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**Tourism and Development in Rural Communities:  
A Case Study of Luang Namtha Province, Lao PDR**

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A thesis  
submitted in partial fulfilment  
of the requirements for the Degree of  
Master of Tourism Management

at  
Lincoln University  
by  
Thanouxay KEOVILAY

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Lincoln University  
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Abstract of a thesis submitted in partial fulfilment of the requirements for the Degree of Master of Tourism Management

## **Abstract**

### **Tourism and Development in Rural Communities: A Case Study of Luang Namtha Province, Lao PDR**

by

Thanouxay KEOVILAY

Tourism plays a significant role in the economies of developing countries, including Lao PDR. It has the potential to generate employment and income for the local communities, and promises to protect and preserve the natural and cultural heritage. Tourism, especially ecotourism development, has been presented as a means to alleviate poverty in remote and rural ethnic communities, enhance local quality of life, and protect and preserve the natural and cultural resources of local communities. However, without local community involvement and participation, ecotourism can contribute to unfair distribution of tourism benefits, adverse local expectations, and deterioration of natural and cultural assets in local communities. In this respect, community-based ecotourism is increasingly being promoted as an effective mechanism of the government in addressing poverty problems in (remote) rural poor areas; this is done on the basis of local community involvement and participation in decision-making for, and benefits-sharing accrued from, community ecotourism development.

This study examined the ways in which community-based ecotourism has the potential to address poverty issues in two Khmu ethnic communities in the Nam Ha National Protected Area, in Luang Namtha Province, Lao PDR. A mixed-methods approach was adopted to examine local residents' participation in tourism planning and implementation and to investigate the local residents' attitudes towards tourism development, including local perceptions of economic, socio-cultural and environmental effects in the identified communities. The study results reveal that community-based ecotourism development was perceived by the locals to have the potential to improve their living conditions and reduce poverty, as well as protect and preserve the environment. This is evidenced in the community that has been involved in tourism development decision-making considerations and benefits-

sharing. However, the economic benefits accrued from the community-based ecotourism activities are perceived to be limited in the studied communities to date.

**Keywords:** Community-based ecotourism, development, community involvement and participation, poverty alleviation, local attitudes and perceptions, tourism impacts, Luang Namtha, Lao PDR.

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## List of Abbreviations

ADB	Asian Development Bank
ADRA	Adventist Development and Relief Agency
ASEAN	Association of Southeast Asian Nations
CBE	Community Based-Ecotourism
EU	European Union
FDI	Foreign Direct Investment
GDP	Gross Domestic Product
GMS-STDP	Greater Mekong Subregion-Sustainable Tourism Development Project
IDA	International Development Association
LDCs	Least-Developed Countries
LNTA	Lao National Tourism Administration
MDG	Millennium Development Goals
NBCA	National Biodiversity Conservation Area
NPAs	National Protected Areas
NSEDP	National Socio- Economic Development Plan
NSEC	North-South Economic Corridor
NZAID	New Zealand Agency for International Development
ODA	Official Development Assistance
PDR	People's Democratic Republic
PRF	Poverty Reduction Fund
PTD	Provincial Tourism Department
TALC	Tourism Area Life Cycle
UN	United Nations
UNDP	United Nations Development Programme
WB	World Bank
WTO	World Trade Organisation

# Chapter 1

## Introduction

### 1.1 Background to the study

Tourism plays a significant role in the economies of developing countries, potentially contributing to poverty alleviation in rural communities. It generates employment and income directly in the sectors in which expenditure or tourism-related investment takes place.

Tourism also induces further increases throughout the economy as the recipients of rising income spend a proportion of them (Stabler, Papatheodorou, & Sinclair, 2010). Employment and income creation result not only from expenditure by foreign tourists, along with associated increases in private investment and public expenditure, but also from domestic tourist expenditure, which often exceeds that of foreign tourists (Collier, 2010; Stabler et al., 2010). In addition, tourism also bring about benefits to the society and culture of the host country, such as promotion of cross-cultural understanding, preservation of local culture and heritage, and promotion of social stability through positive economic outcomes (Weaver & Lawton, 2010). Tourism also contributes to the enhancement of the environment, including natural and cultural resources (Wall & Mathieson, 2006).

Because tourism can bring these potential benefits to a local destination, it is considered as a poverty reduction strategy in rural communities, which has received much attention in recent years in developing countries, including the Lao PDR. In developing nations, poverty poses a challenge to national development. According to the World Bank's 2012 poverty indicators, while the proportion of people living on less than \$1.25 a day globally dropped from 43.1% in 1990 to 22.2% in 2008, about 1.28 billion people continued to live on less than \$1.25 a day (a new international poverty line) in 2008 (World Bank, 2012). In addition, although the number of people living in extreme poverty has fallen in all regions (except Sub-Saharan Africa) since 1990, the largest number of poor people remains in South Asia, where 571 million people live below the new poverty line (World Bank, 2012). It was reported in Goal 7 (Ensure environmental sustainability) of the World Bank's 2012 world development indicators that poor people tend to live in areas where they can rely on natural resources for their livelihood. These people are the most affected by environmental degradation and natural disasters, such as storms, fires and earthquakes (World Bank, 2012). The poor are vulnerable to the shortcomings in the built environment (whether rural or urban areas); they are more likely to live in substandard housing, lack basic services, and they tend to be exposed to

unhealthy living conditions (World Bank, 2012). In Lao PDR, the focus of this study, the poor (often minority ethnic groups) largely settle in remote and rural forested areas where they can practise slash-and-burn cultivation for their living, and many of them also reside in the national protected areas (Lyttleton & Allcock, 2002b).

In this sense, in order to improve the livelihood of remote and rural communities and conserve the environment, many governments, especially in developing countries (including Lao PDR), adopt tourism as a potential means to tackle the problems of multi-dimensional poverty. In fact, there have been a growing number of studies that have looked into “anti-poverty” (Zhao & Ritchie, 2007, p. 121) or “pro-poor” tourism (Chock, Macbeth, & Warren, 2007a, p. 147; for example, Ashley, et al., 2000; Butler & Hinch, 2007; Hall, 2007; Harrison & Schipani, 2007; Chock, et al., 2007). While any form of tourism can be used to alleviate poverty (Scheyvens, 2007), the most recently used-tourism forms for addressing poverty, especially remote and rural poverty, appear to be in the form of “sustainable tourism”, “community-based ecotourism”, and “pro-poor tourism” (Chock et al., 2007b; Hall, 2007). These pro-poor tourism forms arise from a belief that tourism can and should contribute to pro-poor economic growth, enabling the poor to actively participate in and benefit from economic, social, cultural and environmental activities (Roe & Urquhart, 2001).

Realising that tourism could assist in improving local livelihoods, the Lao Government also promotes natural, cultural and historical tourism in the country. In particular, in 1999, the Government tested whether ecotourism could alleviate poverty among ethnic communities in remote and rural areas, using lessons learnt from South Africa, where community-based ecotourism was successful in terms of improving the local livelihood. With external technical and financial assistance, the Government first chose to launch a pilot community-based ecotourism project (from 1999-2002) in eight ethnic community groups living in the Nam Ha National Protected Area in the Luang Namtha Province (see more details in Chapter 3). The outcomes of this three-year pilot project were assessed by external reviewers and were confirmed a ‘success’ in terms of protection and preservation of the environment, as well as contributing to poverty alleviation in rural and largely subsistent villages (Lyttleton & Allcock, 2002a). As a result of this success, the ecotourism project was continued into its second phase (2005-2008). However, during the second phase, the project was under local management while the Government allowed and encouraged the private sectors to be involved in the tourism development, especially sustainable ecotourism that is based in poor communities. In this respect, ecotourism has, in recent years, expanded from one single area

in a single province to many areas, particularly in ethnic group areas, covering all of Lao PDR's provinces while, perhaps, most of these ecotourism businesses have been run and managed by local investors.

However, while community-based tourism has increasingly been promoted by the Government, specialised human resources in the tourism industry are limited. Several developed ecotourism programmes have been run by private tour operators. However, local tourism investors often are locally perceived to be equipped with little or limited knowledge on tourism. In addition, the poor may not only experience the economic benefit opportunities, but they may also encounter potential threats when they are involved in tourism. According to Goodwin (2007), the poor are often not seen as stakeholders in tourism. This imbalance between the rapid growth of tourism and the lack of adequate industry management resources could lead to the generation of increasing negative consequences on local communities where tourism has been developed.

The specific concerns with this situation are how tourism can be sustainable in local communities and how tourism benefits can continue to generate and persist, or be distributed in ways that will contribute to improving living conditions or solving poverty problems in local tourism communities. In this respect, the existing literature suggests that one important solution to measure tourism impacts on a tourism destination is to monitor the impacts of tourism (Butler, 2006). Therefore, this study is intended to examine the impacts of tourism as a comparative study in relation to Butler's Tourism Area Life Cycle model and Doxey's Host Irritation model (see details in Chapter Two); these models are critically relevant to measure long-term tourism effects on local communities where tourism is developed, and evolves over a period of time.

Currently, research into local tourism impacts in the tourism-involved communities in Lao PDR is limited. Although some previous studies were conducted on tourism impacts in Lao PDR, they examined general or different issues. For example, Harrison and Schipani (2007) conducted research on Lao tourism and poverty alleviation, but briefly discussed the tourism impacts using an example of the Nam Ha ecotourism project in Luang Namtha, and largely focused on the roles of the private sector in tourism development in Lao PDR. Sontikul (2007) conducted a similar study on the effects of tourism development on indigenous populations in Luang Namtha Province, but focused on assessing the current stage and future aspirations for community-based ecotourism in the area. To some extent, he also investigated

the economic effects of tourism on Nalan village of Luang Namtha Province, but mainly referred to the first phase of the Nam Ha ecotourism project.

However, this study interest is focused on investigating two similar communities, the previously studied Nalan village, which has been involved in tourism since 1999, and a recently tourism-involved Nam Eng village (since 2007), as case study examples in order to conduct a comparative study of tourism effects through the local attitudes and perceptions of a number of specific economic, socio-cultural and environmental elements. These communities were chosen to partially reflect the locally perceived tourism effects in relation to Butler's and Doxey's models as previously mentioned. The study employs a mixed -methods approach to collecting data for analysis. To realise the overall aim of the study, research objectives listed in Section 1.2 were established.

## **1.2 Research purposes and objectives**

The main purpose of this study is to examine the potential of tourism to help enhance the living standard of rural communities in Luang Namtha Province. Two similar communities in geographically different locations within the province are the focus of the investigation, which identifies and compares attitudes and perceptions of the local residents involved in tourism for two different periods of time. To fulfil these purposes, specific objectives are determined as follows:

- 1) To identify tourism roles of the local residents of the two identified villages
- 2) To examine the context of community-based tourism development planning and implementation in the studied communities
- 3) To identify and analyse residents' attitudes to, and perceptions of, tourism development in each of the two identified villages
- 4) To identify and analyse residents' attitudes to, and perceptions of, the economic, socio-cultural and environmental impacts of tourism development in in each of the two identified villages
- 5) To compare and contrast two village communities on the basis of the length of involvement with community-based ecotourism development. The Nalan village (involved since the Nam Ha Ecotourism Project's inception) and Nam Eng village (only recently involved with the North-South Economic Tourism Development Project) will be investigated in terms of the residents' perceived economic, socio-cultural and environmental positive and negative impacts of tourism in their communities.

These objectives are addressed through six research questions, which are outlined in Section 1.3.

### **1.3 Research questions**

The specific research questions investigated in this study are as follows:

- 1) What role does tourism play in the lives of local residents in their communities?
- 2) How have community residents been involved in the tourism planning and implementation in their communities?
- 3) What are the local residents' attitudes to, and perceptions of, tourism development in their communities?
- 4) What are the economic, socio-cultural and environmental impacts (positive and negative) of tourism as perceived by residents in the community area?
- 5) What are the similarities between the two identified communities in terms of their perceived tourism impacts?
- 6) What are the local residents' aspirations for future tourism planning and development?

Thus, by providing answers to these questions through detailed analysis, the outcomes of this study will be important in many ways.

### **1.4 Research significance**

This research is important in both a theoretical and practical sense. In the theoretical context, the research results will help provide further examination of the relevance of theories, particularly Butler's (1980) Tourism Area Life Cycle (TALC) and Doxey's (1975) Irridex. In a practical sense, the results of this research will be of benefit to the Lao Government agencies responsible for tourism at both national and local levels, especially for those involved in tourism policy making for community development through tourism. The findings will be of particular importance to the Luang Namtha provincial tourism managers in assisting to determine future managerial planning and strategies of tourism development in the province. In addition, the information gained will provide the studied communities and wider stakeholders with more knowledge of tourism development in these communities, which may benefit decision-making in the future.

### **1.5 Thesis outline**

This thesis consists six chapters: Introduction, Literature Review, Case Study, Research Methods, Research Results, and Concluding Discussion.



Chapter Two presents a review of the literature relevant to the formulation of research objectives and questions. It provides information relevant to poverty and development. It then explores the concepts of tourism development, including Butler's Tourism Area Life Cycle model and Doxey's Host Irritation model. This chapter also provides a summary of literature on tourism impacts, and local attitudes and perceptions of tourism development and economic, socio-cultural and environmental tourism impacts, which are the central focus of the study. The final section of this chapter relates to local community involvement and participation in ecotourism planning and implementation, followed by the discussion of some participation models.

Chapter Three presents and discusses the community case study of Luang Namtha Province. The backgrounds of Lao PDR, its development and poverty reduction efforts are first presented. Then tourism development in Lao PDR, including Lao major exports, ecotourism strategies, tourism policy, as well as tourism statistics, and tourist market situation are discussed. After that, the chapter discusses the context of tourism in the specific location of the case study communities.

Chapter Four outlines the types of methodology employed in the research. In this chapter, the research design and descriptions of how the research is carried out in the research procedures in order to acquire information to answer the questions posed in the study.

In Chapter Five, the findings of the study are presented and discussed in relation to the six research questions. Firstly, demographic characteristic of respondents are described. Secondly, the local respondents' involvement and participation in tourism planning and implementation is discussed, followed by the comparative discussion of locally perceived attitudes and perceptions towards tourism development and tourism effects on the local community areas.

The final chapter discusses the key findings and implications of the study against the study's pre-determined research objectives, as well as the locally perceived tourism effects in relation to Butler's and Doxey's models.

## **Chapter 2**

### **Literature Review**

This chapter explores the tourism development concepts related to this thesis context. It begins by defining important terms relevant to the study, including ‘poverty’, and ‘development’. It will then present the concepts of tourism development, especially with regard to Butler’s (1980) Tourism Destination Area Life Cycle model and the model of levels of host irritation suggested by Doxey (1975). This is followed by a section on tourism impacts, leading to the section that explores residents’ attitudes and perceptions towards tourism through previous studies. After that, the aspects related to ecotourism and its importance will be presented. The final section will discuss community-based ecotourism in the areas of planning and implementation and local involvement and participation.

#### **2.1 Poverty**

It is important to understand aspects of poverty that are often related to rural communities. In recent years, many Governments, especially developing country Governments have made their attempts to develop rural communities through tourism in order to address poverty problems. The word ‘poverty’ is multi-dimensional; it does not just refer to the lack of monetary resources (Butler & Hinch, 2007a), but also encompasses deprivations not readily captured by income measures alone (Perkins, Radelet, & Lindauer, 2006). Poverty is determined by inequality (Perkins et al., 2006), and when considering the position of indigenous communities, the dimension of marginality/exclusion is particularly relevant. From some social scientists’ perspective, poverty is a function of the lack of individual capabilities, such as education or health, to attain a basic level of well-being while other sociologists and anthropologists’ have focused on social, behavioural, and political underpinnings of well-being (Wagle, 2002). Economists have relied on income, consumption, and to some extent, on human welfare, as proxies to understand and measure one’s status of poverty and well-being, particularly focusing on whether someone has adequate income to acquire a basic level of consumption or human welfare (Wagle, 2002).

The broadened definition of poverty determined by the International Monetary Fund (IMF) and the World Bank Group’s International Development Association (IDA) states that:

*“Poverty means a lack of basic capacity to participate effectively in society. It means not having enough to feed and clothe a family, not having a clinic or school to go to, not*

*having the land on which to grow one's food or a job to earn one's living, not having access to credit. It means insecurity, powerlessness and exclusion of individuals, households and communities"*(IMF and IDA, 1999, p. 5, cited in Butler & Hinch, 2007a, p. 86).

According to Perkins et al. (2006), most nations define their own poverty lines, usually basing the amount on the per capita cost of some minimal consumption basket of food and other necessities. The global poverty line of \$1 a day originated in the late 1980s, when the World Bank prepared its 1990 World Development Report. The new poverty line is based on a subset of country-specific poverty lines and yields a value of \$1.08 per person per day. Poverty rates vary by regions within countries. Perkins et al. state that looking at poverty from the perspective of gender requires consideration of intra-household distribution - the sharing of resources within family units (Perkins et al., 2006). In this sense, economic growth plays a central role in the poverty reduction strategies. However, the concern is that economic growth is not as advantageous for the poor or that the benefits are more likely to be gained by the rich. Improving the operation of markets can help the poor if they are able to take advantage of these opportunities. As poverty is related to multiple factors, it requires several development sectors to tackle these issues. Tourism is considered as an important development strategy that plays a significant part in contributing to rural poor community development. Thus, to understand the concept of tourism development, the context of development should be first identified.

## **2.2 Development**

'Development' is a term that has been widely used in tourism literature. Sharpley (1999, p. 255) describes it as "*both a process through which society moves from one condition to another, and also the goal of that process; the development process may result in it achieving the state or condition of development*". He also refers to it as "*a philosophy, as a process, as a plan and as a product.*" The concept of development has evolved over time from a predominant focus on a process or condition defined according to strict economic criteria to a continual, global process for human development. For example, Sharpley defined 'development' in his study of tourism and development as "*the continuous and positive change in the economic, social, political and cultural dimensions of the human condition, guided by the principle of freedom of choice and limited by the capacity of the environment to sustain such change*" (p.229). The following section explores tourism development models in order to gain understandings of various aspects associated with tourism development at community destinations.

## 2.3 Tourism development

Tourism development is an important strategy to boost economic growth in many countries, especially in the developing world where tourism can be used to address poverty (Beeton, 2006; Chock et al., 2007a; Harrison & Schipani, 2007; Scheyvens, 2011). Weaver and Lawton (2010) comment that tourism evolved during the latter half of the 20<sup>th</sup> century from a marginal and locally significant activity to a widely dispersed economic giant. In 2008, tourism directly and indirectly contributed to the global GDP accounting for more than 10 percent or approximately US\$6 trillion (Weaver & Lawton, 2010). Tourism is regarded as a way of combating several challenges, as commented by Sharpley (1999, p. 223):

*“Whether for good or ill, the development of tourism has long been seen as both a vehicle and a symbol at least of westernisation, but also, more importantly, of progress and modernisation. This has particularly been the case in Third World countries.”*

The use of tourism as a tool for economic development in developing countries has been a central core of research in tourism studies since the 1970s (Hall, 2007). Although the economic significance of tourism for developing countries has been long established in generating exchange earnings, attracting international investment, creating new jobs and gaining increased tax revenues, tourism has begun to be used as a *“powerful weapon to attack poverty”* (Zhao & Ritchie, 2007, p. 119). However, while tourism can bring a wide range of potential benefits, it carries with it a seed of change that may also cause adverse effects on the destination where tourism is developed (Wall & Mathieson, 2006). Thus, understanding some tourism-related models, such as Butler’s Tourism Area Life Cycle and Doxey’s Irridex, can help tourism stakeholders recognise particular aspects of tourism development in a tourist destination area, which can prepare them for developing strategies to ensure sustainable tourism development with maximised benefits and minimised negative impacts. The following section explores the concepts of Butler’s and Doxey’s models.

### 2.3.1 Butler’s Tourism Area Life Cycle (TALC)

A founding assumption of Butler’s TALC is that *“Tourist areas are dynamic; they evolve and change overtime”* (Butler, 1980, p. 5). Butler described that the evolution of the tourist destination is attributable to a variety of factors including the needs and preferences of the destination’s visitors, the gradual deterioration and possible replacement of facilities and the disappearance or change of the original cultural and natural attractions that were responsible for the initial popularity of the area (Butler, 1980).

Butler's model provides insights into characteristics of tourism development through a number of stages in a cycle of tourism development in a destination based on the product cycle concept, whereby sales of a product proceed slowly at first, experience a rapid rate of growth, stabilise, and subsequently decline.

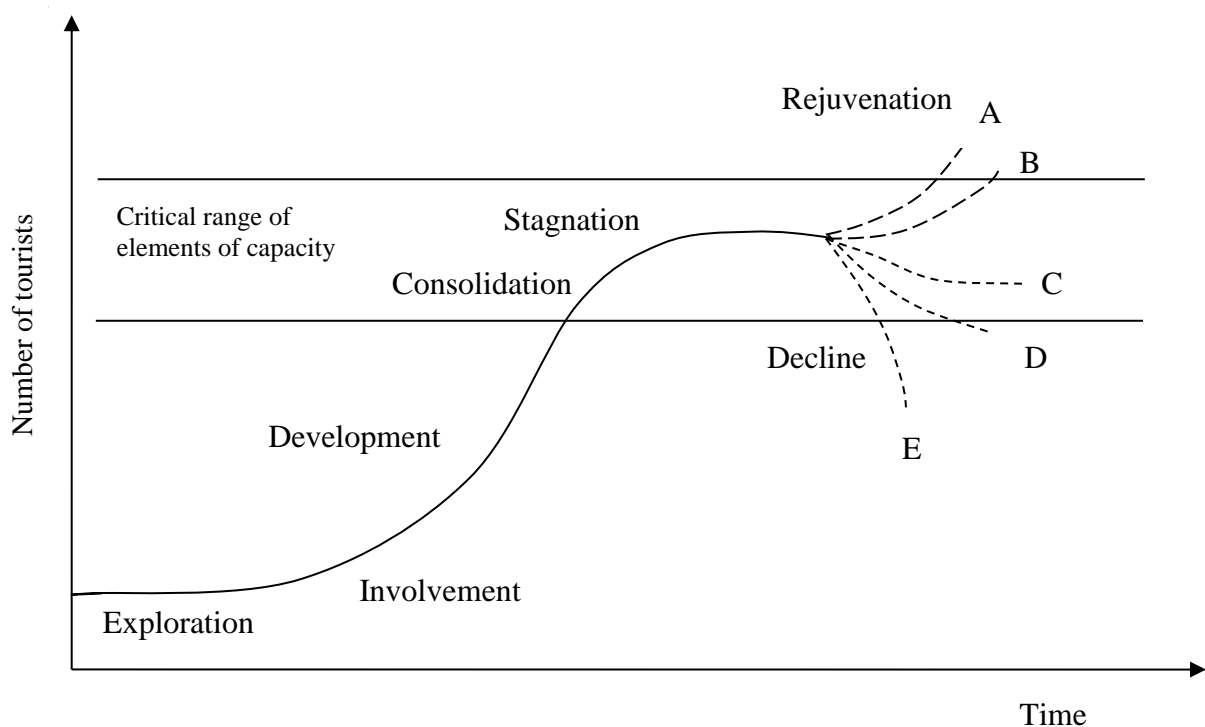
Butler commented that tourist areas are attractive to different types of visitors as the areas evolve, starting with small numbers of adventuresome 'allocentrics' (Plog, 1974 cited in Butler, 1980), followed by increasing numbers of 'mid-centrics' as the area becomes accessible, better serviced, and well known, and giving way to 'psychocentrics' as the area becomes older, more outdated, and less different to the places of origin of the tourists. While the actual numbers of visitors may not decline for a long time, the potential market will reduce in size as the area has to compete with others that are more recently developed (Butler, 2006). Butler additionally argued that "*destination areas carry with them the potential seeds of their own destruction, as they allow themselves to become more commercialised and lose their qualities which originally attracted tourists*" (2006, p. 4).

Butler (2006) applied this concept to tourist destination areas, arguing that there are six stages that a tourism destination goes through from 'birth' to 'death'. These stages are exploration, involvement, development, consolidation, stagnation and decline or rejuvenation (See Figure 2.1). Since Butler published his initial paper in 1980, this model has been widely discussed, applied, tested and debated (Karplus & Krakover, 2005). The model has been criticised because of its difficult application due to many of the variables specified in the model being difficult to define empirically and data limitations restricting the potential to trace changes in these over the period described by the cycle. Despite this, the usefulness of the model as a heuristic device has been demonstrated through its widespread application within the tourism field (Faulkner, 2002). Recognising the usefulness of the model while also being aware of its shortcomings, an attempt was made in this study to apply the model to the case study tourism destination areas identified.

Butler (2006) described in his hypothetical cycle of area evolution that visitors will come initially to an area in small numbers, due to lack of access, facilities, and local knowledge of their needs (exploration stage). As facilities are provided and awareness grows, visitor numbers will increase (involvement and development stages). With (increased) marketing, information dissemination, and further provision of facilities, the area's popularity will grow rapidly, leading to the form of mass tourism, and capacity levels are finally reached (consolidation stage). Eventually, however, the rate of increase in visitor numbers will decline (stagnation stage) as a result of the thresholds of carrying capacity being reached. These can

be identified in terms of physical plant (e.g. accommodation, transportation, other services), environmental factors (e.g. air quality, water quality, land scarcity), or social factors (e.g. resentment by local population, crowding). As the attractiveness of the area declines relative to other areas, because of overuse and the impacts of visitors, the actual number of visitors may also eventually decline.

However, Butler (2006) also suggested an additional stage of ‘rejuvenation’ just before the decline. He stated that at the stagnation stage, destinations can intervene and pursue a range of options to reinvigorate their tourism, resulting in rejuvenation of the destination. He illustrated that increasing capacity, marketing or product development to encourage a different market or different type of tourism, can rejuvenate the destination. However, these involve political will as well as a strong theoretical and practical understanding of the complexities of tourism development and its relationship with the host community (Beeton, 2006). Thus, it is broadly concluded that unrestricted tourism development eventually leads to product degradation as the destination’s environmental, social and economic carrying capacities are exceeded (Weaver & Lawton, 2010). Although Butler’s model of tourism destination area life cycle could be practically realised in many tourism areas, he also emphasised that not all areas would experience the different stages of the cycle.



**Figure 2.1: Butler's model of tourism destination life cycle (From Butler, 2006, p. 5)**

In addition to understanding what happens at a destination over a period of time, as described by Butler's (1980) model, it is also necessary to understand the theory of resident-visitor relations in order to achieve the long-term tourism development goal, with the support of all stakeholders, particularly the residents of communities who host the visitors. In this regard, the resident-visitor relationship model most often used is Doxey's 'Irridex' proposed in 1975. Thus, it is valuable to consider Doxey's model in conjunction with Butler's TALC when seeking to understand tourism development in particular destination communities. Doxey's model is explained in the next section.

### **2.3.2 Doxey's levels of host irritation**

In his model of host irritation toward guests (see Table 2. 1), Doxey (1975, cited in Beeton, 2006) provided a simple set of stages describing a host community's response to, and relationship with, an increasing number of visitors. He proposed that local tolerance thresholds and the hosts' resistance to increasing tourism development were based on a fear of losing community identity and control, and that these host communities went through a series of stages, including euphoria, apathy, annoyance and antagonism as tourism developed (Shaw & Williams, 2002). In describing a community's responses to the cumulative effect of tourism development on social interrelations in the host community (Beeton, 2006), Doxey describes that in the early stages of tourism, the community is euphoric, welcoming the potential economic and social benefits tourism may bring. This then moves towards a state of 'apathy' as the early promises are not realised by all members, moving on to 'annoyance' with the inconveniences of the increased number of visitors, causing issues such as crowding. According to Doxey's model, if crowding increases, locals fail to receive benefits, an invasion of privacy, and loss of local culture occurs, residents will begin to show antagonism towards the visitors, which may ultimately be expressed through violence. Doxey describes the final stage of his model as that of 'resignation', with many residents becoming resigned to the effects of tourism, possibly altering their behaviour or simply avoiding visitors. Doxey's model is particularly useful for community tourism planners when considering the negative aspects of tourism. However, Doxey also acknowledges that not all relations between tourists and the host community are as simple or inevitable as his model suggests.

**Table 2.1: Doxey's model on levels of host irritation**

<i>Doxey's Irridex</i>	<i>Social relationships</i>	<i>Power relationships</i>
<b>Euphoria</b> ↓	Initial phase of development; visitors and investors welcome	Little planning or formalised control; greater potential for control by local individuals and groups in this phase.
<b>Apathy</b> ↓	Visitors taken for granted; contacts between residents and outsiders more formal (commercial)	Planning concerned mostly with marketing; tourism industry association begins to assert its interest.
<b>Annoyance</b> ↓	Saturation points approached; residents have misgivings about tourist industry	Planners attempt to control by increasing infrastructure rather than limiting growth; local protest groups begin to assert an interest.
<b>Antagonism</b>	Irritation openly expressed; visitors seen as cause of all problems	Planning is remedial but promotion is increased to offset deteriorating reputation of destination; power struggle between interest groups may force compromise.

Source: Adapted from Doxey (1975, 1976, cited in Beeton, 2006, p. 40)

Linking Butler's model to Doxey's model can help provide broadened insights into the effects of tourism and their relevance on a community. When considering Doxey's model in conjunction with Butler's TALC, the parallel of the two models shows that the exploratory phase on the life cycle correlates with Doxey's euphoria, and moves up along the curve to antagonism when carrying capacity is exceeded. These tourism models offer the concepts of tourism that reflect on changes in tourism destinations and host community attitude and perceptions as a result of tourism development impacts. In this regard, it is crucial to understand the potential impacts tourism may bring to local destinations. Thus, the next section discusses these impacts.

## 2.4 Tourism impacts at local destinations

While tourism has the potential to bring several benefits to a local destination, increased tourism development can also have the opposite effects because "*tourism is an agent of*



*change*” (Beeton, 2006, p. 17). Tourism can be a disadvantage to the poor in terms of increased costs of living, social disruption, and disenfranchisement. However, when managed carefully, it can be a ‘power for good’, and can help to alleviate poverty (Beeton, 2006). The following sub-sections present the potential positive and negative economic, socio-cultural, and environmental impacts of tourism as reported in previous studies.

#### **2.4.1 Economic impacts of tourism**

Tourism development can bring about a range of economic benefits to a local destination. The major justification for increasing the level of tourism is nearly always the economic advantages that tourism can bring to a country or region (Collier, 2011). These economic benefits are mainly concentrated on foreign exchange earnings and employment opportunities. Wall and Mathieson (2006) noted that three main types of employment are created as a result of the presence of tourism in a destination economy: direct, indirect, and induced. *Direct employment* refers to employment created within tourism businesses that sell goods and services directly to tourists, such as hotels, restaurants and transportation. *Indirect employment* is additional jobs generated by the need to increase the service and physical infrastructure of an area to support tourism and the tourism industry, such as road construction and retail sales. *Induced employment* is investment related, such as in construction and capital goods industries (Wyllie, 2000).

Another important economic benefit of tourism is income generation in a destination economy, especially in relation to the provision of direct, indirect and induced income. According to Page (2009), *direct income* refers to the tourists’ expenditures on tourism products, including accommodation (e.g. hotels), restaurants and transportation; *indirect income* is generated through companies that supply tourism businesses (local re-spending in successive rounds of business transactions); and *induced income* is the expenditures incurred by the resident community (further consumer spending generated by additional personal income). Weaver and Lawton (2010) explain that the economic impact of tourist expenditure on a destination is unlikely to end once the tourist money has been received directly by the supplier of a commercial tourist product. It is likely that indirect revenue continues to be generated by the ongoing circulation of these expenditures within the economy of the destination.

The existence of tourism can be a significant source of revenue for a destination government in a number of ways, such as through taxation (Wyllie, 2000). Common examples of tourism-related taxation include airport departure taxes, permits for entry to public attractions such as

national parks, entry or transit visa, and gambling licences (Weaver & Lawton, 2010). In addition, tourism income for governments arises from three main areas: (1) Direct income which is mainly earned on tourist spending, tourism and transport enterprises, user fees and service charges; (2) Indirect taxation which is gained from customs duties and on goods consumed by tourists; and (3) Payments, loan repayments and revenues from government-owned or financed tourist enterprises (Weaver & Lawton, 2010).

The tourism multiplier plays a crucial role in measuring the economic impacts of tourism in a destination. The term 'multiplier' refers to "*the ratio of the change in one of the variables to the change in final demand which it brought about*" (Wall & Mathieson, 2006, p. 109). The size of multiplier is based on the proportion of additional income spent within the region; as the multiplier becomes greater, it implies that less money leaves the economy as leakages (Hall, 2003). Stabler et al (2010) also indicated that the size of tourism multipliers depends on how much visitor expenditure dollars remains in the economy. This means that multipliers are large if more of the money is circulated locally, instead of being sent away to purchase imports or for offshore investment or savings.

Furthermore, the presence of tourism can result in economic integration and diversification. Tourism can provide stability in an economy, and consequently the stable economy can provide jobs and revenues from a variety of industries. The addition of any industry to a community will increase the employment opportunities of that community, while tourism also provides the economic incentive to improve infrastructure that can be used by both residents and tourists (Cook et al, 2006). In a similar way, Wyllie (2000) points out that the promotion of tourism can be an ingredient in policies aimed at correcting regional imbalance (in terms of regional development) in regions or districts where the range of alternative economic development possibilities is extremely limited.

However, the existence of tourism can inevitably result in some negative economic consequences, which often included, but not limited to, leakages, opportunities costs, occupational hazards and inflation, overdependence on tourism, and the displacement effect. With respect to revenue leakages, Lundberg (1995) noted that the greater the leakages, the lower the multiplier. In terms of leakages associated with imports, Weaver and Lawton (2010) state that imports not only dissuade local entrepreneurs from supplying similar goods, but they may displace existing local producers who cannot compete in terms of price, quality or quantity provided by the exporters. This is especially problematic when businesses are dominated by expatriate managers. Lundberg (1995) also noted that revenue leaks when it is saved by people. This means that it is not available to be re-spent, and thereby does not

stimulate further spending. Savings that are not immediately reinvested can diminish the demand for goods and services. In the same way, taxes may also reduce the economic effect of the new money (money brought by tourists) unless they are re-spent.

Tourism can also give rise to opportunity costs. According to Cooper et al (1993), the use of capital resources in the development of tourism-related establishments precludes their use for other forms of economic development. For example, a high price for land could result in investing in tourism instead of investing in arable farming (Mason, 2003). Moreover, occupational hazards can be caused by tourism. For example, tourism occupations can be associated with a growth in prostitution or the black market (Wyllie, 2000). Furthermore, inflation can be derived from tourism development. Wyllie noted that increased demand for goods and services in a destination may outstrip supply and push prices upwards.

The negative consequences of tourism can also include over-dependence on tourism. Mason (2003) pointed out that a community can become dependent on tourism revenue to the extent that any change in demand is likely to lead to a major economic crisis. A study of potential problems in tourism-based economies by Cook et al. (2006) contended that overdependence on tourism can lead to a dangerous lack of economic diversity, particularly when it is affected by major events, such as a natural disaster that causes substantial damage to natural resources or tourism infrastructure, and epidemics of diseases that are highly contagious. Another important effect of overdependence is the imbalance in power between the developers and the community, and its leaders often willing to do anything to keep the tourism industry, often at the expense of the community's way of life, wage levels, or culture. These events can threaten an area's economy, and as a consequence, tourism revenues can be quickly and severely diminished (Cook et al, 2006).

Finally, tourism development can have a displacement effect. Cooper et al (1993) pointed out that negative economic impacts of tourism can include the transfer of labour from one industry (such as agriculture or farming) to the tourism industries. This may lead to a shortage of skilled labour, and subsequently may result in importing labour from outside the area.

#### **2.4.2 Socio-cultural impacts of tourism**

The socio-cultural impacts of tourism are considered to be the changes in the quality of life and culture of residents of tourist destinations that are a consequence of tourism of any kind in that destination. Tourism can have both positive and negative impacts on social and cultural factors. The potential socio-cultural benefits of tourism can include the promotion of cross-cultural understanding, the incentive value of tourism in preserving local culture and heritage,

and the promotion of social stability through positive economic outcomes (Weaver & Lawton, 2010).

In terms of the incentive value of tourism in preserving local culture and heritage, Weaver and Lawton (2010) noted that tourism may stimulate the preservation or restoration of historical buildings and sites. This can occur directly, (e.g. collection of entrance fees, souvenir sales, and donations that are allocated to the site), or indirectly, (e.g. the allocation of general tourism or other revenues), to preservation or restoration efforts intended to attract or sustain visitation. The same principles also apply to culture, ceremonies and traditions that might otherwise die out due to modernisation may be preserved or revitalised because of tourist demand. This demand also instils pride in the local people in their own culture, and a desire to learn or preserve their traditional ways of life.

Tourism may result also in the promotion of cross-cultural understanding, Weaver and Lawton (2010) pointed out that when individuals have had only limited or no contact with a particular culture, they commonly hold stereotypical or broad and usually distorted behavioural generalisations about that culture and its members. Direct contact between tourists and host residents may dispel such stereotypes and allow the members of each group to perceive one another as individuals and, potentially, as friends.

In relation to the promotion of social stability through positive economic outcomes, Weaver and Lawton (2010) observed that through the generation of employment and revenue, tourism promotes a level of economic development conducive to increased social wellbeing and stability. This promotion also occurs when a destination attempts to improve its international competitiveness by offering services and health standards at a level acceptable to visitors from the more developed countries. Although the improvements were implemented because of tourism, local residents derive obvious and tangible social benefits from, for example, the elimination of a local malaria hazard, the introduction of electricity, anti-crime measures, or paved roads to the district where an international-class hotel is located.

However, tourism can also bring the negative socio-cultural impacts to the residents of tourist destinations. Reisinger (2009) observed that with an increase in international travel and excessive demand for tourism products, many societies experience erosion of local cultures and traditional ways of life and customs, including indigenous cultures. Traditional culture is being packaged and treated as commodity for sale to tourists and entrepreneurs (Reisinger, 2009). The local culture is commercially exploited, and the rights of locals to their own cultural heritage may be lost.

Crime, as part of these negative social impacts, can affect not only the tourists, but also the host community. As reported by Walker and Page (2007), there is a high degree of crime perpetrated against tourists in mass-market destinations. Such crime tends to be property crime or robbery, rather than violent assault or murder, and consequently, some crimes may be over-reported by visitors (e.g. reporting the theft of an item or over-estimating its value in order to perpetrate insurance fraud).

There are a number of factors contributing to the increased likelihood of socio-cultural costs. They include extensive inequality in wealth between tourists and residents, cultural and behavioural differences between tourists and residents, overly intrusive or exclusive contact, high proportion of tourists relative to the local population, rapid growth of tourism, dependency, and different expectations with respect to authenticity (Weaver & Lawton, 2010). In the framework for the measurement of social impacts, Weaver and Lawton argued that the existence of reciprocating impacts between outsiders and residents may be converted to varying degrees of resident irritation; irritation may have their origins in the number of tourists and the threats which they pose to the way of life of permanent residents.

### **2.4.3 Environmental impacts of tourism**

The presence of tourism can enhance the natural environment, but can also cause negative impacts. According to Wall and Mathieson (2006), the environment of a place is an important contribution to the success of any tourism development. The environment of the host region, such as natural resources, ecosystems, and regional ecology, is crucial to the attractiveness of virtually all tourism destinations. Wall and Mathieson (2006) noted that three different relationships can exist between those promoting tourism and those advocating environmental conservation: (1) Tourism and environmental conservation can exist in a situation in which both camps can promote their respective positions, remain in isolation, and establish a little contact with each other; (2) Tourism and conservation may enjoy a mutually supportive or symbiotic relationship where they are organised in such a way that each benefits from the other; and (3) Tourism and conservation can be in conflict, particularly when tourism induces detrimental effects to the environment. Wall and Mathieson also point out, however, that tourism may provide an impetus and often the economic means for the conservation of natural resources, and tourism is also responsible for the introduction of administrative and planning controls that have been adopted in order to maintain the quality of the environment and to ensure the provision of satisfying experiences for the visiting tourists.

While tourism locations can provide both residents and visitors with unique and fulfilling leisure opportunities, they contribute to a number of environmental concerns (Pineda & Brebbia, 2008). Wall and Mathieson (2006) found that the general texts on environmental quality are full of references to air pollution from car exhausts, pollution of river from human wastes and detergents, and traffic congestion. Tourism may also cause negative impacts on other natural environmental components, such as vegetation and soils.

According to Newsome et al. (2002), environmental impacts may be associated with trekking, access roads and trails, use of built facilities and camp grounds, recreation and tourism in mountainous areas and around caves, and wildlife observation. They noted that trekking is considered a universal problem, and damage to both soils and vegetation can take place as a result of visitors leaving established trails and pathways to take photographs, or when a particular animal is pursued. Trekking can also occur at sites of concentrated use, or where visitor activity is not confined to trails.

Although roads are an important means of access into and through natural areas, the major negative impacts frequently associated with roads and traffic include clearing and road construction, sediment and pollutant runoff, weed invasion, disturbance to wildlife due to noise and traffic, and road kills (Newsome, Moore, & Dowling, 2002).

Use of built facilities (such as tourist resorts) and camp grounds (such as picnic areas, and car parks) can have an adverse impact on the environment due to intense visitation. For example, accommodation and shelter provide a continuous focal point of activity, ranging from simple overnight huts and campsites, through to resort and hotel development (Newsome et al., 2002).

Recreation and tourism in mountainous areas can also contribute to sources of environmental impacts. These impacts include activities of camping, rock climbing and mountaineering. Recreation and tourism in and around caves (which often consist of the unique features, archaeological remains and enigmatic wildlife) can cause impacts from the touching of cave features (stalactites and stalagmites). Touching any object as a result of curiosity can result in breakage and discoloration, similarly fauna, such as bats may face declining numbers as a result of increased visitation to caves (Newsome et al., 2002).

Observing wildlife also has an environmental impact. Spectacular and charismatic species are the focus of specific tourism activity, and people (especially hikers, campers and other natural area users) seek to experience the observation of wildlife. As such, sustained and increased interest in wildlife observation may have a negative impact (Newsome et al., 2002). As

discussed above, tourism development not only results in benefits, but also induces adverse consequences. Either positive or negative effects of tourism can also lead to local residents' responses towards the effects of tourism. The following section seeks to explore these local responses.

## **2.5 Exploring local attitudes and perceptions towards tourism and tourism impacts**

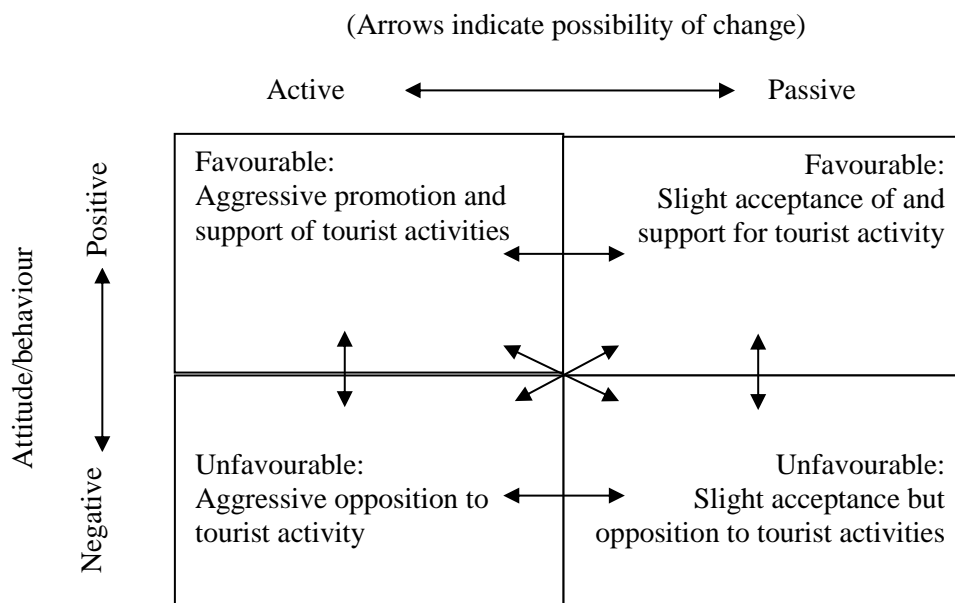
### **2.5.1 Attitudes and perceptions defined**

'Attitudes' are defined as *"a state of mind of the individual toward a value"* and *"an enduring predisposition towards a particular aspect of one's environment"* (Getz, 1994, p. 247). According to Getz's (1994) explanation, attitudes are formed by perceptions and beliefs of reality, but are closely linked to deeply held values and even also related to personality. Unlike opinions, attitudes are unlikely to change quickly. In addition, Getz noted that attitudes emerge along three dimensions: (i) the cognitive, which refers to perceptions and beliefs; (ii) the affective, which reflects on likes and dislikes, based on the evaluation; and (iii) behavioural actions or expressed intent. 'Perception' is defined as the meaning attributed to an object. In this sense, Getz noted that residents may attribute meaning to the impacts of tourism without necessity of having the knowledge or enduring predispositions. Perceptions, according to Ap (1992), are used as predictors of behaviour, based on a relationship between belief, attitudes and behavioural intentions under certain conditions, or that attitudes are formed by perceptions (Getz, 1994). Local residents can have a number of different types of responses at different times, or in the face of different issues (Wall & Mathieson, 2006). While perception can be the process that shapes and produces what the perceiver actually experiences, the perception can vary in intensity, depending on the environmental influences on judgement (Reisinger & Turner, 2003). Additionally, perceptions depend on people's experiences, expectations and value orientations that are culturally determined (Reisinger & Turner, 2003).

In recent years, many studies have investigated local attitudes towards, and perceptions of, tourism development and tourism impacts in local tourism destination communities (e.g. Doxey, 1975, Dogan, 1989, 1990, Sharpley, 1999, Teye, Sonmez & Sirakaya, 2002, and Reisinger & Turner, 2003). This research has contributed to tourism planning and management aimed at maximising local benefits while minimising potential adverse consequences that may result from the developed tourism activities. These local perspectives about tourists and tourism are explored in the following sections.

## 2.5.2 Local residents' attitudes, perceptions and responses to tourists/tourism

The responses of local residents to tourism development and tourism impacts have been extensively studied in recent years. The presence of tourism can lead to a change in attitudes and behaviours of local residents, and this change can be either positive or negative. In the attitudinal framework-based analysis of the processes of two or more culture group interactions presented by Wall and Mathieson (2006), it was noted that the attitudes and behaviour of groups or individuals to tourism may be either positive or negative, and either active or passive. The active-passive and negative-positive matrix (Figure 2. 2) demonstrates that residents can have a number of different types of responses at different times, or in the face of different issues. Residents may move from being strong advocates for tourism to aggressive opponents of tourists, and across quadrants. Each group may have different attitudes and behaviours, possibly forming different lobby groups, while others may stay inactive. This framework allows flexibility and heterogeneity of host attitudes and behaviours of different individuals and groups within the community.



**Figure 2.2: Host attitudinal/behavioural responses to tourist activity**  
(From Wall & Mathieson, 2006, p. 229)

In an analysis of tourist-host contact situations, especially in relation to coping with unfamiliar cultures, Pearce (1982) states that tourist-host contact may achieve positive results if the parties are keyed to tolerance, the visitor is enthusiastic, interested and generous, and the host is competent in providing services. Pearce argues that attitudes towards the visitors can change from a positive welcome to negative evaluations and resentment. In such situations, there is a ready acceptance of the way tourists dress and behave, but the true



deterioration in local attitudes is reflected in a new readiness to cheat, victimise and even assault the tourist.

According to Sharpley (1999), the encounters between hosts and tourists are characterised by a range of features, including transitory encounters between members of the local community and tourists, where tourists may have a short stay. These encounters are considered unusual for the host while being exciting and different from the tourists' point of view, and as a result, the relationship is likely shallow, superficial and based on different expectations. As well as temporal restrictions, encounters can be constrained by spatial restrictions, whereby the tourist-host relationship is restricted by location and spread of tourist-related services. For example, hotels, restaurants, bars, night-clubs and other facilities and attractions in resort areas are set aside in particular areas, or in tourist zones located well away from tourists to see the 'real' host village or city or country. Additionally, Sharpley (1999) observed that local people's perceptions of tourism becomes less favourable the further their distance from the tourist zone, meaning that those who are more directly involved in the tourism industry are more likely to have positive feelings towards tourism development.

Lep (2006) conducted an attitudinal study to investigate residents' attitudes towards tourism in Bigodi village, Uganda, and found that residents had consistently positive attitudes towards tourism; these positive attitudes resulted from residents' belief that tourism creates community development, improves agricultural markets, generated income, and tourism also brought random good fortune.

Williams and Lawson (2001) also studied community issues and resident opinions of tourism by examining how sampled residents of ten New Zealand towns perceived the effects of tourism on their communities. They found that those who were most cynical about tourism rate community issues more highly than others, those who were most positive toward tourism rate community issues the lowest. They also found that tourism needs the support of the host community, and suggest that efforts could be made to promote the benefits of tourism to the cynics. For instance, it would be less effective to emphasise the benefits of tourism with respect to job creation or learning about other cultures. Rather, it would be more effective to focus on how this industry could provide better facilities for local people to enjoy, provide incentives to protect the natural environment, and on how seriously the planning authorities take the views of local residents. As such, a more fruitful avenue in the search for antecedents of resident opinions of tourism may lie in the values, rather than demographic characteristics of residents.

A study by Mok et al. (1991) into residents' attitudes towards tourism in Hong Kong found that local residents generally favour the growth of tourism, and hold positive attitudes towards tourists. The locals received that tourism brings economic benefits, increases employment opportunities, improves the standard of living, provides cultural exchange, improves the image of the region, and brings stability and prosperity. A similar study with similar findings was conducted by Zamani-Farahani and Musa (2008). Using a case study of Masooleh in Iran, they found a large proportion (83.6%) of residents with their favourable attitudes towards tourism development in their area, and a majority (81.6%) of them intended to support future tourism development, while 79.1% of them saw tourism as a contributing factor to the development of the area. Although the above-discussed tourism impacts are not focused on specific forms of tourism, these potential impacts can also occur with any types of tourism, including ecotourism, the form of sustainable tourism. In the following section, ecotourism is discussed as this form of tourism is practised in the communities of this research study.

Other studies on residents' attitudes and perceptions have generally reported positive effects of tourism, such as more employment opportunities and improved standard of living (Gilbert and Clark, 1997; Snepenger and Akis, 1994), improved economic quality of life (Perdue, Long and Allen, 1990; McCool and Martin, 1994). Liu and Var (1986) observed that residents have a strong perception of increased investments, employment, and profitable local businesses. They also reported the negative effects such as an increase in the living cost. They also found strong resident support for the positive cultural benefits of tourism in their study population, while they also agreed that tourism does not affect the crime rate. In addition, Gilbert and Clark (1997) stated that residents feel tourism encourages cultural activities, improved cultural heritage. McCool and Martin (1994) noted that tourism leads to development of national parks, and more recreation opportunities (Perdue et al., 1990). Haralambopoulos and Pizam (1996) found strong support for the economic benefits brought by tourism, including increased standard of living, improved personal income and tax revenue. The study conversely found perceived increases in the prices of goods and services.

However, Dogan (1989) concluded that tourism development has an effect on the socio-cultural characteristics of residents such as daily routines, beliefs, habits, values, and social life. These factors can, in turn, lead to psychological tension (Andereck, Valentine, Knopf, & Vogt, 2005). Perdue, Long and Gustke (1991) reported that in areas with high levels of tourism there is often an increase in population as a result of new residents relocating from outside areas. In this respect, Rosenow and Pulsipher (1979) argued that it can lead to a loss of resident identity and local culture if high growth rate is accompanied by poor planning and

management. Nyaupane and Thapa (2006) investigated local residents' perceptions of environmental tourism impacts in Nepal and found that local residents perceived fewer negative and greater positive impacts of tourism on the environment. However, Upchurch and Teivane's (2000) study on resident perception of tourism development in Latvia found negative effects on the environment (pollution).

The following section is related to ecotourism and its importance, which is practised in the study communities

## **2.6 Ecotourism and its importance**

Ecotourism is classified as a subset of natural tourism that is consistent with natural, social and community values; it *"allows both hosts and guests to enjoy positive and worthwhile interaction and share experiences"* (Newsome et al., 2002, p. 10). However, the concept of ecotourism varies globally, and the term 'ecotourism' has no universal definition.

'Ecotourism' is defined based on the particular purpose of its utilisation in specific settings. However, most definitions are based on the first ecotourism definition proposed by Ceballos Lascurain (1987) as,

*"Travelling to relatively undisturbed or uncontaminated natural areas with the specific objective of studying, admiring, and enjoying the scenery and its wild plants and animals, as well as any existing cultural manifestations (both past and present) found in these areas."*(Ceballos Lascurain, 1987, in Fennell, 2001).

Ecotourism has recently been defined to encompass more elements, including minimising impacts, increasing awareness, contributing to conservations, allowing local people to make their own decisions, directing economic benefits to local people, and providing opportunities for local people to enjoy the natural areas (Fennell, 2001).

Ecotourism plays a crucial role in contributing to rural community development in developing countries. Mensah and Amuquandoh (2010) state that if tourism is developed and managed in a sustainable manner from the economic, environmental, and socio-cultural points of view, it can help to improve living conditions for local populations in different destinations. In this respect, ecotourism and community-based tourism is considered to be important for sustainable forms of tourism. These forms focus on preserving the environmental and cultural base on which tourism depends, but do not adequately consider the 'full range of impacts on the livelihoods of the poor'. It also aims at increasing local involvement in tourism (Chock,

Macbeth, & Warren, 2007b). Thus, tourism is adopted as an approach to stimulate the rural economy.

Community-based ecotourism has been popularly used in remote and rural areas in developing countries, including the Lao PDR, because, for example, in Lao PDR, remote and rural communities are relatively economically poor and rely largely on natural resources for a living. This has led to an increase in loss of such resources and, in turn, caused increased poverty pressure. Thus, community-based ecotourism is considered as an appropriate approach to assist in alleviating local and rural poverty. However, for the poverty of the local communities to be practically alleviated, it is important to consider the way that tourism benefits can channel to the community members. In this respect, Butler and Hinch (2007) suggested seven ways in which spending associated with tourism can reach the poor:

- (1) The poor should be employed in tourism enterprises; this may be the easiest way for tourism to benefit the poor.
- (2) Supply of goods and services to tourism enterprises should come from the poor or the enterprises that employ the poor; for example, foods and services can be sold to tourism establishments without requiring any direct contact with tourists and without involving tourists visiting the village.
- (3) The poor should be able to offer direct sales of goods and services to visitors. By accepting day visitors and insisting on local guides, and jointly planning itineraries with tour operators, the community can have the opportunity to present its culture and to gain economic benefits through, for instance, the provision of food and performances, crafts and local guiding.
- (4) The establishment and running of tourism enterprises should be done by the poor small medium or micro-enterprises or community-based enterprises. This approach can fit well with direct sales approach; partnering with the private sector may ensure market access through the provision of appropriately designed and delivered products and services.
- (5) The poor should benefit from the proceeds of taxes or levies on tourism revenues/profits. For example, communities can negotiate for a proportion of the gate fees at cultural and natural heritage sights, benefit from lease fees on communally-owned land, or receive a proportion of turnover or profit as income to community development fund.

(6) Voluntary offering of resources (goods, money, time) by tourists and enterprises should be in the way that benefits the poor. The community, however, needs to exercise some control over the process to ensure that it is equal and respectful, without leading to begging.

(7) Investment in infrastructure should provide livelihood benefits to the poor; local communities need to be consulted when infrastructure investors invest in the area- (e.g. government, private sector. Or donor agency), to determine how investments can benefit the community (Butler & Hinch, 2007a). The next section is related to the planning for community-based ecotourism development.

## **2.7 Community-based ecotourism development planning**

Ecotourism development can be successful if it is well planned. Ecotourism has increasingly been promoted in remote and rural area communities; however, negative impacts are likely to follow. With these challenges, planning is required for tourism development at a destination where ecotourism is to take place. In a study regarding planning and managing rural tourism, it was noted that *“planning tourism at all levels is essential for achieving successful tourism development”* (Sharpley & Sharpley, 1997, p. 114). Where tourism has been allowed to evolve in an unplanned fashion, environmental and social problems can occur which may, in the longer term, outweigh the potential benefits of tourism. This means that unmanaged tourism development can easily diminish the attraction of a destination to the extent that tourists no longer wish to visit, with serious economic and social consequences for local communities.

Sharpley and Sharpley (1997) note that the purpose of planning and managing rural tourism is to *“balance demand and capacity so that conflicts are minimised and the rural area is used to its full potential without deterioration of the resource base”* (p. 115). They also suggested five stages in the rural tourism planning and management process, (1) Setting objectives of developing tourism with a statement of desired outcomes of developing tourism; (2) Conducting surveys into all the relevant aspects of tourism and proposed development area, including factors such as the physical and socio-cultural characteristics of the destination area, economic and employment patterns, existing and planned tourist attractions and facilities, competitive attractions and destination in the region, private and public sector organisations working directly or indirectly in tourism, and so on; (3) Evaluating the research findings, analysing and synthesising and combining the results components to produce a more comprehensive and detailed evaluation of the potential for tourism development; (4)

Preparing and proposing the most appropriate policies for tourism development once a variety of ideas and concepts have been considered; and (5) Implementing and managing plans in a continuous process of monitoring and evaluation in order to assess the extent to which the objectives and overall policies are being achieved. However, in order to realise maximised benefits and minimise adverse consequences, three key stakeholders play a crucially cooperative role in planning for a potentially successful ecotourism development at the local destination: the governmental agencies, private sectors, and the local community. This is explained in the following sub-sections.

### **2.7.1 The role of key stakeholders in tourism planning and implementation**

For a tourism development to be successful, three key stakeholders (the governmental agencies, private sectors, and the tourism-affected community) have to play a significant cooperative role in the planning and implementation process, from planning to implementation and benefit sharing, if tourism is to be sustainable and tourism benefits are widely and fairly generated, and (re)distributed locally. Mitchell and Reid (2001) suggest that local tourism planners should encourage community participation from the early stages of planning. This is to provide residents with realistic expectations through a process of consensus building. This process needs to be applied to reach understanding and agreement on the most appropriate form and extent of tourism to be developed, and how the community can accordingly benefit. However, most decisions affecting tourism communities are often driven by the industry in cooperation with the national or local government. This means that the communities and local people have become the object, rather than the subject, of the development (Mitchell & Reid, 2001).

There are many approaches to tourism planning, but they may not be successfully used in some situations. Timothy (1998), in a study of cooperative tourism planning approaches in a developing destination, suggests that at least four types of cooperation are needed, if successful integrative tourism development is to occur: (1) Cooperation between governmental agencies; (2) Cooperation between same-level- politics; (3) Cooperation between levels of administration; and (4) Cooperation between the public-and private-sectors.

For tourism development to involve local communities, it is important that the local communities participate in the planning process. These issues of community participation are outlined in the following section.

### **2.7.2 Local community involvement and participation in ecotourism planning and development**

Local communities play a central part in tourism involvement and participation if tourism planning is to be successful (Zamani-Farahani & Musa, 2008). Gui et al. (2004) provides some suggestions for promoting community participation: (1) Gradual political empowerment; (2) Deep level economic incentives; (3) Widespread educational support; (4) Impartial distribution of community benefits; and (5) Stakeholders cooperation.

According to Simmons (1994), incorporating resident input into destination area planning is important in tourism planning, because residents themselves are an essential part of an area's 'hospitality atmosphere'. In identifying the objectives of public participation programmes, Simmons suggests that three fundamental tensions are required for the design and implementation of public participation programmes: (1) A high degree of citizen involvement where both the number of citizens involved and the degree of individual participation are important factors; (2) Achieving equity in participation, meaning that the extent to which all potential opinions are heard; and (3) Efficiency of participation, which is concerned about the amount of time, personnel and other agency resources required to effect the public participation programme. He also argued that uncertainties and misunderstandings about tourism are more likely in the absence of adequate resident involvement.

According to Beeton (2006), ecotourism by its very nature is community -focused, committing to employing locals, purchasing local supplies, contributing to community and environmental projects. Beeton notes also that those not directly involved in or benefiting from tourism tend to only see the negative aspects of tourism, such as crowding and noise. In addition, Zeppel (2006) noted in her attempts to define indigenous ecotourism that indigenous community-based ecotourism involves ecotourism programmes which take place under the control and active participation of the local residents who inhabit a natural attraction. These ecotourism enterprises involve indigenous communities using their natural resources and traditional lands to gain income from tourism, and thus indigenous ecotourism ventures involve nature conservation, business enterprise (or partnerships), and tourism income for community development. Zeppel explained that 'indigenous people' refers to tribal or native groups still living in their homeland areas; they are the existing descendants of the original people inhabiting a particular region or country.

Local involvement and participation in tourism planning and activities is a central focus in tourism development considerations if tourism benefits are to be accrued to the local residents. According to the United Nations Economic and Social Council Resolution 1929

(LVIII), in terms of development, participation requires the voluntary and democratic involvement of individuals in contributing to the development effort, sharing equitably in benefits derived there- from, and decision-making in respect of goal setting, policy formulating, planning and implementing economic and social development programmes (Midgley, 1986). According to Pretty's typology of participation as cited in Cornwall, 2008), there are seven different types of participation (Cornwall, 2008). These are summarised in Table 2.2.



**Table 2.2: Pretty's typology of participation**

<b>Type</b>	<b>Characteristics of each type</b>
1. Manipulative participation	Participation is simply a pretence, with 'people's' representatives on official boards, but who are unelected and have no power
2. Passive participation	People participate by being told what has been decided or has already happened. Information being shared belongs only to external professionals.
3. Participation by consultation	People participate by being consulted or by answering questions. Process does not concede any share in decision-making, and professionals are under no obligation to take on board people's views.
4. Participation for material incentives	People participate in return for food, cash or other material incentives. Local people have no stake in prolonging technologies or practices when the incentives end.
5. Functional participation	Participation is seen by external agencies as a means to achieve their goals, especially reduced costs. People participate by forming groups to meet predetermined objectives.
6. Interactive participation	People participate in joint analysis, development of action plans and formation or strengthening of local groups or institutions. Learning methodologies used to seek multiple perspectives and groups determine how available resources are used.
7. Self-mobilisation	People participate by taking initiatives independently of external institutions to change systems. They develop contacts with external institutions for resources and technical advice they need, but retain control over resource use.

Source: Excerpted from Pretty (as cited in Cornwall, 2008, p. 272)

Another form of participation that can be applied to tourism destination communities is the citizen participation typology developed by Arnstein in 1969 (see Table 2.3). It includes eight levels of participation, with the lowest stage of ‘manipulative participation’ moving up to the highest level of ‘citizen control’ through the ladders of therapy, informing, consultation, placation, partnership and delegated power. Each level describes a different degree of external involvement and local control and reflects the power relationships between them (Arnstein, 1969). Arnstein suggests that citizen power increases as the hierarchy progresses from the lowest level to the top level. In her explanation, at the non-participation level, the real intention of the power holders do not enable host communities to participate, but to provide education for the local people . The real intention can be either manipulation or therapy (Arnstein, 1969). Manipulation of the power holders can only provide the name of community participation on a rubber stamp to signify the distorted power relations between the powerful and powerless participants (Arnstein, 1969). In meetings, the power holders give advice and persuade community members to follow and support their decisions. At the end of the meeting, community members are asked to sign as proof that the community members did participate in the development planning (Arnstein, 1969). For the ‘therapy’ level of community participation, power holders play the role of doctors or experts to ‘cure’ host communities. They assist host communities in engaging in some activities of the development process so that communities can gain understanding and provide support for their development programmes.

At the ‘tokenism’ levels of community participation (informing, consulting and placating), Arnstein (1969) contends that although community participants have limited power in these situations, with their chance to speak, their views and feedback may be taken into account in decision-making on development programmes. Informing is the first stage towards legitimate participation when host communities are offered information regarding their roles, rights, and options in development programmes. However, true community participation has not yet existed as it is one-way communication. For instance, in meetings, host community members are given detailed information, but are not encouraged to ask questions, and to provide feedback. As a result, host community members still have little opportunity to influence the decision-making on the development programmes that benefit them. A somewhat higher level is consultation. At this stage, community participation is still distorted since the community are consulted but their opinions count for little. Consultation techniques often used in this type of participation tend to be neighbourhood meetings, attitude surveys, and public hearings. With these techniques, Arnstein explains that host communities are regarded as statistical abstractions.




The highest level of tokenism, placation, offers some power to community participants. Some community representatives are provided with a few seats on the management boards of development programmes. However, the power holders still have the majority of seats. That means the community representatives can be easily outvoted and outfoxed.

When host communities have decision-making 'clout', they have reached a degree of citizen participation. Community participation can be divided into three categories at this level: partnership, delegated power and citizen control. Partnership refers to the ability of communities to negotiate and engage in trade-offs with the power holders via the structure of joint policy boards and planning committees. Leaders representing communities are accountable and community groups acquire enough resources to fund their operational activities, including staff wages. The groups also have bargaining influence over the decision-making on development planning and outcomes. At a higher level, delegated power enables host communities to obtain more bargaining authority. Host communities hold the majority of seats on the management boards, and they have dominant decision-making authority over the development programmes that affect them. The authority of host communities will have the ultimate power when they participate at the citizen power level, the highest level of citizen control. Host communities are empowered to gain full managerial control over development programmes or institutions. They have full charge of policy making and decision-making on the development process that ensures the accountability of the development to them.

A later typology of community participation in the tourism context has been developed by Tosun (1999 as cited in Tosun, 2006). This typology (see Table 2.3) consists of three levels of participation: coercive participation, induced participation, and spontaneous participation (Tosun, 2006). Tosun describes the three levels that, the coercive participation is the lowest level of the ladder, at which communities are not helped to participate in the decision-making of tourism development, but are 'cured' and 'educated' by power holders to accept tourism development in their communities. In some cases, community leaders may be consulted to meet some fundamental needs of communities to alleviate political and social constraints in this development. At the level of induced participation, community members are permitted to give their opinions and are heard, but they have no power to ensure their voices are taken into consideration by other powerful groups. This type of community participation is considered as an indirect and passive top-down approach. In this approach, host communities are provided with some benefits from tourism, but not allowed to make decisions on the development (Tosun, 2006). At the top level of the ladder, the spontaneous participation in

tourism development, host communities have full control and managerial authority for tourism development in their community areas (Tosun, 2006).

**Table 2.3: Typologies of community participation (Source: Adopted from Tosun, 2006)**

<b>Tosun’s Typology (1999) of Community Participation</b>	<b>Arnstein’s Typology (1969) of Community Participation</b>			
<u>Spontaneous Participation</u> Bottom-up approach; Direct participation		Degree of citizen power	8	Citizen control
			7	Delegated power
			6	Partnership
<u>Induced Participation</u> Top-down approach; Indirect participation		Degree of tokenism	5	Placation
			4	Consultation
			3	Informing
<u>Coercive Participation</u> Top-down approach; Passive participation		Non-participation	2	Therapy
			1	Manipulation

Community-based ecotourism stresses that local community has had substantial control over, and participated in the development and management of tourism, and retained a major proportion of the benefit within the community.

In a study on local participation in ecotourism projects, Drake (1991) defined ‘local participation’ as that of local communities participating in ecotourism projects at the planning stage, during implementation, and sharing the benefit. Participation in the planning process includes such tasks as identifying problems, formulating alternatives, planning activities, and allocating resources. Participation in the implementation stage may include actions such as managing and operating a programme. Sharing benefits means that the local communities will receive economic, social, cultural, and/or other benefits from the project, either individually or collectively.

In a similar way, Mitchell and Reid (2001) pointed out that there is a need for placing greater emphasis on community empowerment in tourism planning and implementation. A

community's integration could be equated with its empowerment, or the ability of the community to take charge of its development goals on an equitable basis. It was argued that a community with a high level of tourism control and management would have a broad-based and open democratic structure, an equitable and efficient decision-making process, a high degree of individual participation in decision-making, and a high amount of local ownership. It is, however, rare that all of these distinctions could exist for a given community (Mitchell & Reid, 2001).

## **2.8 Chapter summary**

This chapter has provided a review of existing literature and previous case studies that are relevant to this study. It provides the context of the study and includes material about the poverty situation in developing countries, important aspects relevant to tourism development models as well as participation models. The poverty-related situation and tourism development of the case study country (Lao PDR) are raised. The chapter also explores literature on the potential economic, socio-cultural and environmental impacts that tourism may bring to the local destination, as well as the review on local residents' responses to these tourism effects.

The next chapter is the discussion of Lao context, which is the case study of this research study.

## Chapter 3

### Case study: Luang Namtha Province, Lao PDR

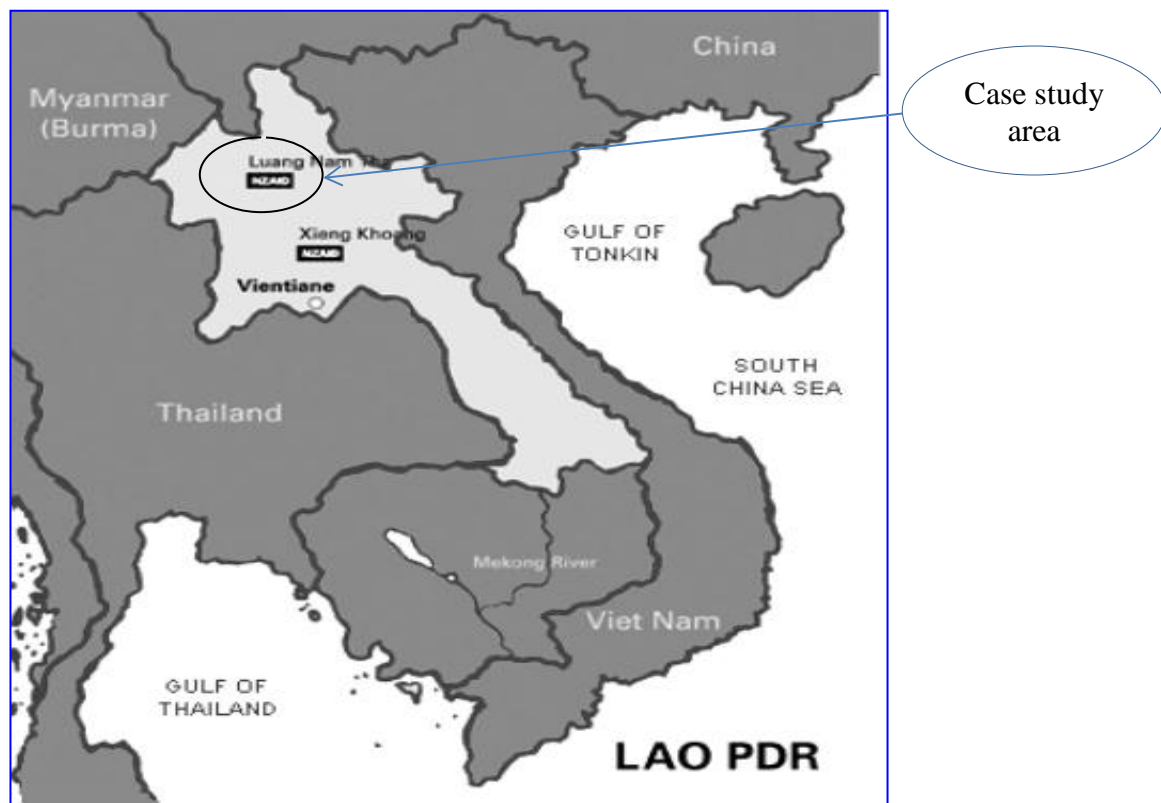
This chapter provides an overview of Lao PDR, with the first section (3.1) presenting the background of the country and its development, its poverty situation and poverty alleviation efforts. The second section (3.2) highlights tourism development in Lao PDR, dealing with tourism policy, ecotourism development strategies, and tourism market situation. The third section (3.3) presents an overview of Luang Namtha Province and its development background, followed by tourism development during the Nam Ha Ecotourism Project operation in Luang Namtha in the fourth section (3.4). The fifth section (3.5) discusses tourism development in Luang Namtha Province today and includes tourism statistics of the province. The final section (3.6) provides the geographical setting and characteristics of the two communities under study (i.e. Nalan village and Nam Eng village).

#### 3.1 Background of Lao PDR

Lao People's Democratic Republic (Lao PDR - commonly known as Laos) (see Figure 3.1), one of the world's least developed countries, is located in the heart of the Indochina Peninsula in Southeast Asia, sharing borders with China to the North, Myanmar to the Northwest, Thailand to the west, Cambodia to the south and Vietnam to the east. It is the only Southeast Asian country without direct access to the sea, stretching 1,700 kilometres from north to south. With its total area of 236,800square kilometres and a population of approximately 6.2 million, Lao PDR is a diverse nation comprising 49 ethnic groups (source: [www.tourismlaos.org](http://www.tourismlaos.org)) and over 230 different languages (source: [www.unescobkk.org](http://www.unescobkk.org)).

Since the establishment of Lao PDR (1975), poverty has been a concern that has impeded the progress of the country. To address this poverty and the country's overall development, external assistance has become a necessity in the Government's foreign policy considerations. As part of this policy, the Lao government, following the opening-up of the country to international tourists in the 1990s (Manivong & Sipaseuth, 2007), has established a long-term national development strategy, the 20-year national development programme (2000-2020). The strategy aims at bringing the nation out of the least developed country status by the year 2020. As with other sectors, tourism is considered a sector that plays a crucial role in contributing to the national economic growth, with a national income contribution of 7%-9% of GDP (Harrison & Schipani, 2007).

The role of tourism is particularly important in the rural and remote areas of Lao PDR where the poorest ethnic minority groups often reside. According to the New Zealand's International Aid and Development Agency's (NZAID) strategy in assisting Lao PDR over the 2005-2010 periods, poverty in Lao PDR remains among the highest in the region with 80% of the poor living in rural areas and relying on subsistence agricultural and natural resources for income and food. Poverty in the uplands is estimated at 43.9%, compared to 28.2% in lowland areas, and the vast majority of the poor are members of minority ethnic groups (NZAID, n.d.).



**Figure 3.1: Map of Lao PDR (Source: NZAID, 2010)**

### **3.1.1 Lao PDR and its development**

After decades of war and instability had ended with the establishment of the present Lao Government in 1975, Lao PDR has experienced slow development progress until the Fourth Party Congress in 1986, when a 'New Economic Mechanism' was introduced (Robichaud & Programme, 2001). This policy moved the country from the centralised state-run economy to a market-oriented economy (Khamvongsa & Russell, 2009), or transferred Lao PDR from a centrally planned agriculture-based subsistence economy towards a more market-oriented

industry and service-based economy (Tong, 2009). Economic liberation and increased foreign investment followed, and since then, the national economy has grown continuously.

From mid-1997 to the end of 1999, the economy of the Lao PDR faced arduous difficulties, especially the significant negative impacts of the Asian Economic Crisis and recurring severe natural disasters. However, following the development of the fifth National Social Economic Development Plan (NSEDP) (2001-2005), the economy has begun to expand and build up the potential for growing at a faster pace in coming years (World Bank Report No. 43398-La, 2008).

With the gradual integration of the country into the regional and global economy, there was a significant decrease in poverty in Lao PDR from 46% of the poverty headcount in 1992 to 34% in 2003, and it was expected to reach the related the Millennium Development Goals (MDGs) target of 25% by 2010 (*Document of the World Bank: Report No. 43398-LA*, 2008). To meet this expectation, the poverty reduction strategy seeks to expand economic activity, improve access to basic services, increase internal and health security, and empower decision-making of the poor. The strategy also focused on geographical targeting in the 47 poorest districts. Although economic poverty has declined faster in the poorest (priority) districts than in other (non-priority) districts over the last decade, gaps in accessing health and education between priority and non-priority districts have grown since the early 1990s, driven by more rapid progress in the latter (*Document of the World Bank: Report No. 43398-LA*, 2008).

According to the World Bank Report No. 43398-La (2008) regarding the macroeconomic achievements in implementing the fifth NSEDP (2001-2005), during the five-year period, the Lao economy maintained rapid and sustained expansion, with GDP growing at about 6.24% per annum, which was an increase of about 0.3% over the average growth rate of the previous five-year period (1996-2000). The average value of exports over 2001-2005 was estimated at US\$1.83 billion, achieving an average growth rate of 7% per year. The value of imports over the five-year period amounted to US\$2.86 billion with an average annual increase of 4.9%. The ratio of the trade deficit to GDP declined from 11.1% in 2001 to 8% in 2005. The official development assistance (ODA) disbursements totalled US\$ 935 million, averaging at US\$187 million per year. During the period, the Lao PDR received 585 foreign direct investment (FDI) projects with a total committed capital of US\$2.8 billion, and US\$1.07 billion in disbursements. About 505,000 new jobs were created in the five-year period, surpassing the target of 500,000 jobs.

Although the Lao Government widely achieved at a micro level its targets set in the fifth NSEDP, the Government has learned from its previous lessons of development and put the



learned lessons into its sixth NSEDP (2006-2010), which aims to achieve the overall targets outlined in the Ten-Year Socio-Economic Development Strategy (2001-2010) approved by the 7<sup>th</sup> Party Congress. The overall directions of the Sixth Plan include transforming the multi-sectoral economy from uneven performance to fast and stable development within the market mechanism guided by the State. The main focus areas are: Promoting economic development, with human development as a key vehicle; increasing competitiveness and utilising comparative advantages to implement effectively international economic commitments in the framework of the ASEAN and other bilateral and multilateral commitments, including WTO; and strengthening the positive linkages between economic growth and social development, in addressing social issues such as poverty and other social evils, and helping keep the socio-political situation stable (World Bank Report No. 43398-La, 2008).

The annual average growth rate of GDP for economic balance was targeted at 7.5-8%. For the export-import balance, the total exports during the five years (2006-2010) was aimed at reaching US\$3.48 billion, with an annual average growth rate of 18.1% while the import turnover was targeted at US\$4.5 billion, increasing on average at 8.8% per annum.

### **3.1.2 Poverty reduction in Lao PDR**

Poverty in Lao PDR has resulted from a combination of factors including a low standard of education, geographical difficulties, lack of infrastructure and lack of opportunity to access development opportunities. The survey also reported that 80% of Lao people rely on agricultural production, with crops often affected by irregular rainfall and pestilence. This is a major challenge for the country to graduate from the United Nations' least-developed nation status by 2020, as villages struggle to alleviate poverty at a time of economic hardship (World Bank, 2009). To address the poverty problems, the Lao government, in the Sixth Plan, outlined its overall strategy for poverty reduction among different groups of the Lao multi-ethnic population in order to assist the poor to help themselves to fully utilise their labour and other modest resources, improve their situation and exit poverty. This strategy was to be achieved through the Government's assistance in enlarging the economic opportunities, enabling the provision of basic social and essential economic services, ensuring security; and facilitating the participation and empowerment of the poor in economic, social, political and other arenas to reduce poverty on a sustainable basis.

The Lao government also set out the targets for poverty reduction in the five-year NSEDP (2006-2010), which included: (1) Improving the quality and living standards of the people,

particularly in poor and remote areas; (2) Promoting employment in rural areas and developing income generation activities while respecting the laws; (3) Increasing the access of the poor households to the services in education, health, credit, etc. and (4) Promoting those households who have overcome poverty to help other poor families.

The specific targets by 2010 include the following: (1) To bring down the ratio of poor families to below 15% in 2010; (2) To abolish completely seasonal hunger (rice scarcity) at the household level; (3) To reduce the ratio of malnourished children under five to below 30%; (4) To implement the programme of 'Education for All'; (5) To provide clean water to 65% of the population in rural areas; (6) To lower the population growth rate to 1.91% per annum; and (7) To raise the ratio of green areas to above 50% of all natural areas. These targets have to date not been evaluated (November 2010).

Along with these different components of the poverty eradication strategy, tourism development is a sub-sector strategy, and the Government has researched and amended policies to facilitate the growth of the tourism sector, to diversify funding sources, primarily mobilising private and foreign investment. The Government has also approved 41.7 billion kip (Lao currency) for village development funds in the 47 poorest districts to make credit available at a low interest rate. In the meantime, the Government has borrowed 166.8 billion kip (US\$1 = 8,040 kip) from the World Bank for poverty reduction, to undertake projects in 19 districts, particularly focusing on the development of infrastructure, human resources, and income-earning activities for villagers (Pongkhao, 2009). In recent years, the Government has addressed poverty through the Poverty Reduction Fund (PRF), to particularly empower the poor, women and ethnic minorities in rural villages to assess their own needs and priorities (water supply, access to roads, primary schools, health clinics, irrigation systems and village markets), and build capacity for them to plan, build and manage local infrastructure in a decentralised and transparent manner (World Bank, 2009). These achievements have been contributed to by the World Bank's International Development Association (IDA) with US\$20 million in funding for the first five years of project operations (2003-2008). IDA has also approved additional financing of US\$15 million for 2008-2011. In addition, the Swiss Agency for Development and Cooperation is also providing an additional US\$7 million to support PRF operations in the same period.

As a result, from 2003 to 2009, poor communities in six provinces, 26 districts and nearly 2,000 villages have implemented over 2,400 local projects, with investment valued at more than US\$24 million. Specifically, more than 900 villages now have access to clean water,

more than 460 schools and 40 health clinics have been built in remote villages, more than 2,000 kilometres of rural access roads have been upgraded, over 70 bridges have been built, and more than 1,900 training sessions in infrastructure maintenance and usage and skills have been provided to participant villagers (World Bank, 2009).

However, although poverty in Lao PDR has been reduced in recent years, people currently living in poverty still remain in large numbers. Pongkhao (2009) was able to access a survey conducted by the National Committee for Rural Development and Poverty Reduction in Lao PDR over 2007 and 2008, and found that more than 1.5 million people in Lao PDR are currently living below the poverty line, equivalent to 27.1% of the country's population. The survey also reported that 195,709 of these people lived in rural areas, and that the north had the highest percentage of poor households (51%) of all households, followed by the central region at 32%, with 17% in the south (Pongkhao, 2009).

## **3.2 Tourism Development in Lao PDR**

### **3.2.1 Major exports in Lao PDR**

The main exports in Lao PDR include minerals, tourism, garments, electricity, wood products, coffee, agricultural production, handicrafts and other industries. Of these, tourism is the second largest industry for foreign exchange earnings, after the mining industry, in the Lao PDR in recent years (except for 2009). Table 3.2 shows the major export industries, their revenue and ranks relative to each other over a five-year period from 2006 to 2010.

**Table 3.1: Revenue from tourism and major exports, 2006-2010 (Note: revenue in millions of US dollars)**

Product	2010		2009		2008		2007		2006	
	Revenue	Rank	Revenue	Rank	Revenue	Rank	Revenue	Rank	Revenue	Rank
Minerals	1,061.2	1	539.4	1	801.9	1	558.8	1	485.6	1
Tourism	381.6	2	267.7	3	275.5	2	233.3	2	173.2	2
Garments	167.3	4	141.7	4	255.0	3	132.1	3	126.1	3
Electricity	288.9	3	274.5	2	97.1	4	72.1	5	101.1	4
Wood products	37.1	7	46.0	6	59.3	5	72.5	4	96.6	5
Coffee	19.8	8	13.8	8	15.6	8	32.3	7	9.7	8
Agricultural products	100.3	6	77.0	5	47.9	6	42.4	6	39.2	6
Handicrafts	3.9	9	4.7	9	3.4	9	4.6	9	1.1	9
Other industries	113.6	5	31.1	7	30.0	7	12.8	8	18.2	7

Source: 2010 Statistical Report on Tourism in Lao

### 3.2.2 Tourism policy

Tourism in Lao PDR was not widely recognised as a catalyst for economic growth until the 1990s. Following the IV Party congress in 1986 (Lao PDR Tourism Strategy 2006-2020, n.d.), a new policy was defined and declared – an open door policy for external economic relations. Importantly, the country opened its door to international tourism in 1989 (Khamvongsa & Russell, 2009), allowing the flow of tourists into the country at an increasing number. This significantly contributed to the national economic growth (Tong, 2009). Having recognised the potential economic benefits accrued from tourism, the Lao Government considered and included tourism as one of the eight Priority Development Areas in the NSEDP 1996-2000 (Manivong, n.d.).

Currently, to foster growth in tourism and other service sectors, the Lao Government is focusing on promoting three types of tourism: natural, cultural and historical. In particular, ecotourism based on communities has been actively promoted following the success of the pilot Nam Ha Ecotourism Project, which first emerged in 1999 in Luang Namtha Province (see more details in section 3.4).

The Government promotes ecotourism in natural settings because Lao PDR is well endowed with many kinds of flora and fauna, prestige forests and a dramatic range of scenery, and its many ethnic groups and communities have their own characteristics, rituals and traditions (Manivong, n.d.). Forest areas account for 41% of all land in Lao PDR and include 20 National Protected Areas and two World Heritage sites, namely Luang Prabang and Watphou (Champasack Province). The Government has also determined an immediate tourism development plan from 2011 to 2015, with an allocated investment budget of approximately US\$14.5 million per year. In this plan, the tourism industry has envisioned for developing tourism products, increasing awareness of Lao PDR as a quality destination with a variety of natural and cultural tourism products, boosting domestic tourism among Lao people, improving economic performance through tourism sectors as well as improving the overall standard of the tourism industry (Bodhisane, n.d.). Furthermore, the Government target is for tourist arrivals to reach about 2.87 million by 2015, and the expected tourist revenue would reach US\$438 million by the same date. Attempts are also made to increase the number of national heritage sites to 29 (nine at present), even though the number of World Heritage sites will remain the same.

The following section outlines the Government's strategy on ecotourism development to achieve the goal of sustainable tourism development.

### **3.2.3 Ecotourism development strategies**

For ecotourism to be developed in a sustainable manner, it is necessary to have an ecotourism strategy. Building on the success of the Nam Ha Ecotourism initiative (see Section 3.4), the Lao National Tourism Administration produced the National Ecotourism Strategy and Action Plan 2005-2010. According to the Plan, five key objectives of the strategy were determined:

1. Strengthen institutional arrangements for planning and managing ecotourism growth;
2. Support training, capacity building and the promotion of good practice;
3. Support environmental protection and nature conservation;
4. Provide socio-economic development and cultural heritage protection for host communities; and
5. Develop ecotourism research and information.

The Plan also viewed and defined ecotourism in Laos as *“Tourism activity in rural and protected areas that minimises negative impacts and is directed towards the conservation of*

*natural and cultural resources, rural socio-economic development and visitor understanding of, and appreciation for, the places they are visiting.*”(Mongkhounvilay, n.d., p. 8). In order to guide, direct and promote Lao ecotourism, the Plan set out its vision: *“Laos will become a world renowned destination specialising in forms of sustainable tourism that, through partnership and cooperation, benefit natural and cultural heritage conservation, local socio-economic development and spread knowledge of Lao’s unique cultural heritage around the world.”*(Mongkhounvilay, n.d., p. 8). The Plan determined its guiding principles for ecotourism, which are to:

- Minimise negative impacts on Lao nature and culture;
- Increase awareness among all stakeholders as to the importance of ethnic diversity conservation in the Lao PDR;
- Promote responsible business practices that work cooperatively with local authorities and people to support poverty alleviation and deliver conservation benefits;
- Provide a source of income to sustain, conserve and manage the Lao protected area network and cultural heritage sites;
- Emphasise the need for tourism zoning and visitor management plans for sites that will be developed as eco-destinations;
- Use the environmental and social base-line data, as well as long-term monitoring programmes, to assess and minimise negative impacts;
- Maximise the economic the benefit for the Lao national economy, especially local businesses and people living in and around the protected area network;
- Ensure that tourism development does not exceed the social and environmental limits of acceptable change as determined by researchers in cooperation with local residents; and
- Promote local styles of architecture and infrastructure that are developed in harmony with the Lao culture and environment, and that use local materials, minimise energy consumption, and conserve local plants and wildlife.

Therefore, this ecotourism strategy and action plan has become an important guide to all ecotourism stakeholders in Laos in order to achieve the ultimate goal of developing sustainable ecotourism.

### **3.2.4 Tourist arrivals, length of stay, and revenue**

The number of tourist arrivals to Lao PDR has shown almost constant increases from 14,400 in 1990 to 2,513,028 in 2010, with an average growth rate of 20.67% (see Table 3.2). The tourist numbers dropped slightly between 2000 and 2002. However, since this time growth has been continuous, despite of the unstable political situations in some countries in the region and the global economic turmoil that affected the whole region (Mongkhonvilay, n.d). By 2010 the number of tourist arrivals had surpassed 2,500,000 while also generating a total revenue of approximately US\$ 382 million (LNTA, n.d). On average, international tourists had a longer length of stay than Asian regional tourists over the two decades (1990-2010).

**Table 3.2 Number of tourist arrivals, revenue from tourism and average length of stay, 1990-2010**

Year	Number of tourist arrivals	Change (%)	Average length of stay (days) for international tourists	Average length of stay (days) for regional tourists	Average length of stay (days) for the total tourist arrivals	Revenue from tourism (US dollars)
1990	14,400	NA	NA	NA	NA	NA
1991	37,613	161	NA	NA	NA	2,250,000
1992	87,571	133	NA	NA	NA	4,510,000
1993	102,946	18	3.5	NA	NA	6,280,000
1994	146,155	42	5.1	NA	NA	7,557,600
1995	346,460	137	4.3	NA	NA	24,738,480
1996	403,000	16	4.8	1.8	3.3	43,592,263
1997	463,200	15	5.0	3.0	4.0	73,276,904
1998	500,200	8	5.0	2.4	3.7	79,960,145
1999	614,278	23	5.5	2.4	4.0	97,265,324
2000	737,208	20	5.5	2.4	4.0	113,898,285
2001	673,823	-8.6	8.0	2.4	5.2	103,786,323
2002	735,662	9	6.5	2.1	4.3	113,409,883
2003	636,361	-13.5	6.0	2.0	4.0	87,302,412
2004	894,806	41	6.5	2.0	4.3	118,947,707
2005	1,095,315	22	7.0	2.0	4.5	146,770,074
2006	1,215,106	11	7.0	2.0	4.5	173,249,896
2007	1,623,943	34	7.0	2.0	4.5	233,304,695
2008	1,736,787	7	6.5	2.0	4.25	275,515,758
2009	2,008,363	16	7.0	2.0	4.50	267,700,224
2010	2,513,028	25	7.0	2.0	4.50	381,669,031

Source: 2010 statistical report on tourism in Laos



### **3.2.5 Market situation**

According to the 2010 statistical report on tourism in Lao PDR, the visitors from the neighbouring countries (ASEAN) represented the largest number of tourists in 2010 (1,990,932 or 79% of the total tourist arrivals) with an increase of 24% over 2009. Similarly, the international tourists groups, who are considered the most important market for Lao tourism, also grew from 299,986 in 2009 to 394,539 in 2010, approximately a 32% increase. The largest portion of visitors in 2010 was from the Asia and Pacific, accounting for 90% of the total tourist arrivals, or a 24% increase from 2009. This change increase resulted mainly from the increase in the tourist numbers from Thailand, Vietnam, Korea and Japan. In the Asia and Pacific region the priority market for tourism in Lao PDR is Thailand, Vietnam and Japan, with other important markets such as China (6% of market share) and Australia (12%). The tourist market share for Europe in 2010 remained the same level as 2009 (7%), with an increase of 37% from 2009. The growing number of European tourists in 2010 was due to a strong growth in tourist arrivals from France (41%), the United States (38%) and Germany (28%). The market share for the Americas in 2010 was roughly 3%, with a total of 67,291 tourists, with these visitors primarily from the United States, with 49,782 tourists, and Canada, with 13,637 tourists (Mongkhonvilay, n.d).

### **3.3 Luang Namtha Province and its development background**

Luang Namtha Province, the site for the case study in this research project, is located in the north-western part of Lao PDR (see Figure 3.2). It has an area of 9,325 square kilometres. The highest point (2,094 metres) is found in Vieng Phoukha District, and several peaks that approach 2,000 metres can be found among the province's central mountains that separate Namtha and Muang Sing ([www.luangnamtha-tourism.org](http://www.luangnamtha-tourism.org)). Like the rest of the country, Luang Namtha's weather pattern is characterised by a rainy season lasting from May to October, followed by a cool dry period from November to February, while the hottest months are March and April. On average, the maximum daily temperature is a pleasant 25 degrees Celsius, but during the cool season it can dip to zero on the coldest nights ([www.luangnamtha-tourism.org](http://www.luangnamtha-tourism.org)).

To the north, Luang Namtha shares a 140 kilometre land border with the People's Republic of China, and its northwest frontier with Myanmar follows a 130 kilometre stretch of the Mekong River. Administratively, Luang Namtha Province is divided into five districts: Namtha, Nale, Vieng Phoukha, Long and Sing (Muang Sing). These districts are further divided into 380 village units. The provincial capital, which is also called Luang Namtha, is in

Namtha District, and is the most heavily populated town with nearly 45,000 inhabitants. The total population in 2005 was 145,310 with 78% classified as rural and 40% less than 14 years' old (www.luangnamtha-tourism.org). Over 20 different ethnic groups reside in the province, making it one of the most ethnically diverse parts of the country (Schipani, 2008). Luang Namtha's main industries include agriculture, wood processing, lignite and copper mining, handicraft production, transportation and tourism.

Most people are engaged in agriculture (such as farming rice, corn, vegetables, cassava and peanuts) (www.luangnamtha-tourism.org). Other important agricultural products include buffaloes, cattle, fish, chickens, rubber, teakwood, watermelons, sugarcane and peppers. Forest products such as bamboo shoots, mushrooms, rattan, cardamom and ginger are also key sources of income for the rural population (www.luangnamtha-tourism.org).

Luang Namtha is accessible by air, land and river. The overland routes to the province are from Oudomxai province in the east and Bokeo province in the south. There is an international border crossing at Boten (China-Laos) and regular air service, from Vientiane on Lao Airlines. The province may also be reached by a journey up the Mekong River and/or Namtha River from Bokeo province (www.luangnamtha-tourism.org).

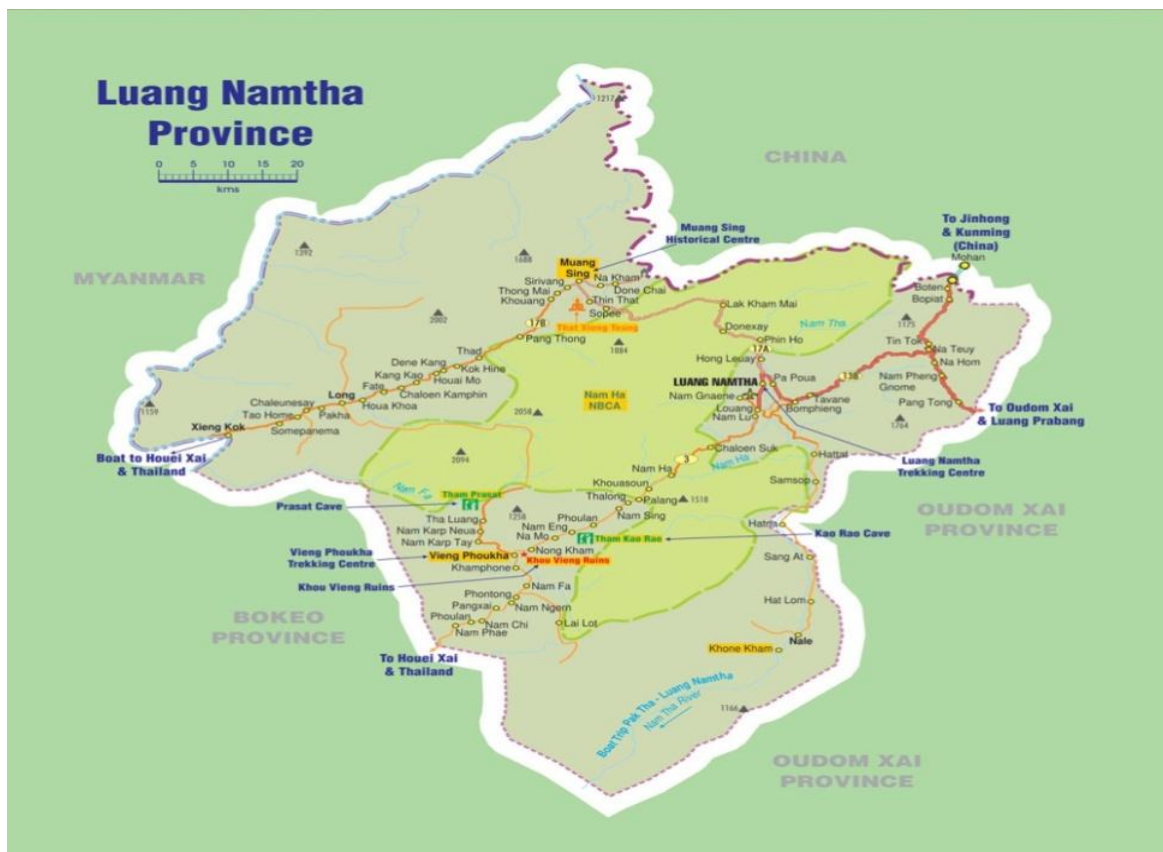


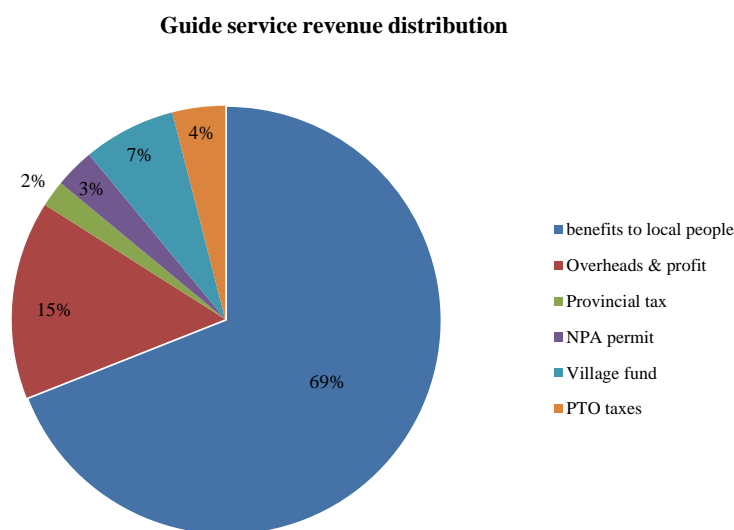
Figure 3.2: Map of Luang Namtha Province (Source: <http://www.ecotourismlaos.com>)

Following the country's independence, Luang Namtha Province has, especially in recent years, been developed in many sectors within its socio-economic development plan scope. For example, in terms of economic growth, its per-capita GDP stood at US\$280 in 2005, and grew at a rate of 7.7% in the same year. However, during the development phase, the local government has faced multiple challenges, especially with regards to poverty among the local ethnic groups living in remote rural areas. Many programmes have been launched in the province, such as the first EU-Integrated Rural Development Project launched in 2005. Of these programmes, tourism, especially the Nam Ha community-based Ecotourism Project has played an important role in helping to raise the living standard for rural ethnic communities. This form of tourism has been considered a model of its kind for the country, as well as other potential regions with similar circumstances (Harrison & Schipani, 2007). This tourism model is outlined in the next section.

### **3.4 Tourism development in Luang Namtha Province during the two-phase Nam Ha Ecotourism Project initiatives (1999-2008)**

Ecotourism officially emerged in Lao PDR in the late 1990s. The Nam Ha Ecotourism Project was operated in Luang Namtha province in 1999 by the office of the UNESCO Regional Advisor for Culture in Asia and the Pacific (Schipani & Marris, 2002). The project's implementing agency was the National Tourism Authority of Lao PDR, with cooperation from the Ministry of Agriculture and Forestry and the Ministry of Information and Culture (Schipani & Marris, 2002). The operation of this ecotourism project was divided into two phases: From October 1999 to October 2002 (Lyttleton & Allcock, 2002a), and from March 2005 to April 2008 (Schipani et al, 2007). The main goal of the Nam Ha ecotourism project was to create an economically viable ecotourism development model that could assist in alleviating local poverty and contributing to the conservation and protection of the Lao PDR's cultural and natural heritage (Schipani & Marris, 2002). The project focused on using ecotourism as a catalyst for social and economic empowerment and living conditions improvement of the poor local ethnic communities, as well as formulating guidelines for sustainable ecotourism development that can serve as a model for other areas of Lao PDR (Butler & Hinch, 2007b). The main ecotourism activities developed during these two phases included trekking, rafting and kayaking, camping, bird watching, mountain bike tours, and village home-stays ([www.ecotourismlaos.com](http://www.ecotourismlaos.com)). This first example of ecotourism development in the Lao PDR was operated in Nam Ha National Protected Area.

The Nam Ha Ecotourism Project contributed significantly to the creation of local employment. Schipani (2007) reported that over 130 local people were employed as guides and staff on the project during its operation. Jobs were also created in other sectors such as agriculture, transportation, hotels, restaurants, and rental services. In terms of income generation, the revenue generated by the ecotourism project has increased since the tourism began in the villages involved; for example, the total annual ecotourism tour sales revenue in 2001 was US\$17,795, and increased to US\$120,000 in 2006 (Schipani, 2007). According to Schipani, the revenues generated by the Nam Ha Ecotourism Project were distributed locally (see Figure 3.3). For example, in 2005, two-thirds (69%) of guide service revenue was distributed to the local people who worked as trekking guides, while other proportions of the revenue were diminishingly distributed among other stakeholders according to the established benefit-sharing scheme or system of the project. The market source that brought about such employment opportunities and additional income in the local economy has mainly been the international tourism market.



**Figure 3.3: Luang Namtha guide service revenue distribution, 2005**  
(Source: Schipani, 2007)

Through the implementation of the project in both phases, the Lao Government considered this form of ecotourism as a tremendous success, as the model met with its intended outcomes, while also coinciding with its pre-determined principles. This successful project has been recognised with international awards, including a United Nations Development

award in 2001 for its contribution to poverty alleviation, and the 2002 British Airways 'Tourism for Tomorrow' award for the protected area category (Lyttleton & Allcock, 2002).

### **3.5 Tourism development in Luang Namtha Province today**

Luang Namtha province is currently being developed in a wider scope of tourism. As mentioned earlier, in order to meet the goal of lifting Lao PDR out of the United Nations' list of least -developed countries (LDCs), the government is making increased attempts to gradually integrate the country into the regional and international economies through land links between the north and the south, and the east and the west. In constructing these links to its neighbouring countries, Luang Namtha province is located in a position through which the North-South Economic Corridor (NSEC), or National Route 3, passes (see Picture section 3.6.2.2). Thus, in parallel with the emergence of this improved National Route 3, tourism is also developed into a wider scope, such as the 'Greater Mekong Subregion-Sustainable Tourism Development Project' (GMS-STDP), which is the government's promotion of regional tourism as a single destination. Its objective is to link tourism within the Sub-Mekong regions. The specific objective of the project is to develop and implement a tourism development strategy plan called 'Strategy and Action Plan to encourage Tourists to Stay Longer and Spend More on the North-South Economic Corridor', which aims to improve tourism along the NSEC to encourage tourists to stay longer and spend more money in the area. The strategy also focuses on its intended outcomes to better secure the NSEC's natural, cultural and historical tourism assets, and to create jobs and provide income generating opportunities for local people living near the road (NSEC), especially women and ethnic groups (Asian Centre for tourism planning and poverty alleviation, 2009 ). The NSEC consists of three major routes that follow the north-south axis of the Greater Mekong Subregion: (1) the Kunming-Chiang Rai-Bangkok highways that traverse Laos or Myanmar; (2) the Kunming-Hanoi-Hai Phong route; and (3) the roadways linking Naning to Hanoi via the Youyi or Fangcheng-Dongxing-Mong Cai route.

The National Route 3 (NSEC) that passes through two northern provinces of Luang Namtha and Bokeo has its southern end in Chiang Rai province of Thailand, and its north in Yunnan province of China. This section of the NSEC includes Houei Xai District in Bokeo and Vieng Phoukha District in Luang Namtha, with a total distance between the Houei Xai and Boten immigration checkpoints of approximately 240 km. This section of the route, consisting of a two-lane, paved all -weather roadway, was completed in 2008, and it takes about three to four hours to drive the 240-kilometre Lao section.

In the initial survey study of NSEC undertaken by the GMS-STDP, the general findings showed both potential and challenges. These are explained in the following sections.

According to the survey study, it is expected the NSEC will serve as the main land route providing opportunities for trade and investment in several development areas, including tourism. Since the NSEC was improved and opened in 2008, there have been an increasing number of travellers using it to journey to and from Thailand and China. Travelling on the NSEC offers opportunities to see a variety of spectacular mountain landscapes and to visit the ethnic minority communities. However, although there are many opportunities to boost local visits exist, there are very few interested tourists. This is due to a number of reasons, including lack of awareness among tourists and operators about the sites, lack of quality tourism products and services, lack of visitor services and facilities, and lack of hotels and restaurants. Thus, the unavailability of these current tourism components results in minimal opportunities for local communities living along the NSEC to participate in and capture the economic benefits from tourism.

The survey also found that the major international tourist markets for Luang Namtha are independent tourists from the United Kingdom, France, Germany, Holland, Australia, Canada, the USA and Japan. It is also reported that these market groups seek to experience trekking activities, visit ethnic villages, and participate in adventure activities such as visits to caves, and waterfalls, camping, bird watching, rafting, and mountain bike riding. However, the survey findings indicated that some experts believe that the European markets will diminish due to the current markets experiencing a significant change as a result of relatively high travel costs. Thus, this situation leads to caution exercised about dependence on some sectors of the European market. The length of stay for this market is approximately five days, with peak visitation from September to January. According to the GMS-STDP report, the number of visitors that stayed in Luang Namtha was 41,000 and 63,200 in 2007 and 2008, respectively. This means that there are a large proportion of transit travellers who are either Chinese or Thai citizens passing through Luang Namtha to other destination such as Yunnan, Chiang Rai or other parts of Laos. However, it seems that this group typically does not spend any nights in Luang Namtha, and thus generates only minimal benefits for the destination or communities residing along Route 3. It was found that the reasons for this were because of unsuitable facilities and language barrier.

In terms of tourism products and activities, the main tourism products in Luang Namtha are centred on the province's natural resources, cultural/ethnic diversity, and the different types of activities, including trekking, village homestay, river tour, camping, cave and waterfall tours,

mountain biking, and cultural tours. However, although part of the trekking activity is the promotion of tours that provide opportunities for interaction with the Lao culture and diverse ethnic groups, there are very few less strenuous activities that allow the general visitors to learn more about the ethnic diversity in Luang Namtha. This suggests that developing this type of activity, such as programmes for researchers and students to learn about the different ethnic groups, could be a potential for attracting new market segments into the province. The study also suggested some additional attractions, such as the Luang Namtha museum, night markets and handicraft production villages; if improved, these attractions could diversify visitor experience, help extend the length of stay, and encourage more spending in the local areas. In addition, the study also suggested that there is a need to enhance interpretative and directional signage for all the sites, as well as overall site maintenance and management.

With regard to hotels and restaurants, according to the Lao National Tourism Administration, there are four hotels and seventy guesthouses in Luang Namtha province at the time of this research study. Most accommodation establishments are located in Namtha and Moung Sing districts. Existing hotels in the province are quite small and typically have no more than 20 rooms. This limited room capacity was considered an obstacle for tour operators to include an overnight stop in the province. It was noted that most accommodation in Luang Namtha is geared for budget travellers. They offer basic facilities priced from US\$ 3 to US\$20 per night.

In terms of restaurants, most of them are small and offer many different kinds of food, including Lao, Western, Chinese, Indian and Thai. However, out of a total 67 restaurants, only one restaurant (Heuan Lao, operated by a Thai investor) has demonstrated sufficient capacity to accommodate big groups of people on a regular basis. Tour operators include this restaurant in their programmes for lunch because of its fast service and reasonably priced and good quality food. Therefore, the lack of suitable restaurants could be a possible leakage.

In relation to the growth of tourism agencies in Luang Namtha, following the success of the model of the Nam Ha community-based ecotourism project, the government had focused on more promotion of private investments in tourism within the province. Analysis of tourism documents revealed that at present, there are nine private tour agencies in Luang Namtha Town, an increase from two in 2000 (Luang Namtha PTD, 2010). With the emergence of more private agencies, tourism products and attractions were also expanded to meet tourists' demands.

### 3.5.1 Tourist arrivals to, and their interest for visiting, Luang Namtha Province

While the tourist arrivals at the national level have been on a significant increase, the tourism growth has also been statistically recorded in Luang Namtha province. The province has experienced a significantly increasing trend of tourist arrivals since 1999. According to the 2008 and 2010 statistical reports on tourism in Lao PDR, the number of international arrivals to Luang Namtha province increased dramatically from 20,700 in 1999 to 245,639 in 2010 (see Figure 3.4). In addition, while the average number of days international visitors spent in Lao PDR was 6.5 (LNTA, 2008), the average length of tourists staying in Luang Namtha between 2004 and 2008 was five days (Luang Namtha provincial statistical report, 2009). According to the 2009-2010 report (No. 373/PTD.LNT) of the Luang Namtha Provincial Tourism Department, as of 2010, the number of tourist arrivals to Luang Namtha province via the Boten international border check point reached 257,624, representing a 5.31% increase from the previous year. As a result, direct and indirect incomes from tourism services were also generated, totalling US\$2,254,392. With regard to the promotion and improvement of tourism in the province, it was reported that in 2010, there were 140 villages involved in tourism and a total 72 tourism sites existed (26 natural sites, 34 cultural sites, and 12 historical sites). In addition, other service sectors had also grown: five hotels with a total of 182 rooms and 232 beds, 74 guesthouses with a total of 763 rooms and 1,091 beds; and 107 restaurants (Kamonthong, 2010).

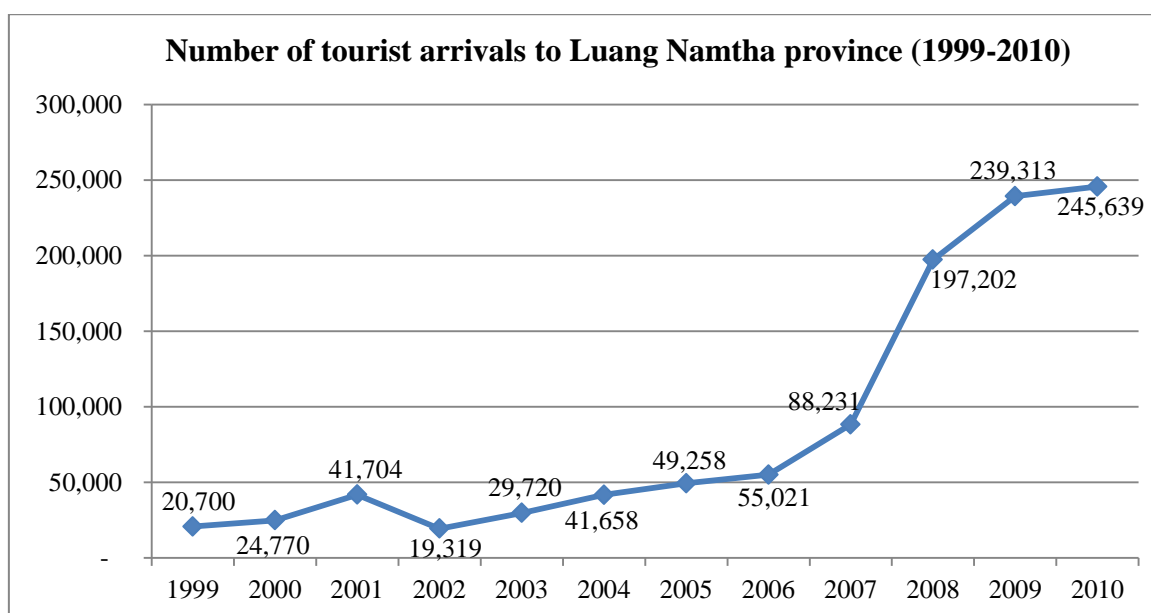


Figure 3.4: Number of tourist arrivals to Luang Namtha Province from 1999-2010



It was noted that the province has experience a rapid increase in the number of tourist arrivals upon the completion of the North-South Economic Corridor (NSEC). There was a number of reasons for tourists visiting the province. According to a 1999 survey on the tourists' interests conducted by the NSEC Development Project, it was found that 74% of tourists visiting the province were engaged in guided overnight treks to Nam Ha National Protected Area (NH NPA), while 82% of them participated in guided river trips to the same area (Schipani et al, 2002). In addition, a survey of 131 tourists were surveyed in 2002 as to their main reason for visiting Luang Namtha, and it was found that the majority visited in order to experience ethnic minorities and nature (67.9% and 66%, respectively) (Schipani et al, 2002). Furthermore, a similar result was also reported in the surveys of tourists' interests in 2004 (n=210) and 2005 (n=170), with nature and culture similarly being the main attractions (77% and 74% respectively) (Schipani, 2007).

### **3.6 Case study communities**

In order to reflect on the theoretical concepts in relation to Butler's (1980) model of Tourism Destination Area Life Cycle and Doxey's (1975) Irritation Index, this study was concentrated on identifying and comparing the local residents' perceptions about tourism development and tourism effects in two villages (Nalan and Nam Eng). These villages were different in terms of their length of time involved in tourism. The following subsections describe the relevant characteristics of the two villages chosen for the case study.

#### **3.6.1 Geographical settings: Nam Ha National Protected Area**

The Nam Ha National Biodiversity Conservation Area (presently called the National Protected Area), together with other 17 National Biodiversity Conservation Areas (NBCAs), was first established in 1993 by the Prime Minister's Decree 164 (as cited in Robichaud & Programme, 2001). The Lao national protected area system is relatively new, having been legally decreed in 1993 following some initial priority sites for protection in Lao PDR suggested by Mackinon in 1986 (Robichaud & Programme, 2001). From then till the present, two more NBCAs were added by Ministerial Decrees in 1995 and 1996, making a current total of 20 areas (Robichaud & Programme, 2001). Robichaud and Programme (2001) commented that the NBCAs have been created, initially, to conserve forests and to bring 25,000 square kilometres of forest under conservation protection (10.5% of the country). According to the Decree, the areas have three objectives: (1) Protection of forests, wildlife and water; (2) Maintenance of natural abundance and environmental stability; and (3)

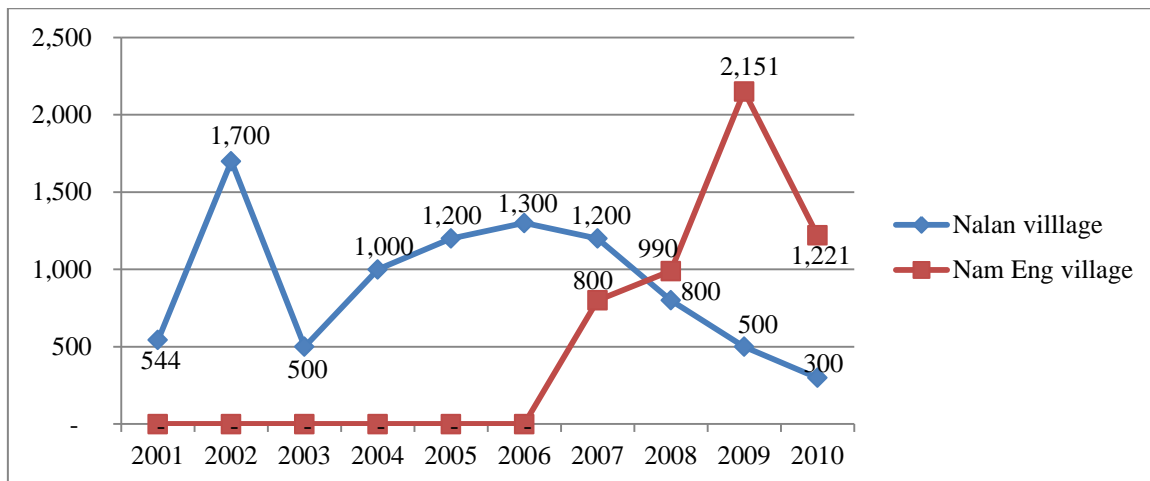
Protection of natural beauty for leisure and research. In addition, the Decree also placed prohibitions on the following activities in the NBCAs:

- Cutting and removal of any of timber except for research purposes;
- Hunting, fishing or non-timber forest product collection without specific authorisation from the Ministry of Forestry/ Department of Forestry; and
- Mining and construction of reservoirs or roads without the Lao government's permission.

*“The Nam Ha National Protected Area is the 4<sup>th</sup> largest protected area in Lao PDR and the 4<sup>th</sup> largest protected area in the Northern Indochina subtropical forest zone”* (Hedemark & Vongsak, 2003, p. v). The Nam Ha NPA is located in Luang Namtha province in the northwest corner of Lao PDR, with an area of 222,400 square hectares. It is rich in natural and cultural resources. Nam Ha is the name of the largest river that passes through the NBCAs. This area is home to 37 large mammal species and over 288 species of birds. In 2001, ‘National Biodiversity Conservation Area’ was officially changed to ‘National Protected Area’ (Hedemark & Vongsak, 2003). There are 19 villages within the protected area's boundaries and 85 villages just outside its borders (Schipani, n.d.). The majority of people, generally considered as poor, living in and around the area are ethnic groups such as Akha, Khmu, Lanten, and Hmong (Schipani, n.d.). As such, the area was proposed as a setting for a sustainable ecotourism operation with local community involvement and participation.

### **3.6.2 Characteristics of the communities under study**

Nalan and Nam Eng villages of Luang Namtha province were selected as the case study regions, to compare their attitudes and perceptions towards tourism development and impacts in their villages, despite of their time difference in tourism involvement. Figure 3.5 shows the number of tourist arrivals to Nalan and Nam Eng villages since 2001 for Nalan, and 2007 for Nam Eng.



**Figure 3.5: The number of tourist arrivals to Nalan and Nam Eng villages, from 2001 for Nalan, and from 2007 for Nam Eng, till 2010**

According to records of the Luang Namtha Provincial Tourism Department (PTD) regarding the volume of tourist flow to the two villages, it can be seen that the number of tourists to Nalan village dropped gradually, especially from 2006 to 2010, and so did the tourist number to Nam Eng village from over 2010 after its peak in 2009. According to a PTD official, the decrease in tourist numbers to either Nalan or Nam Eng might be the result of more tourist sites being developed within the province, and in other areas of the country.

Although the two villages are located in different parts of the province, both villages are surrounded by the Nam Ha National Protected Area. While these two village groups have a similar belief in animism, and similar dialect, social structure, cultural and traditional practices, there are different characteristics between them. These differences include geographical location conditions and village and population sizes, access to services, communications, transportations, basic infrastructure, developed tourism activities and other levels of development before tourism existence. These aspects are described in the following subsections.

### **3.6.2.1 Nalan village community**

Nalan village (see Figures 3.6 and 3.7) has a total area of 59 hectares, and is situated deep in the forest area of Luang Namtha district, at a distance of 18 km from the Luang Namtha provincial centre. It shares its boundaries with Chaleunsouk village to the north, Na-Homh village (previously known as Namkoy) to the east, Nam Ha village to the west, and Haadnalaeng village to the south. The village size is relatively small. In 2010, there were 38 households, with 41 families and a total village population of 199 inhabitants. The village is socially structured with a village administrative committee, with the assistance of some other

social organisations. There was no road access to the village in 2010; the walk between the village and the main road took four to five hours. During the rainy season, the village can be accessed by small boats or rafts along Nam Ha River (see Figure 3.7). In addition, there was no electricity linked to the main grids provided by the government due to the fact that it is too far from the electricity grids along the main road, which the government's limited budget cannot cover. However, some families living close to Nam Ha River had their own electricity, which was generated by a small hydropower generator. There was a complete primary school (five grades) in the village. Due to its isolation from the provincial heart, the villagers also had limited access to social services, such as health and education services. Communications, such as mobile phone network, did not exist until recently due to the network coverage being expanded.

The main occupations for the villagers include lowland farming, upland farming, raising domestic animals, growing vegetables, handicraft production, and non-timber forest product collection. The locals had their own belief and traditional practices, and had lived in isolation from the outside world for decades until the late 1990s; after which time the locals were exposed to international tourism, and the village became a tourism destination in 1999, when the Nam Ha Ecotourism Project was set up and operated. Nalan village was chosen as one of the first four villages for the project to be involved in ecotourism activities designed and developed for consumptions by the international tourists. These tourists bring hard currencies, which could have important impacts on the local destination economy.

The main ecotourism activities provided in the village from the Nam Ha Ecotourism project inception until 2010 included trekking, kayaking, village home stay, handicrafts, and other tourism-related services, such as cooking and tour guiding for tourists. These ecotourism activities and local involvement and participation by the locals are described in Section 3.3.



**Figure 3.6: View of Nalan (left), and Tourist lodge in Nalan village (right)**



**Figure 3.7: Water power-electricity generation (left), and the village water system (right)**

### **3.6.2.2 *Nam Eng village community***

Nam Eng village is situated on both sides of the North-South Economic Corridor (NSEC) or National Road 3 (see Figure 3.8), in the northern area of Viengphoukha district, which is a distance of 48 km from the Luang Namtha provincial centre. In 2010, the village had 86 households, 92 families, and a total population of 472. The villagers’ main occupations consist of upland and lowland farming, raising domestic animals, cultivation, and non-timber forest product gathering.



**Figure 3.8: View of Nam Eng village (left), and North-South Economic Corridor (Route 3) (right)**

Villagers have access to some basic infrastructure, particularly the national high way (NSEC), running from China through the north-western Laos to Thailand, cutting through the Nam Eng village. This main road, completed in 2008, has provided much more convenient travel for the local residents and outsiders. Electricity was more readily available following the completion

of the NSEC construction in 2008; prior this time, some households used small generators to produce electricity for their own use. However, only those households that can afford the installation costs are able to access the electricity supply. The Nam Eng villagers also have a basic water system (see Figure 3. 9); that is, the pumped water system built in 2007 with funding from the Adventist Development and Relief Agency (ADRA).



**Figure 3.9: Nam Eng River and the village water system**

Communications, especially mobile phone network services, are available and accessible in the village areas. The local residents can access the four main mobile phone service providers in Lao PDR (the Lao Telecommunications Company, Enterprise of Telecommunications Lao, Star Telecom Co Ltd, and Vimpel com Lao Co Ltd).

In terms of education, the village has a complete primary school (five grades), which the village children can attend regularly. However, although local residents can access some infrastructural improvements, health system, and sanitation (toilets) facilities remained poor. Many houses do not have toilet facilities, and household members have to use the forest for their toiletries.

Nam Eng village was formally re-established as a tourism destination by the local government in 2006-2007. In the early 2000s, tourism (especially visits to the Kao Rao cave) (see Figure 3.10) was promoted mainly for local people. However, the unorganised tourism form failed to attract tourists. As a result, there was little tourism benefits accrued. The cave tourism was abandoned after a year or two. However, in 2006, the local government started exploring more sites for tourism development. In 2007, the local government (the provincial Tourism Department) targeted Nam Eng village as a central tourism attraction/site of the province as this village area.



**Figure 3.10: Kao Rao cave entrance (left), and stalactites inside the cave (right)**

The village contains unique cultural and natural heritage. The Kao Rao cave, probably the most attractive site of the province, is about one kilometre north of the village. With these potential resources, the local government, with funding from the Asian Development Bank (ADB), developed the Kao Rao cave and its surrounding areas by providing basic infrastructure/facilities. This provision was aimed to attract interests from private sectors to invest more in the area in order to create jobs for the local people. Since 2007, the main tourism activities available have included cave visitation, trekking, handicraft production, and agricultural production.

Just before 2007, a private tour agency based in Vieng Phoukha district initiated tourism activities in Nam Eng village operating in trekking and forest camp activities and, occasionally, cave visits that involved the villagers. However, only a few tourists visited the village or participated in trekking and camping activities. Because of this, only a few local residents were able to participate in the tourism activities. According to a local source, the villagers were not really interested in tourism during the period prior to 2007 because the operation of trekking, camping and cave tourism was once supported by the European Union (EU) project. This EU project offered a higher rate of compensation for the local people who participated in clearing and maintaining the trekking trails. Once the term of the project was over, the full tourism service management was left to the local government body (Viengphoukha Tourism Office) to continue to run the same tourism activities. However, the district tourism office (with a limited government budget) paid a relatively low rate of compensation to the locals who participated in cleaning or maintaining the tourist trails at a time. The difference in compensation rates affected the local residents' motivation to participate in the tourism activities in their areas, despite numerous efforts by the district tourism office. As a result of this, only a few villagers had joined, or been interested in, the

trekking and camping activities created by either the private tour agency or the local district government.

### **3.7 Chapter summary**

From the time it gained full independence, the Lao Government has put consistent efforts to develop the country into prosperity. Poverty is one challenge that has impeded the progress of national development. Although the Government has managed to reduce it to some extent in the process of national development in recent years, poverty (especially remote and rural poverty) continues to be a critical issue that needs addressing in order to achieve the Lao Government's 2020 goal. In addressing these poverty problems, the Government has seen tourism development as an important contributor to the national economic growth, which can help relieve poverty at both national and local levels. The potential of tourism contributing to the national economic growth has shown significant statistics on increases in both tourist arrivals and revenue generation in the country. Tourism has become a major exporting industry that the Government promotes nationwide, especially in relation to the strong promotion of community-based ecotourism in rural poor communities in line with the Government's tourism policy and strategies of tourism development. The community-based ecotourism is further promoted as a result of the success of the tested ecotourism project in Nam Ha National Protected Area in the northern Luang Namtha Province, which is the case study location of the current study.

The next chapter introduces the research methods that are used to collect the primary and secondary data for the current study's analysis.



## **Chapter 4**

### **Research Methods**

This study seeks to understand resident attitudes and perceptions towards tourism development and its impacts in their own communities using a focused case study approach. This chapter provides an overview of the study methodology. Section 4.1 explains the research design and process (which employed mixed methods), the quantitative questionnaire survey, and the qualitative in-depth interview techniques. Section 4.2 presents the selection procedures of target communities for study. Section 4.3 introduces the techniques used for quantitative data collection, the selection of each individual respondent, and the actual implementation of the questionnaire survey, followed by the quantitative data analysis. The fourth section (4.4) outlines the qualitative data collecting procedures, justification for adopting the qualitative techniques, and the explanation of semi-structured interviewing guide. This section also describes the process of selecting and approaching the potential interview participants, and the procedures for actual implementation of the interviews, followed by the process for data analysis, and a description of secondary data collection. The limitations of the methods employed in this study are given in section 4.5, followed by a chapter summary (4.6).

#### **4.1 Research design and process**

The research explores the potential of tourism in assisting in development of the case study communities, and attempts to understand local residents' attitudes and perceptions towards tourism development and tourism impacts. To achieve the goal of this research, a case study was undertaken of two communities (i.e. Nalan and NamEng villages) in Luang Namtha Province, Lao PDR. "*Case study research involves the exploration of something with clear limits or boundaries*" (Lapan, Quartaroli, & Riemer, 2012, p. 245). A case study approach can be an appropriate and effective alternative research method for understanding the political, social-cultural, and environmental factors (Mitchell, 1998). Thus, the case study in this research would help provide the real-life context of tourism development in order to reflect the potential of tourism in developing rural communities under study.

Recognising that the social settings or the communities under this study were socially diverse and culturally complicated, and realising that intrinsically no research method can be better than any other; it depends upon one's research objectives (Silverman, 2010), the researcher used the mixed-methods approach to understand the case study in depth (see Figure 4.1). In

addition, Robson (2011) noted that the use of multiple research methods has the ability to deal with complex phenomena and situations, describing that combining research approaches can be particularly valuable to understand the real world settings because of the complex nature of the phenomena and the range of perspectives that are required to understand them.

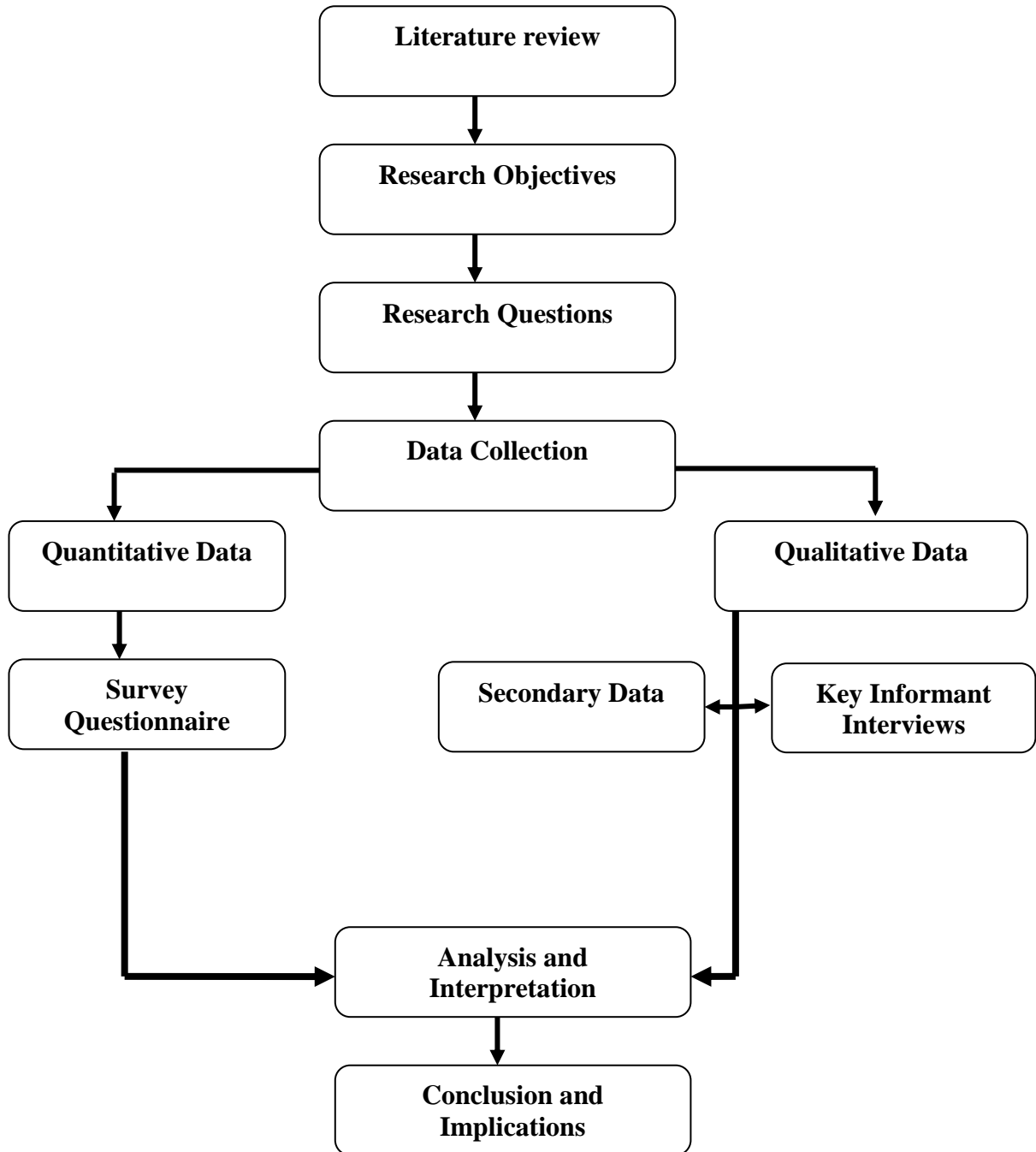


Figure 4.1: Framework of research design

## **4.2 Selecting the communities for study**

While the research seeks to explore tourism and its impacts on local communities through understanding local perceptions, it also reflects on the most relevant theories of Butler (1980) and Doxey (1975) in terms of destination life cycle and the evolving response of residents to tourists over time. In order to do this, the research project focused on two ethnic village communities (Nalan and Nam Eng villages) which differed in the length of time since initial tourism involvement. The villages were chosen by the researcher from the list of all the 140 villages so far involved in tourism development projects (the Nam Ha Community-based Ecotourism Project and the Mekong Tourism Development Project) within Luang Namtha province.

Although both Nalan and Nam Eng are the Khmu ethnic group villages, Nalan village is located in Namtha District, and Nam Eng is situated in Viengphoukha District. Nalan village is the first among four villages that have been involved in ecotourism development programme in Lao PDR since 1999, whereas Nam Eng has only formally been included in ecotourism development programme since 2007. This different time period in tourism involvement is the main reason for the researcher in selecting these two communities for study, with the intention to partially reflect the study results on Butler's Destination Area Life Cycle Model in terms of tourism development, and Doxey's Irritation Index Model with regard to the interaction between tourists and local residents in the community where tourism takes place.

## **4.3 Quantitative data collection**

The research was conducted in the two identified communities from December 2010 to February 2011. In order to assess local residents' attitudes towards, and perceptions of, tourism development and tourism impacts, a questionnaire survey (in Appendix A) was used. The approach is described in the following sub-sections.

### **4.3.1 Employing the quantitative research method**

A researcher-administered questionnaire survey of households was used in gathering the quantitative data in both Nalan and Nam Eng villages. This researcher-administered questionnaire survey was used in a face-to-face format, whereby the researcher reads the questions from the questionnaire and records the responses. Using the interviewer-administered questionnaire is more advantageous in terms of quality and responses, compared to the respondent-completion questionnaire (Veal, 2006) because the interviewer-completed

questionnaire involves an interview, so that more accurate data and complete responses can be ensured. In this case study, employing the interviewer-completed questionnaire was also suitable because some community members, especially the elders, could not read and write most of the Lao words (the official language) but can speak it understandably.

#### **4.3.2 Survey questionnaire design**

The survey questionnaire (see Appendix A) was structured encompassing three main sections: Demographic characteristics of respondents, local attitudes towards tourism development and local perceptions of tourism impacts in the localities.

The questionnaire was designed using both ‘closed’ and ‘open-ended’ questions, with the latter provided respondents with a chance to freely express their opinions. A seven-point Likert-type scale was also employed for enquiry on residents’ income levels earned from tourism, with a range from 1 (not at all sufficient) to 7 (completely sufficient). Offering seven points on the scale meant providing a wide range of choices for the potential respondents to choose from. Cards illustrating the scale were also created exclusively for respondents to identify conveniently for making their decision on the preferred level of their responses. In the section of attitudinal and perception statements, the seven-point Likert scale question was also used, where the points ranged from 1 (completely disagree) to 7 (completely agree). There were a total of 32 statements relating to tourism development and tourism impacts (economic, socio-cultural and environmental).

The questionnaire was also translated into a Lao version (the official language), in addition to the English version, in order for the respondents who wished to read or identify any issues of their interest.

#### **4.3.3 Sampling and recruitment**

Sampling is important for studying a representative subsection of a defined population because it can help make inferences about the whole population (Silverman, 2010). The initial sample frame for the household survey in the two studied villages was aimed at including all the informed 124 households (38 from Nalan, and 86 from Nam Eng). However, in practice, the researcher could conduct the survey with only 110 respondents (37 from Nalan, 73 from Nam Eng), with each representing a household. Fourteen residents (1 from Nalan, 13 from Nam Eng) refused to participate in the survey, with reasons for refusals including physical disability and absences from the village during the research period; some household members were away in their upland rice fields during the survey period. Although the 14 refusing individuals could not be included in the survey, the 110 surveyed respondents (approximately

88%) were sufficient to provide rich information for the analysis. The sample residents are considered to be a good representation of those living in the two communities under study, but the results cannot be generalised to all tourism villages in the region.

#### **4.3.4 Identification of the households**

As the survey was intended to be conducted with every household where the eligible members were available during the research conducting period, the researcher visited each house in the village and conducted the survey with the identified household member (see Section 4.3.6). On his first arrival in each village, the researcher met with the village chief and requested for the list of the household numbers. This list was used to help the researcher undertake the survey. For example, the researcher marked a 'tick' on the household number (s) at which the survey had been conducted. This was because some potential household members were not at home during the researcher's first visit. In this case, the researcher needed to re-visit the household. In the same meeting, the researcher consulted with the village chief as to how the researcher could appropriately approach and interact with the residents in the village during the research period. The village chief advised that he would announce a village meeting, and request the villagers to participate in the meeting. He would let the researcher introduce himself and his purpose for visiting the village, so that the villagers were aware of who the researcher was (this is the traditional way of informing the villagers of any stranger to stay and work in the village). Thus, during the meeting the researcher explained the purpose for his stay in the village (two weeks in Nalan and three weeks in Nam Eng, which has a bigger number of households).

#### **4.3.5 Approaching the households**

In approaching a household, the researcher, based his culturally ethical manner according to the information sheet (see Appendix B). He again introduced himself, explained the purpose for conducting the survey in the village, and answered any relevant issues that were asked by the potential respondents or household members while also allowing considerably sufficient time for the household members to consider whether or not to participate in the survey. When visiting each household. He also enquired if all eligible individuals were at home. The researcher also asked if the survey could be conducted with any household member who would be randomly selected. After the potential household member agreed to participate in the survey, the researcher introduced the steps for selecting the eligible individual respondent, which is entailed in the following subsection.

### **4.3.6 Selecting individual respondents**

In selecting the potential respondent from each household to participate in the survey, the researcher used numbered marble balls. The balls were assigned to each household member aged 18 and above, according to the actual number of household members who were identified and who were residing in the village at the time the survey was being conducted. Then, after all the numbered balls had been mixed and shaken in a covered box, the researcher randomly picked one ball, which represented the person to whom the number had been assigned to; this person would be the one to participate in the questionnaire survey, which would be conducted at a time and place preferred by the respondent. Through these procedures, almost all of the identified respondents willingly agreed to take part in the survey at their own house immediately following all the selection steps being applied; only one Nam Eng respondent was interviewed in two separate times to complete the survey, due to the respondent's other commitments.

### **4.3.7 Quantitative data analysis**

Quantitative data obtained through the questionnaire survey were entered into an Excel spreadsheet, then analysed and reported using the Statistical Package of Social Sciences (SPSS version 17.0 and 19.0). Open-ended question responses were coded into a limited number of categories to enable simple description of the data and to allow for statistical analysis (Robson, 2011). The data analysis involved descriptive statistics, frequency distribution, means, and standard deviations. In some cases, *t*-tests were run to determine a comparison of the mean scores between the two village groups.

## **4.4 Qualitative data collection**

Qualitative data was obtained through in-depth semi-structured interviews with key informants.

### **4.4.1 Employing the qualitative research method**

Qualitative in-depth semi-structured interviews were used to capture and understand community members' thoughts, feelings, opinions and their experiences about tourism. According to Hall and Hall (1996), by using in-depth interviews with a less-structured approach (semi-structured), "*the interviewer asks certain, major questions the same way each time, but is free to alter their sequence and to probe for more information*" (p. 157). In this respect, questions are open-ended and information providers can discuss the issues more freely than they could with the closed or forced-choice questions of the structured

questionnaire. Babbie (2004) also pointed out that with the semi-structured interviewing of individual participants, they are allowed to tell their experiences, explain their situation and describe the events that have occurred in their lives; and things can also be interpreted with similar or/and different meanings to different people. Thus, by using a qualitative method, in-depth information can be gained directly from interviewees about their feelings, knowledge, experience and opinions (Ticehurst & Veal, 2000; Bryman, 2004).

In qualitative research, validity is more important than reliability, and the purpose of this research is to seek for depth, rather than breadth. King and Horrocks (2010) argued that *“quality research is intrinsically well placed to ensure high validity because of the way it takes context seriously and grounds its development of concepts in close, detailed attention to the data”* (p. 158). King and Horrocks also highlighted the difference between reliability and validity in assessing the quality of qualitative analysis validity is concerned with determining whether a particular form of measurement actually measures the variable it claims to, and reliability is concerned with how accurately any variable is measured.

Realising these advantages of in-depth semi-structured interview, this approach was adopted to conduct interviews with a number of key people (See Table 4.1) involved in tourism within the two identified communities for in-depth insights into the issues related to the research objectives.

#### **4.4.2 Semi-structured interviewing guide**

The researcher used an interviewing guide (see Appendix C) to conduct the interviews with key informants. The types of questions listed in the guide included open questions, follow-up and probing questions, and specific questions. The guiding questions were structured around the research objectives, relating to the roles of local residents in tourism planning and implementation in their communities, the local attitudes towards tourism development and the local perceptions of tourism impacts in their communities. The prepared interview guide allowed the researcher to follow the main context of the research questions and enabled him to elicit rich information from the interviewees as they expressed their opinions.

#### **4.4.3 Selecting the interview participants**

As the purpose for the interviews to gather in-depth information, the researcher did not determine the exact number of potential interviewees but carried out the interviews until sufficient information had been obtained. The approach to recruiting potential participants for the interview was based on a snowball sampling technique suggested by Babbie (2010). This technique suggests that *“each person interviewed will be asked to suggest additional people*

*for interviewing*” (p. 193). However, in the case of this research, the first interviewee was sought through the community leader during the household survey. Once the first interviewee completed the interview, they were asked to suggest the next potential participant. This approach was carried out until adequate information was obtained. Table 4.1 shows the code number of key informants interviewed, the place where they work, their positions and gender. As to the coding method, ‘Gvt’ means that the key informant was from a government organisation (e.g. Gvt01 refers to the first key informant who worked in a government agency, the provincial Tourism Department), ‘NL’ refers to a Nalan key informant, ‘NE’ to a Nam Eng key informant, ‘PTO’ refers to a private tour agency, and ‘TG’ to tour agencies (private or public). Of the total sixteen key informants, three (including one female) were from government agencies, four from Nalan village (including one female), seven from Nam Eng village, one representative from a private tour agency, and one tour guide who could work for either the private or public tour agencies when needed or requested.



**Table 4.1: List of interviewed key informants**

No	Code Number	Organisations	Gender
01	Gvt01	Provincial Tourism Department	Female
02	Gvt02	Provincial Tourism Department	Male
03	NL01	Nalan village Administration Committee	Male
04	NL02	Nalan village	Male
05	NL03	Nalan village	Female
06	NL04	Nalan village	Male
07	Gvt03	Vieng Phoukha District Tourism Office	Male
08	NE01	Nam Eng village Administration Committee	Male
09	NE02	Nam Eng village	Male
10	NE03	Nam Eng village	Male
11	NE04	Nam Eng village	Male
12	NE05	Nam Eng village	Male
13	NE06	Nam Eng village	Male
14	NE07	Nam Eng village	Male
15	PT01	Private Tour Agency (for Nam Eng)	Male
16	TG01	Tour agencies, either private or public tour agencies (for Nam Eng)	Male

#### 4.4.4 Interview implementation

In order to get to the point of being able to conduct a qualitative interview, the researcher endeavoured to provide as much relevant information as possible to the participants to enable them to decide whether or not to be interviewed. Approaching and carrying out the interviews with the key informants was ethically crucial. As such, throughout the interview process, the researcher considered the ethical issues highlighted by King and Horrocks (2010): the interview setting, recording, building rapport, how (not) to ask questions, probing, starting and finishing the interviews. Once the information sheet (see Appendix D) (reviewed and approved by the Human Ethics Committee (HEC) of Lincoln University) was introduced, the researcher, once again, introduced himself, the purpose for conducting the research in the

village. He explained the criteria for the potential interviewees, the approximate length of interview time, and other relevant issues asked by the potential interviewee. He also allowed sufficient time for the eligible interviewee to consider whether or not to participate in the interview. When the potential interviewee was identified and the intended interviewee agreed to participate in the interview, the interview was held once at a time based on the preference of the intended interviewee in terms of the place and time for the interview. King and Horrocks also contended that in choosing the interview setting, the interviewer should importantly consider the physical environment (comfort, privacy and quiet), as this could have a strong influence on how the interview proceeds. It is also a good practice to enquire of the participants as to where they would like the interview to take place. The length of the interviews varied, lasting from 32 minutes to just over two hours, depending on the informants' knowledge, experience and interest in the aspects of the study.

#### **4.4.5 Qualitative data analysis**

In order to provide in-depth insights into particular issues of the quantitative results, the qualitative findings were generated aligning with the corresponding quantitative results to make the obtained information more meaningfully comprehensive.

The qualitative data analysis took place at Lincoln University. Information gained from the qualitative interviews was then analysed by content, pattern and themes. Open coding strategies were used for qualitative data analysis. The essence of coding is the process of sorting data into various categories that organise it and render it meaningful from the vantage point of one or more frameworks or sets of ideas, and it is the "*process of defining what the data are all about*" (Loftland et al., 2006). Coding helps to discover themes and patterns from the data collected. Patterns can lead to deducing theoretical understandings of social life. Open-coding was used in this research to classify and label concepts in qualitative data analysis. Data was broken down into separated parts, and the results were then used for discussions for additional insights into the outcome of the quantitative data analysis.

#### **4.4.6 Secondary data collection**

Secondary data is useful for providing additional information for the research. They can also be used to verify the data acquired from other techniques, including the questionnaire survey and the interviews employed. The researcher gathered the secondary data from many different sources, such as official documents, reports and plans from various organisations and government agencies. The data was also acquired from media sources, especially from websites with the domain of .org, .gov, and .ac.

#### **4.5 Limitations experienced throughout the research process**

Employing the mixed research methods approach in collecting data in the case study communities was generally considered to be highly effective, even though some limitations were also evident. The researcher was able to use this approach to obtain sufficient information from the respondents for analysis.

However, some limitations of utilising the mixed research methods in the case study communities were also experienced. Having conducted the practical fieldwork, the researcher considered that the qualitative approach was likely to be more appropriate than the quantitative one. It was observed that the low education levels among members of the village communities created difficulties for some respondents to respond to the survey questions. While, in part, this issue was mitigated by the interviewer, occasionally respondents appeared ill-equipped to understand the meanings of some questions, and would decline to answer them, or responded with 'don't know' rather than ask for clarification. There were also some issues with a lack of familiarity with the seven-point Likert scale type questions. Some respondents were reluctant to choose their level of agreement or disagreement on corresponding statements. Such issues raise important questions about the appropriateness of social research methodologies applied in developing country contexts where literacy and numeracy levels are poor.

With respect to the qualitative technique, the snowball sampling technique was effective but limited the recruitment of many women as key informants for the interview. In addition, there were only a small number of interview participants, due to the limited time that the researcher had for the fieldwork, and to the production season (when many villagers stayed on their farm, which are far outside the village). However, the researchers could gain some informal information from conversations with other villagers, and found them similar to the information provided by the formal sources. Thus, given that the individuals participating in the interviews were key stakeholders involved in tourism in the studied communities and who actively interacted with tourism planning and implementation process, this would not cause any concern to the result of the study; the obtained information was importantly adequate to reveal the research problems. This study information can be treated as baseline study for measuring changes in the community areas in future.

## **4.6 Chapter summary**

This chapter discussed the research methods employed to collect data from primary and secondary sources. Primary quantitative data were collected from the researcher-administered questionnaire survey on the village households. The questionnaire was executed following its designed procedures, which included sampling and recruitment of potential respondents, selection of households, approaching the households, selection of individual respondents and conducting the interview survey. During the same time period of the survey, the in-depth interviews with key informants involved in tourism within study communities were also carried out and completed. As the quantitative technique looks for breadth and the qualitative approach seeks in-depth information, these two methods were used to reinforce or inform each other in terms of their findings in order to gain a comprehensive understanding of local perceptions about the issues that the study sought to explore. The issues are described and discussed in the next chapter.

## **Chapter 5**

### **Research Results: Local Attitudes and Perceptions about Tourism Development and Tourism Impacts**

This chapter presents the quantitative and qualitative research results obtained from the questionnaire survey on households and the interviews with key informants involved in tourism. Section 5.1 presents the demographic characteristics of the respondents. Section 5.2 provides a discussion of the respondents' involvement and participation in tourism development. Section 5.3 outlines the respondents' attitudes and perceptions towards tourism development and tourism impacts.

#### **5.1 Demographic characteristics of the respondents**

A detailed description of the characteristics of the respondents was crucial for the interpretation and understanding of residents' attitudes about tourism development and their perceptions of impacts of tourism in the communities studied. The sample frame for this study focused on all the 124 respondents of the two village communities under study (each respondent represents one household). However, 14 respondents declined to participate in the survey because of the reasons previously mentioned. Of those 14 refusing respondents, nine were females; eight females were from Nam Eng and one female from Nalan. In total, 110 household members responded to the survey. Of these 110, 37 respondents (33.6%) were from Nalan and 73 (66.4%) from Nam Eng.

Table 5.1 presents the demographic profile of the respondents, and shows that there were slightly more males than females in the sample. The age of the survey respondents ranged from 18 years to 90 years. For the purpose of analysis, the age range was categorised into three different age groups: a younger age group of 18-35 years, a middle age group of 36-55 years, and older age group of 56 years and over. In Nalan, most (62.2%) of the respondents were in the younger age group, with smaller proportions of the sample belonging to the middle (24.3%) and older age (13.5%) groupings. In the same way, in Nam Eng, the majority (52.1%) of the respondents were also found in the younger age group, followed by the middle age group (37%), then the older age group (11%).

The majority (59.5%) of the respondents from Nalan were married, followed by the singles group (21.6%) and the widowed group (2.7%). Similarly in Nam Eng, the majority (67.1%) of the respondents were married, followed by the singles (21.9%) and the widowed (4.1%).

In terms of education, 54.1% of Nalan respondents indicated that their highest attainment was primary school and 24.3% indicated that they had never been to school. None of the respondents had a tertiary education (college/university). In comparison, in Nam Eng, the predominant response was also primary education (57.5%), followed by those who had never been at school (17.8%) and those with a lower-secondary education level (17.8%). Only one respondent (1.4%) reached the level of college/university education.

In Nalan, 73% of respondents were engaged in lowland farming, while 10.8% practised the upland farming. Non-farming jobs included teaching (5.4%) and others (8.1%) such as construction and trading. In comparison, Nam Eng has a majority (45.2%) of the respondents in upland farming, followed by 28.8% involved in both upland and lowland farming. Other types of occupation included students (5.5%), teachers (2.7%) and others (2.7%) such as construction and trading.

All the respondents belonged to the same main ethnic group of 'Khmu'. However, within this major Khmu group, there were two sub-groups: 'Khmu Kwean' and 'Khmu-Yuan or Rayang'. In Nalan, the respondents were all Khmu-Kwaen, whereas in Nam Eng, a small proportion of respondents were Khmu-Yuan (16.4%).

It was uncommon for respondents to have lived in their current village all their lives (10.8% for Nalan; 27.4% for Nam Eng), with most of them having relocated from other villages. For the purpose of analysis, the length of stay in current villages was classified into five 10-year periods: 1-10 years, 11-20 years, 21-30 years, 31-40 years, and 41 years and over. As can be seen from Table 5.1, most of the Nalan (54.1%) and Nam Eng (60.3%) respondents had lived in the village for between 11 and 20 years, with 18.9% and 8.2% respectively having lived in the village for less than ten years.

**Table 5.1: Demographics of respondents**

<b>Variables</b>	<b>Nalan village (n=37) (%)</b>	<b>Nam Eng village (n=73) (%)</b>	<b>Total n=110 (%)</b>
<b>Sex</b>			
Male	54.1	52.1	52.7
Female	45.9	47.9	47.3
<b>Age Group</b>			
18-35	62.2	52.1	55.4
36-55	24.3	37	32.7
56 and over	13.5	11	11.8
<b>Marital status</b>			
Single	21.6	21.9	21.8
Married	59.5	67.1	64.5
Divorced	2.7	6.8	5.5
Widowed	16.2	4.1	8.2
<b>Highest education level</b>			
Never at school	24.3	17.8	20
Primary education	54.1	57.5	56.4
Lower-secondary education	16.2	17.8	17.3
Upper-secondary education	5.4	5.5	5.5
College/university education	0.0	1.4	0.9
<b>Occupation</b>			
Upland farmers	10.8	45.2	33.6
Lowland farmers	73	15.1	34.5
Upland and lowland farmers	2.7	28.8	20
Teachers	5.4	2.7	3.6
Students	0.0	5.5	3.6
Others	8.1	2.7	4.5
<b>Ethnicity</b>			
Khmu-Kwean	100	83.6	89.1
Khmu-Youan (Lu)	0.0	16.4	10.9
<b>Residence status</b>			
Lived the whole life (Since being born)	10.8	27.4	21.8
Moved from other places	89.2	72.6	78.2
<b>Length of residence village</b>			
1-10 years	18.9	8.2	11.9
11-20 years	54.1	60.3	58.2
21-30 years	13.5	13.7	13.6
31-40 years	5.4	15.1	11.8
41 years and over	8.1	2.7	4.5
<b>Household members</b>			
1-2 people	5.4	5.5	5.5
3-4 people	29.7	32.9	31.8
5-6 people	45.9	32.9	37.3
7 or more people	18.9	28.8	25.5
<b>Respondent household heads</b>			
	51.4	41.1	44.5
<b>Non-respondent household heads</b>			
			55.5
Husband	61.1	51.2	30
Wife	0.0	0.0	0.0
Son	0.0	0.0	0.0
Daughter	0.0	0.0	0.0
Brother	5.6	2.3	1.8
Sister	0.0	0.0	0.0
Father	27.8	34.9	18.2
Mother	5.6	9.3	4.5
Grand father	0.0	2.3	0.9
Grand mother	0.0	0.0	0.0

## 5.2 Respondents' involvement in tourism

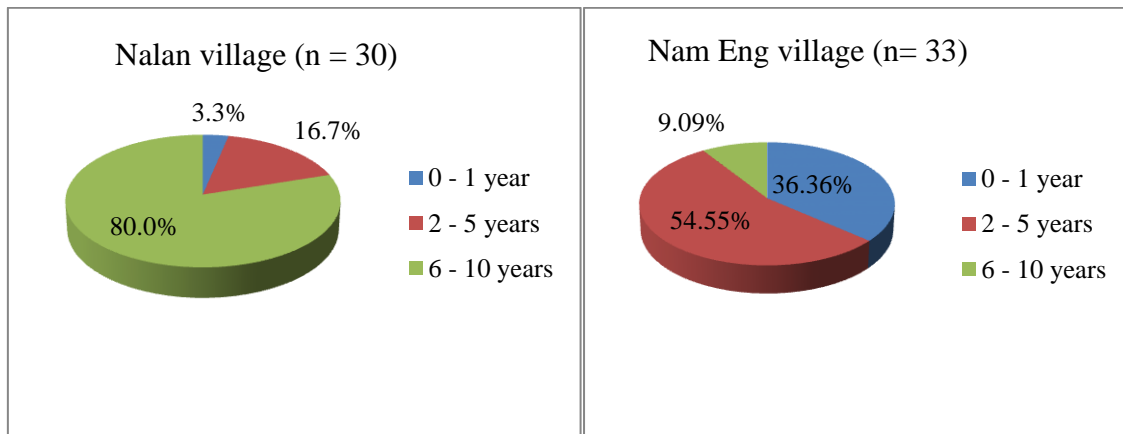
Nalan respondents (81.1%) were much more likely than Nam Eng respondents (45.2%) to report that their employment was related to tourism. Those who indicated that their current work was tourism-related were asked to identify the tourism areas in which they were involved, with many respondents reporting involvement in more than one area. The results in Table 5.2 show that 96.7% of Nalan respondents have work related to food provision (e.g. cooking services, sale of animals and vegetables), and 89.2% of them are related to travel operation services (e.g. travel agent, tour guide, information centre). Only a small proportion of them worked in tourism administration (10%). However, in Nam Eng, although the largest proportion (84.8%) was involved in travel operations, especially guiding opportunities, only a small proportion (12.1%) was engaged in food provision. Respondents working in other tourism sectors included tourism attractions (9.1%), tourism administration (6.1%), souvenir making (6.1%) and tourism accommodation (3%). None of the Nalan or Nam Eng respondents had jobs related to transport.

**Table 5.2: Tourism-related work areas of respondents**

Tourism-related work areas	Nalan village (n=30) %	Nam Eng village (n=33) %	Total %
1. Tourism Administration (e.g. tourism committee member, tourism planner)	10	6.1	7.9
2. Providing accommodation (e.g. hotel, guesthouse, homestay)	0	3	1.6
3. Providing food and beverage (e.g. restaurant, bar, cafe)	96.7	12.1	52.4
4. Transport (e.g. bus, taxi, boat, bicycle rent)	0	0	0
5. Travel operation (e.g. tour operator, travel agent, tour guide, information centre)	89.2	84.8	44.4
6. Tourist attractions (e.g. parks, reserves, cultural shows)	0	9.1	4.8
7. Souvenirs (handicrafts)	0	6.1	3.2

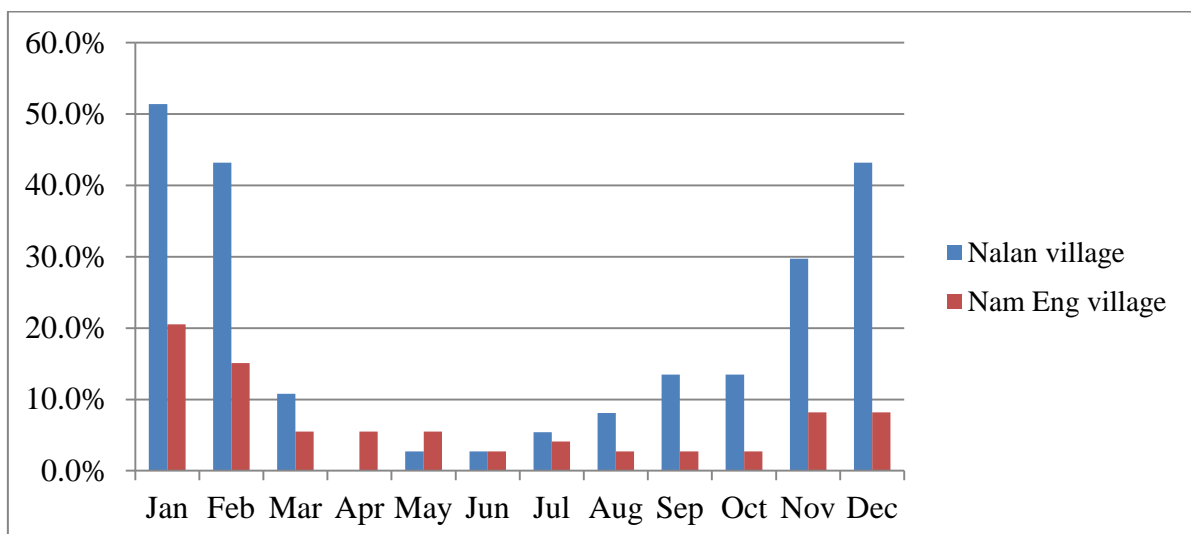


Respondents were also asked as to how long they had been involved in tourism. The results shown in Figure 5.1 indicate that, in Nalan where tourism has been developed for a decade, the majority of respondents (80%) with tourism-related jobs had been involved in the tourism industry for 6-10 years. Only a small proportion of respondents (3.3%) were involved for a year or less. In Nam Eng, where tourism was formally developed in 2007, 9.1% of the respondents indicated 6-10 years, with 54.5% having worked in the industry for 2-5 years. A comparatively high proportion (36.4%) had worked in tourism for a year or less.



**Figure 5.1: Length of involvement in tourism of Nalan and Nam Eng respondents**

Respondents working in the tourism industry were asked when their tourism-related work would occur. In each village there were marked seasonal variations, with most tourism-related work occurring in the period being November-February. January was the busiest month for both villages. In Nalan, December and February were equally busy, whereas in Nam Eng, February was quite a lot busier than December (see Figure 5.2)



**Figure 5.2: Proportion of tourism work engaged by respondents in monthly periods**

### 5.3 Respondents' participation in tourism development

In order to explore the degree to which the community members were engaged in the tourism planning process, the respondents were asked whether they were aware of the tourism activity-related meetings held in their village, how often they attended such meetings, and what issues were discussed during these meetings. The findings reveal that all of the Nalan respondents were aware of the meetings, while only 87.7% of the Nam Eng respondents (64 out of 73) knew about them. Those who were aware of village tourism meetings were asked if they had attended such meetings. Almost all (91.9%) of the Nalan respondents reported that they had attended such meetings, compared to 81.3% of the Nam Eng respondents.

Respondents were also asked as to their attendance frequency at tourism-related meetings in their village in the previous year (see Table 5.3). While nearly half of the respondents who were aware of these meetings in each village reported that they had attended all the meetings (Nalan 44.1%; Nam Eng 44.2%), no respondent who knew about the meetings reported failure to attend any meetings. A larger proportion of Nalan respondents reported that they attended most meetings. It should be remembered also that 12.3 percent of the Nam Eng respondents are assumed to have not attended meetings, as they reported that they were not aware of such meetings. When the researcher asked about how the respondents were informed of the tourism meetings in their village, all but one of the respondents knew about the meetings through the announcement by the chief of their village.

**Table 5.3: Respondents' attendance frequency at tourism-related meetings**

<b>Question:</b> How often have you attended tourism activity-related meetings during the last year?	Nalan responses (n=34)	Nam Eng responses (n=52)
I don't attend the meeting now	None	None
I have attended some but not all the meetings	38.2%	53.8%
I have attended most the meetings	17.6%	1.9%
I have attended all the meetings	44.1%	44.2%

Respondents were asked about the nature of the tourism-related issues discussed at these meetings, and the topics reported ranged from tourism activity development planning issues to the safety of tourists. As shown in Table 5.4, the issues of tourist lodge maintenance and

village cleanliness were most often mentioned by Nalan respondents (approximately 70%), while none of these respondents acknowledged any impact issues (cultural or social). By comparison, Nam Eng respondents mostly remembered tourism activity development planning issues (23.1%) and tourism product improvement (21.2%). Like Nalan respondents, the issues of social and cultural impacts were not perceived by Nam Eng respondents, however discussion of environmental impacts was acknowledged by 15.4% of respondents. Other topics mentioned included animal raising, vegetable growing, tourist safety and tourism marketing/promotion.

**Table 5.4: Tourism-related issues discussed at meetings**

<b>Question:</b> What tourism-related issues are discussed at the meeting(s) you have attended?	Nalan responses (n=34)  (Percent)	Nam Eng responses (n=52)  (Percent)
Tourism activity development planning issues	8.8	23.1
Tourism product improvement	14.7	21.2
Tourism marketing/promotion	5.9	7.7
Cultural impacts	0.0	0.0
Environmental impacts	0.0	15.4
Benefit sharing issues	44.1	15.4
Social impacts	0.0	0.0
Lodge maintenance	70.3	13.7
Village cleanliness	70.3	6.8
Animal raising	59.5	2.7
Vegetable growing	56.8	2.7
Tourist safety	8.1	5.5

As shown in Figure 5.3, with regards to residents involved in the decision-making process for tourism development, it is clear that Nalan respondents indicated a very positive level of agreement ( $M = 6.92, SD = .277, n = 37$ ) towards the survey statement ‘Local residents should be involved in decision-making for village tourism development’; the same statement was also strongly supported by Nam Eng respondents ( $M = 6.88, SD = .373, n = 72$ ). The  $t$ -test result shows no significant difference,  $t(107) = .632, p = .529 > .05$ . A Nalan informant suggested that residents were consulted over tourism decision making:

*“...because tourism is in our village, the provincial Tourism Department always ask us about tourism activities in our village...when they suggest any idea about tourism activities here we discuss in the village meeting if we want it...we have to make our decisions...”*

A Nam Eng informant suggested that perhaps involvement in decision making was more limited in this village, due to a lack of knowledge or understanding of the issues involved by residents:

*“...they [government staff in tourism] come to let us know about tourism work in our village...but we agree with all the things they said because we don’t know well about tourism but we think they will come to develop our village...we always discuss with them about tourism activities here...”*

In relation to the statement ‘I would like to be more involved in decision-making for village tourism development’, respondents in each community were very positive (Nalan  $M = 6.78, SD = .534, n = 37$ ; Nam Eng  $M = 6.67, SD = 6.67, n = 73$ ), with no significant difference between the communities ( $t(108) = .617, p = .539 > .05$ ).

#### **5.4 Respondents’ interaction with tourism/tourists**

Respondents were asked how often they come into contact with foreign tourists in their village during the tourism season (from September to April) (see Table 5.5). Respondents in the two villages had different levels of contact with tourists during the year. For instance, Nam Eng respondents reported more frequent encounters, with nearly half (45%) of them meeting tourists more than once a week. Nalan respondents were more likely to encounter tourists on a weekly (48.6%) and fortnightly (11%) basis.

**Table 5.5: Interaction frequency between respondents and tourists**

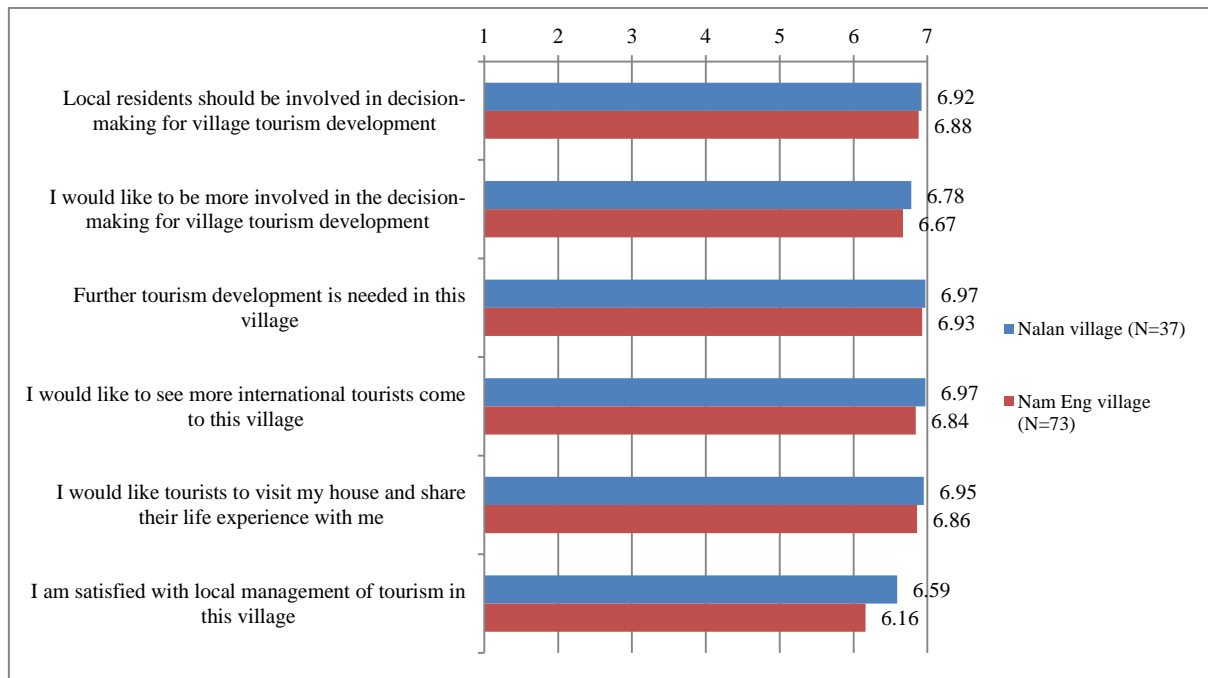
<b>Question:</b> How often do you come into contact with foreign tourists in this village during the tourism season?	Nalan responses (n=37)	Nam Eng responses (n=73)
Every day	None	2.7%
About 2-5 times a week	29.7%	45.2%
Once a week	48.6%	26%
Once a fortnight	10.8%	6.8%
Once a month	8.1%	6.8%
Less often	2.7%	12.3%

### **5.5 Respondents' attitudes and perceptions about tourism development and its impacts**

This study explored the attitudes and perceptions of the local residents in the case study communities in relation to tourism development and its impacts. To capture the residents' thoughts, feelings and experiences about tourism in their community, a number of statements relating to tourism development issues were formulated. A series of tourism impact statements were also generated based on the literature review and characteristics of the local setting, including the three main dimensions of tourism impacts: economic, socio-cultural and environmental. To measure these impacts, a seven-point Likert scale of responses were established, ranging from 1 (completely disagree) to 7 (completely agree). In this section, the results of these questions are presented using the means generated from the seven-point frame of responses and the qualitative results obtained from the key informant interviews are used to complement the quantitative findings. In some cases, independent-sample t-tests were employed to conduct a comparison on the mean levels obtained from responses given by the respondents of the two village groups in order to determine whether these means differed significantly at a  $p < .05$  level. The sample size (n) was also reported since there were different numbers of respondents responding to some questions. This difference in response rates is attributable to some individual respondents refusing to respond to certain questions/statements. The missing values were considered to have a minimal effect on the results, and thus were excluded from the analysis.

### 5.5.1 Respondents' attitudes and perceptions towards tourism development

To understand how the local residents feel about the development of tourism in their villages, a number of issues related to tourism development were examined and discussed. Figure 5.3 shows the levels of agreement or disagreement from respondents in the two villages to a range of attitudinal statements associated with tourism development.



**Figure 5.3: Respondents' attitudes towards tourism development**

Results from both the questionnaire survey and the interviews reveal that, generally, local respondents in both villages showed strong positive attitudes towards tourism development in their communities. Respondents from both communities were almost unanimous in strongly supporting further tourism development in their village, indicating very positive attitudes held by the respondents (Nalan  $M = 6.97$ ,  $SD = .164$ ,  $n = 37$ ; Nam Eng  $M = 6.93$ ,  $SD = .258$ ,  $n = 71$ ). There were no difference in the means of the two village respondent groups ( $t(106) = .929$ ,  $p > .05$ ). Responses from key informants supported the survey finding, although economic benefits were identified as limited. For example, a Nalan informant said:

*“...before tourism was developed in this village, we had only lived in the same way... our main source of income was only from non-timber forest products...since tourists came here,...non-timber forest products became the second source and tourism income was the main source...many families become better off because they could sell things to tourists...people have more money to buy clothes and medicine...now it is changing back again ...”*

Another view provided by a Nam Eng informant:

*“...at first, we did not know how tourism was like...now villagers understand it better and they are ready to do but we are poor, we can only contribute our labour... we are waiting for the development of the cave area to be completed...we also organise village production groups and some had already sold some things...villagers have some trainings provided by the government [District and Provincial Tourism Departments]...”*

In addition, respondents in both villages expressed strong support for more international tourists in the village (Nalan  $M = 6.97$ ,  $SD = .164$ ,  $n = 37$ ; Nam Eng  $M = 6.84$ ,  $SD = .646$ ,  $n = 73$ ), with no significant difference in the two group's means ( $t(108) = 1.270$ ,  $p = .207 > .05$ ). Information from the interviews was also positive in this regard. For example, one Nalan informant commented that:

*“...we can learn something new from tourists...tourists like playing with children in our village and the children are happy, they are good...”*

Most Nam Eng informants also expressed positive opinions on this aspect, with one Nam Eng informant indicating that it is the difference between the tourists and themselves that they most appreciate:

*“...we just want to see them because they are different from us...when they come here, they buy something in this village and we earn some money...”*

Furthermore, respondents were also keen to interact with the tourists, as is evidenced in the responses to the survey statement, ‘I would like tourists to visit my house and share their life experience with me’ (Nalan  $M = 6.95$ ,  $SD = .229$ ,  $n = 37$ ; Nam Eng  $M = 6.86$ ,  $n = .635$ ). Responses from key informants suggest that villagers saw tourists as a source of valuable information, as the following quotations from Nalan informants suggest:

*“...they tell us how to grow vegetables without using chemicals...”*

*“...they tell us about how poor people live in their countries and say we are lucky to have natural resources and tell us to preserve them...”*

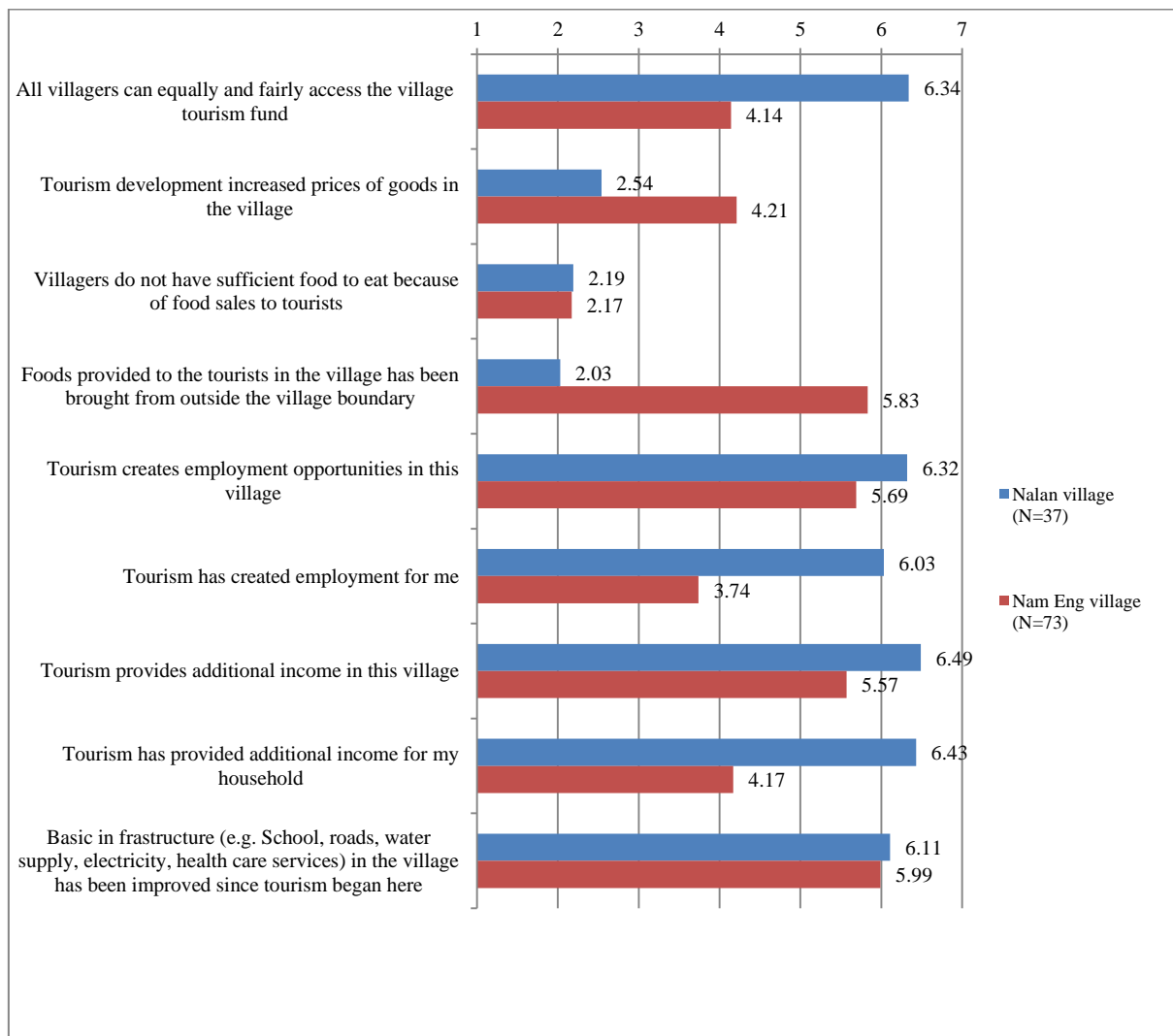
A Nam Eng informant suggested an alternative reason for the positive view of interaction with tourists:

*“...tourists like making jokes, they make people laugh but we also laugh but we don't understand English, some people try to learn English from tourists...”*

It is concluded that, generally, respondents have very positive attitudes towards tourism development, and are almost unanimous in strongly supporting further tourism development in their village, with respondents in each village in favour of more international tourists. They are keen to interact with the tourists, and would like them to visit their residences and share their life experience.

### 5.5.2 Respondents' perceptions of economic impacts of tourism

Can the economic benefits that tourism brought about improve the living conditions of the local residents? This is an important question to be investigated in this research. To address it, the study explored the local residents' opinions about the economic impacts of tourism developed in their own villages, based on a number of given economic statements (see Figure 5.4).



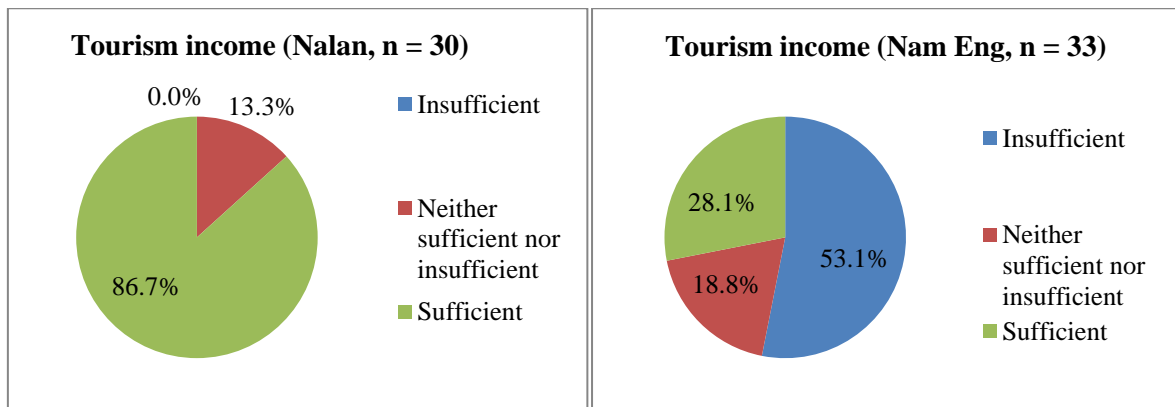
**Figure 5.4: Respondents' perceptions about economic impacts of tourism**



In this regard, some significant differences were found between respondents in the two communities regarding the economic benefits of tourism, with Nalan respondents more positive about the economic benefits of tourism generated in their village. Respondents in Nalan village strongly agreed that tourism was providing employment opportunities in their community ( $M = 6.32, SD = .580, n = 37$ ), whereas Nam Eng respondents did not agree as strongly on this issue, and had a wider spread of responses ( $M = 5.69, SD = 1.041, n = 61$ ). This is a statistically significant difference ( $t(96) = 3.403, p \leq .001$ ). This difference of opinion was even more marked when respondents were asked about whether tourism had generated jobs. Here, Nalan respondents strongly agreed with this statement ( $M = 6.03, SD = 1.343, n = 37$ ), while Nam Eng respondents disagreed ( $M = 3.74, SD = 1.986, n = 72; t(107) = 6.308, p < .001$ ). This might be because tourism in Nam Eng has just begun, and tourists visiting the village were few in number.

In addition, while respondents of both villages perceived that tourism generated additional income in their villages (Nalan  $M = 6.49, SD = .507, n = 37$ ; Nam Eng  $M = 5.57, SD = 1.244, n = 61$ ), agreement was significantly higher in Nalan ( $t$ -test result,  $t(96) = 4.246, p \leq .001$ ). Even more difference is apparent on the respondents' perception of the provision of additional income to their household, with Nam Eng respondents significantly less likely to agree with this statement ( $M = 4.17, SD = 1.891, n = 72$ ) than Nalan respondents (Nalan  $M = 6.43, SD = .502, n = 37; t(107) = 7.144, p \leq .001$ ). This is not surprising, given the smaller proportion of respondents in Nam Eng employed in tourism-related jobs, but it is also reflected in responses regarding the adequacy of income from tourism jobs for livelihood.

In terms of income levels from jobs associated with tourism activities (see Figure 5.5), the respondents were asked whether the income they received was sufficient for their livelihood. The respondents were given a card with a scale of seven points ranging from 1 (Not at all sufficient level of income) to 7 (Completely sufficient income level). During the analysis, responses were re-coded into three levels of income: Levels 1, 2 and 3 were combined as an insufficient income level, while Levels 5, 6 and 7 were classified as a sufficient level of income. Level 4 remained the same, indicating an income level of neither sufficient nor insufficient. The results reveal that while a majority (86.7%) of respondents in Nalan felt tourism generated sufficient income for their livelihood, 53.1% of the Nam Eng respondents felt that their tourism-related employment was insufficient.



**Figure 5.5: Tourism income level of respondents with tourism-related employment**

The findings from interviews with key informants in Nalan similarly revealed a strong belief that developing tourism in the village significantly contributed to generating economic benefits in their local area, especially cash income. Perspectives from Nalan informants reveal that tourism created job opportunities for all the families in their village, and villagers generated their income through participating in tourism activities, such as cooking, working in the tourist lodge, tour guiding, and selling handicrafts and agricultural produces (e.g. meat, vegetables) that supply the tourism industry. By comparison, Nam Eng informants seemed to support the survey results that tourism had not created enough employment and an insufficient level of income generation. Nam Eng informants also reported similar jobs created in Nam Eng, except for cooking service inside the village (see Table 5.2). It appeared that Nalan had more opportunities to perform most of these jobs, whereas Nam Eng residents gained less access to these services. The key difference between these communities seemed to be in the area of food provision and cooking for tourism. In this regard, the findings also reveal that cooking service was not performed in Nam Eng village but at the distant-forest camp. Only a tour guide from the Vieng Phoukha District-based private tour agency served the tourists as the village guide was only allowed to accompany a tourist group a half of the distance between the village and the forest camp. Therefore, it could be said that Nam Eng residents were excluded from benefiting from the cooking service, while Nalan residents could earn more from this activity. For example, when a villager took their turn to cook for the tourists (usually dinner and breakfast), they would also sell their own food (such as, chicken, fish and vegetables) and lead a tourist group, after their meals, from the village to the main road, so-called the ‘North-South Economic Corridor’. As a result, this person has three roles to perform, and consequently could earn three sources of income (cooking, sales of food, and guiding); according to the village rules and regulations, a participating individual is paid for practising each of the activities.

In Nam Eng village, although local residents could obtain a certain proportion of cash income by providing guiding, camping and cave visitation services, most foods for the tourists were brought from outside the village, resulting in considerable economic leakage.

According to interviews with the key informants, many individual households in Nalan, apart from employment involvement in tourism, earned additional income through sales of their domestic animals, vegetables and handicrafts to tourists. With regards to tour services, for Nalan village, tourists were guided from Luang Namtha Town (Tourist Information Centre at the Provincial Tourism Department) to the village by local guides. They stayed overnight in the village, and spent their money on food and accommodation. For tourists visiting Nam Eng, they were brought by vehicle from Vieng Phoukha district. On arrival, tourists were immediately guided through the village, towards the village forest camp. The tourists did not stay overnight in the village as they did in Nalan village, thus no or little money was spent in the village.

In this situation, only a few Nam Eng residents could sell their handicrafts because there were no services, such as cooking, that could induce further income sources from sales of agricultural produce and domestic animals. As explained by the Nam Eng informants, in the early stage of tourism development, the private tour operator based in Vieng Phoukha District brought tourists to the village in their vehicle and bought the food in the village before heading to the forest camp at Tad Nam Choukouak, a small stream water fall. During this period, the villagers could earn some additional income by selling domestic animals, vegetables and handicrafts. However, recently the tour agency had instead bought their supplies in the Vieng Phoukha District market, and only required the service of a village guide to guide them to the forest camp. As a consequence, the villagers had become discouraged to produce additional agricultural products or handicrafts because they were unable to sell them to the tourists.

Information obtained from interviewing the village tourism management committee members revealed that, an important rationale for the tour operator buying food outside the village is that the kind of food that tourists wanted is not available locally. However, this seems to contradict informal information obtained from many individual villagers, which revealed that the reason for not buying locally was that the private tour operator found it much easier, and could save more time, buying food in the district market located near the tour agency's office instead of having to look for food in the village; otherwise, the tourists would lose their interest and would not want to come, and the tour operator would then lose his customers.

This information could be true, because the researcher did not see any tour groups buying food in the village during his three-week stay in the village conducting his fieldwork research.

Another explanation for the differing levels of economic benefits between the two communities relates to the length of involvement in tourism. Tourism has only recently been developed in Nam Eng village, and there are fewer tourism activities and facilities that have been developed, compared to Nalan village. Furthermore, Nam Eng has a considerably larger population than Nalan, which may mean that tourism economic benefits were less distributed in Nam Eng, compared to Nalan; it could take a long time for a household representative to have his/her turn for accompanying a tour group visiting the village. This issue is raised by one Nam Eng informant:

*“there are many households in our village... for me, to be able to go on a tour, it takes almost three months...we have a rotation list of village guides for guiding each tour group into the forest camp... some families haven't got their turn yet because tourists don't come here very often or if they come, they come only in few numbers...”*

Another issue to be considered relates to access to the village tourism fund. Nalan villagers ( $M = 6.34, SD = 1.305, n = 35$ ) were much more likely to agree with the statement ‘All villagers can equally and fairly access the village tourism fund’ than Nam Eng villagers ( $M = 4.14, SD = 2.347, n = 56; t(89) = 5.071, p < .001$ ).

The findings from key informants reveal that Nalan families had fair access to financial benefits arising from tourism activities based on the rules and regulations of their village tourism fund. The rules and regulations defined criteria for which the villagers can access the fund. For example, 10% interest is applied on loans to those who are sick, but a 30% interest is charged on loans to those who borrow for other purposes.

However, although the general rules and criteria for access to the village tourism fund practised in Nalan also applied to Nam Eng, there was little money in the Nam Eng fund, so little could be shared among all the village families. This lack of available money in the fund was attributed to less tourism income generated in the village with a larger population size, compared to Nalan. Thus, the small income earned from tourism is only used for the whole village affairs or for committee members' travel expenses for attending meetings in the district or province.

In relation to the financial management at the village level, like the case of Nalan in its initial stage, it seemed to be a controversial issue for many Nam Eng villagers. It was known that the

village's tourism income was mainly generated from cave visitation, trekking services, forest camp/home stay, and handicrafts. Incomes earned from the cave and the forests camp go to the village tourism fund, while incomes from other mentioned sources were received by the individuals who participated in trekking tours organised by the Vieng Phoukha-based private tour agency. However, while trekking income was fairly shared among the community members, the villagers tended to have a problem with the cave income distribution. According to some informants, including the surveyed respondents, initially the cave income sharing was quite fair and transparent, which was publicly reported and shared among the beneficiaries on a monthly basis. However, for a few months before the fieldwork research, the income earned from the cave services had yet to be reported to the villagers, leading to a suspicion of corruption by individuals. With this issue, additional information from the interviews also reveal that the cave revenue gained was reported to only those individuals who represented each party concerned, including the provincial Tourism Department, Vieng Phoukha Tourism Office, Vieng Phoukha Tax Office, and the village representative. In addition, it was also noted by one informant that the reason for the cave income not being reported to all the villagers could be because of a replacement of one of the District Tourism Office staff members, who was responsible for the District Tourism Office's financial accounting, and who usually kept the villagers informed of the cave income. However, it was said that the new accountant of the District Tourism Office did not follow the income reporting procedures as established and practised earlier.

Although there were conflicts over the financial issue, respondents appeared to be satisfied with tourism management at the village level. In each community, respondents expressed satisfaction with the tourism management in their villages (Nalan  $M = 6.59$ ,  $SD = 1.092$ ,  $n = 37$ ; Nam Eng  $M = 6.16$ ,  $SD = .851$ ,  $n = 69$ ), however levels of support for this statement were somewhat lower amongst Nam Eng respondents; this difference being statistically significant ( $t(59.908) = 2.269$ ,  $p < .05$ ). Despite this survey result there was some evidence from informants of concern about the sharing of benefits from tourism in the past. This issue will be discussed in section 6. 2.3.

However, while many informants supported the survey results, some informants' views were likely to differ from the survey finding. For instance, one Nalan informant pointed out that:

*“...income earned from tourism was kept by the village committee...sometimes the money disappeared without reasons...the person who was in charge of the money did not inform the villagers when spending it...,making the villagers suspect it as a corruption...”*

*“...when we had a village meeting, the majority of villagers proposed to the village administration committee for keeping all the tourism income earned for the village tourism fund in a bank, and if we need to use it for any reason, the villagers must be informed before a withdrawal of the money and after the expenditure made...”*

This may mean that the initial problem have been resolved in Nalan village.

The following message was from a Nam Eng informant:

*“...we know we have money earned from tourism but we don't see it they [the village committee members] said they use the money for village work or when they go to attend the meeting in the province or in district, they use this money...”*

One Nam Eng informant assumed that:

*“...they might pay for the work they do but we just don't know what exactly they use the money for... when we had a village meeting they just said they used the money for the village-related work ...”*

Another Nam Eng informant stated that:

*“...other people know on what the money was spent but people who did not know because they did not come to attend the meetings and so they did not know but just suspected of the money being taken by the person in charge.... We [villagers] know how much money we have when we have the village meetings and the revenue and expenditure details were declared by the village committee during the meeting.”*

However, these problems with the tourism income management at the village level were reported to occur during the first few years following the inception of tourism development, and the problems have since been addressed in Nalan, but an ongoing issue in Nam Eng.

Responses towards the survey statement “Tourism development increased prices of goods in the village” were significantly different between the two villages, with Nalan respondents less likely to attribute price increases to tourism ( $M = 2.54$ ,  $SD = 1.304$ ,  $n = 37$ ) than Nam Eng respondents ( $M = 4.21$ ,  $SD = 1.907$ ,  $n = 61$ ;  $t(96) = -4.705$ ,  $p < .001$ ). The key informants generally agreed that the prices of goods had slightly increased, however, these increased costs were perceived by Nam Eng informants as a year-on-year increase, and not tourism related. As one Nam Eng informant said:

*“...it increased in accordance with the local market prices which tend to gradually increase every year...”*

It was similarly reported by another Nam Eng informant that:

*“Goods had become more expensive every year but the increased prices were not because of tourism here, it was because of the market prices....not just in this village, but everywhere in our country...”*

However, Nalan informants felt that:

*“...foods or goods were slightly more expensive compared to the time before tourism existed...”*

Despite some perceptions by respondents of an increase in prices, they largely agreed that tourism had not resulted in insufficient food to eat (Nalan  $M = 2.19$ ,  $SD = .569$ ,  $n = 37$ ; Nam Eng  $M = 2.17$ ,  $SD = .805$ ,  $n = 72$ ). Since the start of tourism development in the two villages, according to the key informant interviews, food shortage has not been a problem. It was reported that the villagers have produced more, because they recognised the additional need for food to supply to the tourism industry. In addition, food provided for the tourists was produced by the villagers in Nalan.

However, the two groups of respondents differed significantly in their perceptions regarding the source of the food provided for tourists ( $t(104) = -31.306$ ,  $p < .001$ ). While a small portion (Nalan  $M = 2.03$ ,  $SD = .287$ ,  $n = 37$ ) of Nalan respondents reported that foods for tourists were bought from outside their village, Nam Eng villagers were more likely to report the tourist foods imported from outside their village (Nam Eng  $M = 5.83$ ,  $SD = .706$ ,  $n = 69$ ). The  $t$ -test result provided a significant effect for these two group means, indicating a greater leakage of tourism income opportunities in Nam Eng than in Nalan.

It was reported by key informants that villagers in both Nalan and Nam Eng, bought manufactured goods (e.g. soft drinks, beer, chips, or things which could not be produced locally) from Luang Namtha district and provincial markets.

Both groups of respondents strongly agreed that tourism development had brought about, and improved, basic infrastructure (road access, water supply, electricity, healthcare services) in their village (Nalan  $M = 6.11$ ,  $SD = .458$ ,  $n = 37$ ; Nam Eng  $M = 5.99$ ,  $SD = .121$ ,  $n = 68$ ). The  $t$ -test result ( $t(103) = 2.086$ ,  $p < .05$ ), also revealed the statistical significance in the support of improved basic infrastructure in both villages. However, results gained from key informant interviews suggest that there were greater improvements in basic infrastructure in Nam Eng, compared to those in Nalan. It was noted that North-South Economic Corridor (or National Route 3), which was completed in 2008, was believed to facilitate more convenient travel and

transport for both local residents in and tourists to Nam Eng. Since the completion of this main road, other forms of infrastructure (such as tourism facilities, primary school buildings, and power) were also being improved in the village. However, these benefits were not much improved in Nalan, except for the water systems.

The researcher also found during his fieldwork that there were four gravity water system points in the Nalan village and five water supply system points in Nam Eng village. Broader infrastructural development was most apparent in Nam Eng, where there was improved road access (NSEC), electricity provision, primary school building, and other improved access to social services.

Overall, tourism is largely perceived to provide more employment opportunities in Nalan, for both the community and the respondents surveyed than in Nam Eng. Similarly, tourism is perceived to generate more income in Nalan than in Nam Eng village. Nalan respondents also felt that they had access to the village tourism fund in an equal and fair manner to a higher extent Nam Eng respondents. However, while there were to date relatively few economic benefits from tourism in Nam Eng, local residents had a positive feeling about tourism in their village. Nam Eng key informants generally accepted that to date, tourism had not generated a wide range of benefits, but they were very positive about the potential of tourism in solving their poverty problems in the future, especially upon the completion of the construction of tourism facilities and cave development (which were under way at the time of this research fieldwork). At the time the research was conducted, the local government was just at the early stage of preparing plans for tourism improvements in Nam Eng village. As one Nam Eng informant said:

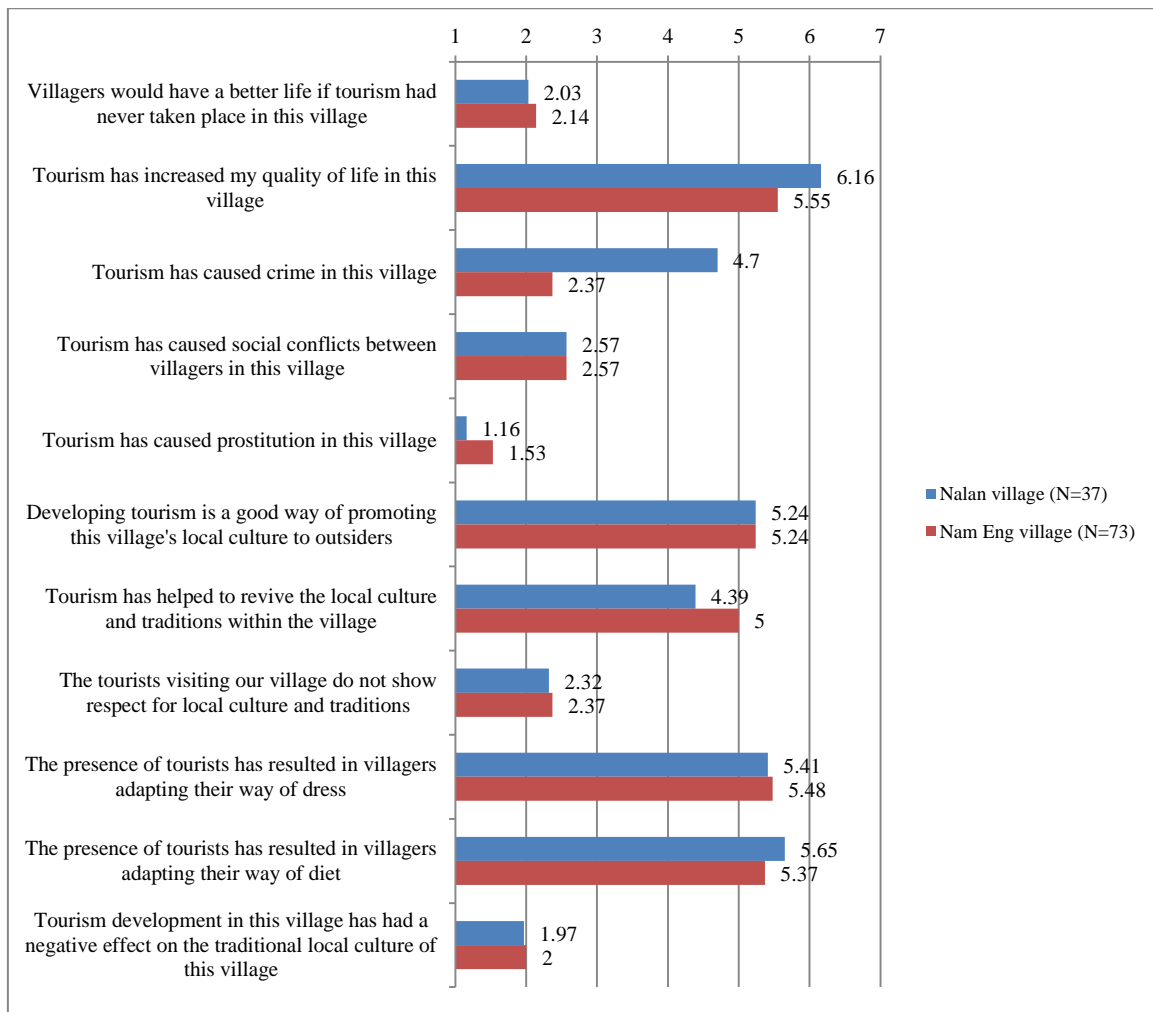
*“...I am sure tourism will help reduce our poverty because we will be able to have more income from tourism when the Kao Rao cave development is completed”...*

Another Nam Eng informant added, *“... Now the Provincial Tourism Department is helping us develop tourism in our village, especially the cave...we are just starting...”*

### **5.5.3 Respondents’ perceptions of socio-cultural impacts of tourism**

Respondents in the communities studied were asked a number of statements related to social and cultural impacts of tourism on themselves and their communities (see Figure 5.6 )





**Figure 5.6: Respondents' perceptions about socio-cultural impacts of tourism**

There were no significant differences between respondents from each village, regarding the statement: ‘Villagers would have a better life if tourism had never taken place in this village’, with both groups of respondents strongly disagreeing with this statement (Nalan’s response  $M = 2.03$ ,  $SD = .568$ ,  $n = 35$ ; Nam Eng  $M = 2.14$ ,  $SD = .766$ ,  $n = 57$ ;  $t(90) = -.746$ ,  $p > .05$ ), while respondents from both Nalan ( $M = 6.16$ ,  $SD = .374$ ,  $n = 37$ ) and Nam Eng ( $M = 5.55$ ,  $SD = 1.095$ ,  $n = 58$ ) broadly agreed that tourism in their village increased the quality of their lives. Nalan respondents were more strongly in agreement than Nam Eng respondents ( $t(93) = 3.266$ ,  $p < .05$ ).

Tourism was not perceived to create considerable negative impacts on the traditional local culture within the case study villages. Respondents in each community largely disagreed with the statement ‘Tourism development in this village has had a negative effect on the traditional local culture of this village’ (Nalan  $M = 1.97$ ,  $SD = .164$ ,  $n = 37$ ; Nam Eng  $M = 2.0$ ,  $SD = .000$ ,  $n = 73$ ). The positive results were similarly found in the results acquired from the key

informants. The interview information revealed that the socio-cultural effects of tourism were perceived to be more positive than negative. Local residents in both villages felt that their living conditions had improved since the inception of tourism development in their village. According to one Nalan informant:

*“...our living conditions have been better since we had tourism here because we sell chicken, vegetables and other things to tourists...”*

Additionally, a Nam Eng informant said:

*“...the villagers like tourism...in the past years we collected money from each household when we had village work... now we don't ask for money from each household, we use the money earned from tourism...”*

Respondents were somewhat in agreement that tourism could be used to promote local culture in the case study communities to outsiders (Nalan  $M = 5.24$   $SD = 1.065$ ,  $n = 37$ ; Nam Eng  $M = 5.24$   $SD = .893$ ). However, tourism was perceived to be less likely to help bring a revival of local culture and traditions in either community (Nalan  $M = 4.39$ ,  $SD = 1.128$ ,  $n = 36$ ; Nam Eng  $M = 5.00$ ,  $SD = 1.086$ ,  $n = 62$ ;  $t(96) = -2.647$ ,  $p < .05$ ).

The key interview findings suggested that the presence of tourism in the village had not only improved their life quality, but they felt also that tourism was having a positive impact on the promotion and revival of local culture and traditions. One Nam Eng informant mentioned:

*“...we produce many handicrafts for sale...some people do the weaving and we organised our traditional festivals and dress up with our traditional clothes to show tourists now but just start. In previous years, we did not do like this...”*

Respondents of the two villages felt some cultural changes had been brought about as a result of tourism development in their villages. For example, there was some agreement in each community to the survey statement ‘The presence of tourists has resulted in villagers adapting their way of dress’ (Nalan  $M = 5.41$ ,  $SD = 1.322$ ,  $n = 37$ ; Nam Eng  $M = 5.48$ ,  $SD = 1.145$ ,  $n = 71$ ). Key informants tended to disagree with this assessment, although they did acknowledge that such a change might be indirectly affected by the presence of tourism in their village, for example through the additional income for some individuals generated by tourism.

According to one Nam Eng informant:

*“...villagers use more market clothes because it is easy to buy...if you make it you will spend a long time...”*

An interesting observation from another Nam Eng informant suggested that in fact the presence of tourists may have resulted in villagers wearing more traditional clothing:

*“...we wear like this for a long time before tourists came to our village...now the provincial Tourism Department staff want us to wear our own traditional clothes, especially during village traditional festivals...”*

Respondents to the survey were also somewhat in support of the statement: ‘The presence of tourists has resulted in villagers adapting their way of diet’ (Nalan  $M = 5.65$ ,  $SD = 1.230$ ,  $n = 37$ ; Nam Eng  $M = 5.37$ ,  $SD = 1.162$ ,  $n = 71$ ). This was similarly found in the key informant interviews that although Nalan informants acknowledged that their diets had changed, this change could mean that the villagers could consume more in quantity. One Nalan informant said:

*“...villagers still eat the similar foods as they ate before tourism but they can eat more of the same food because they produce for themselves and tourists...”*

However, a Nam Eng informant mentioned that:

*“... diet was not changed because tourists preferred to eat locally cooked food, fish, rattan, banana flower, etc rather than imported foods...”*

This statement might suggest that the traditional diets could be revived in response to the needs and wants of tourists. Respondents did not feel that their local culture and traditions were not respected by the tourists (Nalan  $M = 2.32$ ,  $SD = 1.334$ ,  $n = 37$ ; Nam Eng  $M = 2.37$ ,  $SD = 1.253$ ,  $n = 73$ ). Key informants agreed that the tourists who visited the village showed respectful behaviour for the local culture and traditions, with the following examples given:

*“...tourists ask if they want to take photos or when they want to see inside your house...”* said, one Nalan informant.

*“...they are good. When we want to know anything between them or us, the guides help interpret...”* said, one Nam Eng informant.

Where there was a perception of tourism-induced negative socio-cultural impacts, these negative effects appeared to be relatively minimal. In relation to tourism-induced crime, Nalan respondents were more likely to agree that there had been an increase in crime than Nam Eng respondents (Nalan  $M = 4.7$ ,  $SD = 1.151$ ,  $n = 37$ ; Nam Eng  $M = 2.37$ ,  $SD = 1.009$ ,  $n = 65$ ;  $t(100) = 10.665$ ,  $p < .001$ ), but the levels of agreement were still relatively low. Information provided by the Nalan key informants reveals that the problem of tourism-related

crime was experienced a few years after the commencement of tourism development in the village. This crime was related to robbery of tourists' property (but the thief was captured on site). One Nalan informant stated:

*"...villagers think maybe because of the man stealing tourist's things that make tourists not to come to this village...or I am not sure what..."*

Both groups of respondents strongly disagreed that 'Tourism has caused prostitution in this village' (Nalan  $M = 1.16$ ,  $SD = .374$ ,  $n = 37$ ; Nam Eng  $M = 1.53$ ,  $SD = .503$ ,  $n = 70$ ;  $t(105) = -3.897$ ,  $p < .001$ ). In addition, respondents also generally disagreed that tourism had caused social conflicts between villagers (Nalan  $M = 2.57$ ,  $SD = 1.281$ ,  $n = 37$ ; Nam Eng  $M = 2.57$ ,  $SD = 1.323$ ,  $n = 69$ ). However, some informants in Nalan suggested that there had, in fact, been conflicts over tourism in the past regarding the village fund, but that this issue had now been addressed:

*"...now we don't have this problem, we put the money in the bank and if we want to use it we discuss in village meetings and if the majority of us agree, then we can withdraw the money..."* said, one Nalan informant; (see also section 6.1.3)

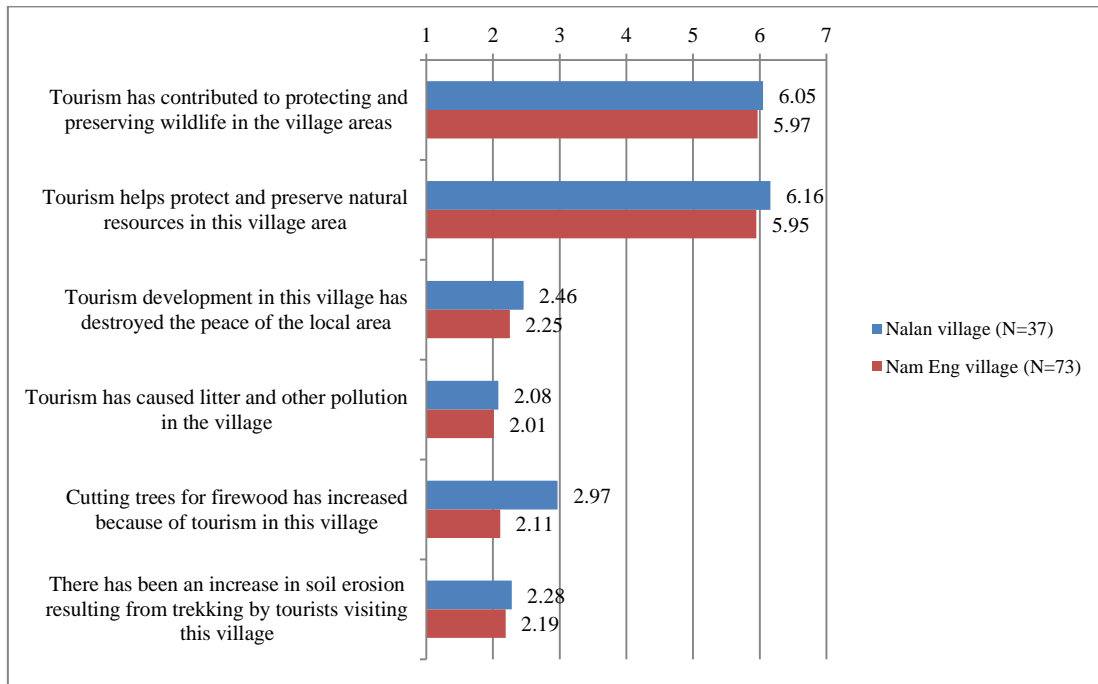
Similar issues were also raised by a number of Nam Eng informants.

Overall, local respondents in the two villages similarly believe that tourism has positively enhanced their quality of life. The two groups of respondents also somewhat supported the view that tourism had a positive role in promoting the local culture to tourists and had helped revive their local culture and traditions and they do not see visiting tourists as disrespectful of their local culture and traditions. Any changes to local ways of dressing seem to have been accepted as a positive change, as a result of tourism effect on the local economy, which enable the villagers to spend their additional income earned from tourism activity on more or new clothes from the local market. In a similar way, the diet of the local residents has also changed; the locals are consuming more food due to more food production to meet the demand of both the locals and the tourists visiting the village.

Social conflicts, especially the tourism income management at the village level, occurred in the early stages of tourism development in Nalan, but have since been addressed. However, the same social issue of tourism income management is an emerging problem in Nam Eng village – that is, during the period of undertaking this study, which is also the advent of the village tourism development period. Respondents in each village do not perceive significant issues of tourism -induced crime, although this has been an issue in the past in Nalan.

### 5.5.4 Respondents' perceptions of environmental impacts of tourism

Tourism and the environment are often linked when tourism activities take place in a particular area or community. This study has sought to explore the respondents' opinions regarding tourism impacts on the environment in their local areas, with a particular focus on any differences between the two communities, as tourism has existed longer in Nalan village than in Nam Eng village, so therefore might be expected to have witnessed more negative environmental impacts.



**Figure 5.7: Respondents' perceptions on environmental impacts of tourism**

From Figure 5.7, tourism was generally perceived to contribute to the protection and preservation of the environment of each village. Respondents of both communities agreed that ‘Tourism helps protect and preserve natural resources’ in their localities, with Nalan respondents more likely to agree with this statement (Nalan  $M = 6.16$ ,  $SD = .374$ ,  $n = 37$ ; Nam Eng  $M = 5.95$ ,  $SD = .283$ ,  $n = 73$ ;  $t(108) = 3.398$ ,  $p < .05$ ). The findings from the interviews support the survey findings. Nalan informants emphasised:

*“since tourism began in the village, forests and wild animals had been protected and preserved better, compared to the past years because the villagers received awareness raising on the importance of the environment; Now people do not go hunting as they did in the past...”*

*“...we were trained on the awareness of tourism and its impacts on the environment ... now we protect our village natural resources for tourists to see ...we sell nature to tourists...”*

Nam Eng informants also described the effects:

*“...we were advised by the provincial Tourism Department to protect and preserve natural forests and wildlife for tourists to see, ...we can earn some money from tourists when they visit our village and stay in our forest camp...now villagers do not cut big trees, ... do not destroy and burn forests as we did before... they have their allocated land areas for cultivation or farming...”*

Respondents in both communities also expressed their positive opinions about the contribution of tourism in protecting and preserving wildlife in the village area (Nalan  $M = 6.05$ ,  $SD = .664$ ,  $n = 37$ ; Nam Eng  $M = 5.97$ ,  $SD = .164$ ,  $n = 73$ ). The findings from the interviews were largely similar; interview informants from both villages reported that wildlife was seen more often since the inception of tourism development in their villages. However, it was noted by some key informants and from an informal source of information that illegal practices of wildlife hunting and tree logging were occasionally evidenced. A Nalan informant observed:

*“...sometimes, there have also been hunting for wild animals and illegal loggings but those who did these were people from outside the village, not the villagers...”*

It was also reported that traditional hunting is still practised by some local people, as mentioned by one informant in Nam Eng:

*“Some villagers caught small wild animals by using hand-made traps...Villagers used the traps that they made by themselves to catch wild animals such as rats and birds...”*

In addition, tourism was not generally perceived to have caused substantial negative impacts in regards to the local environment in terms of peace, litter, pollution and soil erosion. The only exception was cutting down trees for firewood; Nalan respondents tended to perceive this as more of an issue than Nam Eng respondents, even though both groups disagreed somewhat that tourism had caused an increase in tree cuttings for firewood (Nalan  $M = 2.97$ ,  $SD = 1.607$ ,  $n = 37$ ; Nam Eng  $M = 2.11$ ,  $SD = .667$ ,  $n = 71$ ;  $t(106) = 3.922$ ,  $p < .001$ ).

The reasons for this difference in perceptions of the issue of tree cuttings for firewood between the respondents of the two villages could be found in the key informant interviews. For example, a Nam Eng informant reported that:

*“...cutting trees for firewood had decreased since villagers had access to electricity because villagers have turned to use electricity and clay-made stoves...”*

Whereas a Nalan informant mentioned:

*“...every year villagers collect their firewood the same, they use their own firewood to cook for tourists when they come...they don't cut trees, they just collect the dead branches of trees that fell on the ground...”*

This comment could perhaps mean that tourists visiting their village were few in numbers, and so the impact on tree cutting had not apparently been recognised at this current stage.

In general, tourism is perceived to help contribute to the protection and preservation of the environment for the two local communities. Tourism is perceived to help contribute to the protecting and preserving of natural resources (including wildlife) in both villages of the case study. It is not considered to have caused substantial negative impacts on some other environmental components, such as local peace, litter, pollution and soil erosion. It is interesting to note that the longer presence of tourism in Nalan does not seem to have resulted in greater negative environmental impacts.

## **5.6 Chapter summary**

This section summarises the results arising from the analysis of quantitative and qualitative data that were collected using mixed methods from the two case study village communities. Residents in both communities generally express a very positive attitude towards tourism and support further tourism development in their communities. They are also satisfied with tourism management in their community. Residents of the two communities are positive about most identified economic issues of tourism within their village even though current benefits are perceived to be relatively low, especially in Nam Eng. Residents in two communities express their positive opinions on most socio-cultural effects of tourism identified in the current study, compared to few issues with perceived low negative effects. Residents of both communities have a very positive perception of the environmental effects of tourism.

Overall, community-based ecotourism development in the case study communities were perceived to bring about more benefits compared to the tourism-induced negative effects, especially in the community with a longer-term period in tourism involvement. Tourism development in the case study communities was perceived to not only create positive economic effects at considerably large level for the locals, but tourism was also perceived to

help positively improve the culture and society of the study communities, while tourism was simultaneously perceived to contribute, perhaps, more positively to protecting and preserving the environment compared to the economic and socio-cultural effects.

The next chapter discusses the main findings drawn from the analysis of the acquired data for this study in relation to the pre-determined objectives of the current study.



## **Chapter 6**

### **Concluding Discussion**

Recent rapid growth in tourism development in Lao PDR raises questions about the sustainability of the tourism industry and the distribution of tourism's benefits and adverse consequences. This study sought to examine the potential of community-based tourism development in rural communities, using a case study of two Khmu ethnic village communities in Luang Namtha Province, Lao PDR. Using mixed methods, the research explored local people's attitudes towards, and perceptions about, tourism development and its impacts on the two communities. Specific objectives of the study were to: (1) identify the roles of local residents in tourism; (2) examine the context of community-based tourism development planning and implementation in the studied communities; (3) identify and analyse residents' attitudes towards, and perceptions of, tourism development in the two communities; (4) identify and analyse residents' attitudes towards, and perceptions of, the economic, socio-cultural and environmental impacts of tourism in the study communities; and (5) compare and contrast the two village communities on the basis of the length of involvement with community-based ecotourism development. Objectives 1 and 2 have been thoroughly discussed in Chapter 3 and 5. In this chapter, the remaining objectives are discussed under emerging themes, and implications are identified.

First, local attitudes and perceptions towards current and future tourism development are outlined. Next, local residents' involvement and participation in tourism development is discussed, followed by the considerations of the potential of tourism for poverty alleviation in the study communities. These issues are discussed in relation to Butler's tourism area life cycle and Doxey's Irridex models in the penultimate section. The chapter and thesis concludes by providing recommendations for future research.

#### **6.1 Tourism development in the study communities**

Previous studies suggest that tourism development has a crucial role in contributing to economic growth of the local economy (Collier, 2010; Goeldner & Ritchie, 2012; Hall & Lew, 2009; Stabler et al., 2010; & Wall & Mathieson, 2006), and residents held positive attitudes towards tourism development because of benefits induced by tourism. In this study, results from the assessment of residents' attitudes towards tourism development in Nalan village and Nam Eng village, reveal that tourism development (especially ecotourism development) is positively supported in the study localities. Residents in both communities

expressed a very positive attitude towards further tourism development in their community areas. While these findings overall support the notion of the Irridex model, it is also consistent with the finding of a study by Long, Perdue and Allen (1990) in 28 rural Colorado communities, which found that residents' attitudes towards tourism development initially increased in support of tourism. However, resident attitudes were found to become less supportive, following tourism achieving a level of threshold (Long, Perdue, & Allen, 1990). They also found that perceived positive and negative impacts of tourism increased with increasing level of tourism development. In addition, the results of this current study also support the assertion of Dogan (1989), who argued that the initial response towards tourism development, especially in rural settings might be uniform within residents. Furthermore, the findings of this research study are similar to the finding of a study conducted by Wang, Pfister, and Morais (2006) in a small community in Washington in North Carolina, who found that residents had a favourable attitude towards tourism, and supported the ongoing tourism development, expressing a positive attitude towards further tourism development and planning in its initial stage (Wang, Pfister, & Morais, 2006). Considering the results of the current study and the results obtained by Dogan (1989) and Wang (2006), it could be argued that the country status (whether developed or Third World countries) may not be a factor that influences the way residents feel positive about tourism development. However, it may be more relevant to characteristics or conditions of particular settings, such as rural and small communities (or perhaps, communities with a population of not exceeding 10,000), given that tourism was at Doxey's initial stage. This study indicates that developing tourism in rural communities can be initially welcome by local residents because of locally perceived economic benefits of tourism.

However, existing literature suggests that perceptions can change over time, and thus it may be possible that the extent to which tourism development in the study communities is to be sustainable may be dependent on the extent to which the positive attitudes and perceptions of the local residents can be maintained. The implication of this may depend on the planning and management of tourism at the local community. In this sense, an ongoing monitoring on the local residents' reaction towards increased tourism development in these two studied communities is required in order to see the extent to which local residents' positive attitudes may change adversely.

Generally, taking these findings into account, the study suggests that tourism development based on the local community in rural areas can be significant in improving the livelihoods of the poor community.

## **6.2 Local community involvement and participation in tourism development planning and implementation**

### **6.2.1 Local participation in decision-making process**

Local participation in decision-making for tourism development planning and implementation is important for the locals to gain access to tourism benefits accrued to the local community. Simmons (1994) contended that a high degree of citizen involvement, including both the number of citizens involved and the degree of individual participation, are important factors in tourism planning and implementation. The research findings from the case study of Nalan and Nam Eng villages reveal that the local residents in both communities expressed a strong perception on their intention to participate in the process of decision-making for tourism development in their own communities. However, the level of local participation in these village tourism-related meetings varies between the two villages, with a high degree of participation in Nalan, and a low degree in Nam Eng. Nalan residents' participation level may coincide with the 'functional participation' of Petty's (1995) typology, or the 'citizen control' rung of Arnstein's (1969) ladder, or Tosun's (1999) 'spontaneous participation'. Nam Eng residents' participation level may relate to Petty's 'consultation' type, or Arnstein's rung of 'consultation', or the 'induced participation' of Tosun's ladder.

Reasons for Nalan community participation at the identified levels may be that residents had been involved in tourism over a longer-term period, and they may have received more training on ways to develop tourism. As a result of training, they may have had good understandings of tourism development aspects, skills, and extensive experiences in running tourism in their own community. In addition, residents, perhaps, all Nalan community families or individuals may have gained their expected benefits of tourism, such as economic incentives given that their claim for perceived sufficient income was true. All these reasons can be factors that reinforce their motivations to participate in tourism development processes at the relatively high level, compared to Nam Eng community.

For the Nam Eng community, residents may have received little tourism training and/or few benefits accrued from tourism, which may not have reached a level that encouraged them to achieve a higher level of the identified participation levels given that these stated levels were a good consideration for Nam Eng resident participation. In addition, tourism products or activities available in Nam Eng may have been limited, or have not been developed to the level that can fully motivate the locals to actively participate in the tourism activities.

Considering all the reasons for participation in tourism development in both communities, this study suggests that providing training on tourism service-related skills, raising awareness of potential tourism impacts on the communities, and offering government technical assistance, may enable residents in the community to reach higher participation level.

### **6.2.2 Local participation in tourism activities**

In developing tourism in rural communities, Beeton (2006) stressed that “*communities must be involved in tourism development*” because “*those communities with the most positive attitudes towards tourism are those who have been involved in the development process*” (p. 153). The results of this study generally reveal that Nalan residents were perceived to be involved in more tourism activities identified in this study, compared to those activities engaged by Nam Eng residents. Reasons for this difference could be due to three attributes: First, the size of village population, and households, with less population, and fewer households in Nalan; second, the frequency of village visitation by tourists, with more frequent visits to Nalan than Nam Eng; third, the number of tourists received by each village, with more tourist numbers in Nalan than in Nam Eng since tourism began; and fourth, ways in which activities were practised, which more diversified-income activities exist within Nalan than in Nam Eng village. The general implications here are that it can be a long wait for individual residents to participate in tourism activities, especially tour-guiding services in terms of the first reason, given that low visitation of tourists to the village, and that individual residents take turns for the activity participation in Nam Eng. In addition, without frequent visits of tourists to the village, tourism activities are not diversified. This can lead to the exclusion of residents’ opportunities to take part in a variety of tourism activities, eventually resulting in restricted income generation. The consequence of this tourism could fail in achieving the goal for poverty alleviation, while at the same time the tourism development in the community would be seen as threats rather than aid. This study suggests that tourism activities, including cooking, should be made available inside the village in ways that enable residents to participate in the activity.

### **6.2.3 Local participation in benefits of tourism**

Literature generally suggests that the purpose for developing tourism in rural communities focuses on distributing tourism benefits to most, if not all, residents in the community. In this study, it was found from residents’ perceptions that Nalan residents have more access to cash income generated from tourism, compared to Nam Eng residents’ tourism income. Possible reasons to explain this difference would be similar the reasons for explaining the difference

between the two communities' participation in tourism activities as mentioned earlier. The results also show that the locally perceived difference between the two communities in their access to the earned tourism income is related to the financial management system at the village level during the very beginning period of village tourism development. During this period, tourism income (which was perceived to be a small amount) was kept at the Village Administration Committee (this is the case of Nalan). This income-keeping approach was perceived to cause a conflict among Nalan residents in terms of unclear tourism income expenditures reported by the village administration. However, the conflict was resolved after the villagers sought a more secure system, saving tourism-earned income in a bank in the province. With this approach, the money is not only secured, but residents can also earn the interest on their saving. However, Nam Eng community, in which tourism just began, also experienced the same problem as did Nalan in the beginning and this controversial issue was not yet to be resolved when this research was conducted. In this case, it could be argued that tourism development in rural communities during the initial stage could cause misunderstandings among local residents over a new economic gain from tourism. This may result from residents' limited knowledge or little experience in financial management. Given that this is the case, the Government plays an important role in providing training on financial management for the community prior to the advent of the community tourism development.

### **6.3 Local perceptions of tourism effects**

Tourism development carries with it significant economic, socio-cultural and environmental impacts and one of this study's objectives was to identify and analyse these dimensions.

#### **6.3.1 Perceived economic effects of tourism**

One significant economic feature arose from this study is related to employment and income generation as a result of tourism development. The research literature suggests that tourism development can lead to potential positive and/or negative economic effects at a local destination (Cook, Yale, & Marqua, 2006; Scheyvens, 2011; Wall & Mathieson, 2006; Weaver & Lawton, 2010; Wyllie, 2000). By developing rural community tourism, the local economy becomes more diversified because of jobs being created in tourism and tourism-related businesses (Sharpley & Telfer, 2002). In general, where economic effects were identified in this study, they were largely positive. However, there was evidence also, particularly in Nam Eng community that many of the anticipated economic benefits from tourism had yet to eventuate.

In relation to employment and income generation, this study found that tourism development was generally perceived by residents to have resulted in the creation of jobs for local residents, but at different levels and in different occupations in the two villages. The results reveal that the potential of tourism to contribute to employment was recognised in Nalan, but not as readily in Nam Eng. The jobs that were created in Nalan and Nam Eng were mainly related to services, which include homestay, tour-guiding, sales of handicrafts and agricultural produce (see Table 5.2). However, while cooking for tourists (often accompanied by other services, such as sales and tour-guiding) exist in Nalan, this job is not available within Nam Eng village. This means that Nalan residents have more opportunities to perform most of these jobs, whereas Nam Eng residents gained less access to these services. The possible reason for Nam Eng residents' limitations of job creation and access may be due to fewer tourists visiting the village, as well as the organisation and structure of tourism being less shaped in the community, compared to Nalan. These explain the reasons for different levels of support between the two villages with regards to economic effects, especially in relation to food sources for the tourists for Nalan, food was supplied by the villagers and for Nam Eng, food was bought from outside the village. This is consistent with the tenets of 'leakages', indicating a negative impact.

Infrastructure development and improvement as a result of tourism development at a destination is also documented by many studies (e.g. Collier, 2010; Cook et al., 2006; Wyllie, 2000). The findings from this study reveal that residents in both communities had a strong perception of improved infrastructure in their communities. The results show that the improved infrastructural elements that are similar in both communities include water system, electricity, and access to social services. However, the results also show that Nam Eng village appears to be developed at an increasingly fast pace, especially since the completion of the National Route 3 in 2008. Compare this to the isolated Nalan, with no road access, formal electricity, and limited social service access.

There is another notable feature relevant to the distribution of income gained from tourism activity. Local residents' perceptions of access to the village tourism development fund varied between the two villages, a difference that might be explained by Nalan's relatively longer involvement in tourism. Following the inception of tourism initiatives in the village, tourism income contributed to the village development fund and is re-distributed among all the households within the village at least once a year. Conversely, in Nam Eng, tourism-generated income was low and so was not added to the village tourism development fund.

However, the perceived evidence regarding restricted access to the village tourism fund in either Nalan or Nam Eng might be linked to tourism income management at the village level. In Nalan, the findings revealed that keeping tourism income at the village level was perceived to cause unclear distributing accounts in the early stage of tourism development, but the problem was solved once the tourism-earned income was saved in the local bank. This same issue was also perceived to be problematic in Nam Eng at the time this current study was conducted. The results disclosed unclear sources of evidence, including possible corruption at the village community level or among parties concerning the Kao Rao cave income sharing, insufficient tourism money available in the fund account for re-distributing among the village members, and thus spending on the communal activities or the village committee members' travel and attending formal meetings in the local district or province. Considering this income distribution in Nam Eng, it may be one reason for the locals perceiving relatively less tourism income levels for their village and their households, compared to Nalan residents' perceptions of the same issues.

### **6.3.2 Perceived socio-cultural effects of tourism**

As with suggestions from several tourism studies in socio-cultural areas (Dogan, 1989; Reisinger, 2009; Scheyvens, 2011; Walker & Page, 2007; Wall & Mathieson, 2006; Weaver & Lawton, 2010), the potential consequences of tourism development would more or less induce both positive and negative social and cultural impacts on local people in a destination area where tourism takes place. Under a number of socio-cultural elements examined in this study (the local life quality, crime, social conflicts, sensitive behaviour of tourists, change in local dress, and diet), the outcomes of analysis of the mean levels of responses for the examined items were generally perceived as positive by respondents in both communities (see Figure 5.6) even though some elements were perceived (by the local residents) to be less positive. For example, the issue related to crime induced by tourism appeared to be evident in Nalan, and the revival of local culture and traditions also received less positive indication in Nalan compared to Nam Eng. From these results, the study can suggest (based on the local perceptions) that tourism development in the study communities has a positive effect on improving the society and culture of the locality.

### **6.3.3 Perceived environmental effects of tourism**

The findings of this study suggest that local residents, and especially those residents in Nalan, perceive positive environmental effects from tourism, even though some negative consequences were acknowledged (Figure 5.7). Respondents in both communities appeared

to be more positive about tourism's environmental effects than they were about the economic and socio-cultural effects in the communities. These positive perceptions may be because of the local residents' raised awareness and understanding of the importance of the environment, on which tourism depends, and they can gain benefits from tourism. These positive associations between tourism and the environment held by the local residents imply that ecotourism has potential as a tool for enhancing the environment, and sustaining development in the study communities.

#### **6.4 Potential of tourism for poverty alleviation**

Based on the assessment of the local perceptions of tourism effects in terms of economic, socio-cultural and environmental elements, it appears that community-based ecotourism development has some potential to alleviate poverty in the studied communities. Literature suggests that poverty is multi-dimensional, and not limited to the lack of monetary resources (Butler & Hinch, 2007a, Perkins, Radelet, & Lindauer, 2006). In this sense, given that poverty means a lack of infrastructure and facilities/amenities, a lack of access to education, health, social services, as well as poor treatment of the environment, including the protection and preservation of natural and cultural resources, it is clear that tourism has the potential to address these important conditions. Even though this study was based on the residents' perceptions rather than measuring actual poverty rates or economic units, residents' opinions can be regarded as a good indicator for assessing the poverty status of the local community.

However, if poverty means 'having sufficient tourism income for a living', this may be possible for Nalan community rather than Nam Eng. The findings of this study reveal that tourism-generated income of Nalan residents was perceived to be relatively sufficient for their living, compared to tourism income accrued to Nam Eng community, where residents perceived as insufficient. However, as mentioned in Chapter 5, unlike Nalan, Nam Eng community experienced tourism in a relatively short time period by the time of this research. In addition, Nam Eng was also limited to hosting considerably large tourist numbers, but with relatively few tourism benefits generated in the community. Furthermore, residents' access to tourism service income sources was restricted, while the village tourism management system was not well established. Thus, the implication here is that increased tourism development, if well planned and managed, may induce increased income to the community. In this respect, this study, in terms of economic dimension, suggests that further tourism development in both communities can lead to increased economic benefits for both Nalan and Nam Eng communities.



Therefore, with these economic, socio-cultural and environmental pieces of evidence of positive tourism effects, this study concludes that tourism (especially community-based ecotourism) can, in the mind of the local residents, have the potential to contribute to the poverty alleviation of rural local study communities, potentially in the long-term period rather than the short-term period.

## **6.5 Butler's and Doxey's models re-visited**

One final objective of the current study was to compare and contrast the two communities, with an aim to reflect the outcomes of the study against the two models in relation to the length of time in tourism involvement between the two case study communities; Nalan village has been involved in tourism development since 1999, whereas Nam Eng village has recently experienced formal tourism development (since late 2006).

With respect to the destination 'life cycle', Butler's notion is that when tourism is more developed, the destination then experiences different changes in conditions or characteristics of the destination feature within the life cycle, moving from the initial stage of exploration through to a critical turning point where the destination can experience either a continued growth or a decline stage (see Chapter 2 for details).

In the current study of two communities, even though their tourism involvement periods varied, tourism development appears to fall within Butler's early stage of 'exploration', (see Table 6.1). Butler described the conditions of this initial stage of the destination that (1) the number of tourist arrivals to the tourism destination are small, with limited facilities specifically provided for tourists; (2) there is often poor access and restricted local knowledge of the tourists' needs; and (3) the types of tourists to the area are highly adventurous, seeking places that have not yet been ruined by tourism.

It is important to note the conditions found in this current study that the general characteristics of the community (Nalan) with longer time in tourism appear to remain largely unchanged since tourism development began. However, although the community experiencing the shorter time in tourism development (Nam Eng) appeared to fit in the initial stage of Butler's Life Cycle model, this village may soon face a change in the features, particularly in relation to improved infrastructure and facilities. The implication here is that the duration of time for tourism to evolve from one stage to another within the life cycle can vary from destination to destination. This may be attributed to the scale of tourism developed, the level of access to the tourism area, the size of tourist numbers, and the volume of tourist flow to the destination. Given that these are the conditions that affect the evolution of tourism between stages, it

may be difficult to make the exact estimate of how long tourism in the study communities will take to pass through the initial slow-growth period into the second stage, 'Involvement'. However, Weaver and Opermann (2000) noted that factors that can result in further growth include effective marketing campaigns directed by the local tourism organisation, infrastructure upgrading, and the decision by local authorities to proceed with a growth pole-type strategy based on tourism (Weaver & Opermann, 2000).

The Nam Eng community, with its likely rapid perceived development and improvement, seems poised to move into the 'involvement' and 'development' stages sooner or faster time period, providing that Nam Eng community had experienced tourism development for a period of ten years (as Nalan has at the current stage). This possibility can be assumed based on better access and the on-going improvements of tourism infrastructure and facilities within the village area. It may be highly possible that these improved infrastructural components can attract private sectors to invest in tourism-related businesses in the area. If this is the case, the consequence of the availability of infrastructure/facilities and private investments in the local locations can potentially offer more opportunities of employment for the local residents. However, provided that the investments allow the inclusion of the locals in participating in the potentially generated job and income benefits, the local residents' livelihoods may be improved.

**Table 6.1 Butler's exploration stage criteria compared with the study communities' current conditions**

Butler's exploration stage's characteristics	Nalan village destination's current conditions	Nam Eng's destination's current conditions
Number of tourist arrivals: few in numbers	Number of tourists per trip: mostly not more than 12 tourists per trip	Number of tourists per trip: mostly not more than 12 tourists per trip
Plog's allocentric tourist types or Cohen's explorers Individual travel arrangements, following irregular visitation patterns	Type of tourists: independent travellers or backpackers Tourists guided by local guides	Type of tourists: independent travellers or backpackers Tourists guided by local guides
Limited facilities specifically for tourists	Only one tourist lodge inside village, accommodating a maximum of 12 people per night	Only one tourist forest camp, located in far distance from village, accommodating a maximum of 8 people per night. Two forest trekking routes One natural cave (Kao Rao)
Poor access to the destination	A single forest trail shared with locals to village	National high way (North-South Economic Corridor) cuts through the village, with increasing volume of traffic.
Destination featured with unique nature and culture	Unique nature and culture	Unique nature and culture
Contact with local residents likely high	High direct contact level between foreign tourists and local residents (two-day stay in village), with a highest frequency level of contact of once a week	Low direct contact between foreign tourists and local residents (mostly with seeing bypassed tourists to forest camp), with a highest frequency of encounter of 2-5 times a week
The physical fabric and social milieu of the area unchanged by tourism	Peaceful, remote rural, traditional way of life. Subsistence living, not frequently visited by local people	Peace reduced gradually, remote rural feature modified by increased development. Local traditional way of life increasingly influenced by external mixed cultures. Subsistence living, increasingly visited by both local people and travellers along the high way
The arrival and departure of tourists relatively little significance to economic and social life of permanent residents	Tourist arrival/departure for each guided trip to the village arranged with not more than 12 tourists	Tourist arrival/departure for each guided trip to the village areas arranged with not more than 12 tourists

In his Irridex model, Doxey (1975) proposed that local tolerance thresholds and the host's resistance to increasing tourism development was based on a fear of losing community identity, and that these host communities go through a series of stages (see Table 2.1 in Chapter 2). The findings drawn from the current study would suggest that the two communities are generally still at the 'euphoric' stage of Doxey's Irridex. Doxey described in the initial stage of 'Euphoria' as a situation in which residents are welcoming of the potential

economic and social benefits tourism may bring to the community. In this study, it was similarly found that the locally perceived economic and social tourism effects in general appear to be largely positive (see Figures 5.5 and 5.6), and their attitudes towards tourism development also appear to be very supportive of tourism (see Figure 5.4). In the case of these two communities, the length of time in tourism involvement has not influenced the Irridex Stage. Recharadson and Fluker (2004) noted that support of tourism during the euphoric period is based on economic projections that pay less attention to adverse social and cultural factors. This notion seems relevant in the two communities studied. However, the adverse consequences may not reach the level that can significantly reinforce the forming of residents' negative perceptions in the euphoric stage.

## **6.6 Overall conclusion**

Against the broad backdrop of the poverty alleviating potential of tourism, this study has examined local residents' attitudes and perceptions about tourism development in two Lao communities and explored three main dimensions of tourism impact: economic, socio-cultural and environmental impacts.

The value of tourism as a development tool is increasingly recognised, especially in rural communities dependent on limited access to natural resources. This approach has also been applied in the Lao PDR, especially following the success of a pilot Nam Ha Community-based Ecotourism Project in its first evaluated three-year period phase in Luang Namtha Province. As a result, the Lao Government has been currently promoting and expanding this similar community-based ecotourism programme into many areas of all the provinces of the country, aiming to use the tourism industry in contributing to economic growth as well as poverty alleviation in the country.

However, while Lao PDR is lacking human resources in the currently booming tourism industry in Lao PDR, little research into the impacts of tourism in Lao PDR has been undertaken. Thus, as noted earlier, tourism is an agent of change, evolving over time, and this change will more or less lead to both desired and unwanted consequences. With this concern, an attempt was made to reflectively look again at tourism development in Lao PDR, especially in Luang Namtha Province where community-based ecotourism first emerged nationally.

The outcomes of the perceived tourism effects are largely positive. Local residents have very positive attitudes towards tourism developed in their local areas, tourism development contributes considerably to local job creation and income generation, especially in the

community (Nalan) with a longer period of tourism involvement; local infrastructure, especially water systems, road access and other facilities are followed and improved, particularly in the community located close to the main road (in Nam Eng in this case study). In addition, local community members have been positively affected by tourism, with their quality of life being improved, particularly in Nalan.

The overall results of this study provide compelling evidence that tourism development in these particular case study communities is perceived by their residents and other key stakeholders to generate a range of more positive socio-cultural and environmental effects for the local community relative to the less economic benefits generated. This does not mean that unwanted effects do not also exist, and these may emerge further as time passes, but at the current stages of tourism development in these localities, the mood among residents is largely positive towards tourism and tourists. Based on the antecedent assumption stated earlier in relation to these perceived consequences of positive tourism development impacts, the inferred conclusion is that tourism provides hope for the inhabitants of these communities that their livelihood can be improved. Potentially, poverty can also be alleviated, given that alleviating poverty means improving living conditions, better infrastructure, education, access to health, and other services, alongside a protected and respected environment.

However, it is noted that the main driving force for this success is external support. International cooperation is necessary to sustain the tourism industry in contributing to alleviating poverty, especially the rural poverty in the Lao PDR. Foreign financial aid is critically needed for both the construction of tourism infrastructure and enhancing the capacity of human resources in the Lao tourism industry. At the same time, external technical assistance is equally significant for providing expertise, specialised knowledge and skills for the locals in order to enable them to manage the tourism industry in an effective and sustainable manner.

## **6.7 Future research**

Since this is the first study, to the researcher's knowledge, to investigate the possibility of tourism in assisting the alleviation of local community poverty in Lao PDR, some limitations are worth noting. In this regard, research into tourism impacts in these tourism communities needs to be longitudinal and continuous, because as tourism evolves, there may be increases in unwanted consequences (such as economic, socio-cultural and environmental problems), and these should be documented and addressed. Future work should therefore include follow-up work designed to evaluate whether the tourism industry is sustainable in this study

community. It is important that future research focuses on the needs to monitor changes in local residents' participation in tourism development, and local destination feature in relation to various models, including the Life Cycle and the Irridex. Perhaps, it would be an ideal to reassess the sample in ten years' time following this study. In addition to longitudinal research into the three dimensions of tourism impacts, this study further suggests that future research should focus on how the local community members can be empowered in order to gain active participation in the process of decision-making for tourism development, ensuring the locals can access potential tourism benefits. Further investigation of the tourism income distribution among local stakeholders also needs to be focussed on. Finally, cooperation in tourism development process between the local governmental, private and the community stakeholders is another crucial issue to be examined.

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# Appendix A

## Survey questionnaire

Date: _____	Time: _____	Community: 1    2
Location: _____	Household ID: _____	
(For researcher use only)		

1. Have you lived in this village your whole life?

1. Yes                                       2. No

2. How long have you lived in this village? \_\_\_\_\_ year(s)

3. How many people are living in this household (including you)? \_\_\_\_\_

4. Are you the head of this household?

1. No (*Continue*)                                       2. Yes (*Go to question 7*)

5. Who is the head of this household?

- |   |  |
|---|--|
| <input type="checkbox"/> 1. My husband  | <input type="checkbox"/> 7. My father                      |
| <input type="checkbox"/> 2. My wife     | <input type="checkbox"/> 8. My mother                      |
| <input type="checkbox"/> 3. My son      | <input type="checkbox"/> 9. My grand father                |
| <input type="checkbox"/> 4. My daughter | <input type="checkbox"/> 10. My grand mother               |
| <input type="checkbox"/> 5. My brother  | <input type="checkbox"/> 11. Other (Please specify): _____ |
| <input type="checkbox"/> 6. My sister   |  |

6. Now I would like to get an idea of everyone who lives in this household, in terms of their relationship to the head of the household. Including yourself, what is each household member's relationship to the household head?

- |  |  |
|--|--|
| <input type="checkbox"/> 1. Spouse                           | <input type="checkbox"/> 6. Grand children (No: _____) |
| <input type="checkbox"/> 2. Children (No: _____)             | <input type="checkbox"/> 7. Nieces/nephews (No: _____) |
| <input type="checkbox"/> 3. Sibling/in-law (No: _____)       | <input type="checkbox"/> 8. Other relation (No: _____) |
| <input type="checkbox"/> 4. Parent/parent in law (No: _____) | <input type="checkbox"/> 9. Non-relation (No: _____)   |
| <input type="checkbox"/> 5. Grandparents (No: _____)         |  |

7. Do you think your current work is related to tourism?





1 Completely disagree
2
3
4 Neutral (Neither agree nor disagree)
5
6
7 Completely agree

<b>ID</b>	<b>(Opinions about tourism development and its impacts)</b>	<b>Level of (dis)agree ment</b>	<b>Don't know</b>
1	Local residents should be involved in decision making for the development of tourism in this village		
2	I would like to be more involved in the decision making for tourism development in this village		
3	Further tourism development is needed in this village		
4	I would like to see more international tourists come to this village		
5	I would like tourists to visit my house and share their life experience with me		
6	I am satisfied with local management of tourism in this village.		
7	All villagers can equally and fairly access the village fund generated from tourism activities in this village		
8	Tourism development has increased prices of goods in this village		
9	Villagers do not have sufficient food to eat because they sell it to tourists visiting this village		
10	Foods provided to the tourists in the village have been brought from outside the village boundary		
11	Tourism creates employment opportunities in this village		
12	Tourism has created employment for me.		
13	Tourism provides additional income in this village		
14	Tourism has provided additional income for my household.		

15	Basic infrastructure (e.g. school, roads, water supply, electricity, health care services etc) in the village has been improved since tourism began here.		
16	Villagers would have a better life if tourism development had never taken place in this village		
17	Tourism has increased my quality of life in this village		
18	Tourism has caused crime in this village		
19	Tourism has caused social conflicts between villagers in this village		
20	Tourism has caused prostitution in this village.		
21	Developing tourism is a good way of promoting this village's local culture to outsiders		
22	Tourism has helped to revive the local culture and traditions within the village		
23	The tourists visiting our village do not show respect for local culture and traditions.		
24	The presence of tourists has resulted in villagers adapting their way of dress		
25	The presence of tourists has resulted in villagers adapting their way of diet		
26	Tourism development in this village has had a negative effect on the traditional local culture of this village.		
27	Tourism has contributed to protecting and preserving wildlife in the village areas.		
28	Tourism helps protect and preserve natural resources in this village area		
29	Tourism development in this village has destroyed the peace of the local area		
30	Tourism has caused litter and other pollution in the village.		
31	Cutting trees for firewood has increased because of tourism in this village		
32	There has been an increase in soil erosion resulting from trekking by tourists visiting this village		

19. Sex:  1. Male  2. Female
20. How old are you? \_\_\_\_\_ year(s)
21. How many dependents do you have (either children or elders)? \_\_\_\_\_
22. Marital status:  1. Single  3. divorced  
 2. Married  4. Widowed
23. What ethnic group do you belong to?  
 1. Lao-loum (Lowlander)  
 2. Lao-theung (Uplander)  
 3. Lao-soung (High lander)
24. What is your highest level of education?  
 1. Never at school  4. Upper-secondary school  
 2. Primary school  5. College/university  
 3. Lower-secondary school
25. What is your current occupation? \_\_\_\_\_
26. Do you have any other comments about tourism in this village?  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**Thank you very much for your time and participation!**



## **Appendix B**

### **Information sheet for the survey participants**

Dear Sir or Madam:

I would like to invite you to participate in a study of local residents' attitudes and perceptions about tourism in Luang Namtha province, Laos.

The study is a research project for my Masters programme in Tourism Management at Lincoln University, Canterbury, New Zealand, and has been reviewed and approved by the Lincoln University's Human Ethics Committee.

The research is conducted using an interviewer-administered questionnaire survey. Your participation in this research will involve you responding to questions/statements regarding your opinions about tourism development and its impacts on the community. All households will be included in the survey. The survey will take approximately 15 minutes.

Participation in this research is voluntary and, if you agree to take part, you may decline to answer any question or withdraw any time during the survey. You may withdraw from the project, including any information that you have provided, up to four weeks from the day of the survey. All information you have provided will be destroyed. The research will be published (in addition to the Master's Degree thesis): journal articles at Lincoln University and managements reports in Laos.

Your identity will not be revealed in any of the research documents, such as responses or thesis report. Your anonymity will be maintained, which means that none of the data provided by you will be able to be linked to your identity.

Once you have responded to this research, this is understood that you have consented to participate.

Please tell me whether you have a preference. If you do not prefer one or other, I will use a recording device so that I can concentrate on our discussion and not be distracted by note-taking.

If you have any question about the study, please do not hesitate to contact my academic supervisors: Dr. Stephen Espiner, and Dr. Joanna Fountain, or myself. You may reach us in the following ways:

Via post:  
Faculty of Environment, Society, and Design  
P.O.Box 84,  
Lincoln University  
Lincoln 7647  
Canterbury, New Zealand

Or email me: [Thanouxay.Keovilay@lincolnuni.ac.nz](mailto:Thanouxay.Keovilay@lincolnuni.ac.nz) or

PH: (+64) 021 02726290; (856-20) 2002436 (in Laos only)

Or email my supervisors:

[Stephen.espiner@lincoln.ac.nz](mailto:Stephen.espiner@lincoln.ac.nz), or telephone: 64 3 325-3838 extn 8770

[fountaij@lincoln.ac.nz](mailto:fountaij@lincoln.ac.nz),

Thank you for your time and participation!

## **Appendix C**

### **Semi-structured interview guide**

The interview will be conducted with community leaders, key stakeholders and some community members in the community, tour guides and tour operators involved in tourism in the two identified communities.

1. What is your role in the community?
2. What is your tourism role in this community?
3. How long have you been in this tourism role?
4. Why did you decide to take this tourism role in the community?
5. How do you feel about having tourism role in this community?
6. How have you been involved in tourism planning and implementation in the community?
7. In your opinion, how do you see or describe tourism development in this community?  
(Good and bad points)
8. What is your impression of how the community feels about tourism development in this community?
9. In this community, is there any person or group of people who has/have good/bad experience in tourism in this community? Who is he/she? (Who are they?) Why do you say that?
10. Based on your experience, what kind of decision-making have you been involved in tourism planning and implementation in the community?
11. Who are involved in tourism planning-decision making and implementation in the community? How?
12. How have tourism activities been planned and implemented?
13. What responsibilities does the community have in tourism in the community?
14. In your views, how do you describe tourism impacts in this community? (Positive and negative views)
15. How do you feel about these tourism impacts?
16. What do you want to see for future tourism development in this community in terms of tourism planning and implementation?
17. What are your opinions about future tourism in this community in terms of how to maximise benefits for you and for the community?

18. What are your opinions about future tourism in this community in terms of how to minimise negative impacts on you and on the community? Why?
19. How can these factors be materialized?
20. Who do you think should be in charge of these factors?
21. What else do you want to suggest or give comments about tourism in the community for both the present and for the future?

## **Appendix D**

### **Information sheet for the key interview informants**

Dear Sir or Madam:

I would like to invite you to participate in a study of local residents' attitudes and perceptions about tourism in Luang Namtha province, Laos.

The study is a research project for my Masters programme in Tourism Management at Lincoln University, Canterbury, New Zealand, and has been reviewed and approved by the Lincoln University's Human Ethics Committee.

The research is conducted using a semi-structured interview. The interview may be either recorded, or that notes may be taken and the participant can agree to either or both of these.

Your participation in this research will involve you answering questions regarding the tourism roles of local residents, perceptions of tourism impacts and the community's needs for future tourism development in the studied communities.

Participation in this research is voluntary and, if you agree to take part, you may decline to answer any question or withdraw any time during the interview. You may withdraw from the project, including any information that you have provided, up to four weeks from the day of the interview. All information you have provided will be destroyed. The research will be published (in addition to the Master's Degree thesis): journal articles at Lincoln University and managements reports in Laos.

Your identity will not be revealed in any of the research documents, such as interview transcripts or thesis report. Your anonymity will be maintained, which means that none of the data provided by you will be able to be linked to your identity.

For the purpose of data analysis, you can either allow me to record the interview electronically or to take notes manually. Once you have responded to this research, this is understood that you have consented to participate.

Please tell me whether you have a preference. If you do not prefer one or other, I will use a recording device so that I can concentrate on our discussion and not be distracted by note-taking.

If you have any question about the study, please do not hesitate to contact my academic supervisors: Dr. Stephen Espiner, and Dr. Joanna Fountain, or myself. You may reach us in the following ways:

Via post:

Faculty of Environment, Society, and Design

P.O.Box 84,

Lincoln University

Lincoln 7647

Canterbury, New Zealand

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[Stephen.espiner@lincoln.ac.nz](mailto:Stephen.espiner@lincoln.ac.nz), or telephone: 64 3 325-3838 extn 8770

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