup Baitong played a particularly important role when it served as an “honest broker” in bringing the government and the community to agree in developing Chambok as an ecotourism site. It built local capacities for natural resource management, provided financial resources for enterprises, and promoted local awareness and understanding of CBT.

Wen Zhang’s article on the Mosuo people in Yunnan Province presents an ethno-cultural perspective. It describes the cultural change that took place in Luoshui village as a result of tourism development, and addresses important sociological issues of ethnic pride, preservation of local culture, and the inevitability of acculturation.

Thavipheth Oula documents the experience with the first CBT project piloted in Nam Ha National Protected Area in Luang Namtha Province, a joint undertaking of the Lao PDR National Tourism Authority and the United Nations Educational, Scientific and Cultural Organization (UNESCO). Interesting lessons in sustainable CBT operations are presented on the value of indigenous knowledge in developing CBT, the reinvestment of tourism income in natural resources, and the need for building human resource capacities as a prerequisite to large infrastructure investments.

Akarapong Untong, Sasipen Phuangsaichai, Natthida Taweelertkunthon, and Jakkree Tejawaree find that in three Thai villages (Mae Kam Pong and Pha Nok Nok in Chiang Mai Province, and Plau Phong Phang in Samut Songkhram Province) tourism income has benefited mostly the community leaders who run tourism enterprises. Lack of managerial know-how, the absence of financial resources, and insufficient marketing posed obstacles for some villagers in operating tourism enterprises. The authors believe that income disparities can be reduced if linkages with tourism are better established, and suggest this as a future area of research.

The authors’ findings offer important lessons in the design of CBT. The research suggests that future CBT programs should include capacity-building activities and awareness raising to promote better understanding of the nature of the ecotourism industry in the community. Building capacities in home-stay management, the development of cultural products, production and marketing of handicrafts, English language training, and CBT management can help households derive larger benefits from tourism.

Tourism is not just a key development instrument in the GMS. It also promotes peace and stability, and human connectivity. These are not insignificant considerations in a subregion that has emerged from a long period of conflict, but is now very much on the path to integrating as a community. We hope that these articles will help in promoting a better understanding of the subject, and are grateful to the authors and to Chiang Mai University for helping us encourage debate on a major socioeconomic stimulant in the GMS.

Arjun Thapan
Editor-in-Chief

Tourism: Blessings for All?

Mingsarn Kaosa-ard¹

Abstract

Tourism is particularly important in developing countries, such as the Mekong countries, usually forming a more significant component of gross domestic product (GDP) than in developed countries. However, it relies to a large extent on natural resources and cultural capital that are in the public domain. The returns from tourism in the Mekong countries exhibit varying degrees of leakage from the host countries. Apart from Thailand, such leakage has been estimated variously at 3–40%. Domestically retained value added is high despite employment of foreign executives and equipment imports. The proportion of retained value added is shown to be 92% of total tourism revenue in Chiang Mai, Thailand, where the distribution of tourism income among the participating industries is also shown. Case studies in Thai villages show that while tourism offers opportunities in rural areas, it worsens the income distribution pattern in rural societies. However, Thai residents in general perceive the main benefit of tourism to be spreading the fame of Thailand—national pride rather than income—and almost all persons interviewed thought net impact would be positive. Nevertheless, while much tourism relies on social capital, profits from tourism do not seem to be returned to communities to enhance that social capital. Indeed, it is argued that tourism is involved with too much public capital—social, cultural, and environmental—to allow it to be regulated entirely by the market. While benefits accrue to a few people or groups, costs are borne by the general public and taxpayers who are not direct beneficiaries of the tourism industry.

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Introduction

Traveling and tourism have occurred for thousands of years, initially in the form of pilgrimages, exploration for new land, colonization, and trade. The tourism industry did not take off until the 18th century after the advent of mechanized transportation following the first industrial revolution. By the end of the 19th century, aristocrats and the elite who took a grand tour of continental Europe had created a demand for what has emerged as the tourism industry (Mastny 2001). However, statistics related to tourism became available only in the 1950s when the annual number of total travelers then recorded was around 25 million and the total tourism receipt was over US\$2 billion (Held, McGrew, Goldblatt, and Perraton 2000). Today, total international arrivals are about 700 million and the total tourism receipt is estimated at around US\$500 billion (WTO 2004). The World Tourism Organization proclaimed that the tourism industry is the world's largest and fastest-growing industry, with an average growth rate of about 7% over recent decades. Income from tourism spending grows 35% faster than the growth of tourism, creates about 200 million jobs worldwide, and accounts for about 10% of global GDP. For small developing economies, the proportion of tourism income in GDP (in 1999) was claimed to be unusually high, reaching 88% for the Maldives, 40% for Macao, and 21% for the Seychelles (Mastny 2001). Tourism has become a favorite economic sector of many governments, not only in developing countries, but also in developed countries, such as Japan, which launched a Visit Japan Year in 2003.

Today, tourism is a buzzword for a quick and easy development paradigm. The Declaration of Montelimar II of the Central American countries prioritized tourism as the paramount economic growth strategy and proclaimed that region as a single tourism destination (Stonich 1998). In the Greater Mekong Subregion, Cambodia, Lao People's Democratic Republic (PDR), and Thailand have all proclaimed tourism as a priority strategy. A tourism sector strategy to develop and promote the subregion as a single destination is being used by the governments concerned (Cambodia, People's Republic of China (PRC), Lao PDR, Myanmar, Thailand, and Viet Nam (ADB 2005b)).²

Yet, stories of horror and glory in tourism abound. The glory stories are often related to income and employment generation, the attraction of foreign exchange, the opportunities that tourism could provide for regional, rural, and community development, and the opportunity to use tourism as a means for education in history, culture, nature, and conservation. The horror stories tend to emphasize the unstable nature of tourism, its possible uneven impact on income distribution in favor of the better-off, and its negative impact on society, culture, and the environment.

² The PRC is included in the Greater Mekong Subregion because, geographically, parts of Yunnan Province and the Guangxi Zhuang Autonomous Region are in the watersheds of some of the major rivers in the subregion.

Tourism has a special feature that distinguishes it from other economic sectors or industries in that tourism products are composite products, i.e., the products are necessarily an aggregate of a wide range of goods and services. First, it relies heavily on natural capital, such as beaches and mountains that are in the public domain. Second, the efficiency of the industry is not determined only by the management of its operators but also depends heavily on the management of public infrastructure, such as transportation by air, land, and sea, and pollution control. Third, tourism thrives on cultural capital. Tourists tend to prefer destinations of exotic and unique cultures, especially those sites proclaimed by the United Nations Educational, Scientific and Cultural Organization (UNESCO) to be World Heritage. Last, tourism benefits from social capital. Tourists often seek to attend local festivals, witness collective activities, such as harvesting, or become guests of community-based ecotours. This paper aims to examine the way these different capital inputs are used to create tourism values and how the generated values are distributed among the stakeholders.

The paper first investigates the returns from tourism in some GMS countries and, as far as possible, establishes the way returns are being shared. Perceived benefits and costs of tourism are then discussed. Next, the manner in which tourism exploits and reaps the benefits from the use of physical, social, and cultural capital is explored. It is argued that tourism is involved with too much public capital to allow it to be regulated entirely by the market. However, this paper cannot claim to be comprehensive as there are few empirical studies related to tourism in the Mekong countries. Most of the studies are consultant and community reports for product development and marketing rather than critical evaluation of actual local tourism experience. This is partly because mass tourism is a new phenomenon in these countries.

Tourism Income and Foreign Exchange Earnings

The most obvious and tangible benefits of tourism include income, foreign exchange earnings, tax revenue, and the generation of employment. Tourism was among the top five leading sources of foreign exchange revenue of 69 developing countries (Benavides 2001). The combined tourism income of the least developed countries exceeded their second largest nonexport receipts by 39% in 1998.

Tourism is an important sector in Mekong countries: the proportion of tourism income as a proportion of export value and GDP for Mekong countries is given in Table 1. Indeed, measured in terms of proportion of GDP, the tourism sector is more important for some of the Mekong economies than for those countries that are world top tourism destinations, those that earn the highest revenue from tourism. Of the Mekong countries, Cambodia is the most dependent on tourism income, which is around 12% of its GDP.

Table 1: Size of Tourist Economies in 2004 (selected countries)

Destination	Tourist Arrivals 2004 (million)	Tourism Earnings 2004 (US\$ million)	Tourism Revenue as % of GDP 2004	Export Earning 2004 (US\$ billion)	Export as % of GDP 2004	Tourism as % of Export
World Top Destinations						
France	75.12	40,842	2.04	451.0	22.52	9.06
Spain	53.60	45,248	4.56	179.0	18.05	25.28
United States	46.08	74,481	0.64	819.0	7.02	9.09
China, People's Republic of	41.76	25,739	1.56	593.4	35.98	4.34
ASEAN Destinations						
Malaysia	15.70	8,198	6.96	126.5	107.40	6.48
Singapore	5.71	5,090	4.77	179.5	168.09	2.83
Indonesia	5.32	4,798	1.86	69.7	27.06	6.88
Philippines	2.29	2,012	2.33	39.6	45.82	5.08
Thailand	11.74	10,034	6.14	97.7	59.76	10.27
Viet Nam	2.93	2,170	4.80	26.2	58.02	8.27
Cambodia	1.06	532	11.57	2.5	53.40	21.67
Lao PDR	0.89	118	4.89	0.5	18.86	25.93
Myanmar ^b	0.22	99	1.08	2.40	26.32	4.12
Other Destinations						
Italy	37.07	35,656	2.13	346.1	20.69	10.30
Mexico	20.62	10,753	1.59	188.6	27.88	5.70
Hong Kong, China	21.80	9,007	5.53	265.7	162.96	3.39
Egypt	5.75 ^a	6,125	8.15	7.7	10.22	79.73
Japan	6.14	11,202	0.24	565.5	12.23	1.98
India	3.37	4,769	0.69	72.5	10.48	6.58

- Sources: 1) WTO World Tourism Barometer 3(3), October 2005. Available: http://www.world-tourism.org/facts/eng/pdf/barometer/barom0503_e.pdf (16 June 2006)
- 2) http://www.nesdb.go.th/econSocial/macro/NAD/1_qgdp/data1_06/menu.html (19 June 2006)
- 3) 2005 Statistical Report on Tourism in Laos, National Tourism Authority of Lao PDR (tourist arrivals and tourism earnings). Available: http://ddp-ext.worldbank.org/ext/ddpreports/ViewSharedReport?Report_ID... (23 June 2006)
- 4) World Development Report 2006: Equity and Development. Released September 2005. Available: http://wdsbeta.worldbank.org/external/default/WDSContentServer/IW3P/IB/2005/09/20_000112742_20050920110826/additional/841401968_2005082630000823.pdf (26 June 2006)
- 5) <http://www.adb.org> (16 June 2006).
- 6) Cambodia Tourism Development. Seminar on Mekong Tourism: Learning Across Borders II (1–3 June 2006).
- 7) Myanmar: Tourism Status Update. Seminar on Mekong Tourism : Learning Across Borders II (1–3 June, 2006).
- 8) Travel Industry to Change in Ways We Cannot Imagine. Seminar on Mekong Tourism: Learning Across Borders II (1–3 June 2006).
- 9) Viet Nam Tourism: Current Development and Strategies up 2010. Seminar on Mekong Tourism: Learning Across Borders II (1–3 June 2006).
- 10) *2005 Statistical Report on Tourism in Laos*. Lao National Tourism Administration Planning and Cooperation Department Statistics Unit.
- 11) Mekong River Commission.

Notes: ^a Tourist arrivals are 2003 statistics

^b 2002 statistics

One of the most acclaimed negative features of tourism is that much of the tourism income leaks out of host countries in the form of international airfares, royalties, and fees paid to foreign managers and foreign trade names; to tour operators, airlines, and hotels; and for imported food and drinks. There are three types of leakage related to inbound tourism. First, there is the pre-leakage that includes home countries' margin and airfare. Second, there is internal leakage, or the import content of inbound tourism. This indicator measures the proportion of leakage in tourism expenditure after the tourists have reached the destination. Third, invisible leakage occurs in the foreign exchange cost of resource depletion and deterioration. Financial leakage is likely to be high in countries where there is little manufacturing and service capacity.

Financial leakage in the developing world ranges between 40% in India and 80% in the Caribbean.³ This figure probably includes pre-leakage and internal leakage. The same study claimed that tourism leakage in Thailand is as high as 70%.

The internal leakage is best estimated by a tourism satellite account.⁴ The average internal leakage for developing countries is 40–50% (Benavides 2001) and 10–20% in the most advanced and diversified developing countries. A tourism satellite account prepared by the National Economic and Social Development Board of Thailand in collaboration with the Tourism Authority of Thailand (TAT) completed in 2004 reported that the import content of Thailand's tourism sector in 2003 was about 22% of tourism income. The most recent estimate of ADB (2005a) shows foreign exchange leakage of 3–4% for Thailand, 25% for Yunnan Province of the PRC, 35% for Viet Nam, and 40% for the three poorest Mekong countries. The different estimates for Thailand lie in the different definitions of tourism income and leakages.

The present author's study of the hotel industry in Thailand provided additional information on internal leakage through interviews with entrepreneurs. Fifty years ago, when the hotel industry began, almost everything in a hotel needed to be imported, including chairs in the restaurants. Today, imports by hotels are limited to exotic food, beverages, and limousines (Mingsarn, Nukul, and Akarapong 2004). It was estimated for the author that the proportion of foreign food and beverages in four and five star hotels would not exceed 15% of total sales or about baht (B)1,500 million (about US\$37.5 million⁵). Royalties and fees for brand names and management of the top 42 hotels in Thailand totaled only B932 million (US\$23.3 million) in 2002.

Salary payments for foreigners in the hotel industry in 2002 totaled B2,000 million (US\$50 million). When foreign salaries, profit depreciation, and food and beverage expenditure are added and compared with the lower estimate of hotel income of the Thai Department of Revenue of B44 billion (US\$1.1 billion), the leakage for the hotel industry was approximately 8.6%.

³ (Sustainable Living cited in http://www.uncpie.org/pc/tourism/sust_tourism/home.htm).

⁴ A tourism satellite account provides information about the economic contribution of tourism to gross domestic product and employment.

⁵ An approximate exchange rate of US\$1.0 = B40 is used throughout.

The much bigger foreign leakage is in outbound tourism. In 2002, international tourism expenditure of Thai residents amounted to US\$3.3 billion (World Tourism Organization 2004). This is about 42% of foreign exchange earnings, leaving a net earning of US\$4.6 billion. Outbound tourism is increasing rapidly in the PRC also. In 2002, the PRC earned US\$20 billion but also spent US\$15.4 billion on tourism. The net foreign exchange earning for the PRC that year was only US\$4.6 billion.

Tourism and Domestically Retained Value Added

Total income or total revenue created by an industry does not accurately measure the real contribution or the total value of the industry. In fact, this measure tends to overestimate the real contribution because income includes components of value generated by other enterprises. For the tourism sector, a much better measurement of its economic significance is its contribution in value-added terms because a substantial part of tourism income includes internal transactions within the sector, i.e., tour operators buying accommodation services from hotels and vice versa. Therefore, adding up the aggregate tourism income tends toward double counting. A measurement that excludes double counting is value-added GDP, a widely used measurement of a country's economic size or strength, based on value added.

Several countries are attempting to give a proper account of the contribution of the tourism sector by establishing a tourism satellite account. Unfortunately, for the Mekong countries only information on Thailand is available. On the basis of tourism income, the share of international tourism revenue in GDP is around 6% but on the basis of value added the share drops to less than 5%.

Yet not all of the value added created by the tourism industry remains in the countries. The tourism sector may employ many foreigners as executives, entertainers, chefs, etc. Many enterprises may also be foreign owned and profits may have to be remitted abroad. Machinery, transport equipment, and fittings may have to be imported. Therefore, the domestically retained value added of tourism could be low. In this connection, a study conducted on nine subtourism industries in Chiang Mai (excluding the airline industry) revealed that the domestically retained value added (DRVA) of the Chiang Mai tourism industry is very high. Most sectors showed the proportion of DRVA above 90%, with a few industries at 99% (Table 2). Box 1 gives more detail on the economic impact of Chiang Mai tourism.

Box 1: Economic Impact of Tourism in Chiang Mai

Chiang Mai is one of the most famous cities for tourism in Thailand. It is known for its friendly and serene people and cultural events, such as the Songkran festival, the Thai New Year. Each year the city hosts about 3 million tourists, of which half are international tourists. The city ranked third after Bangkok and Phuket in terms of visitation.

Chiang Mai is the only province where the economic significance of the tourism subsector has been estimated, including hotels, guesthouses and resorts, restaurants and food catering, golf, spas, tour agencies, tourist buses, car and motor cycle rental, and fuel stations. It was found that in 2002, the tourism sector in Chiang Mai generated a total revenue of B38 billion (almost US\$1 billion). When the double counting is netted out, the value added of the tourism sector was estimated at B12 billion (US\$0.3 billion), which accounted for about 14 % of the gross provincial product. The industry accommodated over 8,000 enterprises and directly employed over 52,000 workers.

Source: Mingsarn et al. 2004

Table 2: Domestically Retained Value Added of Chiang Mai Tourism

Subtourism Industries	Value Added (B, million)	% of Retained Value Added
Hotel and Resort (excluding restaurant in hotel)	3,641	93.14
Guesthouse (excluding food and beverage service)	405	97.00
Restaurant, Food and Beverage Shop		
Restaurant and food catering	3,621	90.57
Bar, night club, and liquor-served shop	556	98.36
Overland Travel		
Inter-province public transportation	10	99.40
Local public transportation	196	89.87
Hired shuttle vehicles	71	66.33
Transportation Supporting Service		
Gasoline station	661	76.85
Rental Service		
Car rental without provided driver	71	57.47
Motorbike rental without provided rider	7	88.81
Tour/Guide Service	1,615	98.86
Entertainment, Sport, and Recreational Services		
Spa	41	91.34
Golf	110	96.08
Total	11,005	91.64

Source: Mingsarn et al. 2004.

Note: Some subtourism industries are not included due to data shortage or because they are made up of mostly self-employed persons. Income per labor employed in some subtourism industries was not included if employment took place outside Chiang Mai Province.

Tourism and Intra-industry Distribution of Economic Gain

As mentioned earlier, the real contribution or the economic gain of having an industry is the value added. The way in which this value added in the tourism industry is divided among stakeholders is shown in Table 3. The table presents the returns to labor, capital, and government in the tourism industry in Chiang Mai in 2002. The data were obtained from profit and loss statements of over 450 enterprises in Chiang Mai and from about 500 interviews with owners, managers, and workers.

In the promotion of tourism, income of the host government from taxation is often overlooked as an important economic gain to the country. The figures of government

Table 3: Distribution of Economic Gain in Chiang Mai Tourism Industries, 2002

Industry	Labor (%)	Capital (%)	Government (%)	Value Added (%)
Hotel and Resort	48.60	40.06	11.34	100.00
Guesthouse	45.39	52.25	2.36	100.00
Hotel and Resort (excluding restaurant in hotel)	54.54	34.92	10.54	100.00
Guesthouse (excluding food and beverage service)	48.28	49.59	2.12	100.00
Restaurant, Food and Beverage Shop				
Restaurant and food catering	67.76	26.23	6.02	100.00
Bar, night club, and liquor beverage shop	86.19	13.59	0.22	100.00
Overland Travel				
Inter-province public transportation	89.77	9.93	0.30	100.00
Local public transportation	8.79	91.17	0.04	100.00
Hired shuttle vehicles	14.81	84.90	0.29	100.00
Transportation Supporting Service				
Gas station	28.94	69.14	1.92	100.00
Rental service				
Car rental without provided driver	1.86	96.99	1.16	100.00
Motorbike rental without provided rider	20.15	79.84	0.01	100.00
Tour Guide Service	39.00	56.77	4.24	100.00
Entertainment, Sport, and Recreational Services				
Spa	41.73	57.71	0.56	100.00
Golf	71.99	27.09	0.92	100.00
Total	54.67	39.07	6.26	100.00

Sources: (1) Interview/survey conducted by the Social Research Institute, Chiang Mai University
 (2) Profit and Loss Statement 2002
 (3) The report on Hotel Industry in Thailand as stated in Chapter 1

revenue in Table 3 include mainly indirect tax. From this it is evident that the Government obtained its largest share in the hotel industry, more than other industries, where the tax share was relatively small.

It should be noted that in 2002, the hotel industry income, based on a TAT estimate, was 8.68 times larger than income reported to the Revenue Department. For the whole country, the income reported to the Revenue Department was less than 25% of the income estimated from TAT statistics. This type of discrepancy is not unique to Thailand and could be due to a) underreporting income by private entrepreneurs, b) overreporting the number of local tourists (because unlike foreign tourists whose total numbers can be conveniently collected by the Immigration Department, the number of local tourists has to be estimated by means of a sampling method), and c) a combination of a) and b). The incentive for overreporting the number of tourists is that larger numbers attract more public funding as well as community support.

The share that went to labor was the least and the share that went to capital was the greatest in the car rental industry because it is the most capital intensive. It should be noted that the returns included in this table excluded tipping, which is a fairly high proportion of income in the hotel and entertainment industry. The night entertainment industry shows the highest share accrued to labor. This is because the number of drinks that can be sold depends on the ability of the girls to sell them. Returns to labor for night entertainment girls are often high but the number of good years for the girls is very short (Box 2).

In the golf industry, the largest share of employment goes to caddies. Chiang Mai has six golf courses and about 600 caddies are employed. It is quite common in the industry that wealthy tourists (mostly from Japan and Republic of Korea) hire four caddies: one for the golf bag, one for a stool for sitting, one to carry drinks, and one to carry a large umbrella. Caddies are invariably female. For these women, their age and golf carts are their biggest employment threats (Box 3).

The share that goes to capital includes profits, interest, and depreciation. In Thailand, because hotels form a prestigious industry, many top hotels are family owned and some have even ventured to be international chains. The hotel industry in Mekong countries other than Thailand is still in the initial phase and relies on international chains to offer high-standard luxury hotels and foreign airlines for domestic transportation. It can be expected that the share going to local people in these countries would be much lower than in Thailand.

Perceived Benefits and Costs of Tourism

Tourism can also create nonfinancial benefits, such as pride, informal education, and exchange of experience. Community-based tourism is a means for local communities to develop networks and connections with the outside world.

Box 2: Ladies of the Night: Where Have All the Old Girls Gone?

Most ladies of the night in Chiang Mai leave their home villages in their early teens. Some are from the high mountains in the north. Some walk for days to cross the borders into Thailand. They have come because of the city lights and for the income that they hope to send back to their parents. A network of agents delivers these girls into different trades according to their physical looks and readiness.

Those too young will be given hormones to hasten their maturity and are first kept as domestic helpers, as dish washers or kitchen hands in local restaurants. The first night jobs are usually in restaurants that have a karaoke machine. After the young girls are accustomed to service jobs, they will be offered a job in a traditional massage parlor. At this stage, their income will increase sharply to B12,000–18,000 (US\$300–450) per month. The service fee the parlors obtain is B300 (US\$7.5) for 2 hours. The girls receive one third of this. A new girl usually commands great interest from customers and her services could be bought four to five times a day. She also earns extra income from tipping.

After some time, when the girls are no longer new, income from massage without sexual services will start to decline. Agents then approach the girls to transfer to a nontraditional massage parlor. They will be working in the sex trade, which will earn them B5,000–30,000 (US\$125–750) for the first time and then B1,500–3,000 (US\$37.5–75.0) per customer. At this stage they are called “sideline” girls. Tipping could also be as high as B500 (US\$12.5). Good-looking girls can earn more than B100,000 (US\$2,500) per month. These incomes are virtual incomes, to be known, seen, but not to be used, and are kept by the agents. The girls are allowed to take part of the income home or spend it on necessities. The rule of the game is the girls keep the jobs and the agents keep most of the money.

The peak period is unfortunately too short. About two months after their debut into the sex trade, the girls will be transferred to other massage parlors and therefore may be disguised as new girls there. This process is called “dyeing the cat.”

The next 2–3 year period is the most important turning point for the girls. Few dyed cats are lucky enough to find a husband and a home. The others face a period of declining income. Older girls receive only a third of the B900 (US\$22.5) paid to the parlors. Total monthly income is sharply reduced to B9,000 (US\$225) and usually drops still further, B3,000–5,000 (US\$75–125).

Not long after, the older girls disappear one by one, following a path to perdition. Today HIV/AIDS is the greatest and most prevalent risk for the ladies of the night. Yet young girls, one after another, are lured to replace the older girls. It is amazing that such a business that uses human lives as input is allowed to prosper. Some of the operators even hope to join parliament!

Source: Interviews by Komsun Suriya and Mingsarn Kaosa-ard.

Box 3: Caddies: Women in the Sun

Women in Southeast Asia as a rule do not like the sun because they value fair complexions. But not woman caddies! For this group of women, sunny days are moneymaking days.

Contrary to expectation, most of the caddies in Chiang Mai are middle aged. Some are almost 60 years old. Young girls that have tried to be caddies usually cannot last long because it is a difficult job. Although caddies constitute about half of a golf course's work force, they do not have regular salaries. They are paid B150 (US\$3.75) for 18 holes. Tipping is about B100 (US\$2.50) per 9 holes. In sunny months, caddies earn about B9,000–10,000 (US\$225–250) per month. On rainy days when there are fewer golfers than caddies, they work on rotation. During rainy months, caddies are often sick but they have to come to work because life must go on.

Caddies call their customers "boss." A caddy's daily destiny depends on the boss. If the boss wins the match, his caddies might receive good tips. If the boss loses the match, caddies are a convenient vent for anger.

For these women, life is not easy, come rain or sunshine.

Source: Komsan Suriya and Kusumal Warongsurat 2004.

For political decisions, perceived costs and benefits are more useful information than actual costs and benefits. However, for good governance, information on actual costs and benefits is necessary. If the perceived and actual benefits and costs are very different, it is important that the correct information be given to the public. However, for qualitative benefits, such as social and cultural impacts, perceived benefits and costs are very close to if not the same as actual benefits and costs. Unfortunately, there are very few studies on actual and perceived benefits and costs in Mekong countries.

In Thailand, in an attempt to evaluate the perceived benefits and costs of tourism before a new national tourism plan was designed, 3,319 Thai people were interviewed (Mingsarn et al. 2001). The majority (more than 80%) revealed that after the benefits and costs had been considered (Tables 4 and 5), they believed that tourism was beneficial and that the Government should continue with tourism promotion. What was amazing about this finding was that pride, not income, was the most frequently cited benefit. When asked what would be the main benefit of promoting tourism, about 98% of the respondents answered that the benefit was to spread the fame of Thailand so that Thailand could be known worldwide. Nearly all the respondents felt proud about promoting Thai culture and identity to foreigners. Foreign exchange income came third as a perceived benefit. This is in stark contrast to the view of politicians and government officials who invariably cite income as the main benefit of tourism. Beneficial effects of income, employment generation, and distribution to remote areas and poorer segments of the communities were the three items that received the lowest ranks.

When the respondents were asked to consider the cost of tourism, the distribution of tourism income in favor of the rich was thought by 77% of the respondents to have

Table 4: Perceived Benefits of Tourism
(% of answers; N= 3,319)

Benefit of Tourism	Impact			
	High	Medium	Low	No Impact
1. International reputation	77.3	21.2	1.4	0.1
2. Increased national pride	71.4	24.9	3.1	0.6
3. Increased foreign exchange	57.1	39.7	2.5	0.6
4. Improved tourism sites	50.4	41.7	7.1	0.8
5. Diversified pattern of tourism	47.5	41.6	9.5	1.3
6. Distribution of income to outer provinces	38.8	47.7	12.3	1.1
7. Increased income and employment	32.5	52.6	12.6	2.3
8. Redistribution of income to lower income groups	18.9	47.0	28.7	5.4

Source: Mingsarn et al. 2001.

Table 5: Perceived Costs of Tourism
(% of answers; N= 3,319)

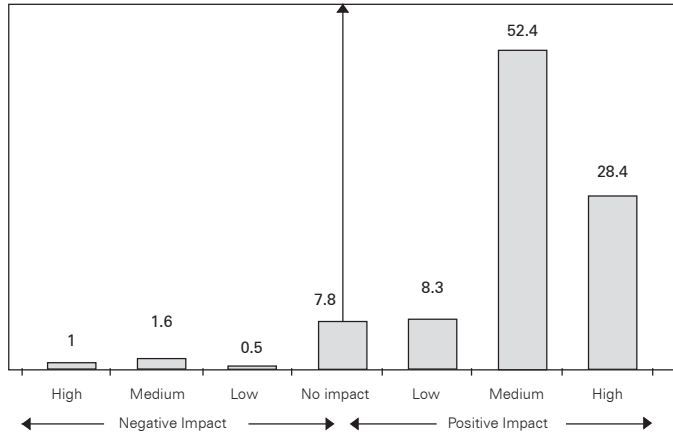
Costs of Tourism	Impact			
	High	Medium	Low	No Impact
1. Redistribution of income to richer groups	33.3	44.5	15.5	6.7
2. Creating a money-oriented value system	29.9	35.3	23.6	11.2
3. Lack of readiness to absorb tourism	29.0	37.6	24.7	8.7
4. Promote prostitution	25.8	32.2	26.9	15.2
5. Induce drug problems	23.6	30.8	31.4	14.2
6. Induce international crimes	20.7	35.6	33.9	9.7
7. Destroy natural resources and the environment	17.2	40.2	30.5	12.2
8. Compete for public utilities and infrastructure	17.2	28.8	29.8	24.2
9. Redundant use of advertising expenses	10.3	37.8	33.7	18.2
10. Destroy local culture	6.5	26.3	39.7	27.4

Source: Mingsarn et al. 2001.

the most significant impact. Tourism was also thought by a significant proportion of respondents to create a money-oriented value system. Slightly more than half of the respondents felt that tourism had significant impact on the sex trade and cross-border crimes and were concerned about environmental degradation and competition for resources. Surprisingly, only one quarter of the respondents felt that tourism had a moderately negative impact on local culture and only 6% of respondents believed that the impact on culture was severe. It should be noted that as the costs of tourism tend to be intangible, the incremental, additive, and probably unevenly distributed, perceived costs of tourism could be underestimated by society at large.

The respondents were asked to weigh both benefits and costs and evaluate the net outcome. The answers were overwhelmingly positive (Figure 1). About 28% thought the impact could be highly positive, 52% thought the net impact would be moderately positive, and only 2% thought that the net impact was negative.

Figure 1: Perceived Net Benefits of tourism in Thailand (% of Sample; N=3,319)



Tourism and Poverty Alleviation

Tourism is believed to play a significant role in redressing poverty for several reasons. First, growth is thought to help poverty reduction through the trickle-down effect. A study covering 83 countries between 1987 and 1998 revealed that poverty reduction was impressive in countries with high growth rates (Chen and Ravallion 2000 cited in Mingsarn 2003). Tourism is a sector where growth rates have been impressive in many poor countries and the expanding sector tends to offer more jobs and income than other sectors, both directly and indirectly. Second, some types of tourism provide opportunities for the poor to provide services in their own homes and communities. Backpackers, for example, are willing to eat street-side food and use low-cost accommodation. Third, tourism can be developed in areas unfit for high-yielding agriculture and other alternatives. It can employ labor-intensive technology and investments and can employ many female workers.

A Thai study based on a macro model for the country suggests that tourism expansion is not pro-poor (Anan 2006). At the provincial level, experience in the Mekong countries seems to suggest that tourism has not yet made substantial positive contribution to poverty reduction. Siem Reap, the province that received the highest income from tourism, was ranked second poorest province in Cambodia (UNDP 2004 cited in Yin Suriya 2006). Empirical studies at a community level are not conclusive, although they tend to suggest that tourism reduces poverty in the sense that extra income can be earned, but the amount

is small. A case study in Kirirom National Park in Cambodia (Men Prachvuthy 2006) indicates that tourism income is very small compared with the income from charcoal that tourism was introduced to replace. A village study by Yin Suriya (2006) and a study in Norkor Kroav, a village 10 kilometers from the Angkor Wat complex, indicate that tourism is a significant source of employment (Ang Sokun 2006) and from which a significant proportion of the poor earned more than US\$3 a day. This is impressive considering that 34% of the population of Cambodia still earned less than US\$1 a day in 2000 (Mingsarn 2003). Two village case studies in Lao PDR also revealed that tourism was a significant source of cash income (Thavipheth 2006).

In Yunnan, a home-stay service introduced to replace sand excavation creates less income than these environmentally degrading industries but helps to improve the general environment. (Huang Juan 2006). Empirical studies at the community level suggest that the extent of income depends on the size of demand and villagers' access to tourism resources.

It may be concluded that tourism income is a significant source of income for those participating in tourism but the scale of benefits depends on strength of demand and access to tourism resources.

Income Distribution from Tourism

As mentioned earlier, most of the (Thai) respondents interviewed felt that tourism and tourism promotion would make the rich become richer. If this is true, the income distribution pattern would worsen. The Social Research Institute has started to investigate this situation by looking at income distribution at the village level.

Three case studies of villages that operate community tourism have begun. The first case study includes two Hmong villages of similar size and situated close to one another in Chiang Mai Province (Akarapong et al. 2006). One village operates a small museum and a guesthouse. The other village is not involved in the tourism business. Both villages are engaged in agriculture as the main occupation. The methodologies used to measure income distribution were the Gini Coefficient and Shorrocks Index and both methods suggested the same result: considered separately, tourism income distribution is more uneven than agricultural income. Without tourism, the distribution of income of the village that operates the museum is better than that in the other village. However, when tourism income is included in the total income, the pattern of income distribution of the village that has tourism is seen to be worse. The reason is that the majority of earnings from tourism come from selling handicrafts. Those who have more capital can invest more in the products, including buying ready-made products from the market to be sold to tourists.

The second case study was a Thai village that was awarded "best community-based tourism" by the Ministry of Tourism and Sport. The village earns a fairly large

income from tourism. The study confirmed again that tourism income tended to be more unevenly distributed than agricultural income but more even than income from other nonfarm activities.

The third case study was a traditional Thai village in Samut Songkhram Province in Central Thailand. The village is probably the most successful and the most well known example of community-based tourism measured in terms of visitation and total income. In 2003, the village grossed more than B1.6 million (US\$40,000) from tourism. In this case study, only those involved in tourism were investigated. The result confirmed that tourism income was very uneven. When the group was divided into five income classes, it became evident that the highest income class (i.e., top 20%) obtained about three quarters of the income earned.

It can be concluded from the case studies that tourism offers income opportunities to rural areas and can distribute income from town to rural villages, but within the villages, tourism will worsen the income distribution pattern of their agrarian societies. The reason is that tourism, like other business activities, requires investments for production of handicrafts, renovating the houses for tourist accommodation, and buying equipment, such as beds, bedding, and boats. Poorer members of the village can only engage in guiding, which means merely earning a slightly better daily wage.

Tourism and Social Capital

Social capital is defined here in a narrow sense to relate to social organizations, such as norms and networks that allow collective actions to create values. The values created need not be financial but could be security, peace, and happiness. Social capital is intangible but could be reflected by rite and ritual as well as by tangible outputs, such as communal irrigation systems (including management). A skyrocket festival is a reflection of social capital because one person cannot successfully launch a festival. Temples in Cambodia, Lao PDR, and Thailand are outputs of social capital but a temple itself is social infrastructure.

Social capital in a wider sense often includes shared knowledge and ancestral wisdom, but these can be termed cultural capital. The concept of social capital is here limited to collective action, whereas cultural capital can be used individually and no collective action is necessary. An Akha embroidery design is a manifestation of cultural capital. Anyone who has access to an Akha embroidery design can exploit it to suit his or her own purpose. In a way, science and technology today may, hundreds of years from now, be considered as cultural capital.

The argument against tourism as far as social capital is concerned is that tourism exploits freely and profits from the output of social capital but seems to reciprocate poorly. For example, in Chiang Mai, a Flower Festival is held in February each year. This

festival is not culture related but was invented as a Flowers and Decorative Plants Contest. A parade of over 20 vehicles exuberantly decorated with flowers is the center of attraction of the festival. The sponsors of decorated vehicles are district administration and business organizations. Apart from the decorated vehicles, students, farmers, and youth groups volunteer to take part in the parade. The event has turned out to be a great success for tourism. All hotels, guesthouses, and even temples that accommodate people are overbooked at this time each year. A study in 1992 revealed that Chiang Mai obtained 40% increase in income from the event (Phiangchan 1992). According to the study, the hotel association sponsored only one vehicle. An investigation into the economic gain from the event found that big businesses, such as hotels and transport companies, are the major beneficiaries of the event, reaping about 40% of the income. The hotel sector, in particular, earned B75 (nearly US\$2) from every B1 (about US\$0.03) it invested in the sponsored vehicle. When the result of the report was shown to stakeholders to request more cooperation from major beneficiaries in the following year, there was no response.

Community tourism is another area where successful tourism depends on strong social capital. Community tourism cannot be organized without recruiting village members for such functions as catering, transporting, guiding, and arranging accommodation. Social conflicts could arise if resources normally kept for collective and communal uses are converted into use for tourism that benefits only a few. For example, temple compounds, which are used as playgrounds by village children, are converted into parking space. In Thailand, it is true that village leaders are the key to the initial success of community-based tourism, but the sustainability of the undertaking depends on the level of participation and reciprocated returns to village members. It has been observed that members of the groups that engage in community tourism tend to be kin or close friends of the village leader (Akarapong et al. 2006).

Because tourism relies on social capital, it is important that some profits from tourism are at least partially used to enhance social capital. In the studies that we have done, it does not seem that this is the case. Most of the communities that engage in tourism have made little profit and a few are still paying back debts. Some villages use some of the proceeds to take care of the environment, to manage garbage, and to maintain local roads, but there is not enough surplus to pay for nonphysical capital used.

Yet, the advent of tourism may be enough to stimulate social capital. A case study of the development of Dai Park in Namenghan of Xishuangbanna in Yunnan Province, PRC, suggests that tourism stimulates the Dai to greater respect of their own culture and allows them to reconstruct their identity in a multicultural environment (Luo and Ma 2004).

Tourism, Culture, and Cultural Capital

Most of the studies on tourism and culture tend to concentrate on change in the traditional values and norms to create an obsession with consumerism following contacts with tourism (Pleumarom 2004a, 2004b). A study in a H'mong village in Sapa, Viet Nam, suggests that women's participation in the tourism sector has increased their income and correspondingly the equality between men and women (Huu 2004). Important decisions are made by both men and women because women have become cash earners. At the same time, tourism jobs have taken mothers' time from their children. Other studies tend to indicate both positive and negative social and cultural impacts.

Culture is undoubtedly one of the main attractions of tourism. In fact, most countries put their culture up for sale. Malaysia, for example, exploits the fact that it is a multiracial society to advertize itself as "truly Asia."

Two major arguments are put forward against tourism. First, tourism introduces unbecoming and alien behavior and consumption patterns. Young women or even children may be lured by the promise of consumer goods and drugs into sex tourism. Full-moon nude and sex parties on beaches create concern and confusion about the norm of relationships between men and women. As for consumerism, in the age of information technology and under the currents of globalization, it is difficult to separate the cultural impact of tourism from the impact of trade and media or even western education. Mass media, especially television, and a borderless and almost real-time communication device, such as the Internet, may be much more powerful than tourism. As for the full-moon sex parties, the blame should fall on the local government and local communities rather than tourism.

The second argument is that commercial use of culture by tourism may lead to modification and distortion or lead to uses that show disrespect. Local cultural capital could be misused and the returns pocketed at the expense of the original owners, not only economically but also spiritually. The protest in 2004 of the Sangka Council and civil society groups in Chiang Mai against the use of temple architecture and Buddhist art in five-star hotels in Northern Thailand exemplifies this argument. Revered objects that are used in important worship activities and events have been used to decorate hotel premises or are used as decoration unbecoming to their status of reverence. Temple architecture, which traditionally is not to be used for residences, can now be seen as part of a lobby. Flags used to worship Buddha are used to decorate food stalls. In one case, a hotel has created a magnificent cultural complex that includes an exact replica of a few small but most gracious temples from rural areas. This act is said to exterminate the uniqueness of the original temples and has destroyed the eligibility of the original complexes to be considered as World Heritage sites by UNESCO. The villagers from the original temples were upset to find that even the settings, the trees in the background, and the defects of the temples, are the same. The groups

also feared that placing of the temples in areas that may be used for social functions while certain worldly activities, such as alcohol consumption and dancing, would be performed in front of the Buddha images. In addition, the group was concerned that the all-inclusive city resort could deprive the local original sites of their own tourism opportunities; tourists could visit the hotel and then return home having seen the temples, leaving no economic gain for the local communities (Rungthip and Sukit 2004).

Some people may find it difficult to understand why the villagers were upset to find an exact replica made of their temples. Should they not feel proud that heritage has been recognized? Those inclined to this view might consider as an analogy a beloved daughter or girl friend being cloned and the clone version working in a bar or as a go-go dancer.

As mentioned earlier, cultural capital is a communal asset that is in the public domain. However, its use is governed by social norms. In the past, social norms have controlled the use of Buddhist art and architecture and prevented the domestic market using them in local residences. Traditionally, Thai people believe that using objects that belong in the temples or their replicas is inauspicious. International tourists are not governed by local norms and have found temple architecture attractive. Thus, a new market has opened for temple architecture and art for commercial use. Dr. Akin, a leading Thai anthropologist concluded, after completing a study on the impact of tourism on the Bang-Fai festival, that

...culture will continually change as the society and the beliefs of the people change. Tourism may be just one factor contributing to change. Tourism in itself neither harms or helps the culture: it is how we deal with it that matters. If we are willing to do everything to our culture - modifying it, changing it, making it falsely more spectacular in order to attract tourists - then we would damage our culture. We would be prostituting ourselves and selling culture for money from tourists pockets.
(Akin 1992)

Environmental Capital

Natural resources and environment are major raw materials and are more utilized than culture by the tourism industry. Two thirds of tourists seek a sun, sand, and sea vacation. Tourists going for a nature holiday also have a longer duration of stay than tourists on a sightseeing holiday.

On the supply side, nature tourism could be used as a means for regional or rural development. Skiing and sun, sand, and sea tourism are considered to have promoted the outer regions of both developed and developing countries (Pearce 1995; Weaver and Fennell 1997 cited in Ennew 2003).

Overextraction of natural resources to service uncontrolled tourism may lead to sustainability problems. For example, overdrawing water is a common problem among island tourism economies. Overextraction of water in the Bay Islands of Honduras, where the amount of freshwater is meager, affects the water table and allows the intrusion of seawater. This has led to a saline water supply system to local communities that have since had to convert to bottled water for drinking (Stonich 1998). Contaminated wells and springs further impose health risks and increase treatment costs for the poorer segments of the communities. In Thailand, the solution to scarcity of water is the key to the sustainability of tourism in Phuket, the most well known sun, sand, and sea attraction in Thailand (Mingsarn et al. 1997).

While the tourism industry creates substantial goods and services, it can also generate substantial wastes and associated problems that degrade the environment and cause the demise of the industry itself. Environmental concerns usually arise too late and only after the costs measured in terms of lost revenue and tourists have been discerned. In addition, the costs of mitigation and abatement become very high and are distributed unfairly to all taxpayers in the economy. In developing countries, where environmental governance is relatively weak, the environment is often used as a sink, with wastes being discharged into the environment to reduce individual costs. Disposal of sewerage into marine waters and freshwater not only destroys tourism but also incurs health risks to both tourists and local residents.

Pattaya, one of Thailand's most famous beach areas, is the most notorious example of the way environmental negligence incurred exorbitant prices, not only to society but also to the tourism industry. After Pattaya reached an income peak of B17 billion (US\$0.425 billion) in 1990, its revenue started declining along with its environmental quality (Supachit 1992). The decline in revenue came from the loss of high-income tourists. It took more than a decade before the Pattaya beach environment gradually improved, but its reputation has already been tarnished and Pattaya can no longer claim back its high-income tourists.

Thailand's tourism has not learned from this mistake and many new beaches are repeating Pattaya's experience. According to a recent survey by the Pollution Control Department of 14 world-renowned beaches in Thailand, including those in Phuket, Samui, and Phi Phi, none could attain a five-star status (Nantiya 2004). The criteria for awarding stars to these beaches include the amount of coliform bacteria, the amount of solid waste on the beach and in nearby communities, the quality of sand and sand dunes, coastal erosion, and coastal land-use problems caused by construction work.

In order to tap the high-end market, ocean cruises are often welcome without the recognition that most of the consumption by tourists is done on board and only a little expenditure for daily tours and fresh food is made on land. Tourists on board luxury cruises generally generate about 3.5 kilograms (kg) of waste compared to the targeted national goal of 1 kg per person for urban dwellers in Thailand. These floating hotels

generally leave an enormous amount of waste to be treated by host countries. The infamous case of the Royal Caribbean Cruise, which was fined US\$18 million on 21 counts of disposing of pollutants into US waters, is an example. Ocean cruises are not yet popular in the Mekong countries because of the lack of facilities for luxury docking.

In Thailand, solid waste has become a major problem in many national parks. Some parks, such as Phu Kradoeng, have initiated charges (based on degradability) for wastes. In the Peruvian Andes and Nepal, trekking trails have been dubbed Coca Cola trails and toilet paper trails. ([http:// www.minumemmati.net/eng/ publi/tourism-leakages.htm](http://www.minumemmati.net/eng/publi/tourism-leakages.htm))

The destruction of natural capital could also lead to social conflict. In the village of Plai Phong Phang in Central Thailand where viewing fireflies is one of the main attractions, the disturbance from the noise of the tourist boats irritated local residents, and the frequent journeys have eroded the river banks, so some of the residents decided to cut down the trees that support the fireflies (Kanang 2004; Akarapong et al. 2006).

Tourism can destroy or change the habitat of wildlife. In Khao Yai National Park, Thailand, it is believed that roads constructed in national parks have obstructed the natural pathways of elephants. The change of route made by the elephants to avoid traffic to a more dangerous path has resulted in accidents to young elephants.

Tourism's contribution to nature and environment is much harder to observe. In order to sustain tourism income, cities and the industry should heighten their interest in the conservation of natural resources. Income from tourism can be used to finance protection and conservation. One tour operator initiated and contributed around US\$45,000 annually to the Orangutan Foundation from five groups of visitors to Kalimantan. Gorilla tracking permits in Uganda also help finance local development. Tourism helps increase the awareness of the value of the environment and can be an effective means of youth education.

Conclusion

This paper shows that tourism is increasingly important for Mekong country economies, not only in terms of income, foreign exchange, and employment, but also in terms of the increasing flow of people. The importance of tourism is likely to be accentuated when control on Chinese outbound tourists is gradually relaxed, when the PRC will become the world's largest tourist exporting country. Owing to its proximity to the PRC, Mekong countries would become one of the major destinations of Chinese tourists. In particular, Yunnan Province, PRC, could become an important gateway, especially for tourists and migrants.

On the supply side, tourism today penetrates deeply into grassroot societies. Community-based tourism has become trendy and many villages are seeking tourism opportunities. Trekking tours take tourists to see "authentic" village life. The eagerness

for authenticity sometimes leads tourists to interfere in the everyday life of people who have no stake in the tourism industry,

The Mekong economies have strong competitive advantage in tourism, especially among Asian travelers. Considering that the large proportion of tourism in the countries is intraregional, tourism is an increasingly important venue for exchange of ideas, including a means for informal education among Mekong countries. Exchange of people through tourism in the future could potentially be a tool for peace as well as conflict.

Unfortunately, not enough research on the impact of tourism exists in these countries. Many more empirical analyses are needed for governments wanting to readjust their policies on tourism. Thailand is the only country with relatively abundant tourism research. Based on the experience of Thailand, income to government is relatively low and much lower than what could be collected. When comparing the income share between groups in the communities where tourism has taken place, tourism income tends to be distributed in favor those with higher incomes. Moreover, the distribution of income within a group engaged in tourism activities tends to be more uneven than for the distribution from agricultural activities. The findings confirm the perception of many people that although tourism has potential for increasing income and employment, it tends to worsen income distribution patterns or it tends to favor the higher income groups in the economies. When the value-added share between foreign and local stakeholders is examined, it is evident in the case of Thailand that apart from transport and the related petroleum industry, the domestically retained share is relatively high.

Although tourism has positive income potential, it can also create substantial environmental and social costs that are difficult to measure. These unknown costs could undermine tourism's sustainability. However, properly managed tourism can help preserve local cultures.

I would argue that tourism exploits too much public and social capital to be left to the market to regulate its activities. The devastation of tourism in southern provinces of Thailand as a result of the tsunami on 26 December 2004 clearly indicated how social capital was required to save the tourists and tourism capital. Moreover, it has been shown that while benefits accrue to a few people or groups, costs are borne by the general public and taxpayers who are not direct beneficiaries of the tourism industry. In such tourism destinations as Spain, Portugal, and Greece, citizens, nongovernment organizations, local political parties, and others have proposed and protested for various forms of protection to national and local governments and the private industry to keep tourism under control and minimize its impact on ecosystems and communities (Kousis 2000). This paper has shown that not all tourism outcomes are blessings and tourism does not automatically guarantee blessings for all.

The tourism industry should not be allowed to be driven totally by demand and subordinate societies and ecosystems in order to attract tourists. At present, the governments of most Mekong countries are focused mainly on using tourism to make

money. It is important that civil societies and academics in the major tourism destinations gear themselves up with knowledge of tourism impacts and participate actively in the process of tourism planning and monitoring. Mekong countries can put their experiences together and learn from one another. For example, Thailand can learn from Cambodia regarding the experience of casinos and from Lao PDR about community-based tourism and natural capital management. The way in which these countries may gain from tourism depends upon the creation and exchange of knowledge and the level of public participation in tourism planning and monitoring.

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Tourism, Poverty, and Income Distribution: Chambok Community-based Ecotourism Development, Kirirom National Park, Kompong Speu Province, Cambodia

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Abstract

Tourism is an important source of revenue in Cambodia, but there is much economic leakage and inequitable distribution of profits. Community-based ecotourism is seen as a good model for community involvement and a way of safeguarding the environment. A case study is presented of ecotourism development by the Chambok community in an area of Kirirom National Park where tourism offers alternative sources of income to logging and firewood and charcoal trading that are now banned. This study investigated the distribution of community-based tourism income in the Chambok community. A socioeconomic survey of 127 households was conducted and the degree of inequality of household income distribution measured using the Gini Coefficient.

The study found that tourism income is much less than that from firewood and charcoal trading—US\$26 per year per household for tourism compared to US\$200–500 from firewood/charcoal trading. Only 5% of total household income is generated from tourism-related activities. The Gini Coefficient of 0.5 indicates that the distribution of income from tourism among the villagers is unequal, but less so than other activities in the nonagriculture sector. Recommendations to improve ecotourism in the area include further capacity building for tourism-related activities, a marketing strategy that includes cooperation with tour operators and travel agents, and further

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efforts to raise local awareness and promote understanding of community-based ecotourism among the villagers.

Introduction

Tourism is considered an important source of national income in Cambodia. It contributed about 12% of the country's total gross domestic product (GDP) in 2004 (Mingsarn 2006). The number of tourists increased dramatically from 177,000 in 1994 to 701,000 in 2003 (Beresford et al. 2004; Ministry of Tourism 2004). Tourism generates income by creating about 60,000 employment opportunities for the local people and through such activities as making handicrafts and providing services (Hach et al. 2001). The Government has adopted tourism as a strategy for poverty reduction (Padeco 2001). The national tourism development plan observed that domestic tourists played an important role in boosting income because of their tendency to patronize local products or services (ADB 2001; Padeco 2001).

A study conducted by the United Nations Development Programme revealed that in Cambodia there is much economic leakage in the sector. Tourism development in Siem Reap, for example, may have failed to develop local economy linkages (Beresford et al. 2004). Ecotourism should lead to a greater distribution of wealth and an increase in the standard of living due to the involvement of the local community. The UNDP study revealed that this is not necessarily the case. For instance, while Siem Reap is a major tourist destination, it is also one of the poorest provinces in the country (Beresford et al. 2004). The Ministry of Tourism has recently adopted a more conscious policy of promoting sustainable and equitable tourism as a means to national poverty reduction.

This study investigates the development impact of community-based ecotourism (or nature tourism) in the Chambok community to determine its effects on income distribution.

Community-based Tourism Concept

Community-based tourism (CBT) is a form of tourism that focuses on local empowerment. It basically features conservation, community development, cultural exchanges between tourists and the local community, and opportunities for tourists to witness or experience various aspects of the villagers' lifestyle (Sproule 1995; Mann 2000). Gartrell and Wearing (2000) defined ecotourism as a "community-based activity where community members are involved in all aspects of management of the resource that is the focus of tourism, as well as management of their own lives."

The Mountain Institute (2000) defined community-based tourism as a visitor-host interaction that involves meaningful participation by both parties, and generates economic and conservation benefits for local communities and the environment. Wearing and Larsen (1996) suggested that the community-based tourism approach has become an important element of the sustainable tourism development spectrum—tourism that meets present needs while protecting and enhancing opportunities for the future. Government agencies and nongovernment organizations (NGOs) consider community-based tourism to be an effective strategy to achieve development goals. They share the view that CBT gives benefits and incentives to local people to engage in conservation. It is also an effective approach for promoting cultural conservation, community development, gender empowerment, and poverty reduction.

Tourism and Poverty Reduction

Tourism can provide significant economic gains in terms of income and employment. CBT in particular has the potential to contribute to the preservation of natural resources in addition to boosting income. Lindberg (1998) estimated gross earnings from ecotourism in developing countries to be US\$12 billion in 1998. More than one million United States citizens were estimated to have traveled abroad primarily for nature-based tourism in 1985 (McNeely et al. 1992 cited in Yin 2003).

In Cambodia, tourism has contributed significantly to the goals of promoting national growth and reducing poverty. The macroeconomic benefits of tourism include employment, GDP growth, foreign exchange earnings, and investment. Tourism generates about US\$200 million per year in income and generates about 100,000 jobs (Ministry of Planning 2003).

Under the National Poverty Reduction Strategy, several measures have been proposed to enhance the potential of tourism in reducing poverty. These include (i) an integrated approach to dealing with tourism and poverty, (ii) establishment of poverty reduction development zones in high poverty areas and where tourism has a significant potential to contribute to growth of the local economy, (iii) public-private partnerships to support small and medium-sized tourism enterprises where the poor can benefit in terms of access to employment opportunities, (iv) sharing of best practices in tourism development with communities in order to gain knowledge through “learning by doing,” and (v) promotion of domestic tourism that can benefit small businesses. Domestic tourists, as well as budget and independent tourists or back-packers, are more likely to use the cheaper guesthouses, or avail themselves of home-stays provided by local people rather than stay in luxury hotels. Such tourists can be an important source of income for a community.

Methodology

The study was implemented in two stages. The first stage consisted of collecting information related to the development of community-based tourism (CBT) in Chambok. Most analysis consisted of reviewing secondary data. In addition, CBT management committees and Mlup Baitong² staff at the site were interviewed.

The second stage involved the conduct of a socioeconomic survey of 127 village households, representing about 92% of households in Chambok and Beng villages.

The Gini Coefficient was used to measure the degree of inequality of household income distribution. This coefficient has a value between zero and 1 (Miyamura 1997; McCain 2003). A value approaching 1 indicates that income is distributed very unequally, while a value of zero means that income is distributed perfectly equitably.

Development of Community-based Ecotourism in Chambok

A community-based ecotourism site is located in Chambok commune, Phnom Sruich district, Kompong Speu Province. The commune is located on the outskirts of the Kirirom National Park about 110 kilometers (km) west of Phnom Penh City via national road No.4, a journey of about 90 minutes by car. Chambok commune administers nine villages with a total population of 546 families.

Community-based ecotourism began in the commune in 2000 with the support of Mlup Baitong. The organization sought to support the conservation of Kirirom National Park's biodiversity and improve the livelihood of villagers in Chambok commune.

In August 2002, the Chambok commune development council, with the help of Mlup Baitong, entered into a two-year contract with the Ministry of the Environment to use 392 ha of the Kirirom National Park for a community forestry program, including 70 ha for ecotourism development. The ecotourism site includes beautiful natural forest, a 30-meter waterfall in a jungle setting about 4 km from the village, and other attractions, such as a trekking trail in the forest. No charges were imposed by the Ministry of Environment for the use of the land.

A pre-assessment conducted by Mlup Baitong in 2003 before the project started indicated that the commune depended mainly on forest resources. About 94% of households were engaged in a range of forest extraction activities, including collection of bamboo shoots, mushrooms, traditional medicine, and rattan. Several households are engaged in charcoal and fuelwood trading, which is causing serious damage to forest resources of the National Park (Mlup Baitong 2003).

² Mlup Baitong is a Cambodian nongovernment environmental organization.

Several tourist activities and services have been set up in Chambok: ox carts for riding, souvenir shops, bicycles for rent, parking places, and food and home-stay services. An entrance fee to the national park is also imposed. About 22,000 tourists, mostly domestic, visited the site in 2003 and 2004.

Local Organization and Participation of Stakeholders

The management structure and process of participation by the local people and other key stakeholders were key factors in developing community-based ecotourism in Chambok.

The CBT committee has 17 members, including 5 monitoring committee members—a member of the Commune Council, a Mlup Baitong representative, and two members from the CBT committee (the chief and the vice chief). The role of the monitoring committee is to facilitate the planning and management of the ecotourism site at Chambok. Mlup Baitong staff play an important role by providing technical advice and training to CBT committee members.

There are 6 subcommittees working under the supervision of the chief and the vice chief of the CBT committee. They include persons in charge of accounting (1 person), entrance and parking fee ticketing (2 persons), ox-cart services (2 persons), guides and bicycle service (2 persons), patrollers and ground keepers (4 persons), and handicrafts and vending (2 persons). The main role of each subcommittee is to record business transactions and report income to the accountant and chief of the committee.

CBT committee members are elected for 3 years, from and by the villagers in Chambok commune. A monthly meeting is organized among committee members to report progress, activities, and issues that needed to be addressed.

Several key institutions were initially involved in developing community-based ecotourism in Chambok. They include Kirirom National Park, Ministry of the Environment, Ministry of Tourism, Provincial Culture and Tourism Department, District and Commune Council, tour and travel agents, Lutheran World Service, Mlup Baitong, and CBT management committee.

Three levels of stakeholders are presently involved in community-based ecotourism development in Chambok: At the government level is the Ministry of Environment, which contracted out the use of the land; at the NGO level is Mlup Baitong; and at the community level is the commune council and the CBT committee.

Mlup Baitong was instrumental in the development of CBT in Chambok. It brought together the national Government and the community to agree on developing Chambok as an ecotourism site. It encouraged the villagers to work together, and encouraged the village to work with national agencies. Mlup Baitong built capacities in the local community in the areas of natural resource management and development management, and also provided initial financial assistance to the community development program.

The other key stakeholders are the local community organizations, i.e., the commune council and the CBT management committee. These are responsible for directly implementing and managing the community-based ecotourism project.

Income and Expenditures

The number of domestic and foreign visitors to Chambok increased from 9,700 and 369, respectively, in 2003 to 11,155 and 600 in 2004. The increase in the number of tourists was due to promotional strategies that included a brochure and information campaigns on television and in magazines. The CBT committee also pursued strategies to cooperate with tour operators and travel agents in Phnom Penh through Mlup Baitong.

Total Income

The CBT committee in Chambok generated an income of about US\$10,405 during 2003 and 2004. There are several income sources supervised by the CBT committee in Chambok. These sources, and their relative shares to total income are described below. The major sources and their shares are shown in Table 1.

Table 1: Income Sources of CBT in Chambok, 2003 and 2004 (US\$)

Income Sources	2003	%	2004	%
Entrance fee	3,535	72	4,184	76
Parking fee	852	17	768	14
Ox-cart and bicycle service	492	10	459	8
Other income	38	1	75	2
Total	4,917	100	5,486	100

Source: Mlup Baitong 2004.

Entrance Fees

Entrance fees comprised over 70% of total income from tourism. Tourists visiting the National Park pay an entrance fee of riels (KR)1,000 (US\$0.25) for domestic tourists, about KR12,000 (US\$3) for adult foreign tourists, and KR4,000 (US\$1.0) for a foreign child. The entrance fee collection is turned over to the CBT committee for its operations.

Parking Fees

Parking fees comprised about 14% of total CBT income. Vehicles of visitors are charged a parking fee of KR1,000 (US\$0.25) for a motorbike, KR2,000 (US\$0.50) for a car, and KR3,000 (US\$0.75) for a bus or a truck. Half of this income goes to the CBT committee and the other half goes to the nearby Chambok pagoda, which provides the entrance checkpoint and owns the parking area.

Ox-cart Service

This is a local initiative to transport tourists from the village to the waterfalls about 4 km from Chambok pagoda. Tourists are not allowed to use cars or motorbikes within the site, only nonpolluting transportation, such as bicycles and ox carts, or they can walk to the waterfalls. Most tourists, both local and foreign, like the ox-cart ride, which provides a good source of income for the CBT committee and villagers. Ox-cart services are US\$2.50 per ride and account for about 10% of the total income from ecotourism. The CBT committee obtains income from this service in two ways: a charge of 20% of ride fees from villagers who operate their own ox carts, or 40% of the ride fee for villagers who rent park-operated ox carts. There were about 1,130 ox-cart rides by tourists in 2003 and 2004. All villagers can participate in this service.

Bicycle Rentals

This was initiated by the women's groups in the village. About 10 bicycles are available at the site every weekend. A bicycle can be rented for KR5,000 (US\$1.25) per day, of which KR300 (US\$0.07) is paid to the CBT committee.

Vending

All vendors at the site pay the committee KR300 per day. Only CBT members (including women's self-help group members and committee members) who were trained by Mlup Baitong are allowed to sell at the site. They receive financial support through the credit program of the women's self-help group. Villagers who do not live in the area are not allowed to sell at the site.

Guides

Thirteen English-speaking guides have been trained by Mlup Baitong. They are young villagers with secondary school education. The guide service is included in the entrance fee. At least one guide stands by at the site during weekends. He is paid

KR7,000 (US\$1.75) per day when he guides tourists and KR4,000 (US\$1.00) when there are none. Sometimes guides receive tips from tourists.

Art Performance

A new cultural initiative, which gives tourists an opportunity to see local traditional dances, started in 2004. A dance group was formed from among students in Chambok's primary school. Under the coordination of Mlup Baitong, they receive technical support from the Provincial Cultural Department. A subcommittee has been formed to manage the group. The income generated from the performance is distributed as follows: 10% to the CBT committee, 5% to the primary school, 10% to the performance instructors, 15% for instrument maintenance costs, and 60% to the performing children.

Expenditures

Expenses are shown in Table 2. The major items were wages of CBT committee staff and forest patrollers.

Table 2: Expenditures on CBT in Chambok, 2003 and 2004 (US\$)

Item	2003	2004
Wages	2,683	2,175
Site Maintenance, Development	733	430
Pagoda	0	380
Commune Administration	0	335
Village Meeting Hall Construction	0	200
Community Development Fund	1,500	1,368
Other	0	599
Total	4,917	5,486

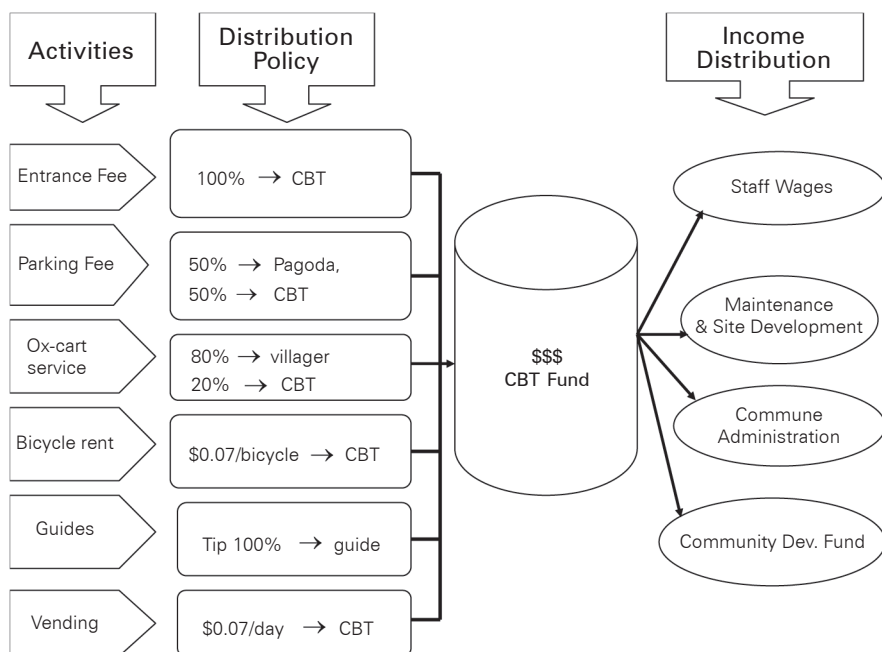
Source: Mlup Baitong 2004.

The sources of income and items of expenditure of the CBT committee are summarized in Figure 1.

Household Income Distribution

This section examines the sources of household income and income distribution among households in Chambok. For the analysis, villagers were divided into five groups, each representing 20% of the total population ranked according to household income level.

Figure 1: Income and Expenditure Policy of the CBT Committee



In 2004, total income of the village was KR156,499,100 (US\$39,124), or an average household income of KR1,232,276 (US\$308). The highest income group absorbed just over half (53%) of the total income, while the lowest income group absorbed 5% (Table 3). The Gini Coefficient was 0.43, indicating that income was not equitably distributed among the population in the community. This compares with a Gini Coefficient of about 0.20 for the whole of Cambodia in 1999 (Mingsarn and Dore 2003).

Table 3: Distribution of Household Income in Chambok, 2004 (%)

Source of Income	1st Quintile (Lowest 20%)	2nd Quintile	3rd Quintile	4th Quintile	5th Quintile (Highest 20%)	Gini Coefficient
Agriculture	4.8	10.6	15.8	23.0	45.8	0.377
Tourism	2.4	6.4	12.0	20.9	58.3	0.505
Nontimber Forest Products	0.3	1.5	5.4	14.3	78.5	0.670
Nonagriculture Income	0.5	2.2	4.8	15.1	77.4	0.666
Total income	4.7	8.4	13.8	20.2	52.9	0.433

Source: Field Survey 2004.

Sources of Income

Sources of income in Chambok include agriculture production, nontimber forest products (NTFP)—gathering and selling bamboo and bamboo shoots, mushrooms, herbs, and firewood/charcoal—tourism, and other nonagricultural activities (trading and other service activities).

Agriculture

Agriculture contributes about half the total income for most households. In 2004, total income from agriculture was KR77,271,900 (US\$19,317); average agricultural income per household was KR613,269 (US\$153). The wealthiest population quintile held 46% of total agricultural income, compared to 23% for the next quintile, while the poorest group held about 5% (Table 3).

Table 4 shows that for agriculture, the income gap between the lowest 20% and the highest 20% of households was 9.1, i.e., the average income of the highest 20% was 9.1 times higher than the lowest 20%. This disparity is low compared to the nonagriculture and NTFP activities discussed below. Households own an average of 0.7 ha of land. Crops, including rice, and livestock are the main sources of agriculture income. The Gini Coefficient for agriculture income is also more favorable at 0.37 than that for nonagriculture income at 0.66.

Table 4: Income Distribution from Economic Activities in Chambok, 2004

Item	Agriculture	Nontimber Forest Products	Non- agriculture	Tourism
lowest 20% income group				
• Income (riel)	148,712	3,800	20,667	11,850
• Percent share to total income	4.8	0.3	0.5	2.41
highest 20% income group				
• Income (riel)	1,360,058	1,058,806	3,383,182	327,571
• Percent share to total income	45.7	78.5	77.3	58.2
Income Gap (ratio of highest income group to lowest income group)	9.1	278.6	163.7	27.6

Source: Field Survey 2004.

Nonagriculture and Nontimber Forest Products

Activities other than agriculture (excluding tourism) contributed 31% of total household income. This included income from trading and services outside the village (grocery stores, employment in garment factories, etc). Total income from this sector in 2004 was KR8.11 million (US\$12,029). The maximum household income in this sector was KR6.3 million (US\$1,575) and the average household income was KR815,546 (US\$203).

Income from NTFP made up 15% of the total household income. Total income from this sector was KR23,237,500 (US\$5,809) with an average household income of KR249,866 (US\$62). Before ecotourism came to the village, NTFP was an important source of income. Mlup Baitong's pre-assessment study reported that 94% of households were engaged in various forest extraction activities, the most prevalent of which was the production of charcoal and wood for fuel (Mlup Baitong 2003). Villagers earn at least US\$200–500 per year per from trading firewood and charcoal. These activities however, were banned after the area was developed as a community-based ecotourism site. Despite the ban, some families are still engaged in charcoal trading outside the protected area. Thus, firewood and charcoal production remains a major source of income in this sector.

Both the nonagriculture and NTFP sectors reflect highly unequal distribution of household income. Table 4 shows that the income gap between the lowest and highest 20% of the population was 163.7 for nonagriculture and 278.6 for NTFP. The Gini Coefficient for nonagricultural income was 0.67, similar to that for NTFP.

Table 4 shows that the highest 20% income group absorbed the bulk of income across all economic sectors: more than three quarters of nonagriculture and NTFP income, more than half the tourism income (discussed further below), and 45% of agriculture. In contrast, the share of the lowest 20% income group was less than 5% in all sectors.

One reason for the highly inequitable household income distribution is that the lowest 20% income group, lacking capital, is unable to find alternative livelihoods since the ban on charcoal and firewood trade was imposed. However, through credit facilities extended by Mlup Baitong, they can now borrow up to KR55,000 (US\$14) for 6 months at 2–3% monthly interest. Loans are used as capital for livestock production (e.g., pig farming).

Tourism

Household income from tourism was only about 5% of total household income. Total income of all households engaged in tourism was KR7,872,500 (US\$1,968), with an annual average household income of KR103,586 (US\$26). Home-stays contributed the largest share to tourism income, but benefited only a few households in the village.

Only four home-stays are available on the site. Ox-cart and food services contributed the second largest share. Note that income from tourism was much less than income from charcoal (see Box).

Although tourism provides only a small proportion of total village income, it is more equally distributed than in nonagriculture and NTFP activities. The Gini Coefficient ratio of income distribution from tourism sector is estimated at 0.50, more favorable than the Gini Coefficient of 0.66 for nonagriculture activities.

The income gap for tourism between the lowest and highest 20% income groups is 27.6 (Table 4). This is a much smaller gap than that for nonagriculture activities, 163.7. It should be noted, however, that the CBT committee had the largest share of tourism income as wages.

Several factors could account for the unequal distribution of tourism income. First, community-based ecotourism itself is still new to the people of Chambok. The villagers generally lack the skills and knowledge to operate tourism enterprises and services effectively. Poor educational background of the villagers is a compounding factor in the acquisition of know-how. The survey revealed that most villagers have not completed primary school.

The survey asked the respondents how they plan to maximize opportunities and benefits from tourism development in Chambok. Almost half indicated that they planned to grow more vegetables and fruit trees. Only a quarter (27%) said they would like to run a home-stay. Fourteen percent had “no idea.”

Box : Can Tourism Income Substitute for Income from Charcoal Trading?

Before 2002, most villagers in Chambok were involved in firewood and charcoal trading. They constructed kilns in the forest and in gardens behind their homes. Each household had one or two kilns. A 54-year-old former charcoal producer said he could earn about US\$500 per year from two kilns. A kiln can produce about 5 tons per year. The price of charcoal is KR200,000–250,000 (US\$52–65) per ton. Charcoal making was an important source of income for his family. He used the earnings from charcoal to buy additional rice because rice from his farm was not enough to feed 7 people for the entire year.

He started his charcoal business in 1995, but had to stop in 2001 because of the government ban. Fuelwood for producing charcoal is cut from trees in the protected area of the Kirirom National Park and has caused serious damage to the forests there.

He became a member of the community-based ecotourism committee in Chambok in early 2003. He said, “My family earned about KR350,000 (US\$87) from the tourism project in 2004 through home-stay and ox-cart services and by selling food. We earned much less from tourism than from charcoal.” He added that charcoal income was also more regular than tourism.

Source: Interview by Men Prachvuthy.

To address the lack of know-how, Mlup Baitong has taken steps to build the capacity of the CBT committee and the villagers in operating tourism enterprises and services. They conduct training in food processing for women's groups, and in tourist guiding. Several women's groups have been organized in each village to ensure that they benefit equally from tourism. There is an effort to reach all villagers for training in response to the finding that 56% of households (where some of the poorest families belong) are not involved in community-based ecotourism at all.

Mlup Baitong provides financial assistance to the villagers through a credit facility. Survey data showed, however, that the villagers would rather invest in agriculture production than in tourism activities.

Ecotourism in Chambok has not realized its full potential and its income-generating capacity remains limited. Tourist facilities and activities at the site do not match the demands of tourists. For example, food services are not widely available at the site; tourists have to order 2 or 3 days in advance. The long walk from the entrance to the waterfalls is inconvenient for most local tourists. There have been instances where tourists have complained about inadequate amenities and decided to change plans after they arrived.

Ecotourism does not necessarily cater to the interest of most local tourists. Ecotourism is a niche market (Lindberg 1998) whose primary targets are those who have a special interest in nature-oriented travel or desire to see areas with unique attributes in terms of topography, climate, hydrology, wildlife, vegetation, and archeological/historical resources (Hawkins et al. 1998; Honey 1999). By the very nature of ecotourism, the number of tourists who would be interested in visiting Chambok is limited. Nevertheless, the number of tourists to Chambok has been increasing. The key challenge is to sustain and maximize the ecotourism potential of Chambok so that larger benefits can accrue to the community.

Conclusion

CBT in Chambok presents a good model for engaging the local community in tourism as a means of safeguarding the natural environment. Tourism activities offer alternative sources of income to logging and firewood and charcoal trading that are now banned.

Tourism income, however, has not matched that from firewood and charcoal trading—US\$26 per year per household for tourism compared to US\$200–500 from firewood/charcoal trading. Only 5% of total household income is generated from tourism-related activities, with farming remaining the major income source.

The Gini Coefficient of 0.5 reflected that income from tourism was unequally distributed among the villagers, but more equitably than in the nonagriculture sector. Income from agriculture was the most equitably distributed, with a Gini coefficient of 0.3.

One way to improve the distribution of ecotourism benefits among the villagers in Chambok is to intensify capacity building for tourism-related activities, especially targeted at poorer households. Improvement in food services and handicraft production would attract more tourists and more spending per visit.

Second, a better marketing strategy is needed. It is important to establish cooperation with tour operators and travel agents in the city. In promoting the site, the unique cultural heritage and traditional practices of the village should be highlighted as the main attractions.

Third, Mlup Baitong could help further to raise local awareness and promote better understanding of community-based ecotourism among the villagers. Workshops could be organized to study the experience of community-based ecotourism in neighboring countries, such as Thailand. These workshops would stimulate creativity and help the local community to generate better business ideas.

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Tourism Development: Protection versus Exploitation— A Case Study of the Change in the Lives of the Mosuo People

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Abstract

A case study is presented of tourism development and cultural change in a minority ethnic community, the Mosuo people of Luoshui Village, a 73-household village in Yunnan Province, People's Republic of China. The study first describes the natural attractions of the area, the Mosuo matrilineal family tradition based on "axia" relationships, and development of tourism from its beginnings in the late 1980s. Annual visitor arrivals increased from about 6,000 in 1989 to 350,000 in 2003. The collective and individual tourism operations are described. The village economy has changed from an agricultural to a tourism base, with average farmer per capita incomes tripling during 1992–1996 alone. A survey of residents and tourists showed that tourism is well accepted by villagers and while greatly impacting on local life and values, has not affected religious beliefs to a similar extent; tourists come primarily to observe local customs as well as the natural beauty of the location. The study also points out negative impacts of tourism on the culture—decline of the matrilineal family, changes in dress and staple foods, and alterations to houses—and the environment, such as proliferation of garbage and wastewater, increasing use of wood for house building, and pollution of the adjacent lake. In conclusion, the paper summarizes the lessons learned from tourism development in the village: it has aroused ethnic pride and promoted economic growth, but has inevitably caused acculturation, indicating a need to protect unique elements of the culture while acknowledging its evolving nature. For the long term, there is a need to control the number of visitors to limit environmental impacts, and to restrict large investments from outside in order to keep economic benefits localized.

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Introduction

The Greater Mekong Subregion (GMS) includes Yunnan Province in the People's Republic of China (PRC). In Yunnan, there is rich scenery and complex flora, due to the diversity of landforms and climate. Nature, history, and different social conditions have supported the development of diverse cultures. The Mekong River, locally called the Lancang River, runs through the province. Of the 55 minority ethnic groups in the PRC, 28 occur in Yunnan. Poor accessibility until the late 1970s meant that many of the communities in the mountainous areas were still living in a relatively isolated environment with poor economic conditions. This contributed to the continuation of unique cultures up to the present time. Due to the region's rich natural and cultural resources, tourism developed very rapidly after the implementation of the PRC's economic reform in 1978 and especially in light of the recent great expansion into the western part of the country.

In Yunnan Province, many villages with ethnic communities have been promoted as tourism attractions. Natural beauty and abundant resources, along with cultural heritage and traditional customs, have all been developed and exploited in order to achieve maximum tourism income and help alleviate poverty.

After several decades of tourism development, to what extent are the ethnic communities dependent on tourism? Do they obtain direct benefits from the promotion of tourism? Has tourism generated lucrative returns to the local people, or is it an undesirable force of social change? Are the local people included or excluded in the development of the tourism industry?

This paper studies the change of life caused by tourism development in Luoshi Village, inhabited by the Mosuo people, a minority ethnic group in the Lugu Lake region of Yunnan Province. This village was chosen because great changes have taken place since tourism development began there in the late 1980s. As the village has become more and more tourism oriented, its economy has shifted from agriculture to tourism; its living environment from closed to open; and its way of life from traditional matrilineal marriages and families to assimilation into modern life. Thus, it is an example of economic, social, and cultural change arising from tourism development.

The data for this study came from a random survey in the village—including questionnaires, interviews, and field observations—as well as publications and Internet searches. The survey took place during August 2004. Ninety-six valid resident questionnaires (96% of the total) and 181 valid tourist questionnaires (90.5% of the total) were collected. Thirty-five people were interviewed, including officials of the Administrative Council of the Lugu Lake Tourist Region, residents, tourists, vendors, and laborers from nearby villages or outside the region.

The Mosuo People in the Lugu Lake Region

Lugu Lake

Lugu Lake, covering an area of 50.3 square kilometers (km²), is a freshwater plateau lake located in northwestern Yunnan Province. In the lake region there are 11 ethnic groups, and the ecosystem has been well conserved, with beautiful natural scenery, flourishing forests, and clean water in the lake. It has rich natural and cultural tourist resources (Guo 1994).

Agriculture is the major livelihood activity in the Lugu Lake region and, until the 1980s, still depended on natural energy. The mountainous and remote location meant that people in the lake region were relatively isolated and had a very low standard of living. The cultural features of the ethnic groups were well preserved. Ninglang County, which includes the Lugu Lake region, was acknowledged by the State Council as one of the most poverty-stricken counties in the PRC. In Luoshui Village for example, the annual average income per villager in 1988 was CNY (yuan) 196 and the annual grain consumption, mainly maize and potato, was 190 kilograms (kg) per person. Ninety percent of the villagers did not have enough food for 3–4 months of the year (Li 2004). Villagers had to open forests to create new farmland on the mountain slopes and this led to landslides and ecological degradation.

After 1985, tourists began to visit the region, attracted by the natural beauty and unique cultures. In 1988, the State Council (State Council 1988) announced that the Lijiang Yulong Snow Mountain region would be a state-level tourist scenic area. The Lugu Lake region is a major part of this area. In 1992, Lugu Lake was officially opened to tourists as a tourist destination (Li 2000). With the constant improvement of roads and infrastructure, combined with the rapid growth of tourism, the tourism industry in the lake region has developed quickly. Tourism has provided a new way for people around the lake to tap local resources to make a living and has directly affected their lives.

The Mosuo People

The Mosuo people, with a total population of about 40,000, live in northeastern Lijiang Prefecture and along the banks of the Jinsha River. Many live in the Lugu Lake region (Chen 2004). They settled in this area more than 1,500 years ago and assimilated Tibetan, Mongolian, Yi, Naxi, and Pumi cultures, from which they formed their own unique culture (Guo 1994).

The Mosuo people believe in Tibetan Buddhism and the Daba religion. Their values, culture, arts and crafts, customs, rites, and marriages are all deeply influenced by the two religions. While practicing Tibetan Buddhist they speak Tibetan; in Daba religious practices they speak the Dongba language. Chinese is their daily language.

Because of the isolated location and underdeveloped economy, the Mosuo people still maintain “axia” relationships and matrilineal families. This traditional matrilineal culture is known as the “oriental feminine kingdom,” “a living fossil of human social development” (Mosuo Culture Museum 2004).

An axia relationship is a primitive form of matrilineal marriage. Persons who have a sexual relationship, called axia to each other, do not establish their own family but continue to live with their matrilineal families. The men visit their partners at night and leave early in the morning. If either of the couple wishes to end the relationship, their couple status ends, and they can look for new axias. The establishment of an axia relationship is not affected by law, ancestry, or family members, but is based on congeniality. According to their custom, after a “grow-up” ceremony at the age of 14–16, Mosuo boys and girls can start axia relationships. A person can have several axias in his or her life, but cannot have two at the same time and relationships between cousins are strictly forbidden. The average number of axias a Mosuo has in his or her life is 5–7. However, some Mosuos may have only one.

Because the spouses do not live together, children are raised in their mother’s home and carry their mother’s family name. Family relatives are all on the line of the mother’s side, and the female is the center of the family. She is in charge of the family economy and has the final word in decision making. A Mosuo family is usually a large household with dozens of people and 3–4 generations under one roof. When the family grows large, perhaps more than 30 people, the grandmother will build a new house for one of her daughters to form another matrilineal family. A Mosuo family is run and managed by the mother, and when she is too old to manage, the eldest daughter takes her place. Males do not have the responsibility of raising their biological children, but raise their sisters’ children. This mother-esteem culture has nurtured a tradition of harmony, solidarity between family members, and honesty, generosity, and helpfulness between villagers.

The traditional house of the Mosuo people, a Muleng house, is made of wood in a square around a courtyard. On the four sides are, respectively, the grandmother’s hall, the room for religious purposes, the daughters’ rooms, and the gate tower. The grandmother’s hall faces south with a fireplace in the middle of the room. It is the place where the eldest woman in the family lives and where the family spends free time, eats, meets guests, and discusses family matters. Once the hall is built, its location cannot be changed arbitrarily. Therefore, many very old grandmother’s halls remain, some with a history of hundreds of years. The other three sides of the house are two-storied. On the west side, the room for religion is upstairs and male members live downstairs. The rooms for the daughters are opposite the grandmother’s hall with one person in each room for the purpose of axia relationships. The gate tower on the east side is for keeping livestock and sundries (Mosuo Culture Museum 2004).

There is an economic foundation for the Mosuo matrilineal family. First, agriculture has long been their main livelihood, along with some livestock breeding and fishing.

Handicrafts were only for daily necessities and included weaving and extracting oil from plants. Second, there were very few exchanges between people in and outside the region. After the implementation of the country's economic reform in 1978, the economic and social development and the improvement of roads facilitated the opening of the Lugu Lake region. Media reports and publications of academic research on this unique culture aroused public curiosity and interest in axia relationships and matrilineal families. Tourists began to visit the region and have begun to affect the traditions of the Mosuo people. The matrilineal culture is changing.

Tourism Development in Luoshui Village

Luoshui Village is located at the foot of the Gemu Mountain, on the bank of Lugu Lake. There are 73 households in the village, making up a population of 460, 80% of whom are Mosuo. The rest are Pumi and Han ethnic groups. The road from the county capital to the Lugu Lake tourist scenic area runs through the village, splitting it into two parts: the upper village and the lower village. The lower village is beside the lake and has good facilities for tourism, which is centered there. The upper village is on a slope and became involved in tourism later than the lower village.

Stages of Tourism Development

Starting in the 1980s, the Lugu Lake region has become more and more accessible and the village economy has shifted from an agricultural to a tourism base. Luoshui Village is a typical example of this shift due to its natural beauty, Mosuo culture, and good location. It is now a famous ethnic tourist destination within the PRC and abroad. Tourism development in the region can be divided into three stages (Chen 2004):

- 1) Beginning Stage (1988–1992). There were very few visitors, mostly official delegations, scholars, and researchers, totaling 6,120 in 1989. Nearly all stayed in Luoshui Village. Because there were no tourist accommodation facilities, they stayed in the homes of the Mosuo people (Administrative Council of the Lugu Lake Tourist Region 2004). In 1992, Lugu Lake region became an official tourism destination.
- 2) Development Stage (1993–1999). In 1994, the government of Yunnan Province inaugurated a policy to give priority to tourism development and decided to develop the Lugu Lake region into a provincial-level tourist destination (Li 2000). By 1997, the annual number of visitors there had increased to 100,000 (Administrative Council of the Lugu Lake Tourist Region 2004). At this stage, a style of eco- and ethnic tourism was taking shape in

Luoshui Village. The typical accommodation for tourists was two-storied Mosuo-style ethnic inns.

- 3) Mature Stage (2000–present). In 1999, the Lugu Lake tourist region was designated as one of the 43 major tourist development projects of the country. The Lijiang-Ninglang highway opened to traffic in the same year. The road runs through Luoshui Village and has greatly boosted tourism there. In 2003, the total tourist arrivals to the Lugu Lake tourist region reached 400,000 (Administrative Council of the Lugu Lake Tourist Region 2004). In order to meet the needs of the large numbers of tourists, villagers began to renovate their houses to accommodate tourists, and other facilities were improved accordingly. Now the village can accommodate 3,000 people per night. Most of the ethnic inns continue to represent the local architectural style, but include star-rated hotel rooms with individual bathrooms, television, and other facilities. The largest inn has about 100 beds.

Tourism Operations

The first family inn, Mosuo Garden, opened in 1988, marking the beginning of the tourism industry in the village. During the first few years of development, competition led to conflict and quarrels among the villagers, driven by economic benefits. After many discussions and negotiations led by the Village Committee, the villagers agreed to conduct business collectively. All 73 households were included in the business, with each offering a boat, a house, and a person to give performances in the dance show. The income for the day, except a proportion for collective use, was evenly divided among the households. New households were not included in the operation.

There are now two kinds of operations in Luoshui Village: collective and individual. The collective operation consists of rowing boats, leading horses for tourists to ride, and the dance show; individual operations include ethnic inns, restaurants, shops, travel agencies, and tour guides.

Tourism has created many job opportunities, and Luoshui Village is now short of laborers, especially in the peak season. There are more than 300 people from other villages in the region and from other provinces, working in the village all year. The number is even bigger in the peak season. These non-Luoshui residents run shops and restaurants, or work as vendors, craftsmen, waiters, or hotel attendants in Luoshui Village.

Increase of Income

Since the late 1990s, the tourism industry has replaced agriculture and livestock as the main economic engine, and tourism has become the major occupation and source of income in Luoshui Village. This can be seen from the change in economic structure

in the village during 1988–1996 (Table 1). In 1988, agriculture and livestock were the major income sources. By 1994, tourism made up about half the total income of the villagers, and by 1996 reached 83% of the total.

Luoshui Village has gained great economic returns from developing tourism. It only took the village 3 years to eliminate poverty, and it is now one of the 10 most affluent villages in Lijiang Prefecture (Table 2). The annual average per capita income of the Luoshui villagers increased from CNY436 (US\$79) in 1992 to CNY1,240 (US\$ 149) in 1996, an increase of nearly 300%, much higher than other places surveyed (Table 2)².

Because there are no recent statistics from Luoshui Village, tourist arrivals and income in the village were estimated for this study based on relevant tourist data and statistics, information collected in the field, and information from village operations. In 2003, the Lugu Lake tourist region received 400,000 tourists, 90% of whom visited Luoshui Village. Thus Luoshui Village had about 350,000 tourists in 2003. Observations

Table 1: Source of Household Income of Luoshui Villagers (CNY)

Year	1988		1994		1996	
	Income	%	Income	%	Income	%
Agriculture	184	18.0	220	11.3	260	5.1
Livestock	360	35.3	390	19.5	320	6.3
Working Outside the Village	236	23.1	210	10.8	160	3.2
Forestry and Subsidiary Products	240	23.5	180	9.2	110	2.2
Tourism			960	49.2	4230	83.3
Total	1,020	99.9	1,950	100	5,080	100

Source: Kang (1999).

Table 2: Comparison of the Annual Average Per Capita Income of Farmers between Luoshui Village and Other Areas (CNY)

Location	1992	1994	1996
Yunnan Province	618	803	1,011
Lijiang Prefecture	546	628	864
Ninglang County	383	405	566
Yongning Township	368	394	489
Luoshui Administrative Village*	396	426	547
Luoshui Village	436	826	1,240

Source: Kang (1999).

*The Luoshui Administrative Village is the political administrative unit. It consists of several “natural” villages, including Luoshui Village.

² Exchange rates used (yuan per US dollar): 1988=3.72; 1992=5.51; 1994=8.61; 1996=8.31; 2006=7.97.

indicate that during the peak season, an average of about 3,000 tourists stay in the village each night.

The income per household from the three collective operations run by the village—rowing boats, leading horses, and the dance show—is estimated to be CNY50,000 (US\$6,273) per year. There are two persons rowing each boat, and a boat can take 13 tourists, each paying CNY25 (US\$ 3.15) (to one island) or CNY35 (US\$ 4.39) (to two islands). One trip can earn at least CNY325 (US\$40.77) , and a boat makes 3–4 trips a day. A day’s total income is more than CNY1,000 (US\$ 125.45) per boat. Horse rides cost CNY20–40 (US\$ 2.50–5.00) per person depending on the length of the ride. Tickets to the dance show cost CNY10 (US1.25).

The owner of the Mosuo Garden invested CNY2 million (US\$250,910) (including a loan of 300,000 yuan from a bank two years previous) to renovate and expand his inn. It has 100 beds, and the net income from the inn amounts to CNY100,000 (US\$12,545) annually. In the village there are now two households, the Mosuo Garden and Mosuo’s Home, that have assets of more than one million yuan, and in the lower village almost every household inn has assets of more than CNY100,000 (US\$12,545).

Comparison of Luoshui Village and Laowuji Village

Laowuji Village is a Li village of 30 households on the other side of the Lugu Lake, 7 km from Luoshui Village. The inconvenient transportation system has prevented it from developing tourism. In 1996, the annual average income per villager was CNY420 (US\$50.55), compared to CNY1,240 (US\$149.00) in Luoshui Village. Ninety percent of the Laowuji villagers did not have enough food for 1–2 months per year (Kang 1999). Until now, in order to meet the needs of the increased population and to improve living standards, villagers have to cut trees to open up more farmland, increase the number of livestock, and find jobs outside the village.

Survey of Residents and Tourists

Tables 3 and 4 show the results of a survey on the residents’ awareness and attitude concerning the development of tourism and on tourists’ perception of tourism in Luoshui Village. Following are the conclusions.

- Tourism is well accepted by the villagers, and they are basically satisfied with the path of development at this stage. This was supported by the interviews: “Farming is much harder, more toilsome, and generates less return than tourism. You can now make money by cooking food for the tourists, leading horses around the village, weaving cloth, singing and dancing. Life is much easier.” From such interviews, it is clear that villagers have noticed

Table 3: Resident Questionnaire and Responses (N = 96)

Item	% Agreement
1. You are satisfied with local tourism development.	79
2. Because of tourism, your living standard has been improved.	87
3. There are too many non-Luoshui residents working here.	79
4. The shows for tourists are traditional local songs and dances.	89
5. Crafts and souvenirs here are handicrafts with local ethnic features.	80
6. The food provided for tourists is the same as that eaten by the local people.	23
7. The tourist accommodation is the same as that used by the local people.	4
8. Local people wear costumes only when they receive tourists.	13
9. You agree to allow tourists to observe ethnic customs and events, including religious ceremonies.	44
10. Tourism development has had impacts on traditional ethnic culture.	51
11. You have an axia relationship.	67
12. You are a religious person.	95

Table 4: Tourist Questionnaire and Responses (N = 181)

Item	% Agreement
First time visitor	79
Length of stay: 1–2 days	78
Main purpose of visiting Luoshui Village:	
relaxing	27
novelty	28
local customs	45
Attractiveness of Luoshui Village:	
natural beauty	47
ethnic culture	53
Satisfied with accommodation and service	68
Satisfied with food and service	58
Souvenirs with local features	45
Local people wear ethnic costume every day	32
You think this trip is worthwhile.	83
You come from an urban area.	84

the value of culture and natural beauty that can be utilized to develop tourism and make a better life, but they have very little knowledge of the negative impacts of mass tourism.

- Tourism has brought about great impacts on local life and values, but still not much on religious beliefs. According to this survey, 95% of the respondents still had religious beliefs; of these, 46% were Tibetan Buddhist,

16% believed in Bada, and 33% believed in both. Villagers do not invite tourists to observe their religious ceremonies, unless they are specially requested to do so. Ceremonies shown to tourists do not have religious meaning any more, and offerings made will not be used for sacrifices.

- Luoshui villagers believe there are too many outsiders working in the village. The total population of the village is 460, but there are 300–400 “gold seekers” all year round. They help create social unease, including profit leakage, competition, fake customs, crime, and prostitution.
- Most respondents said that they still wear costumes in their daily life. However, observations showed that few women who do not offer direct service to the tourists wore costumes, and most men were in western-style business suits. When asked the reason, they answered “not convenient.” Only grandmothers now wear costumes from morning till night. Tourists’ response to this is supportive. These results suggest that ethnic costume is an external symbol of their ethnic pride and confidence, so they would not admit the fact that few local people wear costumes.
- According to tourist respondents, the attractiveness of Luoshui Village is a combination of natural beauty and ethnic culture, but the purpose of their visit is mainly to observe local customs. The villagers have also realized that the real appeal of Luoshui Village is their matrilineal culture. Ethnic pride and tourism may be the reason for a relatively high percentage of axia relationships (67% of villager respondents), while 70 % of Luoshui Mosuo people live in matrilineal families. In other Mosuo villages, where tourism is not the main industry, the percentage of monogamous families is usually higher than that of matrilineal families, as a response to the need for laborers to move to other areas for work in the slack farming season, or because of assimilation into the national culture.
- Tourists are basically satisfied with the facilities and services in Luoshui Village. However, they have already noticed the low degree of authenticity of the Mosuo culture and lifestyle changes seen in the local people.

Social and Cultural Changes Caused by Tourism Development

Sexual Relationships

The present level of axia relationships (67%) and matrilineal families (70%) of the Luoshui Mosuo remains relatively high. However, the meaning of these terms is changing. In axia relationships, the man may live with the woman's family or vice versa; or the couple may move out of their matrilineal homes and live together. The Mosuo people who work out of their hometown have almost all established monogamous families. People above the age of 40 still observe the custom of axia relationships, while those in their twenties to thirties, influenced by modern ideas, have not chosen axia relationships.

Function of the Matrilineal Family

First, a matrilineal family, made up of kin from the mother's side, already has the structure for a business entity appropriate for managing tourism operations. The three collective tourism operations are handled on a household basis. Almost every family has renovated their house into an ethnic inn to accommodate tourists. Some have rearranged the layout of their traditional Muleng houses to add more guest rooms, and some have even built taller buildings of 3 or 4 stories. The grandmother's hall, the room for religious purposes, and the daughter's rooms are not in their original positions, and the villagers no longer keep livestock in the building. The grandmother's hall still functions as the living room, but the fireplace is no longer used to cook food, and there is a kitchen in each household. The new function of the grandmother's hall is to show Mosuo culture to the tourists.

Second, the function of a matrilineal family to settle disputes and conflicts has been replaced by the Village Committee. Traditionally, the Mosuo people would turn to their matrilineal kin when experiencing conflicts with neighbors. This has changed. According to the present investigation, about half (47%) the villagers would discuss difficulties and important matters with family members; but when they have disputes with neighbors, the same proportion (47%) would turn to the head of the village for help; and when there are big conflicts, three quarters (75%) would seek help from the Village Committee. There are more men than women members on the committee at this time. From the Regulations of Luoshui Village adopted by the villagers, an initiative of establishing and referring to institutions is evident.

Third, the decision-making role is shifting. Women used to be the decision makers of the family, but now major decisions regarding tourism operations are made by male members of the family. Owners of several big inns in the village said that important

decisions, such as setting up family inns, starting a family business, contracting loans and rebuilding houses, were made and executed by male family members. In family matters, men now take care of affairs outside the house while women look after household chores.

Livelihood Change

The change from an agriculture to a tourism economy in Luoshui Village will continue to alter the lifestyle and customs of the villagers. In an agricultural and matrilineal society, life and production were organized on a clan basis. For example, if a family wanted to build a new house, other families of the same clan would help them, and the family only needed to provide meals. With the development of tourism, the villagers have acquired market concepts, and relations between people and villagers are commercialized. In the village, one can see restaurants, tea houses, shops, and billboards everywhere. This study found that in a matrilineal family, family income is still managed by the mother or eldest sister, and there is still equality among family members, but labor is now paid for between relatives and neighbors.

The daily routine of the villagers has changed markedly and become much like that of urban dwellers in order to cater to the needs of the tourists (Table 5).

Table 5: Comparison of Daily Routine of Luoshui Villagers Before and After Tourism Development (Time of Day)

Activity	Before Tourism Development	After Tourism Development
Getting up	0800	0700
Breakfast	0900–1000	0730
Begin work	1000–1100	0800
Lunch	1500–1600	1300
Recommence work	1600–1700	1300–1400
Supper	2100–2200	1900
Sleep	2200	2300–2400

Traditional Mosuo Culture

Traditional Mosuo culture itself has been undergoing changes under the impact of modernization.

From an ideological point of view, the symbol of wealth has changed from horses to houses: the more houses one family has, the larger their family inn, and the more tourists it can accommodate. The villagers have acquired market concepts and learned how to attract business, make loans, and raise funds. Young Mosuos look forward to leaving the region to work or study, and learn more about the world.

From a material point of view, ethnic costumes have become tourist resources; staple foods have changed from maize and potato to rice and wheat; meals have moved from the fireplace to the table; and traditional Muleng houses are disappearing as modern and high brick and tile buildings take their place (there are modern buildings in the village, such as a new post office, an elementary school, and various shops). Mobile telephones, portable music players, and motorbikes are popular among young local people.

From a social point of view, the ability of the Mosuo people at singing and dancing, which was used in the past at bonfire parties to make friends and look for axias, has become another way to make money and attract tourists, and lost its village entertainment function. With the development of modern communications, popular songs and foreign films have become the young people's entertainment. Previously, the Mosuos could not speak Mandarin, but now they speak Mandarin as well as other foreign languages.

Conclusion: Protection versus Exploitation

Based on the analysis of tourism development among the Mosuo people in Luoshui Village, the following conclusions can be made.

Tourism has aroused ethnic pride. Luoshui villagers have recognized the value of their culture in developing tourism, and their ethnic pride and confidence have been enhanced. This has increased their awareness to protect and retain cultural elements and resist some external influences. A good example of their initiative in this regard is a Mosuo cultural museum established by the villagers with their own funds.

Tourism has greatly promoted economic growth. In an isolated area like Luoshui Village, it was difficult to eliminate poverty by farming and breeding livestock. However, the village's beautiful scenery and a unique culture proved to be valuable resources for tourism. Developing tourism has shown to be an effective way to improve the living standards of the Mosuo people.

The exploitation of resources for development can take many directions and all such activities impact on the environment. Tourism development is different from agriculture in terms of utilizing resources and environmental impact. If the Mosuo people had not developed tourism, they would have sought other ways toward a better life. The question is how to keep a balance among economic, social, and environmental benefits and restrict overexploitation.

Openness will inevitably bring about acculturation. As an area becomes more exposed to outside influence, the process of change accelerates. Tourism development, in particular, provides chances for a local culture to confront other cultures, which are usually stronger and more developed. Acculturation becomes inevitable. However,

cultures are dynamic and forever evolving; tourism only serves as a catalyst of change. It is simplistic to think that development means economic growth alone; development is the evolution of a culture.

How can ethnic cultures be protected? The protection of a culture should not mean that it is to be kept static; respect should be given to the choice of its people. An ideal mode of protection is to enhance people's ethnic pride and confidence. By doing so, they will consciously protect the uniqueness of their culture. Tourism development of the Mosuo people has proven that such confidence is effective. Those cultural elements that no longer fit modern life can be preserved in museums and theater. One of the purposes of tourism is to look for and participate in differences. Novelty, uniqueness, and difference provide attractiveness and competitiveness to a destination (Peng 2001). It is very important to educate the local people to maintain their uniqueness for sustainable tourism development.

How to maintain sustainable tourism development. The foremost issue of tourism development in Luoshui Village and in most other PRC tourist destinations is the control of the number of visitors. Many PRC tourist destinations, especially those in the western part of the country, have been developed for the purpose of improving the economy and reducing poverty. Driven by economic benefits, uncontrolled tourism development is bound to result in overexploitation of natural and cultural resources, pursuit of urbanization, and neglect of social and environmental benefits. With only 73 households, Luoshui Village received about 350,000 visitors in 2003. Tourism has already caused impacts on the environment, including large amounts of garbage and wastewater, increasing use of wood for house-building, and pollution of the lake, exceeding the carrying capacity of the ecosystems.

The key to sustainable tourism development is to educate communities so that they understand the negative impacts of mass tourism and the limit to ecosystem carrying capacity, and to develop diversified tourist products that can minimize the negative impact of mass tourism. There are other ways to share their culture, such as through books and other media. Communities, with the support of the government, should establish restrictions on large investments from outside and ensure that economic benefits are retained among the villages concerned.

The Mosuo people in the Lugu Lake area an excellent example of tourism development in a world of modernization and globalization. Tourism development in many other parts of the PRC and elsewhere in the world is causing similar cultural changes. This study on tourism development and cultural change in Luoshui Village offers useful experiences and lessons for long-term, environmentally friendly, participatory, and sustainable tourism development in Greater Mekong Subregion countries.

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Financial Benefits and Income Distribution of Community-based Tourism: Nammatt Kao and Nammatt Mai, Lao PDR

Thavipheth Oula¹

Abstract

A survey, covering October–December 2002, was made of the sources and distribution of income and its expenditure in two remote villages, Nammatt Kao and Nammatt Mai, that operate ecotourism activities in the Nam Ha National Protected Area in the Lao People's Democratic Republic northwestern province of Luang Namtha. The villages offer three-day trekking tours in the protected area. Ecotourism formed a significant proportion of total income, mainly from guiding services, accommodation, food, and selling handicrafts. Ecotourism income was skewed, however, with the wealthiest households taking the majority of the revenue, resulting in Gini Coefficients of 0.41 and 0.35 for Nammatt Kao and Nammatt Mai, respectively. There seemed to be no adverse cultural effects of ecotourism. Recommendations include involving villagers in all tourism planning, monitoring and evaluating tourism activities, and determining the tourism carrying capacity of the area to avoid environmental damage. Ways to improve ecotourism income distribution among villagers are also suggested.

¹ Lao National Tourism Administration, Lao PDR. This article is printed with permission of Chiang Mai University. Copyright Chiang Mai University.

Introduction

The emerging community-based tourism (CBT) sector in the Lao People's Democratic Republic (PDR) presents the country's tourism managers and private sector operators with a number of opportunities and challenges. It is well documented that properly planned and executed CBT can contribute substantially to poverty reduction (Jamieson 2003) and stimulate conservation of the natural and cultural heritage assets that are a community's main tourism assets (Goodwin et al. 1998). However, poorly planned and loosely regulated CBT puts these assets at risk. They could be damaged from excessive visitation, natural resource extraction, pollution, and such external influences as drugs and crime.

This paper documents the CBT development approach and operation of a three-day trekking tour in the Nam Ha National Protected Area in the Lao PDR's northwestern province of Luang Namtha. This tour is one several pilot CBT products developed by the United Nations Educational, Scientific and Cultural Organization (UNESCO)-National Tourism Authority of Lao PDR Nam Ha Ecotourism Project (NHEP) (Lyttleton and Allcock 2002) that was implemented in Luang Namtha in 1999–2002 (Luang Namtha Tourism Office 2003). The project received financial support from the governments of New Zealand and Japan. This article analyzes the financial benefits and income distribution of the trekking tour.

Luang Namtha Province borders both the People's Republic of China (PRC) and Myanmar. The province is one of the Lao PDR's most ethnically diverse, with more than 20 distinct ethnic minority groups. Tropical monsoon forest covers about half the province's land area, which is dominated by calciferous mountains, the Mekong River, and the Namtha and Sing valleys. Luang Namtha also contains the heavily forested 222,400 hectare Nam Ha National Protected Area (NPA), which provides a habitat for more than 280 species of birds and 37 species of mammals, including the black-cheeked gibbon, the Asian elephant, the sun bear, and the Asian tiger. Within the borders of the NPA are 26 villages, mainly of the Akha, Khamu, Hmong, and Lantaen ethnic groups that rely heavily on the NPA's natural resources for sustenance. Overall, the primary occupation of Luang Namtha's residents is agriculture, mainly rice farming and raising small animals.

Nammat Kao and Nammat Mai villages, two Akha communities that are the focus of this study, were selected as pilot CBT villages under the NHEP. Both are in the Nam Ha NPA, accessible only by walking 34 hours from the nearest road. Nammat Kao and Nammat Mai are located in forested mountains about 800–1,000 meters above sea level, which is typical for traditional Akha villages in the region.

Nammat Kao has 35 households with a population of 260 and was established in 1947. Nammat Mai was established in 1990 about 10 kilometers (km) south of Nammat Kao, and has 33 households with 177 inhabitants. The main occupation in both

communities is swidden agriculture, supplemented by raising livestock and collection of nontimber forest products (NTFP) for sale and barter. Nearly the entire population of both villages is illiterate, and many women are unable to speak Lao, the national language. Estimated annual household income in the villages prior to the introduction of CBT activities was approximately US\$20 to more than US\$100 per year, with Nammatt Kao being notably better-off than Nammatt Mai.

Tourism Management in Nammatt Kao and Nammatt Mai

The three-day, two-night trekking tour to Nammatt Kao and Nammatt Mai is mainly sold to independent tourists in Luang Namtha town, the main staging point for CBT tours in the province. This tour begins 20 km north of Luang Namtha town, with the trailhead located beside the paved road that connects Luang Namtha and Sing District. The Luang Namtha Provincial Tourism Office (PTO)—a government institution—through the Nam Ha Ecoguide Service, operates and regulates this trekking tour and three others that are set in and around the Nam Ha NPA. Private sector tour operators do promote the tour in packages to Luang Namtha. However, marketing and promotion of the trek are mostly done by back-packers informally by word-of-mouth. All treks must depart from and use guides from the Luang Namtha PTO's Nam Ha Ecoguide Service, located in Luang Namtha town. The PTO limits the group size to 8 tourists with 2 departures per week, each of which is accompanied by three guides—two from the town, and one from Donsai Village located at the trailhead. The cost of the three-day, 25-km trek, inclusive of meals, transport, NPA trekking permits, guides, and lodging in the village is US\$36 per person. Initial investment in village infrastructure (small lodge and toilets) was made by the NHEP. Through NHEP, villagers and local people also received training and certification as guides, training in hospitality management, training to monitor biodiversity and cultural impacts, participation in CBT study tours, and tourism awareness seminars.

Management of village facilities and services is done by the villagers, who have established service groups and a rotation schedule for the provision of food, guiding services, handicrafts, and housekeeping for the village lodge. Accommodation fees generated from each of the community lodges are placed in a village fund, managed by the village. Income from selling handicrafts, food, and guiding services is paid directly to the individual villager providing the service or product. Environmental and cultural impacts are kept to a minimum by educating both the tourists and villagers about the importance of protecting traditional culture and the environment. For example, prior to the departure of every trip, tourists are required to attend a cultural, environmental, and safety orientation, and the PTO has a strict “pack in-pack out” policy for trash. The use of consumer goods and non-native food is strictly limited, with only traditional Lao or Akha food made from local produce available for consumption on the tours.

Tourists use water from a natural spring in the forest to bathe Lao-style, and walk to the destination, thereby limiting air and water pollution. While trekking, guides keep the group on designated trails to minimize disturbance to flora and fauna. The purchase of wildlife or wildlife products is strictly prohibited, as is the purchase of antiques, such as family heirlooms. The purchase of new handicrafts, however, is encouraged in order to generate income and support local artisans.

The main attraction of the trek is the opportunity to experience traditional Akha culture as well as spend three days in the spectacular forest and mountains of the Nam Ha NPA. Early in the morning on the second day of the tour, tourists and village guides venture into the 100-hectare ecotourism reserve established by Nammat Kao villagers, where the guides demonstrate indigenous hunting techniques, such as making animal traps out of bamboo. They also demonstrate bird calls and show tourists which plants can be used for traditional medicines. On most tours, after a dinner with village hosts, tourists are treated to a traditional Akha massage. Villagers also demonstrate upland agricultural practices and the production of handicrafts according to season. If a traditional ceremony is taking place while a tour is in the village, tourists are invited to join. However no contrived “special performances” are presented for tourists. These two villages do not have electricity, piped water, or any notable shops or restaurants, and this reinforces the authenticity of tourists’ experience.

In this study, a survey was made of the sources and distribution of income and its expenditure in the two villages in October-December 2002. The relative equality of income distribution in the villages was measured using the Gini Coefficient, in which a value of 0 represents perfect equality while values approaching 1.0 mean very unequal distribution.

Financial Benefits of the Trekking Tour and Income Distribution

Table 1 shows a summary of the income generated from trekking tours for Nammat Kao and Nammat Mai during October-December 2002. For the period October 2001-December 2003, the Luang Namtha PTO reported that 151 tours were sold and 890 tourists had undertaken one or other trek, generating a total of approximately US\$10,000 in gross revenue for the villages. The main income sources for the village were guiding services, accommodation, food, and handicraft sales (Table 2). Note that village guesthouse income is not directly distributed to families, but is retained in a communal fund.

Table 1: Income for Nammat Kao and Nammat Mai Villages, October–December 2002

	Nammat Kao Income (n = 35)		Nammat Mai Income (n = 31)	
	US\$ ^a	%	US\$	%
Total Household				
Tourism Income	248	12	168	24
Guesthouse Income				
(Village Fund)	121	6	121	18
Total Ecotourism Income	369	18	289	42
Total Nonecotourism Income ^b	1,634	82	394	58
Grand Total Village Income	2,003	100	683	100
Household Ecotourism				
Income Average	10			9

^a US\$1.0 = KN9,000, December 2002.

^b Nonecotourism income is from selling rattan, livestock, cardamom, vegetables, handicrafts, etc.
Source: Luang Namtha Tourism Office 2003.

Table 2: Source of Ecotourism Income, Nammat Kao and Nammat Mai, October–December 2002

Items	Nammat Kao			Nammat Mai		
	Amount (US\$)	Share (%)	Average per family (US\$)	Amount US\$)	Share (%)	Average per family (US\$)
Selling Food	202	55	7.5	173	60	5.2
Accommodation	60	16	1.7	58	20	1.7
Selling Handicrafts	52	14	1.1	23	8	0.7
Cooking	40	11	1.5	26	9	0.8
Massage	15	4	0.4	9	3	0.3

Source: Survey Results.

Ecotourism Income Distribution

For the 3-month period surveyed, about 70% of the families in Nammat Kao earned from zero to US\$6.0, while 5% earned more than US\$22.0 (Table 3). Income distribution in Nammat Mai was similar, with 76% earning up to US\$6.0 and 3% of households earning more than US\$22.0 (Table 3).

Table 3: Household Ecotourism Income Distribution, October-December 2002 (%)

Ecotourism Income Range (US\$)	Nammat Kao (%)	Nammat Mai (%)
0 – 1.0	17	39
1.1 – 6.0	53	37
6.1 – 11.0	19	15
11.1 – 22.0	6	6
22.1 – 56.0	5	3

Source: Survey Results.

Sources of Ecotourism Income

For both villages, selling food was the main source of ecotourism income, with accommodation the second highest source (Table 2).

Sources of Nonecotourism Income

The main source of nonecotourism income in Nammat Kao was selling livestock (62% of nonecotourism income), while that of Nammat Mai was selling cardamom (65%) (Tables 4 and 5).

Tables 4 and 5 show that for both villages ecotourism is an important source of income compared to that from other activities. For example, for Nammat Kao, the average ecotourism income was US\$10.5 per family, while the average income from selling livestock was US\$29.2 per family. For Nammat Mai, the average ecotourism income was US\$8.8 per family, more than the average income from selling cardamom, the most important nonecotourism source (US\$7.8 per family).

The results show that ecotourism income is important for the poorest in the village but, although the proportion of ecotourism income in total income is higher for the poorest families than for the wealthiest in Nammat Kao, the latter have the higher tourism incomes.

Very few families do not derive income from CBT, and nearly one third in each village report that CBT income makes up more than one third of the total cash income realized by their family for the quarter reported.

The Gini Coefficient was used to determine the equity of distribution of total income among the village households divided into income quintiles. Table 6 shows the share of income received by the five income groups. For Nammat Kao, where the total income of the whole village in the 3 months surveyed was about US\$2,003, the wealthiest families (the highest 20% of households) earned 57%, while the poorest 40% took only 7% of the total income. The Gini Coefficient of 0.52 expresses this inequality.

Table 4: Sources of Nonecotourism Income in Nammat Kao, October-December 2002

Item	Amount (US\$)	Share (%)	Average per family (US\$)
Selling Livestock	1,021	62	29.2
Cardamom	361	22	10.3
Rattan Stool	201	12	5.7
NTFP Rattan	42	3	1.2
Others	9	1	0.2

NTFP = nontimber forest products.

Table 5: Sources of Nonecotourism Income in Nammat Mai, October-December 2002

Item	Amount (US\$)	Share (%)	Average per family (US\$)
Cardamom	258	65	7.8
Vegetable	47	12	1.4
NTFP Nya bai (medicinal herb)	34	9	1.0
NTFP Rattan	29	7	0.9
Rattan Stools	12	3	0.4
Selling Livestock	8	2	0.2
Handicrafts	6	2	0.2

NTFP = nontimber forest products.

For Nammat Mai, the highest quintile similarly accounted for 55% of total income, while the poorest (49 % of total households) took only 12%. The Gini Coefficient for Nammat Mai of 0.46 (Table 6) is slightly better than for Nammat Kao.

For Nammat Kao, the total ecotourism income was US\$369.0 and the average of household ecotourism income was US\$10.5. The top quintile (the richest 20% of total households) received 54% of the total ecotourism income. In contrast, the poorest 40% shared only 16%. The Gini coefficient of Nammat Kao's total ecotourism income was 0.41.

When considering ecotourism income alone, the percentage distribution of income was broadly similar (Table 6). However, the Gini Coefficient showed that ecotourism income was somewhat more equitably distributed than nonecotourism income, particularly in Nammat Mai (0.35).

In summary, although tourism helps increase income for the poorest, it also widens the income gap between the rich and the poor. The reason may be that the wealthiest families have staff to service tourists, have surplus agricultural products to sell, and are more aggressive in selling handicrafts or food. In addition, they may have positive

Table 6: Income Share by Quintile Group of Population of Nammat Kao and Nammat Mai, October-December 2002 (% total income)

Source of Income	1st group (lowest 20%)	2nd group (20%)	3rd group (20%)	4th group (20%)	5th group (highest 20%)	GINI Coefficient
Nammat Kao						
1. Ecotourism income	6	10	14	16	54	0.41
2. Noncotourism income	3	8	15	21	52	0.45
3. Total income	2	5	11	25	57	0.52
Nammat Mai						
1. Ecotourism income	7	12	13	23	45	0.35
2. Noncotourism income	4	6	14	29	47	0.43
3. Total income	5	7	12	21	55	0.46

Source : Calculated from Tables 2 and 3.

financial and business management skills. The more influential persons in the village, i.e., the headman and village CBT committee families, mostly serve the tourists. Often, poorer families are not interested in joining ecotourism activities.

Ecotourism Income Expenditure

Of the total tourism income expenditure in Nammat Kao, a third was spent on buying clothes or blankets and the same proportion was spent purchasing small goods, followed by savings and medicine and equipment. Interestingly, households in Nammat Mai spent more than a third of their income on medicine (35%), followed by purchases of clothes and blankets (Tables 7 and 8).

Cultural Benefits of the Trekking Tours

Measuring cultural benefits from the trekking tours is more complex than measuring economic impacts. One positive cultural benefit is that a few families are training the younger generation to make traditional handicrafts. This indicates that the next generation is interested in continuing a local cultural industry.

For the reported quarter, there were very few complaints regarding cultural infractions by tourists. In fact, the only problem reported during household interviews

Table 7: Ecotourism Income Expenditure in Nammat Kao, October-December 2002

Item	Amount (US\$)	Share (%)
Clothes/Blankets	82	33
Small Goods	81	33
Savings	43	17
Medicine	14	6
Equipment	13	5
Livestock	8	3
Rice	3	2
Lao Khao (alcoholic drink)	2	1

Table 8: Ecotourism Income Expenditure in Nammat Mai, October-December 2002

Item	Amount (US\$)	Share (%)
Medicine	57	35
Clothes/Blankets	37	22
Small Goods	29	17
Food	18	11
Savings	17	10
Opium	9	5

was that a tourist once bathed at the village’s well in Nammat Kao, while Nammat Mai reported that town-based guides sometimes do not introduce tourists to the village chief. Of course, these data represent only one 3-month period shortly after the trekking tour was established, and a more careful examination of cultural impacts should be undertaken by a social specialist. At the time data were collected, both communities—at the individual and communal level—expressed a high degree of satisfaction with the ecotourism enterprise in their villages.

Lessons Learned

The UNESCO-National Tourism Authority of Lao PDR NHEP was the first CBT project implemented in the country, and the establishment and operation of the Nammat Kao and Nammat Mai trekking programs were done using a hands-on, learning-by-doing approach. After about two years, project support was withdrawn, leaving the following important lessons from the experience of the community, the former NHEP project team, and other public and private stakeholders:

- Involve target CBT communities in the design of tours. Their indigenous knowledge is a tourism asset. Examples of indigenous knowledge that are of high value to CBT include forest interpretation, use of traditional medicines, wildlife tracking, storytelling, agriculture, and cultural industries, such as weaving, blacksmithing, and basket making.
- Establish and enforce regulations to protect culture and the environment.
- Establish and enforce sensible tourism carrying capacities. Carrying capacity should be determined in consultation with the villagers, based on the area's biological fragility and social structure, and the management abilities of local stakeholders.
- Educate tourists and communities on the principles and practice of sustainable tourism.
- Integrate impact monitoring into tour programs and measure success. The social, environmental, and cultural impacts of the tourism enterprise should be regularly monitored. Success may be measured by the amount of jobs and income that can be generated for local communities, community satisfaction, revival or conservation of traditional cultural practices, and reduction of threats to biodiversity brought about by the tourism enterprise.
- Well-designed and well-run tours will market themselves via inexpensive word-of-mouth recommendations by satisfied customers.
- If reaching for higher markets, refined marketing techniques are essential.
- Tourism activities should reinvest in nature and cultural conservation activities. In Lao PDR, funds are generated for protected area management, village infrastructure, and activities that promote cultural heritage, such as festivals and performances.
- Build human resources before making large CBT infrastructure investments.

Conclusion

The community-based trekking tours from Nammad Kao and Nammad Mai are producing sound financial benefits for the host villages and, based on survey data collected shortly after the tours were established, producing negligible negative cultural or environmental impacts. Ecotourism income constitutes an important source of income for both villages. Ecotourism is the only source of cash income for some of the poorest people. Thus, tourism has a role in reducing poverty.

As income disparities and negative cultural and environmental impacts from tourism begin to emerge, it is essential that regular monitoring and evaluation of the program

are undertaken by tourism and protected area management authorities, in order to maintain the quality of the tourist experience and avert problems within the communities before they become a serious threat to this profitable and mutually beneficial initiative.

In order to involve poor families more deeply in ecotourism activities in Nammatt Kao and Nammatt Mai villages so that they can enjoy the financial benefits, it is important to take into account the following:

- Ensure that the rotational service roster is followed closely to allow everyone a fair chance at gaining income from tourists.
- Allow the poorest families priority access to village development funds.
- Prioritize poorest families for training opportunities as guides and handicraft providers.
- Establish a village-based ecotourism committee with rotation of chairpersons.
- Ensure that the public sector effectively monitors tourism in the village according to the monitoring plan developed by the NHEP.

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Income Distribution and Community-based Tourism: Three Case Studies in Thailand

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ABSTRACT

This study investigates the impact of CBT on income distribution in three Thai villages, using the Gini Coefficient and the Shorrocks Index. The results indicate that tourism tended to increase income inequality because income was concentrated in tourism committee members and village chiefs. In the third village, most income was from individual households that sold souvenirs and was distributed more equally than that from other nonagricultural activities. The two measures of income distribution used do not account for subsequent distribution of tourism income within the villages. If this secondary distribution were included, the inequality would be less. The results indicate that community-based tourism revenue can be important for communities and recommendations on ways to increase such revenue are made.

Introduction

A widely-held view in Thailand is that tourism can generate a positive impact by increasing incomes; however, it can also result in negative development by worsening income distribution (Mingsarn 2006). This paper analyzes the impact of tourism on income distribution in three villages—Mae Kam Pong, Plai Phong, and Pha Nok Kok—that are known for community-based tourism (CBT).

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The three villages were chosen because of their different characteristics. Mae Kam Pong is a highland village of the ethnic Thai group. Plai Phong Phang is a lowland village of ethnic Thais. Pha Nok Kok is a highland village of the ethnic Hmong group.

Mae Kam Pong. Mae Kam Pong Village is about 50 kilometers from downtown Chiang Mai and is easily accessible by a well-maintained concrete road. With a high altitude (800–1,600 meters), it offers a scenic landscape of steep mountains, flowering forests, and small waterfalls in a pleasant temperate climate. Most (84%) of the 118 households are engaged in agriculture, which is the main source of income. Miang (a chewing snack made of tea leaves) is the main agricultural product, and is one of the unique attractions because the production of miang is now rarely seen. CBT had its origins in 1999 when a home-stay service for Japanese tourists was started. The following year, Mae Kam Pong was officially opened as an ecotourism destination focusing on home-stay services for both Thai and foreign tourists. Three main services are offered: a one-day trip for individual tourists, a one-day trip with a local guide, and an overnight stay in the village. The village provides tourists with both physical and cultural activities. During the day, tourists can trek into the forest or to nearby waterfalls, or take a sightseeing tour of miang production in the village. At night they may enjoy traditional Thai dancing performed by local women, as well as northern Thai music played by local men. Other services include guided tours, souvenirs, and herbal products. A 2003 survey indicated that 30 of the households participated in ecotourism, 9 of which offered home-stays.

Plai Phong Phang. Located in Samut Songkhram Province, Plai Phong Phang has succeeded in ecotourism. This small canal-side village of 30 households has a lot to offer its visitors: a night boat trip to observe fireflies, a typical villager's life along the canal, typically traditional Thai houses along the bank, coconut sugar production, and nature along the Mae Klong River. Tourists can experience the villagers' daily life by participating in a home-stay program. This involves an overnight stay in a traditional Thai house and offering food to the monks in the morning. The villagers started an ecotourism program officially in 1999. A tourist service center provides visitors with general information on the village and a tour program. A guesthouse serving breakfast and dinner can accommodate 10–20 visitors. With almost three fourths of the land devoted to agriculture, most of the Plai Phong Phang villagers are farmers, growing mainly pomelo and coconut. A 2004 survey counted 15 villagers participating in home-stays for tourists, of which 9 are also operating boats for traveling along the canal, and 4 are involved in catering. Tourism is the main occupation for only 8% of the villagers, while 81% make it their supplementary source of income.

Pha Nok Kok. Pha Nok Kok village is a hill tribe village of 59 households in Chiang Mai Province, and is populated mostly by the Hmong, who earn their living through agriculture. They obtained supplementary income from work in the Reforestation and Forest Fire Prevention Project in Suthep-Pui National Park until the project ended in 1996. The villagers found a new source of income in cultural tourism. Only 30 of 345

villagers initially participated in this project. Like many newcomers, they experienced many obstacles and failed to make the project popular among tourists. They subsequently turned to the Department of Welfare for help. Recognizing their potential, the Department of Welfare, in collaboration with the Tourism Authority of Thailand and the Japan Bank for International Construction, granted financial aid of baht (B)100,000 (US\$2,500)² to help establish the cultural center in the village. This center consists of a Hmong cultural museum, displaying tools, utensils, and garden herbs used in daily life. The center is also used for traditional dances and cultural activities.

Methodology

Data for the analyses of Mae Kam Pong and Plai Phong Phang villages were from the authors' surveys in 2004, while data for Pha Nok Kok were from the Social Research Institute, Chiang Mai University.

Two economic measures were used to measure income distribution: the Gini Coefficient and the Shorrocks Index. The Gini Coefficient measures the extent to which income distribution among individuals or households within a group deviates from a perfectly equal distribution. A value of 0 means perfect equality whereas a value of 1 represents extreme inequality. The Shorrocks Index is the ratio of household income to average household income. If household income is higher than average income, the ratio is less than one. If household income is less than the average, then the ratio has a value of greater than one. The Index can measure the average disparity of income among members of the population.

The Gini Coefficient was applied to all three villages. Shorrocks indexes were calculated for Pha Nok Kok Village only.

Note that in using the Gini Coefficient and Shorrocks Index, the analysis in this study can only consider direct income generated from tourism and not the income effects of tourist expenditures in the local economy. For instance, if one considers the backward linkages of direct tourism sales of goods and services (e.g., the local purchases of meat and vegetables for food sold to tourists, or employment of locals in tourism enterprises), then income disparity would be less.

² The exchange rate used throughout the paper is US\$1.0 = B40.

Results

Mae Kam Pong Village

Total income in Mae Kam Pong in 2003 was about B5,800,000 (US\$145,000); the average total income of a household was around B49,000 (US\$1,225). To determine the distribution of income among village households, the population was divided into five groups (quintiles) from lowest to highest income per capita. The share of total income received by the highest quintile (wealthiest 20%) was 44% , while that of the two lowest quintiles combined was 16%. The Gini Coefficient for total income of the village was 0.36.

Income from agriculture was about 63% of total income (Table 1), the major component of which was miang production, which made up about half of total income. Table 2 shows that the highest quintile earned 40% of total agriculture income. The other four income groups shared the remaining 60%, a pattern similar to the overall distribution pattern reflected in Table 1.

Nonagriculture income other than tourism comprised 33% of total income, with the average household income being B21,313 (US\$533) (Table 1). The lowest 40% of households took roughly 5% of total nonagricultural income, while the top 20% of households shared nearly 70%, a much more unequal distribution than for agriculture. The Gini Coefficients for agriculture and nonagriculture income were 0.35 and 0.61, respectively (Table 2).

Total income from tourism was B223,500 (US\$5,588), representing 4% of total income. Average income per household was B7,450 (US\$186) (Table 1). The highest quintile received 65% of the village's total tourism income. In contrast, the poorest 60% of households shared only 14% of total tourism income (Table 2). Clearly, the wealthiest quintile earned the bulk of the increase in income from tourism, with the Gini Coefficient being 0.57. The distribution pattern of tourism income is similar to but slightly less unequal than that of nonagriculture activities.

One reason for the unequal distribution of tourism income in Mae Kam Pong is that many villagers lack the funds and skill to run tourism-related businesses. According to the survey, the wealthiest 20% of households involved in tourism are those who are on the home-stay program committee and the village chief. This group of people also pioneered the ecotourism and home-stay program in Mae Kam Pong. They are more experienced in running businesses and have more capital to invest in souvenirs, accommodation, food, and transport services than do other villagers. The limited number of households with funds and skills has resulted in a shortage of home-stay and other tourism providers and discourages other villagers from joining tourism-related businesses. The result is that the income gap between rich and poor has widened since tourism was introduced in the village.

Table 1: Sources of Income of Mae Kam Pong Village, 2003

Source of Income	Amount (B)	Average (B/household)	%
1. Agriculture Income (112 households)*	3,604,501	32,183	63
1.1 Crops	3,429,251	31,065	60
- Fermented tea (miang)	3,111,500	28,810	54
- Coffee bean	308,251	4,342	5
- Other crops	9,500	4,750	<1
1.2 Livestock	175,250	11,683	3
2. Nonagriculture Income (90 households)*	1,918,130	21,313	33
2.1 Commercial	579,150	44,550	10
2.2 Others	1,338,980	17,692	23
3. Tourism (30 households)*	223,500	7,450	4
Total income (118 households)*	5,746,131	49,120	100

Source: Survey data, 26–28 April 2004.

Note: * Some households have sources of income from more than one sector.

Table 2: Income Share by Quintile Group in Mae Kam Pong Village (% of total income, 2003) and Gini Coefficients

Source of income	1st Quintile (Lowest 20%)	2nd Quintile	3rd Quintile	4th Quintile	5th Quintile (Highest 20%)	Gini Coefficient
Agriculture	4.30	11.17	17.19	27.34	40.00	0.35
Nonagriculture	1.36	4.28	6.78	18.19	69.39	0.61
Tourism	2.42	3.04	8.01	21.92	64.61	0.57
Total	5.35	10.55	17.18	23.05	43.87	0.36

Source: Calculated from survey data, 26–28 April 2004.

Plai Phong Phang Village

Total income for Plai Phong Phang in 2003 was B5,813,810 (US\$145,345). Even though most of the villagers are working in agriculture, the major source of cash income is from nonagriculture activities other than tourism (51% of total income). The share of agriculture income is 22%, while tourism provides 27%.

Most agriculture income is from coconut sugar production (56%) and copra production (36%) (Table 3). For the nonagriculture sector, two thirds of the income is derived from government employment and small businesses. Those working in this sector have the highest average annual income: B247,485 (US\$6,187) per household.

Among tourism activities, catering services contributed the highest share (42%), followed by transportation and guide services (39%).

Table 3: Sources of Income of Plai Phong Phang Village, 2003

Source of Income	Amount (B)	Average (B/household)	%
1. Agriculture Income (24 households)*	1,272,850	53,035	22
1.1 Pomelo Orchard	85,200	9,467	7
1.2 Peeled Coconut Manufacturing	463,650	25,758	36
1.3 Coconut Sugar Production	718,800	119,800	56
1.4 Others (lychee, mixed gardens)	5,200	2,600	<1
2. Nonagriculture Income (30 households)*	2,926,080	134,640	51
2.1 Commercial	96,000	48,000	3
2.2 Remittance	296,400	29,640	10
2.3 General Employment	589,800	84,257	20
2.4 Others (government official, own business)	1,979,880	247,485	67
3. Tourism Income (22 households)*	1,578,880	52,629	27
3.1 Home-stay	235,680	15,712	15
3.2 Boat Trip	620,000	68,889	39
3.3 Catering	667,400	111,233	42
3.4 Souvenir (coconut sugar and pomelo)	55,800	53,035	4
Total income (30 households)*	5,813,810	193,794	100

Source: Survey data, 31 August–1 September 2004.

Note: * Some households have sources of income from more than one sector.

Comparing the 2003 tourism income quintiles as in Mae Kam Pong, the two wealthiest groups (40% of tourism workers) in Plai Phong Phang gained 86% of the revenue from tourism while the other 60% of the workforce received only 14% (Table 4). The Gini Coefficient was 0.61 for the tourism sector and 0.46 for the entire village, indicating unequal income distribution among the villagers participating in tourism projects.

In this village, one factor in the unequal distribution of tourism income is the degree of managerial effort. Villagers who earned a high proportion of their income from tourism were those who belonged to the leading group of tourism promoters in Plai Phong Phang. Villagers who earned less were those who relied on tourism as a supplementary source of income. The latter invested fewer resources (financial as well as human) in tourism activities and, therefore, gained less.

On the whole, Plai Phong Phang villagers have maintained a positive attitude to CBT, recognizing it as an important source of jobs and income. It has encouraged them to be proud of their culture and community, and has taught the importance of caring for the environment. However, there are also some drawbacks. Apart from the fact that the tourism has contributed to inequitable income distribution, increased transport traffic has gradually eroded the banks of the canal. Furthermore, Plai Phong Phang has begun to encounter competition with the expansion of the tourism market.

**Table 4: Income Share by Quintile Group in Plai Phong Phang Village
(% of total income, 2003) and Gini Coefficients**

Source of Income	1st Quintile (Lowest 20%)	2nd Quintile	3rd Quintile	4th Quintile	5th Quintile (Highest 20%)	Gini Coeffi- cient
Agriculture	1	4	10	19	66	0.58
Nonagriculture	2	8	8	23	59	0.52
Tourism	2	5	7	10	76	0.61
Total	3	7	14	24	52	0.46

Source: Calculated from Survey data, 31 August–1 September 2004.

Pha Nok Kok Village

Table 5 shows the income structure of Pha Nok Kok Village classified by source of economic activity. (Note that these data are for 2001, while those of the other two villages are for 2003). Of 59 households, 57 derive some income from agriculture, 34 from nonagriculture, and 34 from tourism. (Some households earn income from more than one sector.) In 2001, agriculture—mainly production of corn, upland rice, vegetables, lychees, and flowers—accounted for 70% of total income. In this village, income earned from nonagriculture activities other than tourism accounted for only 15% and was mainly from day labor. Income earned from tourism was 14% of total income, not much different from that earned from other nonagriculture activities.

Tourism revenue in the village comes from donations to the cultural center, which are used to pay the 8-member management committee and performers, and for

Table 5: Income Structure of Pha Nok Kok Village, 2001

	Agriculture	Non- agriculture	Tourism	Total
Number of Households	57	34	34	59
Total Income of All Households (B)	3,865,000 (71%)	846,400 (15%)	789,000 (14%)	5,500,400 (100%)
Lowest Income (B)	2,000	3,000	1,000	80,000
Highest Income (B)	141,000	120,000	50,000	200,000
Average Income per Household (B)	65,508	14,346	13,373	93,227
Average Income from Different Sources per Household (B)	67,807	24,894	23,205	93,227

Source: Social Research Institute, Chiang Mai University.

maintenance and a village general fund. The 30 project members act as performers or guides, while individual households sell souvenirs.

Of the participating households, income from selling souvenirs accounted for 98% of total tourism income (Table 6). Donations received as entrance fees to the center amounted to B5,016 (about US\$125). Each management committee member received a share of B456 (US\$11). Income from guided tours amounted to B4,500 (US\$112) shared equally among 5 guides. Income from cultural performances was B3,500 (US\$88) shared equally among 10 performers. Income from tourism activities is, thus, equally distributed among participants. Income from the sale of souvenirs however, accrues directly to the individual household and may be, thus, unevenly distributed.

Table 6: Income from Tourism Classified by Activities in Pha Nok Kok Village, 2001

Source of Tourism Income	Number of Households	Total Income of All Households (B)	Lowest Income (B)	Highest Income (B)	Average Income per Household (B)
Income from Souvenirs	34	775,984	1,000	58,123	22,823
Donation	8	5,016	627	627	627
Guided Tours	5	4,500	900	900	900
Cultural Shows	10	3,500	350	350	350
Total Income	34	789,000	1,000	60,000	23,206

Source: Social Research Institute, Chiang Mai University.

In studying the structure of income distribution in the village, households were first classified according to their average income from agriculture and from all other activities (i.e., nonagriculture and tourism) (Table 7). In the agriculture sector, the proportion of households with income below the average in 2001 was 53% while that for all other activities was about 59%. Based on total income, 49% of households had lower than average income.

Income from nonagriculture activities was then further divided into income from tourism and income from other nonagriculture activities (Table 8). The data show that among households with nonagriculture income, the proportion falling below the average income is higher when tourism is excluded (68% compared with 59%). For households with tourism income, the proportion of households falling below the average income is only slightly higher than the number of those above the average (roughly 53% and 47%, respectively).

Shorrocks indexes were calculated to determine the impact of tourism on income distribution (Table 9). The disparity between the Shorrocks indexes for income from agriculture and nonagriculture, including tourism—0.26437 and 0.53787, respectively—

indicates that income inequality is greater in the nonagriculture than in the agriculture sector. These index values were then compared with the results of a study by Thitipon (2003) who calculated the Gini Coefficients using the same data (Table 9). The results showed a similar pattern: the Gini Coefficient for nonagriculture was higher than that for agriculture.

Table 7: Numbers of Households in Pha Nok Kok Village with Income Higher or Lower than Average, from Agriculture and Other Sources, 2001

	Source of Income		
	Agriculture	Other Sources	Total
Lower than Average	30 (53)	29 (59)	29 (49)
Higher than Average	27 (47)	20 (41)	30 (51)
Total	57 (100)	49 (100)	59 (100)

Source: Social Research Institute, Chiang Mai University.
Note: numbers in parentheses are percentages of households.

Table 8: Numbers of Households in Pha Nok Kok Village with Income Higher or Lower than Average, by Source of Income from Agriculture, Nonagriculture, and Tourism, 2001

	Source of Income			Total
	Agriculture	Nonagriculture	Tourism	
Lower than Average	30 (53)	23 (68)	18 (53)	29 (49)
Higher than Average	27 (47)	11 (32)	16 (47)	30 (51)
Total	57 (100)	34 (100)	34 (100)	59 (100)

Source: Social Research Institute, Chiang Mai University.
Note: numbers in parentheses are percentages of households.

Table 9: Shorrocks Indexes and Gini Coefficients* for Pha Nok Kok Village

	Shorrocks Index	Gini* Coefficient
Total Income	1.88018	0.38
Agriculture	0.26437	0.35
Nonagriculture, including Tourism	0.53787	0.46

Source: Social Research Institute, Chiang Mai University.
Note: * Gini Coefficient as calculated in Thitipon (2003).

When nonagriculture income is divided into tourism and other nonagriculture activities, the Shorrocks Index including tourism is higher than when tourism is excluded, reflecting higher income disparity within the nontourism, nonagriculture sector (0.67687 and 0.53787, respectively) (Table 10).

An advantage of the Shorrocks Index is that, unlike the Gini Coefficient, it can be used to account for within-group and between-group inequality. These sources of inequality were analyzed for the income distribution pattern of Pha Nok Kok Village (Table 10). The Shorrocks Index value within the tourism group was 0.35867, higher than the value within the agriculture group, 0.26437. This translates into higher disparity between groups, with index value of 1.86988. Increasing disparity between and within the three groups, combined with higher average household income, results in a higher total index of 2.72204.

The results of the study show that tourism has contributed to greater income disparity within groups and between groups. Within groups, income is more equally distributed within the agriculture than within the nonagriculture group.

Table 10: Shorrocks Indexes for Pha Nok Kok Village

	Shorrocks Index	
Shorrocks Class Indexes	1.88018 ^a	2.72204 ^b
Within-group	0.70213	0.85217
Between-group	1.17806	1.86988
Shorrocks Subclass Indexes		
Agriculture	0.26437	0.26438
Nonagriculture	0.53787	0.67687
Tourism		0.35867

Source: Social Research Institute, Chiang Mai University.

Notes: ^a Values in this column reflect the case where nonagriculture income *includes* tourism income.

^b Values in this column reflect the case where nonagriculture income *excludes* tourism income.

Conclusions and Recommendations

The extent of income disparity in the three villages would be less if backward linkages from tourism were considered. Neither the Gini Coefficient nor the Shorrocks Index can account for these effects. For instance, the case study for Plai Phong Phang revealed that income from tourism was generated mostly by catering services. This suggests that local purchases of food also provided additional income for the villagers. Further research is thus needed to capture the effects of second and subsequent rounds of expenditures by those who receive the tourist dollar directly in order to accurately measure tourism's overall impact on income disparity within a community. From the point of view of policy, the design of CBT schemes should make a conscious effort to

promote activities with a high degree of backward linkages so that income distribution effects are enhanced.

Nevertheless, the three case studies have shown that CBT is an important source of additional income for communities. It provides opportunities for households primarily engaged in agriculture to earn cash. Apart from tourism, government jobs and small enterprises are also important sources of cash income for the community.

In Mae Kam Pong and Plai Phong Phang, the additional revenue from tourism has mostly benefited community leaders. These leaders have taken part in bringing tourism to the village and promoting it, and are involved in management and operation of tourism projects. Villagers who engage in tourism activities as a supplementary source of income have benefited less.

Income disparities among households engaged in tourism activities may be due to several factors. One is lack of financial resources and managerial skills, especially among poorer households. To help overcome the lack of skills, government and/or nongovernment organizations should conduct awareness raising and capacity-building activities in tourism for interested communities, such as promoting better understanding of the nature of the ecotourism industry, home-stay management, development of cultural products, and CBT management at the community level. English training is also important and should be included in capacity-building efforts. To help overcome funding constraints, loans through microcredit schemes could be extended to poor households wishing to participate in tourism enterprises.

Tourism information—highlighting a community's natural attractions—as well as tourism products and prices, should be packaged and marketed to tour operators. Strategic partnerships with tour operators are crucial. Few village communities have the capacity for forward linkages and will remain invisible in the market place unless they can harness tour operators and travel agencies to assist them. Linkages with tour operators should be forged from the start of product development to ensure that what is being developed will interest a market. Community tourism officials should also encourage media coverage of CBT. The community should establish a system of monitoring visitor arrivals, preferences, and feedback as a basis for continuously improving the quality of its tourism products and services.

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Book Review

Interconnected Worlds: Tourism in Southeast Asia

Edited by Peggy Teo, Tou Chuanq Chang, and Kong Chong Ho
Oxford, UK: Pergamon Press. 2001.

This book is an edited collection of 16 studies of tourism in Southeast Asia selected from papers presented at a conference organized by the National University of Singapore and the Singapore Tourism Board to explore the concept of “interconnectedness” through tourism among the countries of Southeast Asia.

An introductory chapter outlines this theme, noting that the effects of tourism are not simply a combination of economic, environmental, and sociocultural factors, but need to be understood “as outcomes of global processes in which the nature, intensity, and extent of interaction involving people, commodities, capital, and information are intertwined” (p. 2).

In exploring the concept of interconnectedness, the chapters range from theoretical and empirical case studies of interconnections between the countries of Southeast Asia, to subregional cooperation (for example, the Mekong countries), corporate alliances across borders, analyses of global-local discourse as they relate to individual countries, and tourism flows throughout the region. Problems and challenges as well as successes of regionalization are examined. The editors state that this broad range of topics, held together by the common theme of interconnectedness, “adds value to current research and debates in economic geography, geopolitics, cultural politics, globalization and the financial and environmental crises in Southeast Asia” (p. viii).

There are five sections to the book. Part One sets the scene geographically. Two chapters, by Michael Hall and Douglas Pearce, respectively, provide base data on the countries of Southeast Asia, and the size and state of their tourism industries. Of necessity these chapters are more descriptive than theoretical but Pearce, in recording the main tourism developments in the region and the prevailing marketplace, ventures into relational aspects of tourism between the countries, the potential for growth, and the current systems of distribution.

Part Two has three chapters. Of particular interest for its analysis of the economic and financial underpinnings of tourism within the region is the paper by Tou Chuanq Chang and K. Raguraman. The continuously deepening tourism relationship and accompanying cooperation between Singapore and Indonesia are the focus of attention for the second chapter in this section by Grundy-Warr and Martin Perry. While it is

light on theoretical analysis, it nevertheless offers some perceptive commentary on the evolving relationship between these two countries, which is geopolitical in nature but has a burgeoning tourism element. This is an interesting study because the two countries are so different, one the third most populous nation in the world, the other a city-state of less than 4 million people. The final chapter by Stephen Page takes a new slant on core (metropolitan)-periphery theory with his concept of tourism in “extended metropolitan regions,” an approach in which he covers both praxis and theory.

The theoretical heart of this book lies in Part Three. If the first two parts “are largely descriptive, unimaginative, and lightly theorized” (Wearing and Macdonald 2003, p. 752), the six chapters in this section are much more strongly grounded in theory. The roles of “universalization” and “localization” of culture in the development and presentation of tourism resources of countries in Southeast Asia form the theme of the first chapter. A companion theme is pursued in the second chapter by Geoffrey Wall and Heather Black, which examines cultural heritage sites within the region and how global organizations and their relationships with local authorities set the parameters for planning and management of these sites. The third chapter by Singaporean geographers, Peggy Teo and Brenda Yeo, analyses the lack of local agency and localism in theme parks, suggesting that these factors have the potential to make distinctive contributions to the production of tourism landscapes. The eminent sociologist Eric Cohen has a fascinating analysis of how new contrived tourism spaces in Thailand are in many cases proving more attractive than natural spaces; tourists are aware that they are not being ushered into authentic back-stage environments, but they are satisfied with these new, emergent artificially constructed places and spaces, and the earnest search for authenticity that MacCannell (1976) claims for all tourists is not supported by this case study.

The conceptualization of history, space, and time constitute the framework for an exploration by Can-Seng Ooi of the interpretations and stories proffered by the National Museum of Singapore (which actually consists of three different museums covering Asian civilizations, the art of Singapore, and the history of Singapore). The final contribution to Part Three is an analysis by Carolyn Cartier of the significant role that ports around the world have played in national development, economic power, political leadership, and cultural transformation and the exertion of local, regional, and global influence. Cartier uses the port city of Melaka (Malacca) in Malaysia as an example, outlining its key role and growing transformation as a prominent tourism destination and its function in regional interconnectedness that is helping to shape contemporary tourism activity.

The natural environment and issues confronting Southeast Asian tourism form the theme for Part Four. There are three chapters that examine different aspects of environmental issues and natural resources that are used and exploited for and by

tourism. The first is Poh Poh Wong's critique of traditional connections to the land and new perspectives about the natural environment that help to determine how modern developers and planners use natural resources for tourism. Shortcomings in the approaches adopted by the countries of the Greater Mekong Subregion (Cambodia, People's Republic of China, Lao People's Democratic Republic, Myanmar, Thailand, and Viet Nam) to manage and sustain the area's natural resources for tourism form the basis of a thoughtful chapter by Michael Parnwell that probes the gap between rhetoric of government policy and actual practice. The final chapter, a forceful and persuasive appraisal by Kevin Markwell of how tourism marketing has often produced unproductive commoditization of the natural environment, concludes this section.

Part Five has three chapters that examine quite diverse elements of interconnectedness: Kathleen Adams' study of the expanding trend toward "danger-zone tourism" in Indonesia and parts of mainland Southeast Asia; Peter Burns' observations on the various interconnections that frame the relationship among the local, the national, and the global when planning for tourism at the local level in Viet Nam; and Wiendu Nuryanti's study of Bali as a gateway into other tourism regions in Indonesia.

A concluding chapter by Geoffrey Wall discusses the challenges and opportunities facing tourism in Southeast Asia.

The outstanding feature of this book is the wealth of insights about tourism development in the countries of Southeast Asia, provided by a group of internationally renowned tourism researchers. While most of the book is descriptive (Section Three excepted), its conceptualization around the theme of interconnectedness in a global world ties the many disparate offerings together in a thematically consistent way. The variety of topics and ideas presented by the authors ensures that this book provides the reader with a comprehensive and highly readable account of tourism development and the many connections and interrelationships it fosters between the countries of Southeast Asia.

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