

## Chapter 6

# Sustainable Pro-poor Community-based Tourism in Thailand

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This study investigates tourism income distribution in three villages in Northern Thailand to generalize the findings of Suriya and Gruen (2012) which stated that income from tourism-induced sectors is more beneficial to the poor than income from core tourism sectors. Moreover, it evaluates the sustainability of pro-poor tourism in these villages. Major findings reveal that tourism induced sectors, i.e. souvenir production and mass cooking for tourists, are helpful to distribute tourism income to poorer households. In the long-run, pro-poor community-based tourism is moderately sustainable. The threats for tourism sustainability are the shortage of product innovation in tourism-induced sectors and barriers to entry into tourism-induced sectors.

## 1. Introduction

After Suriya and Gruen (2012) discovered that souvenir production can help the poor to get out of poverty because of the income from the activity flew to the second poorest quintile of the village. At that time, they studied only one village, Mae Kam Pong village in the North of Thailand. There are remained questions whether their findings can be generalized to other villages and whether there are other activities apart of souvenir production that can deliver income to the poorer quintiles in villages. This study will try to answer these unanswered questions.

This study investigates two more villages in Northern Thailand, Sobwin village in Chiang Mai and Samkhar village in Lampang. Both villages are famous in its community-based tourism (CBT) activities. They operate real community-based tourism in the sense that all villagers in the villages participate in tourism activities. They are different to some other villages that operate unreal community-based tourism; just some villagers established home stays in the village without wide participation of other villagers as a whole.

Sobwin village is the second largest CBT village of in Chiang Mai after Mae Kam Pong village. They learnt from Mae Kam Pong and started CBT around 5 years ago. Tourism resources are plentiful in the village, e.g. river and hills. Main activities are elephant riding, bamboo rafting, homestay and souvenir production. Samkhar village is the biggest CBT village in Lampang, a province to the South of Chiang Mai. The village is not originally famous in its tourism activities but environmental conservation instead. The Siam Cement Public Company Limited chose the village to be a water conservative site, promoted the village on television, and sent its employees to camp in the village. Then, people who watched the advertisement on television were interested in visiting the village. This was the start of the mass flow of tourists to Samkhar.

In Sobwin, a community enterprise produces small wooden ships and sells them to tourists. This activity can be considered as souvenir production in the village. The enterprise hires around 30 villagers in the production. In Samkhar, there is no souvenir production but mass cooking for tourists. Around 50 cookers join the kitchen every day to prepare meals for visitors. The point is whether the souvenir production in Sobwin and mass cooking in Samkhar distribute income to the poorer quintiles of the villages or the income concentrates in hands of the richer quintiles. The study hopes to find that the income distribution is pro-poor. It also hopes that mass cooking is another activity apart of souvenir production that delivers income to the poor.

## **2. Theory and literature review**

### 2.1 five factors of income distribution to the poor in community-based tourism village

When Suriya and Gruen (2012) found that income from souvenir production flew to the poorer quintiles in Mae Kam Pong village, they explained the reasons and originated the theory of five factors of income distribution to the poor in CBT village as follows:

- 1) Labor skill: It is easy for the poor to come to join souvenir production because the production requires low skills of labor.
- 2) Openness: The production group opens to all villagers to join.
- 3) Switching cost: Villagers can join the production group at any time. They can switch their sources of income from farm and souvenir production with small switching cost.
- 4) Market size: The souvenir market at the village is large enough to generate income for the compensation of the foregone agricultural income.
- 5) Innovation: The souvenir production group launches new designs of their product from time to time.

Therefore, when a village can find an activity that matches the five factors then the income distribution may favor the poor.

### 2.2 Sustainable community-based tourism development

For the concept of sustainable CBT development, Suriya and Gruen (2012) also suggested that a community-based tourism will sustain its good income distribution to the poor as long as the village maintains these following conditions.

- 1) Openness of membership: The village is to ensure that all villagers can participate in tourism-induced sector without any barriers to entry.
- 2) Innovation: The village must find its way to create new products and launch to the market continuously.
- 3) Sustainable core tourism: Core tourism is a pre-requisite of tourism induced sector. Therefore, the sustainability of the sector depends on the sustainability of core tourism activities.

When a CBT village matches these conditions of sustainability, then it can be expected that the village would sustain its CBT development.

### 3. Methodology and data

This study visited Sobwin and Samkhar village. It observed tourism activities, joined the activities like tourists, interviewed key persons in the village, mapped the income distribution to villagers using official accounts of tourism income, and quantified the concentration ratio of tourism income. However, the study could not calculate accurate household income of all villagers due to the lack of survey data. Instead, it classified households to income quintiles by relying on expert opinions of village leaders. Moreover, it compared statistics of both villages to those of Mae Kam Pong village. Finally, it discussed the sustainability of tourism activities and income distribution with village leaders.

### 4. Results and discussions

The results separate into 3 parts. Part 1 shows descriptive statistics of tourism activities in Sobwin, Samkhar and Mae Kam Pong village. Part 2 illustrates the income distribution of tourism activities. Part 3 reveals the opinions of village leaders on sustainable tourism development.

#### 4.1 Tourism activities

Community-based tourism includes core tourism sectors and tourism-induced sectors. Core tourism sectors are activities that contact directly to tourist, e.g. elephant riding, bamboo rafting, trekking and cultural show. Tourism-induced sectors are activities that support core tourism sectors and options for tourists, e.g. souvenir production and cooking for tourists.

Suriya (2011) found that homestay, a household who offers the house to be a place for tourists to stay overnight, is the biggest source of tourism income in Mae Kam Pong village (Table 1). This is also true for Samkhar village. However, the sector is the second biggest in Sobwin sector. Homestay is the main tourism activity in Mae Kam Pong and Samkhar because it is difficult for tourists to travel back to Chiang Mai downtown after visiting the villages. Moreover, there are a lot of tourism activities for tourists in the villages such that tourists would like to stay overnight to enjoy the peaceful atmosphere at night and wait for many more activities in the next days. In contrast, tourists who visit Sobwin are day-trippers. Its bamboo rafting is famous and the road to the village is convenient for traveling forth and back between the village and Chiang Mai downtown. Therefore, bamboo rafting is the biggest tourism activity in Sobwin.

TABLE 1. Sources of tourism income in Sobwin, Samkhar and Mae Kam Pong village

Tourism activities	Unit: percent		
	Sobwin	Samkhar	Mae Kam Pong
Preparing food for monks	0.00	0.00	0.12
Instructor	0.00	0.00	0.13
Massage	0.00	0.00	0.50
Transportation	2.24	0.00	0.87
Tourism routes development	0.00	0.00	1.30
Trekking guide	0.00	<b>8.75</b>	3.22
Management	0.00	0.00	5.23
Cultural show	0.00	0.00	5.34
Food and beverage	<b>13.22</b>	<b>43.13</b>	8.79
Coffee shop	0.00	0.00	<b>14.65</b>
Souvenirs	12.29	0.00	<b>26.55</b>
Homestay	<b>22.41</b>	<b>48.12</b>	<b>33.30</b>
Elephant riding	12.31	0.00	0.00
Bamboo rafting	<b>37.53</b>	0.00	0.00
Totals	100.00	100.00	100.00

Sources: Calculation using Sobwin village's official tourism account, Samkhar village's official tourism account and Suriya (2011) for Mae Kam Pong village.

In Samkhar village, tourists usually come for joining environmental conservative activities such as construction or reparation of small dams, the wooden and rocky dams for catching sentiments flowing from top of the hills. They stay many days at the village. They come in a big group, sometimes 100 – 200 people from companies or educational institutes. In this manner, tourists need a lot of food each day. The village leaders recruit cooks from almost 50 households to prepare meals for tourists. Therefore, the food and beverage sector of Sobwin village is a big source of tourism income for the village.

#### 4.2 Tourism income distribution

It is clear both in this study and literatures that tourism income concentrates among rich households. When breaking into core tourism income and tourism-induced income, the income distribution of core tourism activities is favorable to the richest quintile (Table 2). Two to three quintiles benefit from core tourism. In Sobwin, only the richest and second richest quintiles earn major portion of core tourism income. In Samkhar, the middle quintile gains more portion than in the other villages. In Mae Kam Pong, the middle quintile gains almost half of the same quintile in Samkhar.

TABLE 2. Core tourism income distribution in Sobwin, Samkhar and Mae Kam Pong village

Household quintile	Unit: percent		
	Sobwin	Samkhar	Mae Kam Pong
The poorest quintile	0.00	1.25	5.99
The second poorest quintile	2.84	1.69	5.14
The middle quintile	8.52	23.92	14.97
The second richest quintile	35.95	34.22	21.72
The richest quintile	52.69	38.92	52.19
Totals	100.00	100.00	100.00

Sources: Calculation using Sobwin village's official tourism account, Samkhar village's official tourism account and Suriya (2011) for Mae Kam Pong village.

Income from tourism-induced sectors, i.e. souvenir production in Sobwin and Mae Kam Pong and food and beverage in Samkhar reaches wider to the poorest and second poorest households (Table 3). In Sobwin, a community enterprise produces small wooden ships and sells them as souvenirs to tourists. The enterprise employs a lot of poor people to cut woods into pieces, drill holes on the pieces and scrubs them. One ship needs around 200 pieces of wood. Poor villagers can come to join the enterprise as unskilled labors. Apart of agricultural income, the job helps them earn some more income to their households.

In Samkhar, poor households gather in the village central kitchen. This kitchen is a work place of more than 50 – 60 cookers to prepare three meals for 200 – 300 visitors each day. Breakfast is served at houses that offer homestay service while lunch and dinner are served at the central canteen. Cooking does not require poor villagers to bring any cooking materials since the village prepare the materials in the central kitchen. Therefore, as long as the poor can cook and good at cooking, they can earn income from this activity.

In Mae Kam Pong, a souvenir production group opens for all villagers to join the production of pillow with dried tea leaves inside. This group was originated by some poor villagers who cannot go to farm because of their physical disabilities. They are quite old but much of marketing experience. The sales grow accordingly to the numbers of tourists visiting the village. The simple production process and the market expansion attracts more and more poor households to join the group. Therefore, the income flows quite smoothly to the second poorest quintile.

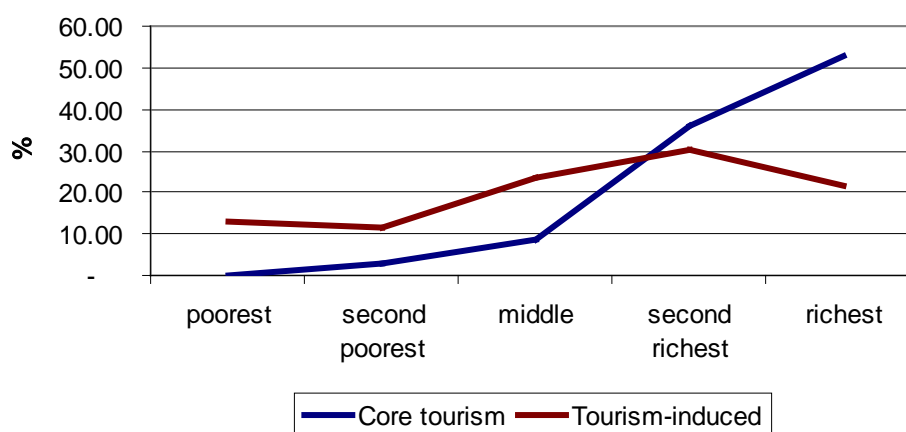
TABLE 3. Tourism induced income distribution in Sobwin, Samkhar and Mae Kam Pong village

Household quintile	Unit: percent		
	Sobwin	Samkhar	Mae Kam Pong
The poorest quintile	13.10	15.99	2.44
The second poorest quintile	11.72	22.47	22.06
The middle quintile	23.43	27.35	24.26
The second richest quintile	30.27	23.44	17.46
The richest quintile	21.48	10.75	33.78
Totals	100.00	100.00	100.00

Sources: Calculation using Sobwin village's official tourism account, Samkhar village's official tourism account and Suriya (2011) for Mae Kam Pong village.

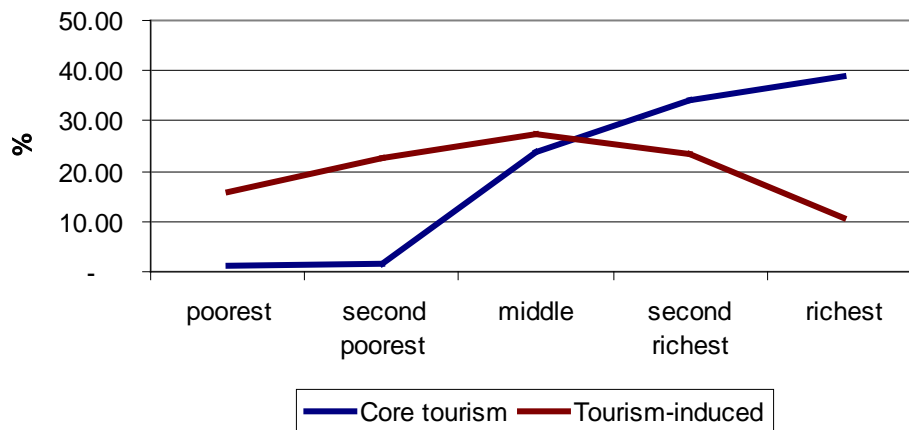
Comparing the income distribution from core tourism sectors and tourism-induced sectors graphically (Figure 1 to 3), it can be seen that the pattern of income distribution of tourism-induced sectors is more evenly than that of core tourism sectors all in Sobwin (Figure 1), Samkhar (Figure 2) and Mae Kam Pong (Figure 3). These findings confirm the findings of Suriya and Gruen (2012) that community-based tourism is pro-poor specifically in the tourism-induced sectors.

### Tourism income distribution in Sobwin village



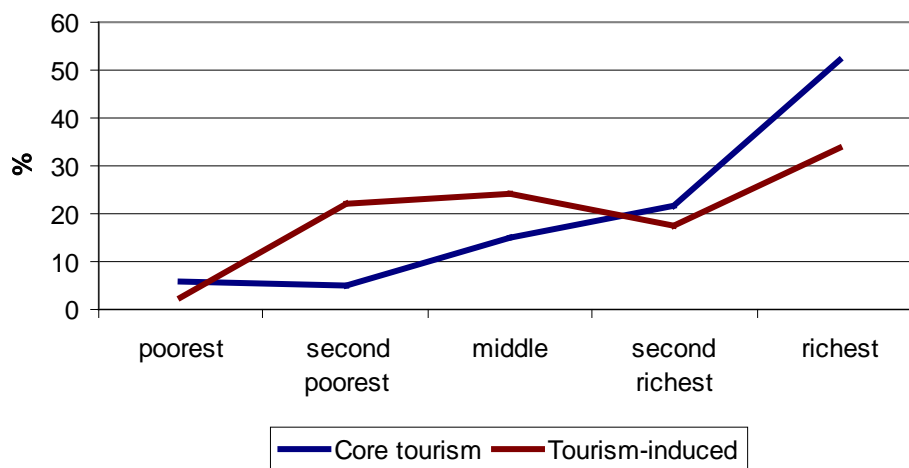
**Figure 1:** Tourism income distribution in Sobwin village comparing the income from core tourism and tourism-induced activities (souvenir production)

### Tourism income distribution in Samkhar village



**Figure 2:** Tourism income distribution in Samkhar village comparing the income from core tourism and tourism-induced activities (food and beverage)

### Tourism income distribution in Mae Kam Pong village



**Figure 3:** Tourism income distribution in Mae Kam Pong village comparing the income from core tourism and tourism-induced activities (souvenir production)

It should be noted that even core tourism does not deliver income to the poor it is the main tourism activities that cannot be ignored. Core tourism is a pre-requisite of tourism-induced sectors. Without core tourism, there will be no tourists or visitors to the village then there is no buyers for souvenir and food. Therefore, aiming to support tourism-induced sectors for the purpose of supporting the poor, the policy makers must support the rich to firmly operate core tourism activities too.



### 4.3 Sustainable tourism development

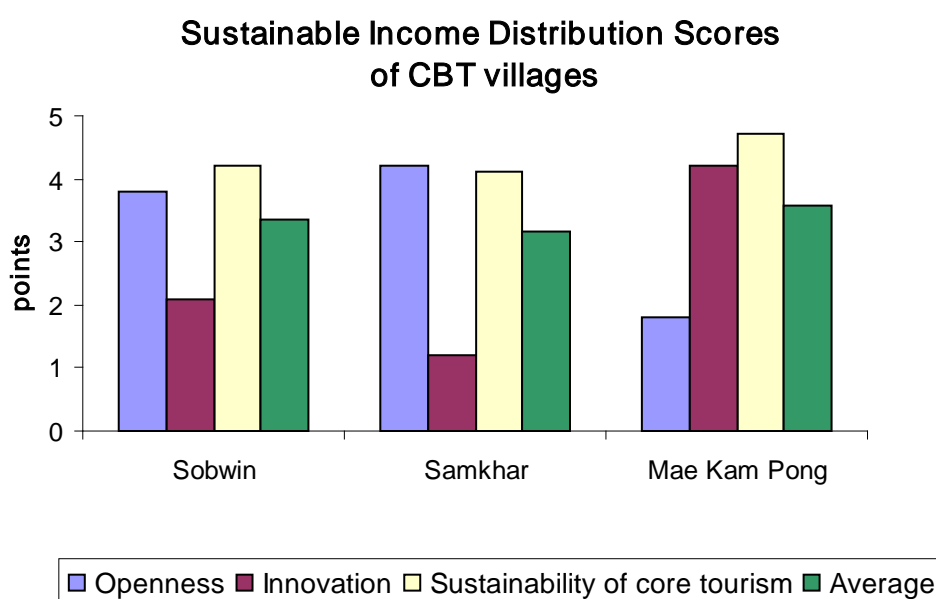
So far, the income distribution in tourism-induced sectors shows that the sectors are pro-poor. Another question is on the sustainability of these pro-poor sectors. The scores on sustainable CBT development graded by village leaders show that CBT in all three villages are moderately sustainable. The score is around 3.2 – 3.6 on average out of 5 (Table 4).

TABLE 4. Scores on sustainable CBT development in Sobwin, Samkhar and Mae Kam Pong village

Conditions of sustainability	Unit: points		
	Sobwin	Samkhar	Mae Kam Pong
Openness of participation in tourism-induced sector	3.8	4.2	1.8
Innovation	2.1	1.2	4.2
Sustainability of core tourism activities	4.2	4.1	4.7
Average score (out of 5)	3.4	3.2	3.6

Sources: Average score from expert opinions of village leaders:

5 = excellent, 4 = good, 3 = moderate, 2 = bad, 1 = very bad.



**Figure 4:** Sustainable income distribution scores of Sobwin, Samkhar and Mae Kam Pong village

Sobwin is good for its sustainability of core tourism activities. Bamboo rafting for day-trippers will be still attractive for visitors as long as there is enough water in the river. Moreover, its openness of participation in souvenir production in forms of employment of unskilled labors will still give opportunities to the poor to earn income. However, the threat of sustainability in this village is at product innovation. New designs of the wooden ship are rare. It cannot attract tourists who make the re-visits to the village. In figure 4 and in Sobwin village, only the score of the innovative aspect is below the average.

In Samkhar, innovation is also the threat of sustainability. New menus are difficult to create to serve to tourists. Cookers are familiar with local food. The village serves local dishes from time to time without realizing that visitors may need to taste other kinds of food. However in other aspects, Samkhar is good for the openness of participation to all villagers. The central kitchen always welcomes the poor because there are a lot of works to do there. The village is also good for the sustainability of the core tourism. The place is well-known on television. It is an official camp site for many companies and universities for their field services and environmental conservative activities.

Mae Kam Pong once was a perfect village for all aspects of sustainable tourism especially the souvenir production. Nowadays, the village is still good at launching new products to the market. Its sustainability of core tourism is still strong due to its plentiful natural resources, good atmosphere and nice people. Unfortunately, the openness of membership in souvenir production group is disappeared. The group is limited to only 36 households who have participated in the group before 2007. This is to limit the distribution of profit to more households. These member households apparently become richer. Instead, non-member households replace the ranks in the second poorest and second poorest quintile without any way to help them to get out of poverty. The re-openness of the membership or the establishment of a new souvenir production group will be the solution to achieve the sustainable pro-poor tourism in the village.

## **5. Concluding remarks**

When the findings of Suriya and Gruen (2012) was questioned whether they can be generalized to other community-based tourism (CBT) village in Thailand, this study confirms that tourism-induced sector plays a crucial role in tourism income distribution to the poor. The findings reveal that income from souvenir production in Sobwin as well as Mae Kam Pong village flows to the poorest and second poorest quintiles of the villages. In Samkhar village, income from mass cooking for tourists also distributes quite evenly to the poor.

The study also finds that the merit of tourism income distribution is moderately sustainable in the long-run operations of these three CBT villages. Sobwin and Samkhar village will be able to sustain the good income distribution through the openness of membership in tourism-induced sector and the sustainability of core tourism activities. Mae Kam Pong is good in its innovative souvenir development and also the sustainable core tourism activities. A major threat for Sobwin and Samkhar village is the shortage of innovation in souvenir design and new kinds of food; this will probably causes the villages unable to expand market sizes of the sectors. Mae Kam Pong village faces the uncertainty of the good income distribution in the long-run when it closes the membership of the souvenir production sector; poorer households can no longer participate in this profitable sector and the income is expected to concentrate among newly rich households as it has happened in the core tourism activities.

## REFERENCES

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