Community-Based Ecotourism in Laos: Benefits and Burdens Sharing among Stakeholders

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This thesis is dedicated to my father, Chanh Ounmany 1939-2013,
who could not wait to see it.

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Abstract

Ecotourism has been promoted as a tool for economic development and nature conservation in remote areas, yet successful project are rare. The aim of this research was to examine benefits and burdens sharing among ecotourism stakeholders and how ecotourism contributes to nature conservation in two protected areas in Laos. The research was conducted in three villages in the Nam Ha National Protected Area, Luang Namtha Province, and in two villages, located in the vicinity of the Phou Khao Khouay National Protected Area, Bolikhamsay Province. Mixed case study research methods were applied in the study. Qualitative and quantitative data were collected using techniques such as participant observation, semi-structured interviews, life history interviews, questionnaire surveys, and stakeholder seminars. From the analysis of the two cases, this study argues that the participation of local people ensures the long-term operation of ecotourism enterprises. By allowing local people to control the design of the rules of the game of ecotourism development, local communities manage to make more benefits from tourism, but it is more effective only for better-empowered communities. For disadvantaged communities, donor organizations and the public sector should play facilitating roles to empower the communities to negotiate with actors outside communities. An involvement of the private sector sustains ecotourism operation in the long run, yet the allocation of benefits and burdens between the private sector and local communities must be balanced. The conditions of the protected areas can satisfy visitors' demand; however, service quality needs improvement. Also tourists voiced concerns over possible negative impacts to local communities. As long as ecotourism generates only a marginal income for the local communities, ecotourism in its current form, might not achieve long term nature conservation objectives, as alternative income options such as rubber plantations might have negative impacts on conservation.

Keywords: community-based ecotourism, benefits and burdens sharing, ecotourism stakeholders, Lao National Protected Areas

Zusammenfassung

Ökotourismus wird als Instrument für wirtschaftliche Entwicklung und Naturschutz in peripheren Regionen propagiert, erfolgreiche Projekte sind jedoch bisher selten geblieben. Ziel der vorliegenden Studie war es, die Verteilung von Nutzen und Lasten zwischen Stakeholdern sowie den Beitrag von Ökotourismus zum Naturschutz in zwei Naturschutzgebieten in Laos zu untersuchen. Die Studie wurde in drei Dörfern im staatlichen Naturschutzgebiet Nam Ha in der Provinz Luang Namtha und in zwei Dörfern in der Nähe des staatlichen Naturschutzgebietes Phou Khao Khouay in der Provinz Bolikhamsay durchgeführt. Die Analyse dieser Fallstudien stützt sich auf ein Mixed Methods Design. Mittels teilnehmender Beobachtung, teilstrukturierter ExpertInnen-Interviews, biographischer Interviews und quantitativer Befragungen der Bevölkerung sowie Stakeholderseminaren wurden qualitative und quantitative Daten erhoben. Die Analyse der beiden Fallstudien zeigt, dass durch die Partizipation Einheimischer ein langfristiger Betrieb von Ökotourismus-Projekten gewährleistet werden kann. Wird der Lokalbevölkerung die Möglichkeit gegeben, die Entwicklung von Ökotourismus selbst zu bestimmen, so können vor allem Dorfgemeinschaften, welche aufgrund ihres Bildungsniveaus und anderer Ressourcen stärker befähigt sind, vom Tourismus profitieren. Für benachteiligte Gemeinschaften müssen Entwicklungsorganisationen sowie die öffentliche Hand in Verhandlungen mit außenstehenden Akteuren eine unterstützende Funktion übernehmen. Die Einbindung des privaten Sektors erhält den Ökotourismus-Betrieb langfristig, sofern die Verteilung von Nutzen und Lasten zwischen den Dorfgemeinschaften und privaten Unternehmen ausgewogen ist. Die Beschaffenheit der Naturschutzgebiete entspricht der Nachfrage der Besucher, auch wenn hinsichtlich der Dienstleistungsqualität noch Verbesserungsbedarf besteht. Touristen äußerten außerdem Bedenken hinsichtlich möglicher negativer Folgen für die örtlichen Gemeinschaften. So lange der Ökotourismus lediglich einen marginalen Teil des Einkommens der Dorfgemeinschaften darstellt, kann er in seiner derzeitigen Form nicht zu den Zielen eines dauerhaften Naturschutzes beitragen, da alternative Einkommensmöglichkeiten wie Gummiplantagen negative Auswirkungen haben könnten.

Stichworte: gemeinschaftsbasierter Ökotourismus, Verteilung von Kosten und Nutzen, Ökotourismus Stakeholder, Naturschutzgebiete in Laos

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Abbreviations

ADB	Asian Development Bank
ASEAN	Association of South East Asian Nations
CBE	Community Based Ecotourism
CBNRM	Community Based Natural Resources Management
CAMPFIRE	Communal Area Management Programme For Indigenous Resources
CBT	Community Based Tourism
CBE	Community Based Ecotourism
CPR	Common Pool Resources
DED	Deutsche Entwicklungsdienst
FDI	Foreign Direct Investment
GDP	Gross Domestic Product
GMS	Greater Mekong Sub-region
GIZ	Gessellschaft für International Zuzamenarbeit
HDI	Human Development Index
IAD	Institution Development Analysis
ICDPs	Integrated Conservation and Development Programmes
IUCN	International Union for Conservation of Nature
IYE	International Year of Ecotourism
JICA	Japan International Development Agency
LDC	Less Developed Country
LNTA	Lao National Tourism Administration
Lao PDR	Lao People's Democratic Republic
MDGs	Millennium Development Goals
MICE	Meeting Incentive Convention and Exhibition
NEM	New Economic Mechanism
NGOs	Non-Government Organizations
NHEP	Nam Ha Ecotourism Project
NPA	National Protected Area
NTFPs	Non-Timber Forest Products
NZAID	New Zealand Aid
PATA	Pacific Association of Travel Agency
SNV	The Netherlands Development Organization
STDP	Sustainable Tourism Development Programme
TDD	Tourism Development Department
TIES	The International Ecotourism Society
UNDCP	United Nations Drug Control Programme
UNDP	United Nations Development Programme
UNEP	United National Environmental Programme
UNESCO Organization	United Nations Education, Sciences and Culture
UNODC	United Nations Office on Drug and Crime
UNWTO	United Nations World Tourism Organization
WCS	Wildlife Conservation Society
WES	World Ecotourism Summit
WWF	World Wide Fund for Nature

CHAPTER I: INTRODUCTION

1.1 Tracing My Research Interest

I would like to start this chapter by telling my personal account, in order to explain my research interest in community-based ecotourism (CBE) in Laos.

In September 2010, my colleagues from the National University of Laos and I had a chance to go on a study tour in Southern Laos. We organized the trip by ourselves. We hired a thirty five-seated coach with a driver and a tour guide from a local tour operator based in the Capital of Laos – Vientiane Capital. Our final destination was the Champasack Province, located approximately 750 kilometres from the Capital. The journey started in the morning along the Road 13 South, which is the longest highway in Laos. While we were travelling, we made occasional stops to buy food offered by the local people living along the highway.

To reach Champasack we had to travel through four provinces: Bolikhamsay, Khammuan, Savannakhet and Salavan. Similarly to Champasack, these provinces host a large number of splendid natural tourist attractions, including large forested areas, rivers and caves, where nature tourism activities, such as trekking, kayaking, caving, biking and more are possible. A large number of them is situated on a tourism development path, which is considered a community-based tourism or ecotourism. After the ten-hour journey, we arrived to Champasack and checked into a family owned hotel, where we had reserved rooms two days in advance. It was a mid-sized hotel, according to the Lao standard, owned by a local business family from the province.

We spent the first two days visiting other hotels and some tourist hotspots in Pakse, the capital of Champasack. On the following day, we went to Paksong, a small town located about 35 kilometres from Pakse, to see two magnificent waterfalls, Tad Fane and Tad Champi, and coffee plantations on the Bolavene Plateau. Finally we went to Siphandone[1], commonly known to tourists as "Four Thousand Islands".

Siphandone is situated in the Khong District, about 80 kilometres from Pakse. It has a population of 100,000 inhabitants, who subsist on fishing, agriculture, and recently, tourism. It is the largest wetland in Southeast Asia, stretching 50 kilometres along the Mekong River and consisting of channels, islands, sandbars and rocky rapids. Thanks to its amazing river scape, local ways of life and rich biodiversity, both domestic and international tourists are flocking to the area, which resulted in a booming tourism industry. The largest complex of waterfalls in Asia is located there. One of the prominent attractions is Khon Pha Pheng waterfall, nick-named the "Niagara of Asia". In the Siphandone area, 205 fish species have been identified, of which Mekong giant catfish *Pangasianodon gigas* constitutes the largest aquatic species. The area is also the home to Irrawaddy Dolphins *Orcaella brevirostris*, which was red listed by IUCN as a critically endangered species (IUCN, 2013). Unsustainable fishing method, such as explosive fishing, has been responsible for the declining dolphin population. With an attempt to raise awareness on the conservation of dolphin population and other

[1] The original name of *Siphandone* is *Sithandone*, which is translated as a large wetland area.

aquatic species, NGOs, Community Aid Abroad, and seven villagers worked together, in order to initiate dolphin-watching tourism in 1997, managed informally. Since then dolphin-watching tourism has gained growing popularity among the tourists. In 2005 approximately 9,000 tourists participated in dolphin-watching activity and 52,593 tourists visited the region, generating over US$ 8.2 million for the local economy (Bezuijen, Zanre, & Goichot, 2007).

Thanks to the natural and cultural resources mentioned above, Siphandone is of high value and should be protected from anthropogenic threats. Furthermore, it has been argued that Siphandone meets the criteria of UNESCO for its declaration as a World Heritage Site (Mather, Kritsanavarin, Pangare, & Weerapong, 2009).

Don Khon and Don Ded, the principal and the most visited islands, rich in culture and history, are part of the island network in the Siphandone area. A lot of activities are offered to tourists there, such as biking, visiting waterfalls and enjoying the local way of life. When the French colonized Laos in the19th century, the region was developed as a riverine transportation hub. They built some transportation facilities, such as a railway, bridges and harbour, to transport timber and other raw materials to the south of Mekong and subsequently to the South China Sea. Today the ruins of the infrastructure still remain to be seen and attract attention of the tourists, who are interested in islands' history.

We took the coach from Pakse to a busy port in Na Kasang Village in Khong District in order to go to Don Khon-Don Ded. At the port, we embarked on a boat, provided by the local people to navigate to our destination. The boat trip took about 40 minutes to reach the old harbour. On the bank, there were some *songtheaw*[2] providers, who are organized as an association[3] to transport visitors from the harbour to the villages. In addition, there are some bicycle stands operated by villagers. (We opted to take *songtheaw* because of the rain). After twenty-minutes on *songtheaw*, we arrived to the destination and checked into a small bungalow owned by people from the island, who had inherited the property from their parents. Originally the bungalow was a residence, but when tourists started to visit the island, the owners decided to develop it as a guesthouse. In general, the atmosphere around the community was very relaxed and peaceful and there were not so many tourists, partly because it was the rainy season. In the morning, after having breakfast in a local restaurant, we walked around the community and went to the *li phi* waterfall. In the surrounding area of the fall I observed some local stands selling drinks, souvenir products and some imported goods, mainly from Thailand. We were not the only tourists there; there were some international tourists, who went biking to admire the beauty of the waterfall and the nature in the area.

From this trip on, despite little knowledge of community-based tourism, I started to think about the benefits from tourism to the local communities. The following questions came up into my mind: what benefits local communities have received from tourism? Who gains more? Who gains less? Who shares the costs of the development? How to ensure that the benefits from tourism go to the communities in the long run? What are the better solutions for community-based tourism development in Laos? After I returned from the trip, I discussed these

[2] *Songtheaw*, literally "two row", is a mode of transportation adapted from light pick-up truck. It is equipped with two rows of benches.

[3] In Laos, it is very common that transport providers are organized as an association. The association is responsible for determining price and the rotation of transporting passengers.

questions with colleagues and tried to develop this experience into a concrete research project.

1.2 Rationale

Laos opened the door to international tourists relatively late compared to its neighbouring countries. Tourism has played an increasing role in moving the county toward regional and global integration. Since the 1990s, Laos has experienced double digit growth in tourism and the industry became one of the top foreign exchange earners. Fortunately, the majority of tourism enterprises are characterized as family and locally owned (Harrison & Schipani, 2007). This implies that a large proportion of tourism income remains within the local economy later creates multiplier effects and enlarges capital stock for future investment.

Community-based tourism (CBT) means that the local community operates the majority of tourism affaires within the tourism supply chain. Since the introduction of the Nam Ha Ecotourism Project in 1999, CBT has been promoted as a tool for nature conservation and fighting against poverty across the country. One of the obstacles that prevent CBT from fulfilling objectives is that the local communities, who have been regarded as the main beneficiaries, do not benefit enough from its development. Furthermore, it is often the case that the local people bear a larger proportion of the costs incurred from tourism development.

Given that tourism has played a significant role in socioeconomic development, particularly in rural areas, a number of research projects on tourism impacts have been conducted in different parts of Laos. Some of the studies focused on tourism and poverty reduction (Harrison & Schipani, 2007; LNTA, 2006; Lyttleton & Allcock, 2002; Phommavong, 2011; Suntikul, Bauer, & Song, 2009), tourism and social transformation (Khouangvichit, 2010), tourism and gender development (Flacke-Neudorfer, 2007). Some studies focused on economic impact at the macro level (Harrison & Schipani, 2007; Suntikul et al., 2009). Harrison and Schipani (2007) compared the role of donor-led ecotourism projects and those initiated by the private sector. The authors argue that the private sector also plays an important role in CBT development that led to poverty reduction. Flacke-Neudorfer (2007) examined ecotourism and gender development in Meuang Sing with a specific focus on the Akkha group. She argues that although the women were excluded from participation in CBT development project, they managed to benefit from ecotourism through the selling of souvenir products and massage services. Phommavong (2011) examined the role of international tourism in poverty reduction by comparing two case studies NHEP in Nam Ha NPA and the other in Xe Pian NPA in southern Laos. First he looked at government policy at the national and provincial levels, then household income distribution, and finally gender division of labour within the tourism industry. Sirivongs and Tsuchiya (2012) measured local community's perception toward Phou Khao Khouy NPA. The study was conducted in four villages, namely: Ban Na, Ban Hathkhai, Houaileuk and Yangkheua, located in the periphery area of the southern part of the NPA. The findings revealed that the villages that run ecotourism and the families who have higher income from tourism have a strong positive perception toward nature conservation in the area.

Having examined existing literature, research on ecotourism in Laos is still limited. The previous studies mainly focus on positive economic impacts on the

host communities. Some studies address negative sociocultural impacts, however, only a broad picture has been sketched (Flacke-Neudorfer, 2007). Furthermore, burden sharing has not been addressed in the studies. Therefore, this study will shed light on benefits and burdens sharing among different stakeholder groups, particularly the host communities. In addition the thesis examines how ecotourism has contributed to nature conservation in the NPAs. The study compares two case studies in Nam Ha NPA Luang Namtha Province and Phou Khao Khouay NPA in Bolikhamsay Province.

The aim of this thesis is to examine how different stakeholder groups share benefits and burdens from ecotourism development in Laos. Chapter 1 aims at introducing the research background. To gain some insights into the Lao economic development, the chapter begins with some basic information about Laos. Likewise, the history of economic development, which is divided into two periods of command economy from 1975-85 and market economy from 1986 to 2012, is briefly described. In addition, tourism resources and tourism development, particularly ecotourism, are presented. Finally, research objectives and research questions are elaborated in this chapter.

1.3 Objectives

The overall objective of this thesis is to examine the benefits- and burden-sharing among the stakeholders in ecotourism development in Laos PDR and further to investigate how ecotourism contributes to conservation activities in the protected areas. Specifically, this research aims to:

1. Analyse the roles, coordination and interaction between non-local and local actors in ecotourism planning, development and operation in protected areas;
2. Assess the benefits and burden to the non-local and local actors as well as the contribution of ecotourism to the maintenance of infrastructure and conservation of natural resources; and
3. Identify problems associated with benefits and burdens sharing in order to propose sustainable solutions for ecotourism development and operation in Laos.

1.4 Research Questions

In order to achieve the above-mentioned objectives, the following research questions will be addressed in the thesis:

1. What role does each actor play in ecotourism planning and development?
2. How did non-local actors facilitate local actor participation in the process of ecotourism development in the protected areas?
3. How did both non-local and local actors share benefits and burden from ecotourism development?
4. What institutional mechanisms can support a fair allocation of benefits and burdens?

5. How do western tourists perceive benefits and burdens sharing from ecotourism development in Laos?

1.5 Thesis Outline

The thesis consists of eight chapters. After the introduction of research background in Chapter I, Chapter II examines literature review. Chapter III is devoted to research design. As Laos is a less well-known country, the general knowledge the topic related to ecotourism development are presented in Chapter IV. The results from the two case studies in Luang Namtha and Bolikhamsay provinces are presented in Chapter V and Chapter VI, respectively. The findings and results are discussed in Chapter VII. Finally conclusions and practical implications are provided in Chapter VIII.

CHAPTER II: LITURATURE REVIEW

2.1 Introduction

While the ecotourism concept has appeared over three decades ago, the meaning of the concept is ambiguous. Scholars have continued debating its definitions, while tourism policymakers and practitioners keep on abusing the term.

This chapter aims at reviewing the state of the art and develop a framework to describe the ecotourism development situation in Laos, where a number of stakeholder groups are often involved. The foundation of the concept was traced and recent debates on the definitions are elaborated. As a large number of ecotourism destinations are located in protected areas, the relationship among parks, people and tourism are examined. Some related issues such as ecotourism impacts, ecotourism planning and local participation, and benefits and burdens sharing (the main research question of the study), are also discussed. The Institutional Analysis Development (IAD) framework, which serves as a model for developing analytical framework, is discussed. Finally, an analytical tool for analysing the two case studied is developed in the chapter.

2.2 The Evolution of Ecotourism

For a long time, nature-based tourism activities have been widely practiced when humans travelled across the continents for pilgrimage, scientific exploration and the search for new territories or trade routes. The journeys often involved direct encounters with local cultures and the search for pristine natural sites for recreational purposes. Marco Polo, Christopher Columbus, Charles Darwin, to name just a few, are qualified for an “ecotourist” definition; however, different terms were used to describe them. Indeed, it is safe to say that they are “genuine ecotourists” in comparison to modern-day ecotourists, if carbon footprint were taken into account.

During the Grand Tour era, long distance travels were reserved for wealthy classes, who took long journeys in search of new experience and enlightenment. Thanks to the development of steam engine and later railways, the travels for recreation and leisure were affordable for the middle and lower classes. This stimulated the development of commercial tour operations in Europe and rapidly spread to the parts of the world.

The advancement of aeronautic technology constituted a crucial factor driving tourism industry development. The introduction of jet engines in the 1950s boosted the demand for long distance travels for vacations. In 1952, for example, the British Overseas Airways Corporation (BOAC) inaugurated a commercial flight from London to Johannesburg (R. Dowling, 2013). In the 1970s, the development of wide body high-speed jets making the most remote parts of the globe can be reached within a few days. This accelerated exponential growth in tourism industry, particularly between developed and developing worlds. In 1970, travel between developed and developing world accounted for only 8% of the industry. A decade later, however, the figure rose to 17% and jumped up to 20% by the mid-1990s (Honey, 2008).

In the early stage of development, tourism industry was regarded as a “smokeless” industry, in which numerous countries promoted it as an important source of foreign exchange and a motor for economic development.

Paradoxically, the industry generated negative impacts to the host countries in the forms of low paid jobs, unplanned development, environmental degradation, drugs, prostitution, and so on. Some argued that the industry created more harms rather than benefits to the host destinations. As a result, there was a shift in tourism development paradigm from conventional mass tourism to alternative forms of tourism (ecotourism, responsible, green tourism etc.), which have been viewed as more environmentally and socially friendly to the host countries.

It was in the second half of the 20th century that the concept of ecotourism emerged owing to the negative impacts of mass tourism and an increasing environmental awareness, both from demand and supply sides. The consumers (tourists) wanted more environmentally friendly products, while producers (tour operators, hotels…), at the same time, sought to supply greener products to ensure sustainability of the businesses. The term "ecological" or "eco-tourism" first appeared in the work of Nicolas Hetzer in1965. Five years later, the author organized a workshop entitled 'Tourism & Reality, the Need for Eco-Tourism' at the University of California, Berkley to introduce the concept. He suggested four practical principles of ecological tourism: (1) minimize environmental impacts; (2) respect host cultures; (3) maximize the benefit to local people; and (4) maximize tourist satisfaction. The principles must be respected in order to be considered as ecological tourism. However, it has been argued that Hector Ceballos-Lascurain, a Mexican environmentalist, has been acknowledged as the pioneer who coined and popularized the term in 1983. In a paper, he states that 'Over 17 years have elapsed since I coined the term "ecotourism" and provided its preliminary definition' (Ceballos-Lascuráin, 2002). Nevertheless, Fennell (1999) claims that Nicolas Hetzer is the originator of the term "ecotourism" and operated the ecotours in Yucatan, Mexico in the 1970s.

Between the mid and late 1980s, a large number of developing countries promoted ecotourism due to the fact that the industry was perceived as an environmental friendly form of development in comparison to banana plantation, cattle ranching, logging, oil extraction, and mass tourism. However, it must be carefully planned and controlled to minimize the negative impacts on fauna, flora and human population in the destinations. Additionally, the sector is more economically viable than the other forms of land uses. A study in Kenya, for example, indicates that a lion worth US$7,000 and a herd of elephant is able to generate an income of US$610,000 per year from tourism activities (Honey, 2008, p. 23). By the 1990s, almost every developing country promotes ecotourism as a country development strategy.

Ecotourism was endorsed by international organizations due to its significant impacts on local livelihood. The World Tourism Organization (UNWTO) and the United Nation Environmental Programme (UNEP) designated the year 2002 as the International Year of Ecotourism (IYE). The World Ecotourism Summit (WES) was first convened in Québec City, Canada, where the delegates from 132 countries from public, private and non-governmental organization gathered in the city (UNEP, 2002). The convention led to the adoption of the Québec Declaration on Ecotourism, which outlined 49 recommendations [4] for the stakeholders including governments, the private sector, non-governmental organizations, community-based associations, academic and research institutions, inter-

[4] See the Québec Declaration on Ecotourism for the detailed descriptions of the recommendations

governmental organizations, international financial institutions, development assistance agencies, and indigenous and local communities, to take into account for better planning and development of ecotourism. Prior to the summit, series of meetings were organized in the regions worldwide namely Mesoamerica, South Asia, Andean South America, Southeast Asia, East Africa, and the Artic to discuss the problems in the respective regions. As far as Southeast Asia is concerned, the representatives from the eight ASEAN member countries [5] gathered at a conference in Chiang Mai, Thailand organized by three Thai-based NGOs namely Responsible Ecological Social Tours (REST), Regional Community Forestry Training Centre for Asian and the Pacific (RECOFTC) and Project for the Recovery of Life and Culture (PRLC). The following topics were discussed in the meeting including community participation, benefits from ecotourism, access to credit and financing and regional partnership. Additionally the concern over the participation of indigenous people was taken into consideration (MacLaren, 2002).

2.3 Defining Ecotourism

Owing to the meaning of the prefix "eco", which is often associated with "green" or environmental friendly, the term has been misinterpreted and hijacked among practitioners. The tourism enterprises used the term for advertising purpose in order to achieve business end, the so-called "green washing". As a consequent, (Honey, 2008) categorized ecotourism into two types namely "genuine ecotourism" and "ecotourism lite". The former involves the application of ecotourism principles with tourism subsectors such as an accommodation unit, a tour operator, a protected area and so on, while the latter refers to the abuse of the term without fundamental changes within mainstream tourism industry.

Although ecotourism has been promoted for over three decades, a generally accepted definition is still lacking. One of the barriers that undermined the development of the common definition is 'the intrinsic nature of ecotourism, it being a complex, interdisciplinary and multi-sectorial phenomenon' (Ceballos-Lascuráin, 2002). In addition, the author points out other problem such as the confusion of the term with other concepts such as sustainable tourism and nature-based tourism. Nevertheless, Hector Ceballos-Lascuráin developed the most cited definition. He defines ecotourism as:

> environmentally responsible travel and visitation to relatively undisturbed natural areas, in order to enjoy and appreciate nature (and any accompanying cultural features-both past and present) that promotes conservation, has low negative impact, and provide beneficially active socio-economic involvement of local populations (Ceballos-Lascuráin, 1996).

The International Ecotourism Society (TIES), a non-profit organization promoting ecotourism development, provides the earliest and frequently cited definition. According to TIES, ecotourism is 'responsible travel to natural areas that conserves the environment and improves the well-being of local people' [6].

[5] Cambodia, Indonesia, Laos, Malaysia, Myanmar, Singapore, Thailand and Vietnam
[6] See www.ecotourism.org

Similarly to the definition mentioned above, two main components namely supporting nature conservation and improving the well-being of the local communities, are stressed in the definitions. This implies that ecotourism activities must contribute fund for nature conservation, particularly in the protected areas, simultaneously with the generation of economic opportunities for local people.

In German academic literature, the concept of alternative forms of tourism is as old as in its English counterpart. Scholars prefer to use the terms *Sanfter Tourismus* or *Nachhaltige Tourismus* (sustainable tourism) rather than *Ökotourismus* (ecotourism). The advocacy of *Sanfter Tourismus* constitutes an argument that some German international development agencies namely DED and GIZ have promoted alternative tourism as a part of their development strategies in rural areas in developing world. This study, however, aims at analysing only English literature due to basic German language skills of the researcher.

Attempts have been made to simplify the concept of ecotourism in order to operationalize the definition for marketing and research purposes. The common themes emerged from content analysis of ecotourism definition include nature-based location; conservation of nature and culture; benefits to local people; and education (Fennell, 2001). A similar study added additional components such as sustainability, distribution of benefits, and ethics/responsibility/awareness to the content (Donohoe & Needham, 2006). The WES suggests ecotourism to adopt sustainable tourism principles encompassing the Three Bottom Lines of economic, social and environmental aspects of sustainable tourism (UNEP, 2002). In addition, the summit propose practitioners to respect ecotourism principles: (1) conservation of natural and cultural heritage; (2) participation of indigenous communities in the planning, development and operation to improve their well-being; (3) interpretation of cultural and natural heritage to visitors; and (4) lend itself to independent and organized tourists of small group size in order to distinguish it from the broader concept of sustainable tourism.

The concept of community-based tourism (CBT) was implemented in ecotourism to emphasize control over ecotourism enterprises of local communities. Community-Based Ecotourism (CBE) is defined as:

> A form of ecotourism where local people have substantial control over and involvement in, its development and management, and a major proportion of the benefits remain within the community (Denman, 2001)

Tourism organization can take different forms including (1) alternation in the organizing of infrastructure and services by a family in a limited period of time; (2) all community members rotates to serve tourists; (3) the outsource CBT enterprise to a groups of community members; and (4) community consultation by tourism related public agencies (Zapata, Hall, Lindo, & Vanderschaeghe, 2011). Regardless any forms of organisation, local communities should receive a fair share of benefits from tourism. Furthermore, it is often the case that ecotourism involves indigenous people in the protected areas, where collective rights for using natural resources exist. In this case, CBE should foster collective actions and sustainable development.

2.4 Ecotourism and Ecotourism-related Organizations

There are a large number of organizations involved in ecotourism development worldwide. They are public, private and NGO operating from global to local levels. In fact ecotourism was originated from the initiatives of international NGOs. These development agencies are IUCN, the Nature Conservancy, Audubon Society, Conservation International, Africa Wildlife Foundation, Sierra Club, and World Wildlife Foundation (WWF) (Honey, 1999). A large number of ecotourism-related organizations are located in developed countries, whereas their activities are concentrated in ecotourism destinations in developing countries. The principal objectives of these organizations are to minimize negative impacts and maximize positive impacts of ecotourism. The main role that these development agencies are playing is to provide financial and technical supports.

Halpenny (2001) categorized ecotourism related-organizations into three groups including governments, membership NGOs and non-member NGOs. These organizations operate in three levels such as international, national, and regional, state and local (see Table1).

Table 1: Different Arenas and Types

Level/arena	**Type**	**Examples**
International	Government	UNDP; UNWTO
	Membership NGO	The International Ecotourism Society; Tourism Concern
	Non-member NGO	Conservation International; The Nature Conservancy; IUCN
National	Government	Kenya Wildlife Service and Kenya Ministry of Tourism; Fiji Ministry of Tourism and Transport and University of the South Pacific; German's BMZ and GTZ
	Membership NGO	Ecotourism Society of Kenya; Fiji Ecotourism Association; Ecotourism Association of Australia
	Non-member NGO	Indonesia Ecotourism Network
Regional, state and local	Government	Queensland Tourism (Environmental Department); Tourism Saskatchewan
	Membership NGO	Ecotourism Society of Saskatchewan
	Non-member NGO	Redberry Pelican Project

Source: Halpenny (2001, p. 481)

A number of studies examine the roles of ecotourism-related organizations (Butcher, 2006; Fennell, Buckley, & Weaver, 2001). Kennedy and Dornan (2009) explore the roles of NGOs using ecotourism as tool for poverty reduction in developing countries. The authors categorized the NGOs into three categories namely education and advocacy, voluntourism organizations and tour companies with foundations. The education and advocacy NGOs help developing countries

by providing training programs, consultation, research, and certification for sustainable tourism and ecotourism. This implies that the NGOs play an active role in improving ecotourism products and maintaining quality standard to ensure visitors satisfaction. The voluntourism organizations, for example Global Volunteer, Cross Cultural Solutions, are mainly working in underdeveloped regions to improve public services. The organizations promoted cross-cultural learning between participants and the host communities, which create partnership between local communities and projects. The tour companies' foundations aim at returning profits to the communities they are taking visitors to. The foundations are working with NGOs from both developed and developing countries to finance development projects in areas, where local communities are in need. The study suggests that the three types of organizations contribute to poverty reduction in developing countries; however, additional investigations are needed to come up with objective estimation of the impacts.

2.5 Parks, Peoples and Tourism Relationships

For a long time, parks and people often had an uneasy relationship due to conflict of interests. In fact, the indigenous populations have occupied most protected areas of the world, perhaps thousands of years, prior to the establishment of the parks. It was the case that when a park was proclaimed, the inhabitants were dislocated or denied to access forest resources in their ancestral land. The proclamation of Yellowstone National Park, USA, for example, the Indian population were marginalized and forced to relocate from their lands (Sheail, 2010, p. 15). This creates hostile relationship between indigenous groups and the park authority or visitors. In some cases conflicts occurred between tourists and local population.

Some previous studies suggest that the "fortress conservation" or "fence and fine" approach failed to achieve conservation objectives. Instead the approach aggravated environmental degradation in the parks. Shepard, Rummenhoeller, Ohl-Schacherer, and Yu (2010) describe a failure of the fortress conservation approach in Manu National Park, Peru. In Matsigenka communities in the park, there were protestant missionaries working to improve public services for the communities. The park authority assumed that by removing western influence, the communities would return to their "natural state", which was viewed as sustainable. Therefore, the authority expulsed the missionaries from the communities resulted in serious problems on health, education and other social problems in the communities. In addition, the introduction of the park guard stations in the area generated the problems such as alcoholism, power abuse, sexual harassment, and other problems to the local communities. NGOs tried to solve the problems and reintroduce the aid, yet denied by the park authority. Consequently the indigenous communities serve as conflicting ground for government agencies and the NGOs.

Singh and Singh (2004) provide another example of an undesirable conservation practice in Nanda Devi Biosphere Reserve (NDBR), India. When the reserve was established and subsequently declared a World Heritage Site, the local communities living in the area were denied to access to the natural resources such as grazing land, fuel wood and medicinal plants and other forest products. In addition, local communities also lost their crops due to damage from the wild animals, yet with little or no compensations. Furthermore, tourism activities,

which existed in the park for a long period of time, were banned in 1982 by virtue of negative impacts from tourist activities. This generated economic lost to the local communities resulted in opposition to the existence of the park.

In response to the failure of the protectionist approach, there was a shift to a new conservation paradigm, the so-called "conservationist" or "people centred-approach" (Child, 2004). Local communities must benefit from nature conservation rather than bearing costs. In response to the conservationist approach, Integrated Conservation and Development Projects (ICDPs) or Community-Based Natural Resource Management (CBNRM) were introduced in 1980s by World Wide Fund For Nature (WWF). The main concept of ICDP is a marriage between conservation and development with presumptuous outcome of "win-win situation". The natural resources are protected whereas the income of the people is increasing leading to poverty reduction. The ICDP encompasses three main approaches including compensation, alternative and enhancement. Compensation is achieved through school, clinics, road etc. to compensate the opportunity costs from protected area establishment. Alternative refers to creating income alternative through agriculture intensification, while enhancement aims at maximizing the value of the natural areas, for example, ecotourism development.

The programmes that are frequently cited as the successful initiatives are Communal Area Management Programme For Indigenous Resources (CAMPFIRE), Zimbabwe and Annapurna Conservation Area Project (ACAP), Nepal (Nepal, 2000). The main component of CAMPFIRE was that the local governments called Rural District Councils (RDCs) act in the name of local communities selling market access rights to safari operators and eco-tourists (Frost & Bond, 2008). Subsequently, RDCs pay dividend to local participating communities according to the agreed formula. Between 1989 and 2001, RDCs transferred US$20 million to stakeholder communities. The programme has been regarded as a best-practiced model and replicated in other African and Asian countries.

The Royal Government of Nepal declared the Annapurna Conservation Area in 1986 (Nepal, 2000). Since then, the area has become the most popular trekking region in Nepal. Local people have been actively involved in the project. The government granted authority to the local administration to levy the entrance fee of US$15 from each visitor. The money has been spent for development of health and sanitation, education, environmental protection and tourism. Thanks to the project, the local population have been involved in conservation and development activities by establishing various committees responsible for resource management in the areas such as conservation and development, tourism, public utilities and healthcare. The project did not only generate economic benefits but also enhance the human, social and political capital in the region.

Nevertheless, ICDPs should not be regarded as panacea for conservation and development given that successful projects are rare. There are two main causes that are responsible the failures of ICDPs to achieve objectives. First the programmes give a wrong incentive (Ferraro & Kiss, 2002; Wells, 1992). There is no evidence showing that local people will stop hunting if they receive money from the project. Second the ICDPs provide too little incentive. A lot of research suggests that the programmes generate too little revenue, thus are not able to change local people's behaviours. R. Winkler (2011) argues that many ICDPs fulfil economic goals, but failed to achieve conservation objectives due to they cannot create 'socially optimal levels of conservation', which stemmed from

unequal distribution of benefits and externalities among community members. Christensen (2004) suggests five pitfalls that explain the failure of ICDPs. First, ICDPs have been developed based on naïve assumption. An increasing living standard of local people does not translate into better nature conservation. Second, local people are conceived as homogeneous in terms of interest and goals in the protected areas; however, the reality is different. Third, ICDPs focus on subsistent farming activities; other more environmental destructive activities such as mining, dam construction, logging, road building, irrigation etc. are ignored. Fourth, the ability of the protected areas to generate sufficient fund and benefit local people is limited. Finally, the ability of the protected areas to generate significant economic benefits, which are able to change people habits, is limited.

As far as tourism ICDPs are concerned, attempts have been made to explain how people, park, and tourism can sustainably cohabitate in the long run. Nepal (2000), for instance, looked at the relationship among the three players as a system consisting of seven attributes (1) tourism industry; (2) national parks; (3) local communities; (4) interaction between park and tourism; (5) interaction between tourism and local communities; (6) interaction between parks and local communities; and (7) interaction between tourism, parks and local communities. From the system, the author developed three possible scenarios namely Win-Win-Win, Win-Win-Lose, and Lose-Lose-Lose.

The framework was applied with three case studies namely Everest, Annapurna and Upper Mustang in Nepal's protected areas. It has been argued that three types of relationship existed in the three areas. The Everest region exhibited weak relationship, while the relationship among the three actors was relatively strong in the Annapurna area. The Upper Mustang region had a very weak relationship among the three actors.

2.6 Ecotourism Impacts on Human and Nature

All forms of tourism generate positive and negative impacts on the host destinations. Some argue that ecotourism produces less negative impacts to the host destinations in comparison to other forms of tourism, particularly mass tourism. Thus ecotourism has gained increasing popularity due to the fact that consumers perceived it as low-impact and green. Since its inception, the sector has been promoted as a tool for nature conservation and economic development, particularly in the less developed regions. A number of studies indicate that ecotourism generate both benefits and harms to the destinations. There is a concern that ecotourism might be transformed into mass tourism. Ecotourism has impacts on different scales, ranging from global to local. In general, the impacts are categorized into positive and negative based on three principal categories of economic, sociocultural and environmental aspects. The detailed discussions of each dimension are discussed in the following sections.

2.6.1 Measuring Ecotourism Resources and Economic Impacts

To understand tourism impacts on local economies and protected areas, it is worthwhile to understand the concept of economic impact and how such impacts are measured. There are two economic concepts applied in tourism in the parks: economic value and economic impacts (Eagles, McCool, & Haynes, 2002). Economic value implies the calculation of opportunity costs of the establishment

of a protected area against other land uses; afterwards summed up as a cost-benefit analysis. Two commonly used techniques are 'travel cost method' (TCM) and 'contingency valuation method' (CVM). TCM is applied for calculating the use values of the park based on tourist expenditures, whereas CVM involves the estimation of both use and non-use values of the parks based on tourist perceptions on assuming scenarios. Later, the values are expressed in terms of willingness to pay (WTP) for the visit.

Economic impacts derive from the measures of monetary value of the flow of goods and services within local economy. It mainly focuses on the changes in sales, employment and income. When tourists visit a region, they purchase goods and services from the region and other areas. The total spending can be illustrated as 'expenditure profile'. The dollar tourists spent in the local economies are called 'exogenous' money, which produced three types of impacts: direct, indirect and induced impacts. Direct impacts occur when tourists spent on goods and services at the destinations. When the employees in the tourism sectors spent their income, indirect impacts or 'backward linkages' are generated. Induced effects occur when the employees who work in direct and indirect businesses spent their income on local goods and services. Indirect and induced impacts are called secondary impacts and the ratio of direct impact to the direct and indirect impacts is called a 'multiplier'.

There are several economic models used for measuring economic impacts such as input-output model, economic-base model, and econometric model. Input-output approach traces the production in various sectors in order to find out the links among various sectors in local economies. The approach involves the development of input-output tables for an economy based on the links between the industries. Output of sector A is the input of sector B and the output of sector B is an input of sector C and so on. Economic-based model refers to the classification of local economies into basic and non-basic sectors. The model assumes that a region's economy is determined by its ability to export to the rest of worlds. The businesses that produce goods and services and export to other areas are called basic sectors, while other industries that supply goods and services to these industries are called non-basic sector. The size of the non-basic sector is the function of the basic sector. An econometric model developed by a combination of mathematic, statistics and economic theories to build equation that used to predict economic impacts.

Few studies specifically focus on economic impacts of ecotourism; however, the applications of economic valuation methods for ecotourism resources are well documented. Baral, Stern, and Bhattarai (2008) applied contingency valuation method (CVM) to measure the willingness to pay (WTP) of visitors to Annapurna Conservation Area, Nepal. The authors point out that the visitors are willing to pay for the entrance fee considerably higher than the price of US$27 in 2006 just for visiting the park, thanks to the desire to protect the environment of the visitors. Another study (Lee & W. Mjelde, 2007) applied the same approach in the Korean Demilitarized Zone (DMZ). The findings indicate that the average WTP per capita is US$16.74 and the DMZ has value between US$264 and US$602 million, thus deserved protections from harmful development activities.

Measuring economic impacts of ecotourism is cumbersome due to the fact that ecotourism coexist with other forms of tourism such as nature-based and adventure tourism. It has been estimated that ecotourism sector has a global market value of US$ 77 billion cited by CREST (2011). According to UNWTO,

the sector captures 7% of the total market share of tourism industry in 2007 cited by CREST (2011). According to *Travel Weekly*, sustainable tourism has a total market value of US$473.6 billion cited by CREST (2011). In many developing countries, ecotourism has played a significant role in developing economies. In Laos, nature and culture-based tourism generated approximately US$54 million from the total tourists spending of US$118 million in 2004 (LNTA, 2005b, p. 9). Ecotourism revenue surpasses income from bananas in Costa Rica, coffee in Tanzania and Kenya, and textiles and jewelry in India. Furthermore, ecotourism helped lifted Botswana from less developed country (LDC) status (Honey, 2008).

The majority of studies on ecotourism impacts on local economy have been conducted in protected areas in less developed regions and remote areas of the world, where indigenous people have been often involved. Some studies indicate that ecotourism development has created positive effects on employment and income to local population. Wunder (2000) estimates income structure, spending, development impacts, and conservation attitudes by quantifying cash flow from ecotourism using data from three Cuyabeno indigenous communities in Ecuador. The study indicates that ecotourism activities generated significant additional income effect in comparison to the other economic activities. Additionally, the author suggests that tourism creates conservation effects only if it stimulates changes in labour and land allocation decision. Weinberg, Bellows, and Ekster (2002) compared two successful case studies in Costa Rica and New Zealand. The study revealed that ecotourism generates additional jobs and income in Monteverde Reserves, Costa Rica and reduces unemployment to 3% in Kaikoura community in New Zealand. Similarly, a study in Nicaragua on CBT projects indicates that tourism has created employment and income for host communities (Zapata et al., 2011) . A study in Juizhaigou Biosphere Reserve (JBR), China indicates that ecotourism activities contributed to the increasing per capita income to 447% from 1978 to 1999 (Li, 2009). In addition, the study also shows that ecotourism causes changes in employment and economic structures. The contribution of tourism sector to GDP increased from 28% in 1990 to 68% in 2002 and at the same time agriculture dropped from 28% to 11%, while shares of other sectors are increasing.

Nonetheless, some scholars suggest that ecotourism generates only unskilled and low paid jobs such as table waiting, cleaning, gardening, etc. for local people. A study in Royal Chitwan National Park (RCNP), for example, indicated that local people who were employed by hotels in the park earned an average income of only US$28 per month (Bookbinder, Dinerstein, Rijal, Cauley, & Rajouria, 1998).

One of the main challenges is the leakage of tourism revenue from the local economies due to a lack of participation of local people. Furthermore, lower level of education and lack of financial capital for investment constitutes the main obstacles of effective participation in benefits from tourism. The leakage occurs in the forms of imported goods and services to meet the demands of tourists, and remittance of profit in case of foreign investments. According to United Nations Conference on Trade And Development the leakage of gross tourism revenue is between 40 and 50%, while in developed countries the figures are between 10% and 20% (UNCTAD, 2013). In less developed regions, the leakage could be as high as 80%. A study in Indonesia indicates that 70% to 80% of the tourism revenue is leaking from local economy (Goodwin, 2002).

National governments, development agencies and the private sector could play a key role in creating linkages within local economies. A study in Bhutan (Gurung & Seeland, 2008) concludes that tourism policy might play an important role in extending tourism benefits to rural people. A study in Zimbabwe (Goodwin & Roe, 2001) suggests that to optimize benefits to local communities, these strategies including marketing, business development support, regulation and price management must be taken into accounted.

2.6.2 Environmental Impact of Ecotourism

All forms of tourism generate harms to the environment and ecotourism is not an exception. The scale of environmental impacts of ecotourism is vast, ranging from global to destination levels. The majority of ecotourism markets are located in the western affluent and North American countries, whereas a large number of ecotourism destinations are located in the remote areas of Africa, Asia and Latin America. Air transport is considered as the most efficient, yet the least sustainable means to reach the destinations. Although air transport contribute only a small amount of the total Green House Gases (GHG) emission, the sector is growing fast and generates more harmful effects. There is inconsistent estimation. According to IATA, air transport contributes only 2% to total emission (IATA, 2013). However, other suggests that the figure is between 3.4% and 6.8% (Gössling & Peeters, 2007).

Since the introduction of jet engines in the 1950s, air transport sustains the growth rate between 5 and 6 % in the past fifty years. Furthermore, the development of low-cost carriers, particularly in Asia, fuelled the burgeoning of the airlines industry. Air transport generates larger emission per passenger than other modes of transport and the impact is more severe. Hunter (2009, p. 39) suggests that flying from Los Angeles to Mexico produces 0.28 and 4.34 global hectare (gha) per passenger from Brazil to Japan.

At the destination level, ecotourism contributes to environmental degradation. Environmental effects occur in the forms of soil, air, vegetation, and fauna. A study in Galapagos National Park indicates that tourism activities increased stress on some species forcing them to flee from their habitats, despite careful management. A study in Australia indicates that nature-based tourism contributes to loss of orchid species (Ballantyne & Pickering, 2011). This loss occurs through direct impacts (collecting, habitat clearance) and indirect treats (weeds, pathogens and climate change). A study in Bhutan reports that ecotourism activities in the mountain contributed soil erosion problem (Rinzin, Vermeulen, & Glasbergen, 2007). The same study indicates that non-degradable waste such as bottles and tins is also a problem. In addition, tourism activities generate more garbage and sewage. Air pollution is another problem due to more traffic to the areas (Koens, Dieperink, & Miranda, 2009).

The development of ecotourism often induces infrastructure development to support tourism growth. This contributes to vegetation damage, disturbance of wildlife and increased risk of soil erosion. Suntikul, Butler, and Airey (2010) report the environment problems stemming from unplanned tourism development in Cuc Phuong National Park, Vietnam. A number of improper development activities such as cutting down the trees to improve road; clearing forest areas to create artificial lake; paving roads; and added concrete steps were implemented in the park. In addition, the park authority supported noisy activities by allowing

businesses to invest in karaoke services. These might produce stress to wildlife, which affect their reproduction lead to a decline in the population. Although wildlife protection laws exists, the enforcement process; however, is not effective. Several restaurants in a community near the park feature wildlife dishes in the menus. In addition, the study points out that government development policy were responsible for environmental degradation in the park. A highway was built linking north and south of the country bisecting the Cuc Phuong National Park making the park more accessible for loggers and hunters accelerating loss of biodiversity.

Nevertheless, it has been argued that ecotourism generates less environmental impacts to the destinations in comparison to other forms of tourism. The positive side of ecotourism is that it is hailed as an agent for nature conservation, particularly in protected areas (Walpole, Goodwin, & Ward, 2001). Given that the majority of the protected areas are underfinanced, ecotourism is used as a tool to generate fund for protected area management. In addition, it is promoted as an alternative income source for forest communities. A study in Chitwan National Park, Nepal indicates that ecotourism activities contributed US$283,934 for buffer zone development in the fiscal year 2007-2008 and over US$3 million for a period of ten years from 1996 to 2007 (Nyaupane & Poudel, 2011). The conservation initiatives induced from ecotourism development provides some ecosystem services such fresh air, clean water, soil conservation, watersheds, soil fertility, and open space for communities. Furthermore, buffer zone programs have helped local people to set up biogas plants supplying energy to households. This helps to reduce dependence on firewood as a source of energy for cooking.

Another environmental benefit of ecotourism is that it used as a tool for biodiversity conservation. A study in Zanzibar (Salum, 2009) indicates that ecotourism contributes to an increase in colobus monkeys (*Piliocolobus kirkii*) and other rare species in the Jozani-Chwaka Bay National Park (JCBNP), yet at the cost of limited access to natural resources of the local people in the area. The direct benefits do not reach the households, but rather the whole community in the forms of social services, resulted in an offense among community members and possible conflicts between communities and the park. Stronza and Pêgas (2008) tried to find the link between ecotourism and nature conservation using two case studies from Brazil and Peru. The study indicates that ecotourism creates strong link between economic benefits and nature conservation. The Brazil case indicates that economic benefit alone stimulates conservation, while Peru case illustrates that the participation of local community in tourism management stimulates collective actions in nature conservation. In addition, ecotourism is used as a tool for reintroducing endangered species in protected areas. In Africa, several tour operators provide net contribution to wildlife conservation. Wilderness Safaris, for instance, initiated Wilderness Wildlife Trust (WWT), which provide fund for three main activities including research and conservation, empowerment community and education and anti-poaching and management (Spenceley & Rylance, 2012). A similar approach that widely promoted is trophy hunting, nevertheless, ethical concerns have been raised over this type of activity (Lindsey, Frank, Alexander, Mathieson, & RomaÑAch, 2007).

Ecotourism has been used as a tool for environmental education (Kimmel, 1999), for both local people and tourists (Koens et al., 2009). A study in Zabalo (Wunder, 2000) indicates that local people realize that overhunting not only poses treat to sustainable resource management, but also to tourism in the area. As a

result, the residents create rules to completely restrict the hunting of endangered species and setting quota for the others. This implies ecotourism promotes collective action among community members (Ostrom, Gardner, & Walker, 1994; Poteete, Janssen, & Ostrom, 2010).

2.6.3 Sociocultural Impacts of Ecotourism

One of the advocacies of introduction of ecotourism in rural areas is to promote social development. Ecotourism activities could stimulate development of local industries, which generate employment opportunities for the residents. Ecotourism development leads to improvement in public goods such as education, healthcare and other services. In addition, tourism has been viewed as a means to enhance local knowledge (e.g. tour guiding, artisan…) and revitalize local cultural heritages. Likewise, ecotourism is expected to promote volunteer activities, contribute fund for research and stimulate pride on natural and cultural heritages for local people. These might lead to better cultural and natural protection.

Specific literature on socio-cultural impacts of ecotourism is still limited; however, the studies on the impacts of conventional tourism on the host cultures are well documented. A common theory that used to explain socio-cultural impact of tourism is Doxy's irridex or irritation index of Doxey (1975) cited in (Irandu, 2004), which mainly focuses on hosts and guests relations. The index consists of four types of interactions between the hosts and guests: (1) euphoria, (2) apathy, (3) annoyance, and (4) antagonism. In the euphoria type, visitors and investors are welcomed with little planning or control mechanism. During apathy type, contact between local communities and tourists become formal (commercial), in which tourism planning focus on marketing the products. A dilemma appears in annoyance type when host communities are sceptical on tourism. The development concentrates on infrastructure development. Finally the relationship between the hosts and guests become hostile in the irritation type. Tourists are regarded as a source of problems; as a result, tourism planning focuses on remedy. Surprisingly a case study in Kenya indicates that the hosts and guests still maintain hospitable relationship, despite intense exposure to tourism (Irandu, 2004).

Local communities must be involved in early stage of tourism planning in order to mitigate negative and, at the same time, enhance positive sociocultural impacts. The knowledge, experiences and understanding from local communities constitute the foundation for sociocultural impact management. So that tourism enables local communities to engage in development and enhancement in the long run. In addition, participation allows local communities to have a greater control and benefits from tourism. 'The greater the control over tourism in their region, the more culturally sustainable they will become'(Wearing, 2001, p. 401).

It has been suggested that the following sociocultural aspects the impacts on population structure, transformation of types of occupations, transformation of values, influence on traditional way of life, and modification of consumption patterns must be taken into account when planning ecotourism (Wearing, 2001). Educational programmes form a powerful tool to mitigate negative sociocultural impacts of ecotourism. Stakeholders have to work together to develop education programmes for local communities as well as tourists. In Costa Rica, for example, tourism related courses were included in the high school curriculum. It has been

proposed that social guidelines must be applied when planning sociocultural impacts of ecotourism. This includes the following elements:

1. Local customs and traditions
2. Permission for photographs
3. Dress
4. Language
5. Invasion of privacy
6. Response to begging
7. Use and abuse of technological gadgetry
8. Bartering and bargaining
9. Indigenous rights
10. Local officials
11. Off-limits areas

A number of previous studies suggest that there are both positive and negative sociocultural impacts from ecotourism. The positive side is that ecotourism contributes to social development in the host destinations. A study in Madagascar (Ormsby & Mannle, 2006), for example, indicates that 50% of the entrance fee (approximate budget US$700) to a national park was used for community development activities such as road improvement, digging wells, provided chairs and tables to primary school, public toilets, and building rehabilitation centre. However a problem was that other communities who did not benefit from tourism created pressure on the parks. In Nicaragua, ecotourism improves of skills and self-esteem in the community (Zapata et al., 2011). The same study suggests that tourism increases the role of women in labour market as nearly half of them are employed by CBT project. In addition, tourism reduces emigration from community as younger generation learn necessary skills for working in tourism sector from their parents. A study in northern Vietnam (Tran & Walter, 2014) indicates that ecotourism helps to improve women' social and economic status (equitable division of labour; income, self-confidence and leadership role). Weinberg et al. (2002) claims that tourism development resulted in better and more varied services, conservationist ethic, better training, recycling initiative, and bilingual population. A study in Costa Rica (Koens et al., 2009) shows that tourism promotes better education, healthcare services and women empowerment.

As ecotourism involves consumption of local culture, the commodification of local ways of life has positive effects if managed properly and done with the consultation and local consent. Ecotourism has been used to revitalize, re-establish and re-educate the pride of indigenous groups. However, Notzke (2004) suggests that the indigenous people should be able to control how their cultures are commoditized, but there is still a long way to go.

Like other forms of tourism, ecotourism poses a number of sociocultural impacts to the host communities. The common problems include loss of community organizations, alcoholism, crime, drug abuse, and prostitution. It is often the case that ecotourism destinations are located in protected areas, where indigenous communities have been involved. In some cases indigenous culture constitutes an element of tourism products for entertaining tourists. In some cases indigenous ways of life are feature in the tour packages without consultation with the hosts. One of the major cultural impacts of ecotourism is the commodification

of local culture and sometimes led to a severe violation of human rights (Hemingway, 2004) as it was the case in Paduang Northern Thailand. In 1996, a group of 34 Karen women were trafficked from Kayah state in Myanmar by a Thai businessman. The women were kept in a 'tourist village' without access to educational and healthcare facilities. The women were well known for their elongated necks and their traditional ways of life, which attract attention of visitors. The visitors had to pay £ 4 each in order to view the women, in which international reporters described it as "human zoo".

Tourism also drives up prices of some tourism facilities, which preclude local residents from using those services. Tourism also has negative effect on gender role when men are employed in tourism industry leaving greater household responsibilities to women (Wunder, 2000). A study in Kaikoura community (Weinberg et al., 2002) indicates that the older generation lost the feeling of being tight together. In addition they fell uncomfortable when the old buildings have been replaced by new development of restaurants and shops for high-end market. In some cases, ecotourism development facilitates land grabbing, particularly in less developed regions (Zoomers, 2010).

2.7 Ecotourism Planning and Local Participation

Ecotourism development often involves different groups of stakeholders, who have different goals and interest. In addition, ecotourism planning depends on knowledge from various disciplines. Therefore, ecotourism planners must consider the integration of different views, knowledge from multidiscipline and have to be done in a holistic approach. Gunn (1994) suggests that tourism planning must incorporate three principal sectors including businesses, NGOs and governments. A number of models have been developed for ecotourism planning and sustainable tourism planning.

2.7.1 Ecotourism Planning Models

Scholars try to develop numerous models for planning ecotourism (Garrod, 2003), sustainable tourism (Catibog-Sinha & Wen, 2008; Waligo, Clarke, & Hawkins, 2013). Garrod (2003) modified the model of Drake (1991) to plan marine ecotourism for Atlantic area. The author suggests that the model is not limited to the specific geographical location, however applicable to ecotourism planning in other regions. Waligo et al. (2013) develop multi-stakeholder involvement management framework (MSIM) to evaluate planning and implementation of sustainable tourism based on a purposive case study in the UK. Catibog-Sinha and Wen (2008) apply the seven-E model for sustainable tourism[7] to evaluate tourism in Xishuangbanna Biosphere Reserve in Yunnan, China.

Several frameworks are available for tourism planning in the parks such as recreational opportunity spectrum (ROS) and tourism opportunity spectrum (TOS). Following ROS and TOS approaches, Boyd and Butler (1996) developed on ecotourism planning framework called ecotourism opportunity spectrum (ECOS). ECOS framework includes the following indicators: (1) accessibility; (2) relationship between ecotourism and other resource uses; (3) attractions offered; (4) existing tourism infrastructure; (5) level of user skill and knowledge required;

[7] Environment, Economics, Enforcement, Engagement, Experience, Enquiry and Education

(6) level of social interaction; (7) degree of acceptance of impacts and control over level of use; and (8) type of management necessary to ensure long-term sustainability of the destination's resources. The first seven indicators are applied to evaluate the viability of ecotourism products. This enables ecotourism planners to identify two distinct groups of visitors namely eco-specialist and eco-generalist corresponding to hard-ecotourist and soft-ecotourist respectively. The former has the following characteristics: minimal infrastructure; little impacts; individuals or small group adapting to natural and cultural environment, while the latter requires comfortable infrastructure; creates more impacts; and is large group. However, the weakness of the approach is that it focuses only on ecotours, while other stakeholders or the whole ecotourism industry are not taken into account, thus a more integrated planning approach is required.

Backman, Petrick, and Wright (2001) developed a new planning approach called an "Integrated Systems Model for Ecotourism Planning". The approach starts with the identification of ecotourism stakeholder groups and the missions of the organization. Afterwards, two planning systems are identified namely resource system planning and human system planning. The former requires information on natural and cultural resources, environmental assessment, biodiversity, etc., whereas the former needs the information such as need assessment, social impact studies, economic impact analysis, market analysis, etc. The information between the two systems must be flowed to ensure effective planning. Later the stakeholder groups work together in setting common objectives. Following objective setting, the development plan, which includes marketing mixes such as products, distributions, prices, and communication are elaborated. The planning process ends with evaluation programmes, which serve as feedback loops for future planning of the two planning systems.

2.7.2 Local Participation

Participatory approaches emerged in the 1998s due to dissatisfaction of top-down planning tradition to address development problems (Cooke & Kothari, 2001). There are four types of participation: passive participation; participation by consultation; participation by collaboration; and empowerment participation (Tufte & Mefalopulos, 2009, p. 6). The common participatory approaches include rapid rural appraisal (RRA) and participatory rural appraisal (PRA) (Chambers, 2008). The basic concept of PRA is to integrate local knowledge and opinions in development planning. Local communities should be enabled to analyse their own problems and find solutions by themselves. A number of studies suggest that participatory approach is cost effective and sustainable in the long run. The outcome is more relevant and equitable for local communities. Nevertheless, participatory approach is not a perfect solution for development planning. Several scholars discuss the advantages and disadvantages of participation (Pual, 1987). In tourism planning, the discussions on the benefits and shortcomings of participatory approach are well documented in (Jamal & Getz, 1999; Swarbrooke, 1999; Timothy, 1999). Swarbrooke argues that participation might pose the following problems: (1) delay the onset a controversial project (2) exclusion of others from outside the area from employment and recreational opportunities (3) possible discrimination the other groups from participation by a certain group. Timothy observes that:

> "In many societies, planning is seen as something that those in leadership positions do for the benefits of those who are under the authority. Participation is therefore neither encouraged by the authorities nor accepted by their constituents".

Similar to other forms of development planning, ecotourism planning constitutes two main approaches namely formal planning system or 'top-down approach' and participatory planning or 'bottom-up approach'. The former seeks to overcome physical and practical obstacles in order to bring economic benefits to local people while the latter focuses on natural impacts of ecotourism development. A number of researches report that participation of local people in ecotourism planning and management process is still lacking (Tosun, 2000). According to Garrod (2003), local people have been viewed as beneficiaries rather than essential partners to achieve development objectives. The participatory approach should not be viewed as the only mean to achieve the goals. Many argue that the approach is a western construct and imposed in the developing world. It works differently in different economic, sociocultural and political contexts. As a result, both top-down and bottom-up approaches were recommended for ecotourism planning (UNWTO, 2002, p. 24).

Local participation is associated with empowerment. Scheyvens (1999) proposes four dimensions of local empowerment namely economic empowerment, psychological empowerment, political empowerment and social empowerment. Economic empowerment implies that local people gain economic benefits through employment and the income should be fairly distributed in the communities. Psychological empowerment appears when ecotourism development leads to an increase in self-esteem among community members, which stimulate the need to self-improvement. Social empowerment refers to ecotourism development that leads to social integrity and solidarity and social development such as education public health and other social services. When local communities are actively involved in decision-making that affects development in their communities, they are politically empowered. Nevertheless, if ecotourism was not properly planned, the development might result in negative impacts such as inequality (economic disempowerment), frustration (psychological disempowerment), conflicts (social disempowerment) and autocracy (political disempowerment).

2.8 Benefits and Burdens Sharing from Ecotourism

Benefits and burdens from tourism to the host destinations have received increasing attention from scholars; however, the terms have rarely been applied in the large number of studies. Rather the most common terms that appear in the literature are "positive impacts" and "negative impacts" in three aspects of economic, social, and environmental dimensions (Weaver, 1998). In fact, the term "positive impact" and "negative impact" could serve as an umbrella terms as the positive impacts could be subcategorized into economic, social, and environmental benefits, whereas the negative impacts imply economic, social and environmental burdens. Scheyvens (1999) equates positive and negative impacts with "empowerment" and "disempowerment" respectively, including economic, psychological, social and political dimensions. Empowerment is on the one end of the spectrum, while the disempowerment resides on the other end.

Given that a large volume of tourism occurs between developed and developing countries, ecotourism serve as a mechanism to distribute the wealth from developed countries to developing world. It has been estimated that the volume of ecotourism between developed and developing countries has value of US$29 billion (KIRKBY et al., 2011). It is demanding to come up with the exact estimation of the benefits and burdens to different stakeholders due to the scope of the impacts and the nature of ecotourism per se. It would be challenging to estimate tourist expenditure en route before reaching final destinations. The fresher air resulted from forest protection benefit people from local to global scales. On the other hand the impact of air transport has negative effect on global scale. In addition, ecotourism occurs concurrently with other forms of tourism making it difficult to estimate its impacts.

One of the major concerns of ecotourism development is the unequal distribution of benefits and burdens from the development. Inequality among stakeholders constitutes the major barrier. Among the main obstacles are lacks of education, capital and power, conflict among ethnics, institution culture (development focuses on businesses rather than society). He et al. (2008) examine economic benefits distribution from ecotourism in Wolong Nature Reserve for Giant Pandas, China. The study indicates that the benefit is unevenly distributed among stakeholders. There are two levels of inequality: the inequality between the rural local residents and the external actors. Also benefit and burden distribution depends on spatial dimension. It seems that townsmen are able to make more benefits than residents in the remote areas. Within tourism sites itself, the residents living near the main attractions or entrance to the parks are likely to make more benefits in comparison to the others. In some cases, female have been excluded from tourism development; consequently, generate gap between genders.

It is often the case that local communities bear the majority of the burdens from ecotourism development. A study in Lombok, Indonesia suggests that tourism generates more benefits to immigrants rather than local residents (Schellhorn, 2010). Among local residents, benefit distribution is unequal due to the fact that men manage to reap more benefits than women. A study in the Maldives reports that tourism creates inequality among the population. Although tourism lifted per capita income to US$5,000, yet a large number of the population earn US$350 per year and 40% of the population subsists on US$1.7 per day. The study also indicates that tourism diverts vital resources from local residents. Fresh fruits and vegetables are transported to serve the needs of high-end resorts, leaving non-tourist islanders facing insufficient food supply. It was reported that 30% of children below five years of age have been undernourished. Tourism induces competition for space. Some beach areas are preserved for tourism purpose, leaving local fishermen face the problems (Scheyvens & Momsen, 2008). Some communities have been dislocated with the aim to protect the areas for tourism purposes. In addition, when ecotourism has been developed, local people have denied accessing to some forest resources, which vital for their life. In some areas, wildlife poses threats to their properties and their lives.

An effective mechanism that ensures equitable distribution of economic benefits from tourism is still lacking (Coria & Calfucura, 2012). However, attempts have been made to spread tourism benefits to a broader scale both directly and indirectly (MacKenzie, 2012). An example of a direct approach is CAMPFIRE in Zimbabwe, where 55% of total revenue from safari and

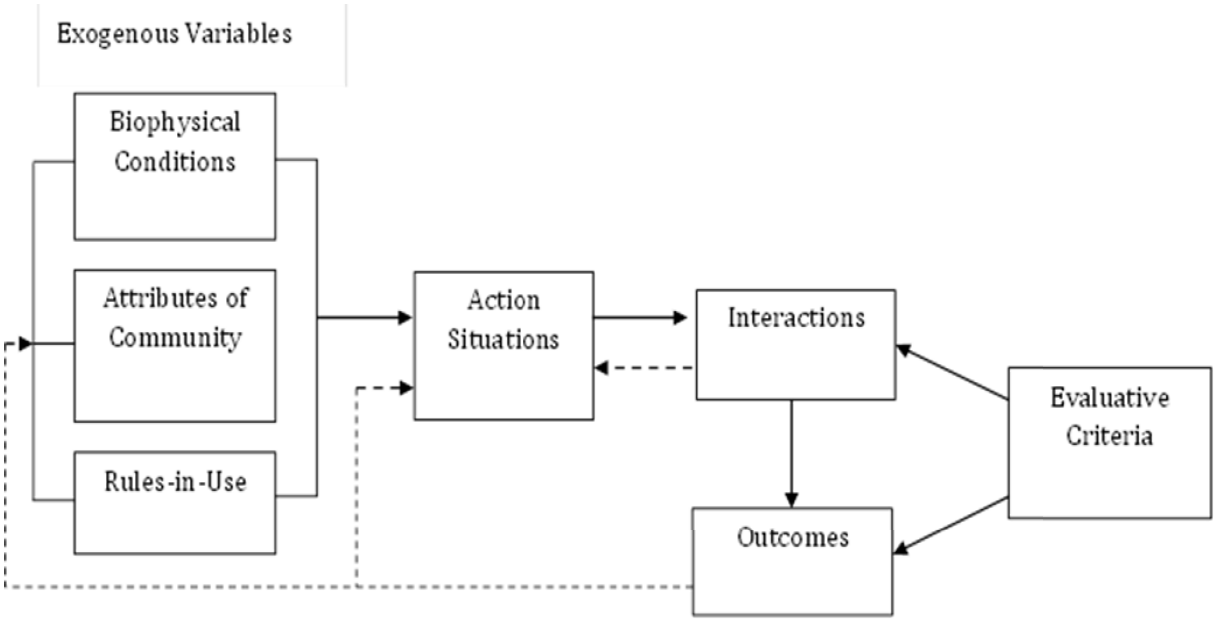
ecotourism activities has been directly transferred to the affected communities participating in the programme (Frost & Bond, 2008). Indirect approach is achieved through the allocation of tourism revenue for community development such as schools, health care facilities, microfinance scheme and other infrastructure development. A study in Uganda (Archabald & Naughton-Treves, 2001) compared three case studies in three parks in western Uganda. The study revealed that US$ 83,000 of tourism revenue was spent for the construction of 21 school, four clinics, one bridge and one road. Local condition and national policies contributed to the success of TRS programme. Nevertheless, there have been a number of challenges including TRS policies and implementing mechanism, corruption, in adequate funds, multiple stakeholders with different priorities.

2.9 Institutional Analysis Development (IAD) Framework

The Institutional Analysis Development (IAD) framework was developed in the Workshop in Political Theory and Policy Analysis at the Department of Political Science, Indiana University (Ostrom et al., 1994; Poteete et al., 2010). Eleanor Ostrom, a Nobel laureate in economics science, and Vincent Ostrom initiated the workshop, where scientists from physical sciences and various disciplines of social sciences, from many countries around the world participating the workshop. The framework was first developed in the 1970s to address public administration and metropolitan organization problems. One of the main reasons of its development was to integrate diverse policy elements and knowledge of diverse policy analysts to solve public administration problems. A decade later, the US National Research Council (NRC) promoted the application of the framework in the study of Common Pool Resources (CPR) and other natural resources areas including three broad areas of irrigation, forests. The applications have been even extended to other areas such as social choice, rural infrastructure in developing countries or information technology industry.

The IAD framework is a systematic approach for policy analysis in several political-economic situations. The framework applies various analytical techniques from both physical and social sciences. The approach does not replace the techniques, but rather to synthesize them to development more innovative approach (Ostrom & Cox, 2010). It allows researchers to understand complex social situations and break them down into manageable elements. It helps us to avoid oversight or simplifications that constitute cause of policy failure (Polski & Ostrom, 1999).

Figure 1: Institution Analysis Development Framework



Source: Poteete et al. (2010)

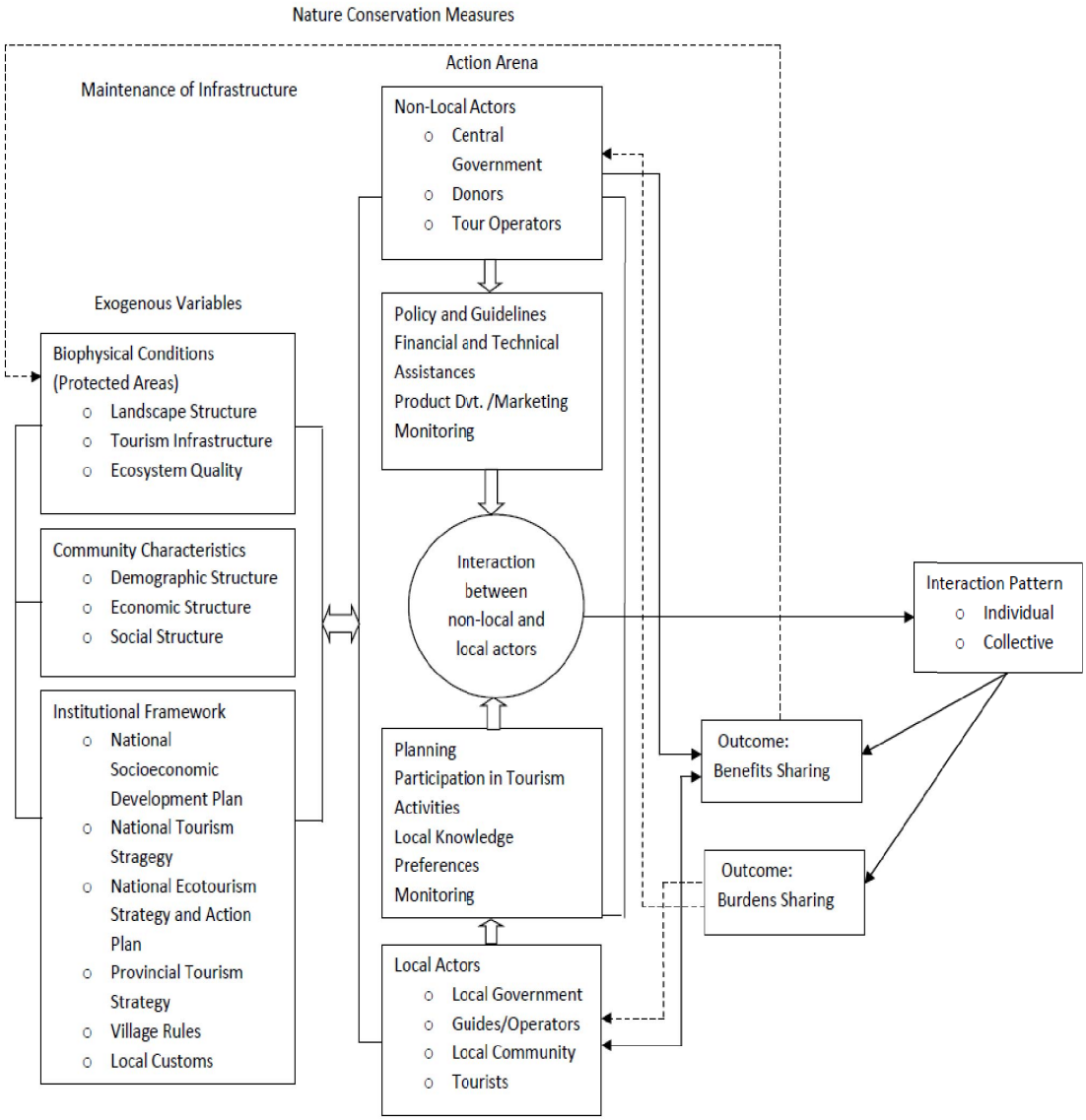
The IAD framework consists of three elements namely exogenous variables, action arena and outcomes (see Figure 1). According to Poteete et al. (2010, p. 40), the framework is a meta-theoretical, conceptual map that identifies an action situation, pattern of interaction and outcomes, and evaluation of these outcomes. Action situation is a space, where individuals or groups (actors) interact to exchange good and services, solving problems, dominate each other and whatever they could do. Action situation includes seven attributes (1) the set of participants confronting collective-action problems, (2) the set of positions or roles participants fill in the context of this situation, (3) the set of allowable actions for participants in each role or position, (4) the level of control of individual or group has over an action, (5) the potential outcomes associated with each possible combination of actions, (6) the amount of information available to actors, and (7) the costs and benefits associated with each possible action and outcome. The seven attributes function as variables which influent behaviour of participants. The aims of the analysis are to identify factors in the three components: exogenous variables, action arena and outcomes, that influence behaviours of the actors and evaluate the interaction patterns and the outcomes.

2.10 Analytical Framework for This Study

Thanks to the ability of the IAD framework to analyse complex problems that involve different stakeholder groups, the analytical framework was the developed following the basic concept of the IAD framework. The analytical framework consists of three main components: exogenous variables, ecotourism action arena and development outcome. Exogenous variables include biophysical conditions, community characteristics and institutional framework. These factors have

influenced and shaped the development. Ecotourism action arena is a situation where different stakeholders, in this case categorized into non-local and local actors, interact with each other. Each actor plays different role and contribute different input into the development process. Some actors have different goals. Sometimes they cooperate and sometime fight among each other. The third component of analytical framework is development outcomes, which divided into a bundle of benefits and burden. In this research, it is assumed that different actors share disproportionate benefits and burden from the development. In addition, some benefits go back to maintain biophysical condition of the protected areas.

Figure 2: Analytical Framework



Source: Author's illustration

2.11 Summary

The aim of this chapter is to review literature and develop analytical framework. In this chapter, the development and the meaning of ecotourism were discussed. The relationship among park, local and tourism are examined. Also, the impacts of ecotourism on nature and people are examined. Ecotourism planning and local participation were discussed. In addition, the benefits and burdens sharing are examined. The IAD framework was discussed. Finally, the analytical framework (Figure 2) was developed from the IAD framework for explaining the two case studies presented in the following chapters.

CHAPTER III: RESEARCH DESIGN

3.1 Research Method Considerations

The choice of a research method depends on the research questions and the research interests. In this study, mixed-method case study approach was applied. The mixed-method research involves a cross-fertilization of qualitative and quantitative methods aiming to take the strengths of the two methods and to counterbalance the weaknesses of each approach (Punch, 2005, p. 240). However, the author suggests that the contexts of the research have to be taken into account, when considering an application of the method. It has been argued that the approach provides a degree of flexibility for researchers to crosscheck the results, as a result, enhancing validity of the research (Phommavong, 2011). Likewise, the method allows researchers to have a better understanding on their research problems (Creswell & Clark, 2011). In addition, the two approaches support each other. The qualitative facilitates quantitative method by providing background information and a source of hypothesis, while quantitative helps the "choice of subjects" for qualitative study.

Case study is a detailed investigation of a single instance aiming is to create as many insights as possible about the case in order to develop theory and generalize the results. A case can be a person, a particular location (a protected area), an event (a traditional festival), an organization or a network (a conservation society) etc. (Flick, 2009, p. 134). Case study method is widely applied in several disciplines such as sociology, psychology, education, business, political science, and so on. It has been argued that case study is not a research method, but rather a research strategy (Poteete et al., 2010, p. 33). The approach is ideal for studying complexity of the case. The case study does not only confined to a single case by also has a holistic focus, which allows the researcher understand the wholeness (Punch, 2005, p. 144). The method is appropriate for both exploratory and evaluative research, given that it requires fewer assumptions about the nature of the cases and the causal relationship hidden behind. The case study approach contributes to theory testing.

Case study method is widely applied in tourism research. The approach offers a number of advantages for scholars to address their research questions. Beeton (2005, p. 38) argues that the approach offers researchers flexibility to present the findings and allows researchers to understand the whole through an in-depth analysis of a part.

Nevertheless, the approach has received a number of criticisms. One of the main critiques of the case study method is a lack of rigor (Yin, 1984, 2009). Others argue that the approach cannot enhance external validity, indeterminacy and difficulty in replication the method with other cases (Poteete et al., 2010). The researcher might impose his values that might lead to bias results. Another disadvantage of the approach is limited ability of the approach to be applied with

cross case, given that small samples cannot represent the whole population. The small samples may lead to bias in selection and indeterminacy.

3.2 Case Selection

In this research, two cases were selected for comparative purposes, which fits with the holistic multiple-case category (Yin, 2009, p. 46). The first case is located in Nam Ha National Protected Area (NH NPA), where the first ecotourism project (NHEP) was initiated in the indigenous communities in 1999. The second case is located on the fringe of Phou Khao Khouay National Protected Area (PKK NPA), where ecotourism was developed following the NHEP model between 2003 and 2004. Newing (2011, p. 47) suggests that the most common way to conduct comparative case study is to select two cases that have one different aspect interested to the researcher, and the rest are common characteristics. The two cases are both about ecotourism in NPAs; however, they are different in terms of accessibility, level of socioeconomic development, and culture and ethnicity. The communities in the second case study have a better level of development in comparison to those in the first case. Comparative approach has a lot of advantages given that the results are not only limited in a single case study, yet the approach allows the researchers to have flexibility to describe the results and compare with other cases that enable researchers to formulate further research questions (Newing, 2011, p. 46). According to Stake (2000, p. 444) ‘comparison is a grand epistemological strategy, a powerful conceptual mechanism, fixing attention upon one or a few attributes’. This allows researchers to delve into few cases; as a result, the findings and results are generalizable with other cases.

According to another classification, NHNPA serves as intrinsic case study, whereas PKK NPA serves as instrumental case study (Stake, 2000, p. 435). Although, NHNPA has gone through previous study, this research aims at providing deeper understanding of the case. PKKNPA was selected for the research due to the fact that it was assumed to provide additional insights of the problems in order to generalize the findings and results which other cases. The case plays a supporting and facilitating role to allow researcher understand other related problems.

3.3 Data Collection

This research was funded by Erasmus Mundus EURASIA2 project between 2011 and 2014. According to the rules of the funder, the researcher was not allowed to spend more than 15 days in a month outside Europe. Therefore, three fieldwork phases were implemented during the three-year research period. The first fieldwork was carried out between August and September 2012. The aim was to conduct expert interviews with tourism policy makers at national and provincial level, ecotourism consultants, donor organizations and ecotourism operator. In addition, participant observation was carried in both study areas to observe how ecotourism activities were organized. The second fieldwork was implemented in

February and March 2013. During the period, semi-structured interviews were conducted with key informants both inside and outside communities. Life history interviews were conducted with community members who are working in tourism related activities. Additionally, an associated research (C. Winkler, 2013) was conducted with western tourists, who took part in ecotourism activities in both study areas. The final fieldwork was conducted in January and February 2014. Stakeholder seminars were organized in both studied areas under the financial support of Sustainable Tourism Development Project based in the head of office of Tourism Development Department.

3.3.1 Permission and Access to the Sites

Permissions from related government offices are required to conduct research in Laos due to the fact that the government wants to make sure the data is only used for research purposes and such research is not detrimental to national security. The rules apply to both foreign and Lao researchers. For foreign scholars, an application of permission letter is even more complicated. In the worst case, the application might take one or two months to get a letter. In our case, the application and access to the research sites were relatively easy, thanks to cooperation with research assistants in Laos. I asked a research assistant at the Faculty of Social Sciences, National University of Laos, to prepare permission letters in advance. The permission letters together with interview guides were sent to the respondents two weeks prior to the onset of the fieldwork. I found out that an introduction of myself, as a researcher from the National University of Laos, was more effective to gain acceptance from the respondents rather than presenting as a PhD student. An approach a high-ranking respondent was more difficult than their lower-ranking counterparts due to availabilities and workload of the respondents.

Commuting between the two study areas posed another challenge due to poor transportation infrastructure. Luang Namtha and Bolikhamsai are approximately 700 kilometers apart. I travelled on a bus along a bumpy narrow highway snaking around dozens of mountains to reach Luang Namtha, which took around 22 hours to arrive. In the provincial level, permission process was less cumbersome. In Luang Namtha, researchers are not allowed to go to the communities alone. They have to get permission from provincial authority and go there with provincial guides or public officer. Travelling to communities posed another physical challenge since there is no road. It took me four or five hours to walk up and down the hills guided by a provincial guide to reach the communities. Having arrived the communities, I approached village chiefs and *neohom* (elders), who have been regarded as the gatekeepers. I found out that it was useful to have provincial tour guides, who acted as “cultural brokers” to liaise the communication with local communities, thanks to friendly relations between the tour guides and village authorities. This helped to reduce the gap between the researcher and the respondents. After the discussions, the community leaders

helped me in getting in contact with community members and asked them to participate in the interviews.

In the second research site, access to the sites was not difficult as the communities are located near the main road. I followed the same permission procedure. I approached village authorities then the authorities assigned key persons (village guides and village tourism managers), who helped me in getting contacts with target interviewees. This allowed me to save time as the key persons functions as a bridge between the research and the respondents.

3.3.2 Expert Interviews

In this research, nine expert interviews were conducted with tourism policymakers, consultants and tour operators at the national and provincial levels. Expert interview is the application of a semi-structured interview to a specific context. There is no generally accepted definition of an expert. An individual could be an expert in her/his biography; a rice farmer is an expert in rice farming etc. According to Flick (2009), an informant who holds specific position in an organization can be regarded an expert in her/his field of responsibility. Thus tourism policymakers could be regarded as policy experts, while tourism consultants and tour operators are practical experts.

Table 2: Expert Interview Partners

Title	**Organization**	**Frequency**
Director General	Tourism Development Department	1
National Team Leader	Sustainable Tourism Development Project	1
Director	National Community Based Tourism Training Center in Luang Namtha	1
National Team Leader	New Zealand Aid	1
Department Head	Luang Namtha Department of Information, Culture and Tourism	1
Consultant	Green Discovery Laos	1
Branch Manager	Green Discovery Laos, Luang Namtha	1
Acting Head of Tourism Division	Bolikhamsay Department of Information, Culture and Tourism	1
Former Advisor	German Development Service (DED) Xieng Khuang	1
Total		**9**

Source: Author's fieldwork, August 2012

As illustrated in Table 2, the expert interviews were conducted with the informants from a tour company, donor organizations, and national and provincial tourism offices. There were 12 open-ended questions from general (e.g.

ecotourism understanding) to specific (e.g. benefits and burdens sharing) and ended with general comments (see appendix 1). The questions were formulated based on literature the main research questions. Four interviews were conducted at the national levels, while four at provincial level. One interview was conducted in Vienna. When relevant issues were raised during the interviews, follow up questions were added to gain deeper insights. Seven interviews were conducted in Lao and two in English. The interviews lasted between thirty minutes and one and a half hour.

3.3.3 Participant Observation

Participant observation was carried out during the three fieldwork phases. Observation involves the use of all senses of seeing, hearing, felling, smelling and touching. Flick (2009, p. 226) argues that participant observation means a scholar 'dive headlong into the field'. Observation enables researchers to enhance validity of research findings by comparing the observed reality of social situation with what explained in the interviews (Flick, 2009, p. 222). According to Spradley (1980, p. 34), participant observation occurs in three stages including descriptive observation, focus observation and selective observation. Descriptive observation implies that an observer tries to sense a general picture of the field, which helps the researcher to understand complexity of the field and develop more specific research questions. Focus observation deals with focusing attention on specific problems aimed to investigate, while selective observation concerns with finding additional data to prove the second step.

In the first fieldwork phase, I tried to understand a broad picture the tourism activity organization and the general characteristics of the communities through descriptive observation. I took part in tourism-related activities and had a short stay in the communities. In Luang Namtha, I attended a two-days-one-night kayaking and trekking tour offered by Green Discovery Laos inside the Nam Ha NPA. In Ban Na and Ban Hathkhai, I participated in trekking tours to the protected area and stayed overnight with homestay families in the villages. While taking part in the activities, I had informal discussions with provincial tour guides and community leaders to get additional insights and to create rapport between the researcher and prospect respondents. This facilitated the implantation of the subsequent fieldworks.

In the second fieldwork phase, I tried to narrow down the observation, or what Spradley called "focus observation", by focusing on the relevant issues, for instance, how villagers participated in cooking and guiding visitors. I spent most of the time in the communities to interview community leaders and community members in parallel with the observation.

Selective observation was implemented during the final fieldwork phase. Some critical issues (e.g. illegal logging, maximizing tourism income in the villages), which collected from the first and second fieldworks, were raised in the

stakeholder seminars. In this setting, I assumed the roles of facilitator and observer.

3.3.4 Semi-structured Interviews

In total, 17 semi-structured interviews were conducted with key informants such as village chiefs, elders and village tourism managers in the two study areas. The respondents were selected using purposive sampling technique. Semi-structured interview offers researchers a flexibility to modify the order or adjust the content of the topics. In addition, the interviewer is able to manipulate the discussed topics. Russell (2000, p. 191) argues that semi-structure interview is well functioning in a situation, where the target respondents are manager, bureaucrats and elite members of community.

In Luang Namtha, I found out that it was useful to interview respondents, who were working in tourism-related activities in the town. Therefore some interviews were conducted with provincial tour guides and local transport providers.

The interview guides (see appendix 2) were developed based on the main research questions starting from general to specific issues. The questions were customized to suit with respondents' tasks responsibilities in tourism. During the interviews, I tried to maintain flexibility and manipulate the respondents. Additional questions were raised to bring them back on track, when respondents described something beyond scope of the research. When important issues were mentioned particularly related to the main research questions, follow up questions were posed to have better understanding on the issues. The interview lasted between 30 minutes and one hour.

3.3.5 Life History Interviews

A total number of 38 life history interviews were conducted with community members, who have worked in tourism as cooks, village guides, homestay hosts and guesthouse keepers in both research sites between February and March 2013. Life history interview involves drawing a picture of one's life, which involves asking questions on several theme of life such as childhood, adolescence, education, family etc. It has been argued that life history is a good technique to get rich data, especially when interviewing disadvantaged groups who have little education (Phommavong, 2011).

The interview guide (see appendix 3) was developed based on the themes of a person's life such as personal background, childhood, education, occupation and etc. Then the conversation jumped up to the questions related to working in tourism such as 'how long have you involved in tourism?'; 'Why you decided to work in tourism?'; 'How the income from tourism has been distributed?'

In the communities, village chiefs, village tourism managers or village guides assisted me to get in touch with targeted respondents. This helped me to save time and to reduce the gaps between researcher and the informants. During the interview, I tried to maintain gender balance by including as many women as

possible. In Luang Namtha I found out that it was considerably difficult to encourage them to talk due to the fact that the majority of the respondents have only three-year basic education. As a consequence, the answers were relatively short and sometimes illogical. Another challenge was that it was difficult to separate interviewees from other community members. After an interview began, family members or other villagers were interested in and came to join the conversations. In some cases, they answered the questions on behalf of the respondents; as a result, bias in data was unavoidable.

A large number of the respondents are from ethnic groups, especially in Luang Namtha. Consequently cultural difference between the researcher and the researched was a barrier in communication. Despite the fact that most of them understand Lao, their spoken language; however, was considerably influenced by local dialects. As a result, some of the answers were incomprehensible making the transcriptions of the audio files were increasingly demanding. Given that some informants had only basic understanding of Lao language, three interviews were conducted through an interpreter, who was a provincial tour guide. The respondents felt more comfortable and were eager to talk when speaking through the interpreter.

3.3.6 Questionnaire Surveys

Questionnaire surveys were conducted in both study areas to gain deeper insights and triangulate the results. The set of questionnaire (see appendix 4) was designed based on the results from qualitative interviews. The questionnaire was structured in four parts: tourism involvement; benefits and burdens sharing; future development and general information of the respondents. Twenty questionnaires were pretested in a community called Yang Kheua to ensure usability. The community shares similar socioeconomic and environmental characteristics with Ban Na and Ban Hathkhai.

A total number of 135 questionnaires were conducted with residents, who have been involved and not involved in tourism activities in Ban Na and Ban Hathkhai. Four research assistants, who are students at the Faculty of Social Sciences, NUOL, were employed. The surveys were completed in November 2013.

In Luang Namtha, a total number of 93 questionnaires were conducted with local residents, who are involved and not involved in tourism activities in the villages. The surveys were conducted in January 2014, when the majority of the residents were available from working in their rice field and plantations. Two research assistants, who are the Director of National Community Based Tourism Training Centre and a provincial tour guide, were employed. There were a lot of advantages of employing research assistants from the area. The assistant, who is the director of CBT training center, has over ten-year experiences of working with local communities, while the guide has regular contacts and friendly relations with the communities. This relationship helped to facilitates the data collection process.

3.3.7 Stakeholder Seminars

Two stakeholder seminars were organized in the two study areas to report the preliminary findings and receive feedbacks from different stakeholder groups. The seminar organization was received a collaboration from donor organizations and provincial tourism offices. There provided financial support, meeting facilities and inviting stakeholders.

The objectives were twofold: (1) to reports the results to different groups of stakeholders in order to get reflection and (2) to develop solutions for future development. The seminars were organized based on the following format:

- Opening remark by Provincial Department of Information, Culture and Tourism.
- Introduction of the participants
- Introduction to the workshop, presentation on theory of community-based tourism, and report the preliminary findings and reflection from participants.
- Small groups: brainstorming on possible solutions for the problems.
- Presentation from small groups and discussion.
- Wrap up and closing remarks.

In Luang Namtha, a one-day seminar was organized on 23 January 2014 at the National Community-Based Tourism Training Centre[8] located in the center of the town. There were 24 participants from different stakeholder groups attended the meeting.

Table 3: List of Participants in Luang Namtha

Title	**Organization**	**Frequency**
Deputy Department Head	Luang Namtha Department of Information, Culture and Tourism	1
Director	National CBT Training Centre	1
Manager	Local Tour Operator	10
Provincial Tour Guide	Provincial Tour Guide Association	4
Village Chief	Nalan Neua Village	1
Deputy Chief	Nalan Neua Village	1
Village Chief	Namkoy Village	1
Deputy Chief	Namkoy Village	1
Technical Staff	National CBT Training Centre	1
Technical Staff	Ecotourism Division, TDD	1
Total		**24**

Source: Author's fieldwork, January 2014

[8] The centre was constructed under financial support of NZAID and completed in 2013.

There were only four participants from the local communities; as a result, the representatives from local tour operators dominated the discussions.

In the second study area, the seminar was organized on 5 February 2014 in the Ban Na meeting hall, where 34 participants from several stakeholder groups attended the meeting. Importantly the deputy general director of TDD, who supervises tourism development projects, participated in the meeting. The name of the organization and positions of the participants are listed in Table 4.

Table 4: List of Participants in Ban Na

Title	**Organization**	**Frequency**
Department Head	Bolikhamsay Department of Information, Culture and Tourism	1
Deputy Department Head	Bolikhamsay Department of Information, Culture and Tourism	1
Technical Staff	Bolikhamsay Department of Information, Culture and Tourism	1
Deputy Head of Training Section	Bolikhamsay Department of Information, Culture and Tourism	2
Deputy Director General	Tourism Development Department	1
Technical Staff	Tourism Development Department	4
Office Manager	ICT Office, Thaphabath District	1
Technical Staff	ICT Office, Thaphabath District	1
Head of Battalion 902	PKK NPA	1
Assistant to Tourism Division	PKK NPA	1
Deputy Head of Technical Division	PKK NPA	1
Village Guide	Ban Na	5
Village Tourism Manager	Ban Na	1
Head of Homestay Group	Ban Na	1
Homestay Host	Ban Na	1
Deputy Village Chief	Ban Na	1
Head of Women's Union	Ban Na	1
Basketry Maker	Ban Na	1
Village Chief	Ban Hathkhai	1
Village Guide	Ban Hathkhai	4
Advisor	Green Discovery Laos	1
Advisor	Viengchan Orchids	1
Total		**34**

Source: Author's fieldwork, February 2014

The two seminars were organized based on the same format. The seminars began with the opening speeches of high-ranking official from provincial tourism offices. Afterwards, the researcher spent approximately an hour presented the preliminary results and ecotourism-related problems (e.g. decreasing tourism income in the village, waste management etc.). In these setting, I assumed a role as discussion facilitator rather than actor in the meeting. Following the presentation, the participants were asked to give feedbacks on the findings and ask the questions. In addition, participants were requested to raise additional problems they wanted to bring up to the discussion. The problems were selected based on the majority vote. After the feedback and question session, the participants were split into small groups of 4 or 5 with participants. A speaker and a minute taker were appointed in each group. Each group was allocated around 45 minutes to discuss one or two problems in order to propose solutions. After the 45 minute-discussion, each group presented the results of the discussions to the whole group. Then participants were allowed to question or contributed additional ideas. The seminars ended with the conclusions by the researcher and closing remarks by the provincial tourism department.

In general, the seminars had lively discussion due to the fact that this was a rare setting where ecotourism stakeholders came together. In Luang Namtha, the discussion lasted until 6 pm. However, the discussions did not lead to formal solutions but rather they served as platforms, bringing different stakeholder groups, who have different interests to confront among each other. The seminars allowed the researcher to observe the actions of different stakeholder groups and to gain deeper insights on ecotourism-related critical issues in the two study areas. In addition, the seminars served as the floors, where different groups of stakeholders get together. The stakeholder groups rarely met since the development of ecotourism.

3.4 Data Analysis

Content analysis is the main approach for analyzing qualitative data, whereas quantitative data was treated applying statistical methods. The process of qualitative analysis started with transcribing the interviews.

During the three-year research period, a total number of 64 qualitative interviews were conducted, of which two interviews were conducted in English and three in local languages (Khmu and Lanten), through interpreters from the region and 59 interviews were conducted in Lao. The interviews conducted in English were transcribed directly into English texts, whereas the interviews in local languages were simultaneously transcribed and translated into English, which required greater mental effort. Transcribing interviews in several languages is challenging and time-consuming. Although the interviews in English were directly transcribed into English texts, I found out that the task more time-consuming. As the interviews in local languages, there were several difficulties. There were a lot of local dialects, which the researcher was not familiar. In many

cases, the answers were messy; therefore, amendment and additions by the researcher were necessary.

Following the transcription, Content Analysis (CA) was applied to analyze the data (Mayring, 2000). In addition, ATLAS.ti, computer-assisted qualitative data analysis software (CAQDAS), was employed to ease the process. The analysis was based on inductive and deductive approaches, where the codes were developed from the literature and empirical data. The analysis was not based on word count, but rather main themes emerged from the data. The qualitative data were coded following three steps of open coding, axial coding and selective coding. The analytical framework, developed in the Chapter II, was applied to guide the analysis.

Table 5: List of Codes and Interviewees

Code	Title	Location	Sector
NTP	National Tourism Policymaker	Vientiane	Public
PPM1	Provincial Tourism Policymaker	Luang Namtha	Public
DTC	Director of National CBT Training Centre	Luang Namtha	Public
PAM	Protected Area Manager	Luang Namtha	Public
PPM2	Provincial Tourism Policymaker	Bolikhamsay	Public
NL1	National Team Leader	NZAID Vientiane	Donor Organization
NL2	National Team Leader	STDP Vientiane	Donor Organization
AD1	Advisor	GDL Vientiane	Private Sector
AD2	Advisor	Vienna	Donor Organization
BM	Branch Manager	Luang Namtha	Private Sector
PG1	Provincial Tour Guide	Luang Namtha	Private Sector
PG2	Provincial Tour Guide	Luang Namtha	Private Sector
PG3	Provincial Tour Guide	Luang Namtha	Private Sector
PG4	Provincial Tour Guide	Luang Namtha	Private Sector
TP	Transport Providers	Luang Namtha	Private Sector
VC1	Village Chief	Nalan Neua	Local Community
EL1	Elder	Nalan Neua	Local Community
EL2	Elder	Nalan Neua	Local Community
VTM1	Village Tourism Manager	Nalan Neua	Local Community
CM1	Community Member	Nalan Neua	Local Community
CM2	Community Member	Nalan Neua	Local Community
CM3	Community Member	Nalan Neua	Local Community
CM4	Community Member	Nalan Neua	Local Community
CM5	Community Member	Nalan Neua	Local Community
CM6	Community Member	Nalan Neua	Local Community
CM7	Community Member	Nalan Neua	Local Community
CM8	Community Member	Nalan Neua	Local Community
CM9	Community Member	Nalan Neua	Local Community
CM10	Community Member	Nalan Neua	Local Community
CM11	Community Member	Nalan Neua	Local Community
CM12	Community Member	Nalan Neua	Local Community
VC2	Village Chief	Nalan Tai	Local Community
CM13	Community Member	Nalan Tai	Local Community

CM14	Community Member	Nalan Tai	Local Community
CM15	Community Member	Nalan Tai	Local Community
EL3	Elder	Namkoy	Local Community
CM16	Community Member	Namkoy	Local Community
CM17	Community Member	Namkoy	Local Community
CM18	Community Member	Namkoy	Local Community
CM19	Community Member	Namkoy	Local Community
CM20	Community Member	Namkoy	Local Community
CM21	Community Member	Namkoy	Local Community
CM22	Community Member	Namkoy	Local Community
CM23	Community Member	Namkoy	Local Community
VTM2	Village Tourism Manager	Ban Na	Local Community
VTM3	Village Tourism Manager	Ban Na	Local Community
CM24	Community Member	Ban Na	Local Community
CM25	Community Member	Ban Na	Local Community
CM26	Community Member	Ban Na	Local Community
CM27	Community Member	Ban Na	Local Community
CM28	Community Member	Ban Na	Local Community
CM29	Community Member	Ban Na	Local Community
CM30	Community Member	Ban Na	Local Community
CM31	Community Member	Ban Na	Local Community
VC3	Village Chief	Ban Hathkai	Local Community
VTM4	Village Tourism Manager	Ban Hathkai	Local Community
VTM5	Village Tourism Manager	Ban Hathkai	Local Community
CM32	Community Member	Ban Hathkai	Local Community
CM33	Community Member	Ban Hathkai	Local Community
CM34	Community Member	Ban Hathkai	Local Community
CM35	Community Member	Ban Hathkai	Local Community
CM36	Community Member	Ban Hathkai	Local Community
CM37	Community Member	Ban Hathkai	Local Community

In total, 228 questionnaires were collected from the two study areas. Only four questionnaires were considered invalid for the analysis. The data from questionnaire survey were keyed in to SPSS. Quantitative data analysis was based on descriptive statistic methods. The aim of quantitative data analysis is to supplement the qualitative data. Both qualitative and quantitative data were integrated into the thesis applying mixing approach, which allows the researcher to better understand the problems.

3.5 Validity of the Findings and Results

Validity and reliability are major concerns of the research. In this research, I applied different strategy to deal with validity of the findings and results. Mixed-method contributes to enhance validity and reliability of the findings and results as it allows researcher to cross check the findings and results. First it was participant observation, which allows researchers to compare the reality with data from the respondents. Second, it was stakeholder seminars, where the findings

were reported in order to receive feedbacks from the respondents or what Beeton (2005) called “respondent validation”. In addition, content analysis the main technique for data analysis. It has been argued that although the technique can be a research tool by its own right, is often used as an element of multi-method case study designs to enhance validity of the results and minimize bias in tourism research (Hall & Valentin, 2005).

CHAPTER IV: PUTTING LAOS INTO FOCUS

4.1 Introduction

During the three-year period of PhD study in Austria, I was often asked where I am from. 'I am from Laos' the answer. The followed up questions were 'Where is Laos?' 'What does the country look like?' 'How many inhabitants are there?' 'What language do people speak?' etc. From this notion, Laos seems to be a hidden place and unfamiliar to the rest of the world. According to Rigg (2005), Laos is under researched and one of the least understood countries in Asia.

The aim of this chapter is to provide a deeper understanding on socioeconomic, political and environmental dimensions of Laos. This serves as the foundation to better understand the country socioeconomic development, from past to present, in general and tourism and ecotourism development in particular. The chapter begins with a general description of geography, a brief history and the peoples of Laos. In addition, economic development, economic liberalization and tourism sector development are also examined. As tourism development is often involved the national protected areas, there is a section specifically devoted to describe the National Protected Area System. Finally, ecotourism development in the countries was highlighted.

4.2 Laos and the Peoples of Laos

The Lao People's Democratic Republic, hereafter Lao PDR or Laos, is a landlocked country located in the Southeast Asia. It has an area of 236,800 square kilometres, the approximate size of Great Britain, a population of 6.7 million inhabitants in 2013[9] and a population density of 23 persons per square kilometres, among the lowest in Asia. The country shares a border with five neighbouring countries. Laos has common borders of 423 kilometres with China to the north; 2,130 kilometres with Vietnam to the east, 1,754 kilometres with Thailand to the west; 235 kilometres with Burma to the northwest; and 571 kilometres with Cambodia to the south (LSB, 2012).

Laos has a monsoon tropical climate with two distinct seasons. The rainy season runs from May to October, while the cold dry season begins in November and lasts until February and the hot dry season is between March and April. The average temperature ranges from 40° C along the Mekong to 5° C particularly during January and February in Xieng Khuang and Phongsaly provinces. The amount of rainfall varies across the regions, with the highest rainfall of 3,700 millimetres per year recorded on Bolaven Plateau in the Champasak Province. Savannakhet and Vientiane receives an average annual precipitation of 1,440 millimetres and 1,700 millimetres respectively, while the amount in Luang Prabang is recorded at 1,360 millimetres annually (LSB, 2012).

[9] www.worldbank.org/en/country/lao

Figure 3: Map of Laos



Source: www.cia.gov

4.2.1 A Short History of Laos

The history of contemporary Laos can be traced back to the 14th century, when a Lao prince, who was raised by the Cambodian king, named Fa Ngum, led about 10,000 Khmer troops to conquer *Tai* principalities along the Mekong River. Following a series of conquests, he integrated the principalities into *mandalas*[10] and established the Kingdom of Lao Lane Xang (literally "the Kingdom of Million Elephants") in 1354 in Vientiane (G. Evans, 2002; M. Stuart-Fox, 1997). Subsequently he reclaimed *Meuang Swa*[11] from his uncle and declared it the capital of the kingdom. The kingdom had a vast territory spanning from Sipsong Chu Tai in Vietnam in the east to Xishuangbanna in southern China to the Khorat Plateau in the eastern part of contemporary Thailand. When Fa Ngum died in 1393, his son, Chao Oun Heuan, was enthroned under the name Chao Samsenthai

[10] The term came from Sansakrit means "circle". It has been used to describe political formations in ancient time in many Southeast Asian countries.
[11] Meuang Swa was renamed Luang Prabang 600 years after Fa Ngum's death.

(the Lord of Three Hundred Thousand Tai), and the dynasty ruled the kingdom for 300 years until the 17th century through a complex network of vassal state relations. During this period, the rulers were able to maintain independence of Lane Xang despite some periodical confrontations with the neighbouring powers: Vietnam (1478-1479), Siam[12] (1536), and Burma (1571-1621).

In 1690 the dark age of the Kingdom of Lao Lane Xang began, when the empire was split into three separated kingdoms of Luang Prabang, Vientiane and Champasack, due to internal power struggles among elites. The division led to internal conflicts and foreign invasions. Consequently the three kingdoms were under the suzerainty of foreign power for the next two hundred years, until the French colonized Laos in the late 19th century (Savada, 1994; Martin Stuart-Fox, 2005). In 1771, for instance, Luang Prabang attacked Vientiane with an accusation of Vientiane involvement in Burma's attack on its capital in 1756. Between 1778 and 1779 Siam was able to seize Vientiane for the first time, and ruled the city as a vassal state. By 1823, Chao Anouvong, the last king of Vientiane, who was raised by the Siamese king, tried an unsuccessful attempt to seize the power from Bangkok due to unjust treatments of Siam toward Laos (Ford, 2011). In response, Siam attacked Vientiane for the second time and burned down the city between 1827 and 1828. Following the attack, thousands of Lao people were deported to Bangkok and Chao Anouvong was captured and sent to Bangkok in the following year. Later he died while being imprisoned in Bangkok.

After France occupied Cambodia in 1863, Ernest Doudart de Lagrée, a French explorer, went to explore the Mekong region in order to establish trading relations between French Cambodia and Cochinchina (modern-day southern Vietnam) and other states. In 1885, August Pavie, a French explorer and diplomat, established a French consulate in Luang Prabang, followed by one in Vientiane. With the fear of French influence, Chulalongkorn, the Siamese King, signed a treaty with the French, acknowledging Siam suzerainty over Luang Prabang in 1886. In 1888, Chinese forces called "Black Flags" declared war against Siam and its vassal state, Luang Prabang. As a result, Pavie and the French forces intervened and helped to evacuate King Ounkham and his family to a safe place. Afterwards the French troops were called from Hanoi to expel the Black Flag Army. When he re-entered the city, the king requested French *protectorat* over Luang Prabang. Pavie sent the request to Paris and ultimately a bill between two sides was signed on 27 May 1889 designing Luang Prabang as a French *protectorat* amid Siam protest. Subsequently, border conflicts broke out between the French and Siam. Finally an ultimatum was sent to Siam forcing Chulalongkorn to acknowledge French control over the Lao territory. In 1896, a treaty between the British and the French was signed, recognizing the border between Laos and Burma. In 1898 Laos was officially integrated into French Indochina, formed by the integration of Cambodia and Vietnam in 1887.

Following the integration of Laos into French Indochina, the Colonial Administration was set up in Vientiane. The *Résident Superieur*, who had a rank equal to a French ambassador, was responsible for the administration. Ten provinces of Laos were acknowledged instead of two provinces (*Haut-Laos* and *Bas-Laos*). In each province, a provincial *Résident* was appointed to oversee

[12] Siam was renamed Thailand in 1939 with a plan to integrate all Tai groups into a single country.

administrative affaires. The French introduced taxation throughout Laos to finance the administration. Due to its geographical isolation, French colonialists regarded Laos as non-economically viable for development. Therefore, they put fewer efforts into social and economic infrastructure development in Laos, compared to Cambodia and Vietnam. In the 1920s, 90% of the population constituted subsistent farmers, who produced just for domestic consumption and a little surplus for paying taxes. The French colonial administration was confronted with a series of uprisings, particularly from the ethnic minorities in Salavan and Phongsaly provinces in 1901 due to tax collection and assimilation policies. However, the French managed to suppress all revolts by 1910. In 1945, the Japanese forces occupied Laos and imprisoned some French officials. Some French troops retreated to the mountains to join Lao forces, who set insurgence against Japanese occupation. Japan maintained control over Laos until their final surrender in August 1945.

After the Japanese troops withdrew from Laos, the French tried to revive their colonial power by reoccupying Vientiane. Prince Phetsarath-led *Lao Issara*[13] sided with Viet Minh, mobilized Lao soldiers to resist the French reoccupation (Ivarsson & Goscha, 2007). The resistance led to a bloodshed battle between Lao *Issara* and French troops on 23 August 1946 in Thakhek, the capital of Khammuan Province, central Laos. Following the French defeat in Dien Bien Phu in Vietnam, Laos was granted full independence at the Geneva Conference in 1954. Nevertheless, its independence did not translate into a peaceful state, but rather the most devastating civil war in Lao history. The war was fought between the Royalist[14] and the *Pathet Lao*[15], which led to an American military intervention, the so called "Secret War of CIA," following by a massive bombardment, which caused loss of properties and hundred thousands of lives. It was estimated that over 2 million tons of bombs were dropped onto Lao territory between 1964 and 1973, making Laos the most heavily bombed country on earth[16]. At last the *Pathet Lao* won the war, leading to the foundation of the Lao People's Democratic Republic on the 2 December 1975.

4.2.2 Peoples of Laos

When the French first colonized Laos, the population of Laos was estimated at 500,000 inhabitants (Grant Evans, 2004). By 1985, the number of 3.57 million was recorded (Savada, 1994), and reached 6.2 million in 2012 (BTI, 2012). Laos is a multi-ethnic society with 49 ethnic groups speaking approximately 230 dialects. In general the peoples of Laos are categorized into three main groups according to the altitudes of their settlements *Lao loum* (Lowland Lao), *Lao theung* (Midland Lao) and *Lao soung* (Highland Lao). Alternatively Lao peoples can be classified according to their ethnic and linguistic families, namely: Lao-Tai, Mon-Khmer, Chine-Tibet and Hmong-Mien (Sisouphanthong & Taillard, 2000; Martin Stuart-Fox, 2005).

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[13] Free Laos

[14] Royalist is the so called "Vientiane Side" backed by American Government

[15] The *Pathet Lao* (Lao Nation) is the revolutionary side led by Lao People's Revolutionary Party (LPRP), the current ruling party. During the war, LPRP commanded the battles mainly in the northern part of Laos.

[16] www.uxolaos.org

Lao-Tai, often referred to as ethnic Lao, are Theravada Buddhists, who constitute 66.5% of the total population (M. Stuart-Fox, 1997). They inhabit the plains and valleys, particularly along the Mekong River. They practice wet rice cultivation and other staple crops. The group can be found in other countries in mainland Southeast Asia, such as Thailand and Vietnam. For a long time, Lao Tai have enjoyed cultural, economic and political powers in Laos.

Mon-Khmer, of Austroasiatic origin and making up 23.5% of the population, migrated into Laos before Lao-Tai. They occupy the hillsides and slopes, mainly in the central and northern Laos. Khmu is the most populous group within Mon-Khmer. Other ethnics include Lamet, Loven and So. Traditionally they live in villages and practice shifting cultivation, occasionally migrating to find more futile soil. Since the 1990s, some of them have been relocated to the plains due to the government policy of reducing shifting cultivation and in a bid of better access to public services.

Chine-Tibet comprises 2.7% of the population, live on the upper slopes or the top of the mountains in northern Laos, in particular in Luang Namtha and Phongsaly provinces. The groups migrated into Laos during the 19th century from China due to conflicts. They practiced swidden agriculture and often migrated when soil fertility diminished.

Hmong-Mien, sometimes referred to as Meo-Yao, 7.5% of the population, settle in high mountain areas predominantly in the Xieng Khuang province. Some of them can be found in other provinces in northern Laos. Like Chine-Tibet, they migrated from China to Laos in the 19th century and practiced swidden agriculture.

4.3Economic Development after the Lao PDR: 1975-1985

Just two months before the proclamation of the Lao PDR, the leaders of *Pathet Lao* decided to pursue socialist economic orthodoxy in the Third Plenum of the Second Central Committee without having gone through the capitalist stage. To maintain stability and to move the country forward, Lao PDR stressed two strategic functions of protection and reconstruction of the nation. Under the command economic regime, major industries were nationalized, including the banking sector, in parallel with collectivization of the agricultural sector. During the socialist period, economic planning focused on two main objectives of abolishing feudalism and colonialism and building people's democratic regime by expanding administrative power to the grassroots level (Yamada, 2013). To realize these goals, five priority tasks were laid out, including: (1) normalization of people's life by supplying food, clothes, housing and building economic infrastructure; (2) strengthening the party rule across the country; (3) state institution building; (4) elimination of the war-time regime; and (5) reconstruction of the nation and integration of minorities.

Economic development under the centrally planned economic system encountered a number of difficulties, caused by both internal and external pressures (Khouangvichit, 2010). After the PLPR seized power, USA and its western allies withdrew most of their aid from Laos, which caused some troubles for the Lao economy, particularly in Vientiane (Rosser, 2006). During the wartime, Vientiane enjoyed economic prosperity, thanks to the supply of goods and services for the American military operations. Although Vietnam and the former Soviet Union and its Eastern Europe allies provided some assistance to

Laos, the amount could not offset those from the western countries. Nevertheless, there were some non-socialist countries, such as Australia and Japan, which still maintained their aid operations in the country.

Following the proclamation, hundred thousands of Lao people, mostly from intellectual and entrepreneurial classes, fled the country, mainly to the USA, France and other western affluent countries. It was estimated that Laos lost 10% of its total population (Savada, 1994). This exodus engendered both a massive capital flight and loss of qualified human capital. It has been reported that Laos lost 90% of its intellectual class after the establishment of Lao PDR (Martin Stuart-Fox, Undated). In addition, a large number of emigrants, who were supported by USA and Thailand, settled in refugee camps along the Mekong River in Thailand. There was a fear that these refugees might set insurgencies against the Lao PDR, which caused hostile relation between Thailand and Lao PDR. Many international checkpoints between the two countries were sporadically closed, which brought economic hardship to Lao people, particularly those in urban areas, who used to rely on imported goods from Thailand.

Stalinist economic policy created a number of problems for the entire economic system. The nationalization programme transformed all industries into state-owned enterprises (SOEs), functioning like governmental ministries. The Central Committee for Planning (CPC) was responsible for the flow of capital and materials. Managers of SOEs were required to meet physical production quotas rather than making the businesses profitable. By the late 1970s, the state-owned enterprises were kept in businesses only because the government ordered the state-owned banks to continue providing loans notwithstanding the fact that they were not able to service the debts (Rosser, 2006). This accelerated government budget deficit and hyperinflation during this period. The budget and trade deficits were mostly financed by economic assistance from the former Soviet Union and its satellite states, as a consequence the external debt jumped up from US$64 million in 1976 to US$478 million in 1985.

With the aim of securing agricultural surplus and strengthening political control over peasants, the collectivization programme was introduced in 1978. Under the cooperative programme, the government gained control over the agricultural land and other means of production and redistributed it based on egalitarianism principles, which afterward aggravated opposition from the peasants. In addition, the government imposed taxes on agricultural products, discouraging farmers to increase their production. Furthermore, some farmers reduced their farm size just in order to evade paying taxes. This policy was responsible for declined agricultural output, causing economic hardship to the peasants, who made up 80% of the total population in this period and hindered overall economic growth (Yves Bourdet, 1992). Two years later, the government allowed a so-called “voluntary cooperative” due to the peasant opposition. Subsequently the programme was suspended and ceased to exist in 1986 (Insisiengmay, 2008). In addition, the agricultural sector was affected by a series of natural disasters. Between 1977 and 1978 severe droughts occurred, followed by a heavy flood in 1987. These caused a decline in agricultural output and resulted in a shortage of food supply.

Lao PDR pursued centrally planned economy just for a decade, from 1975 to 1986. It was a relatively short period of time, compared to Vietnam and China. Many scholars claim that it is an impractical economic policy that caused economic catastrophes to the country. Nevertheless, from the political point of

view, it has been proven as a considerable success for the Lao PDR. Since its establishment in 1975, Laos has enjoyed political stability, despite some minor insurgencies, particularly in the north, caused by Hmong, who used to be supported by the USA during the Secret War. Importantly Laos has achieved nationhood (Pholsena, 2002) and national integrity that had never been attained since the collapse of the Kingdom of Lao Lane Xang in the 17th century. Political stability constitutes one of the preconditions for the successful economic transformation from the command to the market-oriented economy, which is examined in the following section.

4.4 From Socialism to Market Economy

Several scholars view 1986 as a watershed dividing economic development in Laos in to two distinct periods: socialist economy from 1975-85 and market-oriented economy from 1986 onward. In fact, economic reforms occurred prior to the introduction of the comprehensive reform programme in 1986, commonly known as the New Economic Mechanism (NEM). The economic reform programme was announced at the Second Party Congress of LPRP, held in 1979, due to economic crisis within the command economic system. In the address to the Council of Ministers, Kaysone Phomvihane, the Secretary General of LPRP, admitted that the goal of developing the country directly toward socialism could not be realized, unless the capitalist economic doctrines have been applied. At that time Lao economic system comprised five main sectors: state economy, collective economy, capitalist economy, private economy, and individual economy. He confirmed that there was a need to use non-command economies to increase the production of goods and improve the quality of life of the people.

"Chintanakan Mai" (New Thinking), or the New Economic Mechanism (NEM), was introduced in the Fourth Party Congress, held in November 1986 at the same time of "*doi moi*" (Renovation) in Vietnam. Another term, "Open Door Policy" has also widely been used. Three main reasons were highlighted during the Fifth Party Congress of LPRP, including: (1) changes in economic policy in the former Soviet Union and Eastern Europe; (2) advancement of communication technology, which has facilitated the process of regionalization and globalization; and (3) poor performance of the socialist economic regime. The main components of NEM included the substitution of socialist economy with market economy, privatization of state-owned enterprises, promotion of domestic private and foreign direct investment (FDI) and enactment of rerated legal frameworks. However, the government still maintained control over 20 SOEs, which have been regarded as "strategic sectors," associated with national security (BTI, 2012; Martin Stuart-Fox, 2005). *Chintanakan Mai* has been seen as a watershed, which divided Lao economic development into two distinct periods: centrally planned economy from 1975 to 1985 and market economy from 1986 onward (Y. Bourdet, 2000). Nevertheless, given that the economic reform in Laos occurred in 1979, Yamada (2013) argues that the programme was merely a successor of NEMM and a slogan of PRLP to promote state building, which has been carried out since 1975. The author claims that the government used the term just for a short period of time, and finally it disappeared from succeeding party congresses.

Another turning point of economic transformation in Laos was the adoption of the Constitution on 15 August 1990, followed by an amendment in 2003

(LaoPDR, 2003). The important issues in the Constitution included the guarantee of private property rights in the Article 16:

> The State protects and promotes all forms of property rights: State, collective, private domestic and foreign investment in the Lao People's Democratic Republic.

Furthermore, both domestic and foreign private investments have been widely promoted, as stated in the Article 14 and Article 15 respectively:

> The State promotes the investment by all domestic economic sectors in productions, businesses and services to contribute to the industrial transformation and modernization of, and to develop and strengthen, the national economy.
>
> The States promotes foreign investment in the Lao People's Democratic Republic, (and) creates favourable conditions for the injection of capital, for the use of technology and for introducing modern types of management into production, businesses and services.

After the promulgation of the Constitution, a large number of legal statutes were adopted, in order to facilitate economic liberalization. These included: the Foreign Investment Law, the Enterprise Law, the Accounting Law, the Banking Law, the Bankruptcy Law, the Taxation Law, the National Budget Law, the Custom Law and the Land Law.

NEM has been viewed as a successful economic reform programme from command to market-oriented economy (Insisiengmay, 2008). Following the implementation of NEM, Lao economy started to turn around. In 1989, for example, an economic growth rate of 14.3%was recorded. From 1990 to 1996, Laos experienced strong economic growth with an annual average growth rate of 6.4% (Menon & Warr, 2013). Economic growth has been fuelled by the influx of foreign direct investment (FDI). FDI rose from 0.7% of GDP in 1991 to 5% in 1994/95 and reached 13.4% in 1997/98. In addition, the 1990s also marked the end of the isolation period, when the country joined the Association of Southeast Asian Nations (ASEAN) in 1997. This translated into increasing interdependence, which required even further reforms and openness. Like other countries in Asia, economic growth in Laos was interrupted when the Asia Economic Crisis emerged in 1997, which caused GDP growth to have dropped from 6.9% to 4% in 1998. The crisis also caused a decline in FDI from US$99.99 million in 1997/98 to just US$18 million in 1998/99 (Insisiengmay, 2008). The economy recovered in 1999 as a result of the supply side economic policy of the government. However, government spending fuelled inflation, which reached 128% in 1999. By 2000, Laos had achieved continuous economic growth with an average growth rate of 7% per year. Strong growth doubled per capita GDP from $227 in 1990 to $592 in 2011 (Menon & Warr, 2013).

Furthermore, economic liberalization has gradually shifted the economic structure from the dominance of primary to that of non-primary sectors. In 1980, agriculture contributed 65% to GDP, however; the share gradually decreased between 57 and 53% in 1990 (Savada, 1994). On the contrary, the share of industry rose from 10% in 1984 to 17% in 1993 (Savada, 1994). By 2008, the

agriculture made up only 32.1% to GDP, while the industry and service sectors contributed 27.8% and 40.1%, respectively (EIU, 2009).

By 2012, the GDP value reached US$9.422 billion and a per capita income amounting to US$1,260[17]. Nonetheless, according to the UN classification, Laos is still in the group of Less Developed Countries (LDCs). The Human Development Index (HDI) was recorded at 0.524 (BTI, 2012) and the country is ranked the 138th among 187 countries of the United Nations. In the same year, 26.4% of the population was living under poverty line, with adult literacy rate of 76% and life expectancy at birth at 67.3 years[18], the lowest among the countries in the region. However, GoL set the targets of achieving Millennium Development Goals (MDGs) in 2015 and graduating from LDC status by 2020. To realize these goals, Laos has to sustain a high economic growth, in order to increase per capita income and improve human development as a whole. In 2009, Lao economy grew by 7.1%, despite the global economic crisis (EIU, 2009). In 2012, GDP grew by 8.3% and it has been estimated that Lao economy is likely to continue to grow at an average growth rate of 7.5% from 2013 to 2015 (Phimmahasay & Davading, 2012). Nevertheless, the rapid economic growth has been sustained at the costs of growing inequality between rural and urban areas, environmental degradation and social problems.

Since the 1990s, the tourism industry has played a crucial role in economic development and poverty reduction. From 2000, tourism sector, and specifically ecotourism, has been touted a tool for nature conservation, particularly in the NPAs. The development of the Lao tourism industry and its roles in economic development and nature conservation has been described in the following section.

4.5 Tourism Industry as an Engine of Growth

From the per capita income point of view, Laos is a poor country; however, the country is rich in cultural and natural heritage. Forests cover approximately 41% of its total area of 236,800 square kilometres. The country hosts an extensive network of rivers, including the Mekong River, which flows from the North to the South, and its thirteen tributaries. This river network not only serves as a source of food, but also provides important transportation routes and recreational sites. In addition, the rivers are homes to a number of endangered species. Some flagship species, such as the giant catfish and Irrawaddy dolphins inhabit the Mekong, particularly in the southern part of Laos.

In terms of cultural diversity, Laos is home to 49 ethnic groups and around 200 subgroups, speaking more than 230 dialects and making Laos one the most diverse countries in Asia. Some of these tribes still maintain their unique ways of life and their cultural heritage.

Thanks to its natural and cultural heritage, the country has high potential for tourism development, especially nature-based and cultural tourism. The landmarked cultural tourism sites include the World Heritage City of Luang Prabang[19] and Wat Phou Champasak[20], another world heritage site. According to

[17] www.worldbank.org/en/country/lao

[18] www.undplao.org

[19] Laung Prabang was the former capital of Kingdom of Lao Lane Xang located in northern Laos. Due to its cultural value it was inscribed as a World Heritage Site of UNESCO in 1995. Currently it functions as the most important tourism hotspot of Laos.

a survey of Lao National Tourism Administration (LNTA)[21], 1,493 tourism sites have been identified and registered, of which 849 are classified as natural sites, 343 cultural sites and 209 historic sites. In the meantime, 364 sites have served both domestic and international tourists (TDD, 2011).

Laos recognized tourism industry as a tool for socioeconomic development considerably late, compared to its neighbouring countries, such as Thailand, where tourism has been promoted for over fifty years. After the establishment of Lao PDR in 1975, only foreign delegates who came for conferences were granted visas to enter the country. Following the introduction of NEM in 1986, Laos has gradually opened the door to welcome international tourists. In 1988, only 600 tourists visited the country and the quota was set at 1,000 visitors. One year later, however, the number rose to 2,600 visitors. By 1989, the government assigned the Ministry of Trade with drafting the First National Tourism Development Plan, aiming at tightly controlling package tourists (Harrison & Schipani, 2007). In the same year, the first state-owned tour operator was established. Subsequently the government monopoly on tourism industry was removed and nine private travel agencies were granted licenses. Yet, the government still maintained control over the industry by creating joint venture companies with the private sector. By 1990 the industry grew 130%, and the number of international arrivals rose to around 6,000 tourists[22] (Savada, 1994).

From the 1990s, tourism has played a significant role in linking Laos to global economy. Laos has experienced high tourism growth with a constant growth rate of 20.36% from 1993 to 2011 (TDD, 2011). A number of events and the government policy support have stimulated tourism growth in Laos. In 1994, the requirement to obtain permission before travelling was removed and individual tourists were able to travel to other provinces without joining packaged group tours (Yamauchi and Lee, 1999). In 1995, for example, UNESCO declared Luang Prabang the World Heritage City. From 1994 to 1995, the number of tourist arrivals more than doubled from 146,155 to 346,460 visitors and the revenue increased from approximately US$7.5 to over US$24.7 million (see Table 6). In the same year, the Government of Laos (GoL) recognized the tourism sector as one the eight priority sectors for socioeconomic development of the country. Furthermore, to ease tourist arrival, GoL granted authority to immigration offices at Wattay International Airport and Friendship Bridge[23] to issue visas on arrival (VOA) to visitors (Yamauchi & Lee, 1999). The Second National Tourism Development Plan was adopted in 1998, aiming at targeting conventional sightseers, special interest tourists, such as eco- and adventure tourists and domestic tourists (Harrison & Schipani, 2007). In 1999, the GoL launched the "Visit Lao Year 1999" campaign with considerable success. The number of visitor arrivals jumped from 614,278 in 1999 to 737,208 in 2000 and generated more than US$100 million to the national economy.

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[20] Wat Phou Champak is a Khmer era temple located in Champasak province, southern Laos. It was designated as the World Heritage Site in 2002.

[21] LNTA was subsumed as a department in the Ministry of Information, Culture and Tourism and renamed Tourism Development Department in 2012.

[22] According to a statistical report of Lao National Tourism Administration, the number of international tourist arrivals is recorded at 14,400 visitors.

[23] The first Mekong Bridge linking Laos and Thailand built in 1994.

Nevertheless, the Lao tourism industry was occasionally interrupted by external factors, such as the 9/11 terrorist attacks, Iraq War and the outbreak of SARS[24] and bird flu from 2001 to 2003, which slowed down tourism growth in terms of tourist arrivals and revenue. Between 2002 and 2003, for example, the tourism sector experienced a negative growth of -13.5%, and the number of tourist arrivals dropped from 735,662 to 636,361, resulting in a decrease in tourism revenue from approximately US$113 to US$87 million.

Table 6: Numbers of International Arrivals and Tourism Revenue from 1990-2011

Year	Number of Tourism Arrivals	Change (%)	Average Length of Stay (days) for International Tourists	Average Length of Stay (days) for Regional Tourists	Average Length of Stay (days) for Total Tourist Arrivals	Revenue (In US Dollar)
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
2011	2,723,564	8	7.0	2.0	4.50	406,184,338

Source: TDD (2011)

Lao tourism industry started to recover when the country hosted the ASEAN Tourism Forum in 2004, drawing tourism-related public as well as private sectors of ASEAN member countries and other partners to meet in Vientiane Capital. By 2005, the number of international arrivals reached over one million and visitors spent more than US$146 million. It has been estimated that by 2020 approximately 4.2 million visitors will visit Laos and spend more than US$700 million (TDD, 2011).

[24] Severe Acute Respiratory Syndrome

So far, tourism has played an increasing role in the socioeconomic development of the country, given that it constitutes one the major sources of foreign exchange. From 2007, tourism has become the second largest export (except 2009), just behind the mineral sector. By 2012, tourism generated 3, 463.4 billion Kip[25], which accounted for 20% of the total export. In 2012, the tourism industry contributed 16.7% to GDP, and the figure is estimated to grow by 9.6% in 2013 and 5.9% in 2023 (WTTC, 2013). The tourism sector is also the largest employer of the national workforce. According to a study, the industry created 18,000 direct and 303,163 indirect jobs in Laos (LNTA, 2006). This figure increased to 134,00 for direct employments and 433,500 for total employments and the number is expected to grow to 154,000 and 534,000 jobs for direct and total employments by 2023 respectively (WTTC, 2013).

Table 7: Tourism Income and Major Exports 2007-2011

Product	2011		2010		2009		2008		2007	
	Revenue	Rank	Revenue	Rank	Revenue	Rank	Revenue	Rank	Revenue	Rank
Tourism	406.1	2	381.6	2	267.7	3	275.5	2	233.3	2
Garments	197.4	4	167.3	4	141.7	4	255.0	3	132.1	3
Electricity	341.0	3	288.9	3	274.5	2	97.1	4	72.1	5
Wood Products	43.7	7	37.1	7	46.0	6	59.3	5	72.5	4
Coffee	23.4	8	19.8	8	13.8	8	15.6	8	32.3	7
Agricultural Products	140.0	5	100.3	6	77.0	5	47.9	6	42.4	6
Minerals	1,237.2	1	1,061.2	1	539.4	1	801.9	1	558.8	1
Handicrafts	4.6	9	3.9	9	4.7	9	3.4	9	4.6	9
Other Industries	134.0	6	113.6	5	31.1	7	30.0	7	12.8	8

Source: Tourism Development Department, Ministry of Information, Culture and Tourism 2011.

Lao tourism markets have been geographically segmented into four regions, namely: Asia and the Pacific, America, Europe, and the Middle East and Africa. Asia and the Pacific constitutes the largest market in terms of the number of tourist arrivals. In 2011, over 2 million visitors came from this region, of which approximately 1.5 million tourists came from Thailand, partly owing to territorial and cultural proximity. Europe is the second largest market, with the number of tourist arrivals recorded at 181,539 in 2011. The majority of the visitors came from France, United Kingdom and Germany with the number of tourist arrival of 44,399, 35,622 and 21,280 arrivals, respectively. In the Americas, USA and Canada are the two main markets with the number of tourist arrivals of 50,092 and 14,422, respectively. Lastly, Middle East and Africa contribute a very small number of visitors to the market. The majority of tourists from this region came from Israel, with the number of arrivals of 4,232 in 2011.

Unlike its ASEAN neighbours, particularly Malaysia and Singapore, who focus on MICE[26] tourism, Laos pays attention on culture, nature-based and

[25] The exchange rate is €1= 10,691 Kip in November 2013.
[26] MICE stands for Meeting, Incentive, Convention and Exhibition.

ecotourism (LNTA, 2005b). According to a survey of TDD, 74.4% of the visitors are interested in culture, followed by 66% in nature, while only 28.7% of them are interested in minority people (TDD, 2011).

4.6 Lao National Protected Area System

Despite being one of the poorest countries in the world, Laos has one of the best-designated protected areas systems in the world (ICEM, 2003). The system consists of 21 NPAs plus two corridors with a total area of approximately 3.4 million hectares, accounting for 14.3% of the total surface area of the country. If provincial and district protected areas are included, the system has the total area of 5.3 million hectares, equivalent to 22.6% of the total landmass (Chanthakoummane & Tsechalicha, 2008).

Figure 4: Lao National Protected Area System



Source: ICEM (2003)

Since its establishment, inconsistency still exists when it comes to estimating the exact total area of all protected areas (Robichaud, Marsh, Southammakoth, & Khounthikoummane, 2001). By the time of this writing, there were three different estimations, which are shown in Table 8.

Table 8: Areas of National Protected Areas

Name	Decree 164	Berkmuller et al., 1995a	Draft Fact Sheets	Location
Dong Amphan	2,000	1,975	1,699	Attapeu
Dong Houa Sao	1,100	910	947	Champasack
Dong Phou Vieng	NA	NA	1,745-2,201	Savannakhet
Hin Nam No	820	865	750	Khammuan
Nakai-Nam Theun	3,532	3,710	3,058	Khammuan, Bolikhamxay
Nam Et	1,700	1,915	2,144	Houaphan
Nam Ha	690	445	1,118-2,224	Luang Namtha
Nam Kading	1,690	1,740	1,442	Bolikhamxay
Nam Pouy	1,912	1,150	1,516	Sayabouly
Nam Sam	700	580	651	Houaphan
Phou Dene Din	2,200	1,310	1,592	Phongsaly
Phou Hin Poun	1,500	1,580	2,029	Khammuan
Phou Khao Khouay	2,000	1,390	1,608	Bolikhamxay, Vientiane, Vientiane Capital, Saisomboun
Phou Loey	1,500	1,465	1,302	Houaphan, Luang Prabang, Xieng Khuang
Phou Phanang	700	0	580	Vientiane, Vientiane Capital
Phou Sang He	1,099	1,060	993	Savannakhet
Phou Sieng Thong	1,200	995	879	Salavan, Champasak
Xe Bang Nuan	1,500	1,260	1,084	Salavan, Savannakhet
Xe Pian	2,400	2,665	2,173-3,418	Champasak, Attapeu
Xe Xap	NA	NA	1,283-1,498	Salavan, Sekong

Source: Robichaud et al. (2001)

In fact, attempts to establish protected areas in Laos began in the 1960s. However, the initiative failed due to the outbreak of the Indochina War. The initiative of the establishment of the National Protected Area System in Laos was resumed in 1986 (MacKinnon & MacKinnon, 1986). The establishment of Lao NPAs was based on two principles. First, it was lined in the Tropical Forest Action Plan 1990, stressing the need to set aside 25,000 square kilometres of the forestland as conservation areas. Second, it was based on the biological analysis of MacKinnon and MacKinnon (1986). In 1991, ground assessment of 29 sites was completed and 17 sites were identified as sites for conservation. In the same year, the first National Forestry Conference chaired by the Prime Minister was convened in Vientiane and reaffirmed the need for biodiversity conservation. Ultimately, the Prime Minister issued the Decree No. 164 to officially establish 18 National Biodiversity Conservation Areas (NCBAs) in 1993. Three objectives underlined the establishment of the protected areas: (1) protection of forest, wildlife and water; (2) maintenance of natural abundance and environmental stability; and (3) protection of nature for leisure and research. Subsequently Xe Xap and Dong Phouvieng were added to the system in 1995 and 1996, respectively. In 2008, Prime Minister Decree 163/PM was issued to upgrade Nam Kan Provincial Protected Area in Bokeo Province to an NPA, bringing up the total number to 21 NPAs.

In Laos, the term "*pasanguan heangsad*", which literally means "National Conservation Forest" has been widely used, and it is synonymous to "National Protected Area". According to international classification, Lao protected areas fit the Category IV of IUCN - Managed Resources Areas (ICEM, 2003). According to Lao Forestry Law, "Conservation Forest" is defined as:

> Conservation Forest is forest and forest land set aside for the purposes of conservation of fauna, flora, nature, and various things of historical, cultural, touristic and environmental value and for scientific study and research (LaoPDR, 2007).

Lao protected areas were divided into three zones: Absolute Prohibited Zone (APZ), Management Zone (MZ) and Linking Zone (LZ). APZ is also known as the Totally Protected Zone (TPZ), where no extractive activities are allowed and permission is required to enter the area. MZs are the areas contiguous with TPZ that commonly correspond to Controlled Use Zone (CUZ), where limited and regulated use is allowed. LZ or "corridors" are the outmost areas connecting the protected area with other protected areas or other types of forests. Like in other zones, extractive activities, such as hunting, logging, and other destructive activities are not allowed.

In the early stage the Decree 164 was the only legal document used as a guideline for protected area management. Later the Law on Forestry was enacted in 1996. In Laos, the Ministry of Agriculture and Forestry (MAF) have administered all forest areas, including NPAs. The management structure consists of four layers, including national, provincial, district and village level. At the national level, the Department of Forestry under MAF is responsible for formulating protected area policy and disseminating the policy to the Division of Forest Resource Conservation (DFRC) and to the provinces. Later DFRC assigns the policy to NPA managers and at the same time provides technical assistance. The provinces are responsible for appointing NPA managers, who are in charge of day-to-day management activities, while the districts supply most of the NPA field staff. At the community level, villages help to define boundaries of NPAs and participate in monitoring activities (ICEM, 2003).

Nevertheless, Lao NPAs still have been regarded as the so-called "Paper Parks". Several NPAs are under severe threats, owing to the high demand of forest products and arable land. In Phou Khao Khouay and Phou Phanang NPAs, for example, it was reported that 39,000 hectares have been encroached for logging, rubber plantation and other cash crop production (VientianeTimes, 2013). Among the obstacles preventing effective management of NPAs are a lack of funds and human resources.

4.7 Development of Community-Based Ecotourism in Laos

With the aim to protect the rich natural and cultural heritage of the country, the first community-based ecotourism project was lunched on October 1999 in Luang Namtha province under the financial assistance of the New Zealand Government through New Zealand Official Development Assistance (NZODA) and the Japanese Government through International Finance Corporation's Trust Fund Programme. The project was called Nam Ha Ecotourism Project (NHEP) and aimed at creating 'economically viable ecotourism development model that assists in the fight against poverty and contributes to conservation and protection of the Lao PDR's cultural and natural heritage' (Lyttleton & Allcock, 2002). The Lao National Tourism Administration (LNTA) and the UNESCO Regional Office in Bangkok act as executing agencies of the project. In addition, NHEP received technical assistance from various international development agencies, such as Netherland Development Organization (SNV), the German Cooperation

Organization (GIZ), European Union (EU), United Nations Drug Control Programme (UNDCP), Wildlife Conservation Society (WCS), New Zealand Volunteer Service Abroad (VSA), Sustainable Development Resource Institute (SDRI), and Aid for Artisans. NHEP Phase I has specific objectives, as the following (Lyttleton & Allcock, 2002):

1. Local community involvement
2. Identification of tourism resources
3. Creation of a group of locally trained community people in the Luang Namtha Province, who can begin to serve as local professionals in the growing tourism sector. The training will be developed and held in the township of Luang Namtha. Trainees will be drawn from every district of the province. Initially their new acquitted skills will be applied to the Nam Ha protected area and Meuang Sing;
4. Assisting the establishment of the strategy of the Nam Ha Biodiversity Conservation Area by seeking ways in which tourism can contribute to reducing pressure on biodiversity, such as by providing means for alternative incomes for villagers within the Conservation Area;
5. Assisting the people in Meuang Sing and in the communities around Meuang Sing to participate fully in the development of tourism and to develop mechanisms, which guarantee that this tourism avoids negative impacts of cultural tourism, and to guesthouse owners, restaurant owners and potential tour guides to improve and upgrade the quality of their products and give them a new sense of professionalism;
6. Assisting the local authorities and the local people to fully comprehend the range of impacts tourism will have on their cultures and environment and to assist in developing positive, constructive ways in which to minimize negative impacts;
7. Endogenous model building;
8. Resource protection;
9. Investment promotion;
10. Monitoring and assessment of the project.

Indeed the project targeted Meuang Sing, another district of the Luang Namtha Province; however, after a preliminary site survey the project team turned their attention to the Luang Namtha district. There were a number of reasons behind this change, including: (1) existing narcotic tourism in Meuang Sing; (2) better tourism resources in Luang Namtha; (3) to prevent similar problems in Luang Namtha; and (4) the proximity of Luang Namtha. Nevertheless the project launched a campaign to mitigate negative impacts in Meuang Sing by printing posters to educate tourists on such impacts.

In 1999, NHEP development started when UNESCO appointed a project manager, Stephen Schipani, with the assistance of a foreign anthropologist, Heather Peter, and worked with the project partner, the Luang Namtha Provincial Tourism Department (PTD) to create a work plan. Later on 19 January 2000, an official meeting was held in the Provincial Governor Office to present the project to the Governor. Subsequently, after a visitor survey, the project team started to develop treks inside Nam Ha NPA. In April 2000, the project started to operate an overnight trek to Nalan Village, which is claimed as the first CBE village in the country, after a number of meetings with the villagers. Two months later, treks

with trainee guides and tourists were initiated. By October 2000, the Luang Namtha Tourism Department delivered an official tour guide training and one month later the first batch of provincial tour guides were certified. Subsequently, two treks a week were offered to tourists to Nalan Village and the project began to expand activities to other villages, such as Nammad Mai and Nammad Kao.

NHEP is claimed a successful project as it contributes to poverty reduction and conservation of resources. It became the best practice model for other development projects in Laos, as well as other countries in the region. After the project evaluation the external reviewers conclude that:

> Nam Ha Ecotourism Project has been a tremendous success in providing a model of how tourism might be used as a tool for development in rural and largely subsistent villages and as a mechanism for promoting forest conservation. This is particularly important in Laos, which has a large number of Protected Biodiversity Areas many of which will be ideal sites for subsequent development of ecotourism activities. In each of Nam Ha target village, cash income has been increased markedly by the visits of tourists and the established framework ensures that this income is, to date, reasonably well distributed amongst villagers. The villagers are enormously happy to have the tourists visit and fell little in the way of negative impact of their presence. At the same time, the tourist treks have contributed positively to an increased awareness of forest conservation and the means to enact improved conservation practices (Lyttleton & Allcock, 2002).

At the international level, NHEP received the 2001 United Nations Development Award and Highly Commended in the 2002 British Airways Tourism for Tomorrow Awards (UNDP, 2012).

As mentioned above, NHEP was successful to a certain degree. The implementation period was relatively short, only three years from 1999 to 2002. The national capability to sustain the initiatives in the long run was still weak. In the Nam Ha Phase I evaluation report, nine prerequisites were identified to ensure continuity of ecotourism in Luang Namtha. Therefore, the team of reviewers proposed donors to extend the funding period for another three years, known as Nam Ha Phase II, in order to strengthen the implementation (Engelhardt, 2004). Nam Ha Phase II aimed at:

1. Establishing administrative infrastructure and technical expertise to implement the project in the Luang Namtha Province.
2. Strengthening the capacity of the provincial authorities and private sector to regulate, coordinate and expand sustainable CBE Programme in Luang Namtha.
3. Using community based ecotourism as a tool for conservation, rural development and poverty alleviation in Luang Namtha.
4. Providing the Provincial Tourism Office (PTO), local guides and private sector operators with essential training in CBE management and operations.

5. Increasing the number of women and ethnic minorities from both the public and private sector that are trained in the development and management of community-based ecotourism activities.

The second phase of the project mainly focused on institutional strengthening and empowerment of the local people, including women participation. Like Phase I, Nam Ha Phase II went through external evaluations and in the time of this writing, the Phase III of the project is running. Following the success of NHEP, the model has been replicated in other districts in the province as well as other provinces across the country. In 2003 to 2004, for example, ecotourism was introduced in Ban Na, and Hathkhai village applied the NHEP model. Some trainers from Luang Namtha were sent to train villagers in the communities.

Thanks to its potential for poverty reduction, the GoL set an ambitious goal to develop the country as a world-class ecotourism destination. The First National Ecotourism Strategy and Action Plan 2005-2010 (LNTA, 2005b) was developed with the technical assistance of SNV. Lao Ecotourism Vision was clearly stated:

> Laos will become a world-class 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.

Five main objectives have been elaborated in the plan, including: (1) institutional strengthening; (2) capacity building through training and promoting good practices; (3) nature and culture conservation; (4) host community socio-economic development and (5) cultural heritage conservation. A set of strategies[27] was formulated aiming to achieve each objective.

Furthermore, ecotourism was addressed as a "priority policy area' within the Strategic Framework for National Sustainable Development Strategy (LaoPDR, 2008). According to the framework, a number of challenges have to be overcome in order to realize sustainable ecotourism. These include (1) unclear definition of roles and responsibilities of key agencies; (2) poor coordination among concerned sectors and at the local level; (3) inadequate infrastructure development; (4) lack of national expertise and experience and of qualified human resource in ecotourism sector; (5) lack of direct participation of the local communities in economic benefits and the conservation of natural and cultural heritage; (6) insufficient supply of financial capital for investment; (7) lack of sound investment policy and regulations to ensure the benefits to the local people and (8) fluctuation in oil price.

One of the utmost challenges is the lack of direct participation of the local communities in ecotourism benefits, given they are supposed to be the main beneficiaries of the development, despite the fact that previous research indicates that local people have received considerable benefits from ecotourism development (Lyttleton & Allcock, 2002). The framework suggests strategies for sustainable ecotourism development in the future based on the National Ecotourism Strategy and the Action Plan 2005-2010 (LNTA, 2005b). Some of

[27] See LNTA (2005) for detailed description of the strategies.

them include institutional strengthening, human resource development, nature conservation, and so on.

4.8 Institutional Framework at the National Level

A number of institutional frameworks have influenced ecotourism development in Laos and some were formulated to guide the development; however, only the most relevant institutions were selected for this research. These include the Five-Year National Socioeconomic Development Plan 2011-2015, the National Tourism Master Plan 2006-2020 and the National Ecotourism Strategy and Action Plans 2005-2010. Brief descriptions of the plans and their implications to ecotourism development in the country are examined in the following sections.

4.8.1 National Socioeconomic Development Plan 2011-2015

Traditionally, socioeconomic development in Laos is based on five-year national socioeconomic development plans. By the time of this writing, the government of Laos (GoL) was implementing the 7th National Social Economic Development Plan 2011-2015. The GoL set four ambitious goals of (1) sustaining economic growth at 8% per annum, achieving average per capita income of US$1,700 in 2015; (2) fulfilling Millennium Development Goals (MDGs) in 2015 and lifting the country from Less Developed Country (LDC) status in 2020; (3) guaranty development sustainability by focusing on 'economic development in concurrent with sociocultural development and nature protection…reduce risk from natural disasters and climate change adaptation; and (4) ensure political stability and social security…and regional and international integration (LaoPDR, 2011, p. 93).

As a large number of the population, particularly in the rural areas, is living under poverty line, rural development and poverty reduction is the first priority. The Lao government aims at transforming rural areas focusing on 'poor families, villages, village groups across the countries; former battle fields…to ensure sustainable development in rural areas' (LaoPDR, 2011, p. 104). The government aims to reduce poverty rate from 19% to 10% by 2015. Other critical issues are an 'allocation of permanent settlement and agriculture land in the targeted areas, and entire eradication of shifting cultivation'. Eight priorities strategic sectors were elaborated in the plan including (1) rural development, poverty reduction and less developed status reduction; (2) sectors development; (3) enterprises development; (4) regional and local development; (5) state development; (6) national defense and public security; (7) international and regional cooperation; and (8) industrialization and modernization.

Socioeconomic planning in Laos is characterized as three regions namely the north, the centre and the south. The development goals were set based on characteristics and potential of each region.

The North

The northern region is considered as the lagging behind area in terms of infrastructure development due to the fact that over 90% of the areas are covered by mountains. By 2015, the region will have a population of 2.7 million inhabitants and a per capita GDP of US$1,700. Agriculture accounts for 42% of the total economic value, whereas industry and services contribute 34% and 27% respectively.

The development in the north was based on the "1334" formula. "1" represents Luang Prabang as the northern economic hub. "3" refers to three industrial zones in the three provinces namely Vientiane, Xieng Khuang and Oudomsay. The other "3" refers three economic corridors of Boten-Vientiane, Houaixay-Tai Chang and Meuang Ngeun-Nong Het. "4" represents a focus on economic development in four international checkpoints namely Boten, Houaisay-Tonpheung, Nonghad and Kenethao.

As the transport network has not been well developed, the development of transport infrastructure is the foremost priority. The development of water way, land and air transport infrastructure development was addressed in the plan. The most ambitious project is the construction of a US$7 billion high-speed railway project linking southern China to Thailand. Originally, the project was scheduled to be completed in 2014; however, the plan failed to put into action due to unsuccessful negotiations between the Lao and the Chinese governments, who is the major investor. Another important project is the improvement of the airport in Luang Prabang to accommodate 1.2 million passengers per annum and medium-size aircrafts such as Boeing 737 and Airbus 320. This would transform the province into a transportation hub in response to increasing demands from both domestic and international visitors. As far as Luang Namtha was concerned, the province's airport was upgraded to cater for 70-seated aircrafts. Since 2013, Lao Airlines have operated daily flights to the province.

In Luang Namtha, the following sectors have been promoted in the plan: (1) the production of agricultural products, especially rice, maize, sugar cane etc.; (2) rubber plantation and processing; (3) control mining industry: coal, gold and copper; (4) electrification in the remote areas; (5) improve economic special zone in Boten; and (6) development of telecommunication. Rubber plantation and mining, which have been regarded as the major threats to the forests, are widely promoted.

Tourism is also mentioned in the plan with specific focuses on the cooperation with neighbouring countries such as Thailand, China, Burma and Vietnam and the implementation of the Greater Mekong Sub-region (GMS) tourism development plan.

The Centre

The landscape of the central region is characterized as plains, where the level of development is much better in comparison to the northern and southern regions. This is due to the fact that it is the location of the capital of the country, where economic and administration activities are situated. The region is the most populous area of the country, where the population growth is 2 % with a total population of 3 million in 2015. By 2015, the plan aims to achieve a per capita GDP of US$ 2,200. The agricultural sector will account for 23% of the GDP, while industrial and service sectors shares 42% and 35% respectively.

In this region, Vientiane Capital serves as the centre of economic activities, while Savannakhet has been developed as an industrial area. Khammuan province is a hot spot for tourism and services. Like in the northern region, the priorities of the development focus on infrastructure development. Economic development focuses four economic corridors of East-West and North-South including. The region also host three international Mekong bridges between Laos and Thailand.

The development in Bolikhamsay focuses on the following areas: (1) promote the plantation of short-term cash crops such as rice, tobacco, maize, cassava and other vegetables; (2) promotes farmed animal breeding; (3) support the construction of hydropower dams: Nam Theun 1, expansion of Theun Hinboun, Nam Ngieb 1 and Nam Theun 4; (4) implementation the exploration of minerals: gold, leas, limestone and granite; (5) upgrade the road ID, the road between Viengthong-Saychamphone; and (6) the development of agro-processing plants for rubber and agar wood have been also promoted.

Tourism development centres in Khammuan and Savannakhet provinces, where the government plan to propose Nakhai Plateau as a UNESCO world heritage site. The development focuses on infrastructure improvement and the improvement of tourism and hospitality businesses.

The South

The south is characterized as plain and plateau. The plan wants to achieve per capita GDP of US$ 1,300. Agricultural sector would account for 30% of the GDP, while industry 36% and service 34% population grows at 2% per annum, with a total population of 1.4 million in 2015. Pakse, the provincial capital of Champasak, serves as the development hub. Several important economic infrastructures such as Pakse International Airport are located there. Similar to the north and the central, the development focuses on transport infrastructure construction. An important project is the development of transport infrastructure linking Laos with neighbouring countries namely Cambodia and Thailand. Tourism development was addressed in the plan, with focuses on the Siphandone Area.

4.8.2 The Development Dilemmas

The implementation of the 7th National Socioeconomic Development Plan received a lot of criticisms from scholars (Tan, 2012). The Lao government heavily relies on foreign direct investment (FDI) in natural resource-based sectors such as mining, hydropower dams and agroindustry. One of the most controversial policies is the “turning-land-into-capital”. The government gave generous incentives to foreign investors by granting land lease and concession rights to foreign investors up to 99 years with relatively low cost and in some cases without costs (Perera, 2014). This is due to the fact that Laos is perceived as a large empty land with abundant resources, but with a small number of the population. Nevertheless, a large-scale land concession poses underestimated negative social and environmental impacts. The development of the mining industry generates serious treats to the environment. The construction of hydropower dams contributed to loss of forestland and displacement of local people. Rubber plantations generate exclusion and contribute to land grabbing, where local people especially poor peasants and minorities are affected.

Several international organizations warned the government of Laos concerning the negative impacts of the policy, yet the Lao government were reluctant to re-evaluate the impacts of the policy. Nevertheless, occasional moratoriums were issued due to conflicts between investors and local people; however, the enforcement was not effective enough due to a lack of sound enforcement mechanism. Later on, the moratoriums were revoked, particularly for

Vietnamese investors, thanks to political connection between the Lao and the Vietnamese governments.

4.8.3 The Lao PDR Tourism Strategy 2006-2020

Following the introduction of market economy in 1986, tourism industry has been promoted as a tool for socioeconomic development of the country. The first National Tourism Development Plan was adopted in 1990 focused on tightly controlled packaged tourists (Yamauchi & Lee, 1999). In 1995, tourism was included as one of the eight priority plans for economic development of the country. The second National Tourism Strategy was adopted in 1998 aimed at conventional sightseers and ecotourists (Harrison & Schipani, 2007). Lao National Tourism Administration is responsible for formulating national tourism development plan. In 2005, the Lao PDR Tourism Strategy 2006-2020 was formulated aims at:

> strengthening and developing tourism to become an industrial sector that generates foreign exchange revenue for the country; provides more employment; promotion the cultural conservation and preserve the nation's customs and traditions including the protection of abundant natural resources; promotes sectoral products in order to contribute to poverty reduction of all ethnic groups (LNTA, 2005a, p. 17)

Seven action plans were outlined in the strategy including (1) tourism organizational improvement; (2) tourism development plans formulation at provincial and district levels; (3) advertising and promotion; (4) tourism business regulation; (5) human resource development; (6) international cooperation; and (7) investment promotion. In each action plan, a set of activities was elaborated; however, the analysis would not delve in the detail of each activity, rather to highlight the most relevant to this study.

As far as tourism development plan formulation is concerned, eight activities were illustrated. The interesting programmes are regional tourism planning and community-based ecotourism development. Regarding regional planning, tourism development is characterized as three clusters composed of northern, central and southern regions. Tourism development is based on the landscape structure and tourism resources the characteristics of each region. In the northern region, mountains and rivers dominate the majority of the landscape. In addition, there are six NPAs located in five provinces with a total area of 11,470 square kilometres. The region is the home to a large number of ethnic groups, who still maintain their unique ways of life. Therefore, tourism development focuses on nature based and cultural and ethnic tourism based on specific characteristics of each province.

With its world heritage status, Luang Prabang has been developed as a tourism hub in the north. The province, a World Heritage City of the nation and the world, has been developed as 'as a sustainable, natural, cultural and historical site'. An international airport, where direct flights from neighbouring country particularly Thailand, have been operated. Furthermore, tourism information centre, where tourism information from other northern provinces such as Oudomsay, Luang Namtha, Xieng Khuang, Phongsaly and etc. have been displayed, was installed in the province. Regional cooperation is also addressed in the plan. In Bokeo and Luang Namtha, for example, the plan promotes tourism development along R 3

route or the so-called North-South Economic Corridor linking Yunnan Province of China to northern Thailand.

The central region is characterized as plain and plateau. In the centre, Vientiane Capital serves as the hub for tourism in the centre, where the mains entry ports are located. The capital hosts an international airport. In addition, there is a Friendship Bridge linking eastern Thailand to Laos. The city is also the centre of economic, cultural and administration of the country, some conventional tourism such as MICE has been promoted. In addition, there are nine NPAs covering a total area of 15,800 square kilometres. This offers a huge opportunity for nature-based tourism such as trekking, kayaking, camping etc. Furthermore, the central is the location of the major hydropower dams where tourism activities in the reservoirs have been promoted. Regional integration is also address in the plan. There is a highway linking Thailand with Vietnam, the so-called East-West Economic Corridor, therefore, tourism has been promoted along the highway.

In the south, Champasack province is developed as the hub in the south. There is an international airport in Pakse, the provincial capital, where direct flights from neighbouring countries are offered. The province also hosts a number of cultural, historical and natural attractions. Prominent tourism hotspots are Wat Phou Champasack and Siphandone or commonly known to visitors as the Four Thousand Island, where magnificent water falls such as Khone Phapheng and Li Phi are located. In addition, the south hosts six NPAs covering a total area of approximately 8,010 square kilometres. Tourism development focuses on culture, historical and nature-based tourism. Tourism development in Bolaven Plateau is also highlighted. In addition, the Four Thousand Islands will be developed and positioned as “the Pearl of Mekong”.

In addition, community-based ecotourism development is addressed in the strategy as a separated programme. The strategy focuses on the replication of the NHEP model in the other NPAs and the coordination among stakeholders. LNTA is supposed to work with other stakeholders such as Ministry of Agriculture and Forestry and Science, Technology and Environment and local authorities to plan community-based ecotourism. Nevertheless, the roles of local communities have not been addressed.

Regarding advertising and promotion, the strategy aims tourism growth at a minimum of 20% per year. The promotion of domestic market is also mentioned in the plan. LNTA promotes tourism in several ways such as attending international exhibition in the region and at the global scale, organizing events such traditional festivals, caravan along the main tourism routes; fam trip, road show and etc.

Human resource development is addressed as a separate plan. In response to tourism grow, the plan focuses on training additional staff working in tourism and hospitality sectors. It has been estimated that at least 80 tour guides and 500 hotel and guesthouse staff should be trained annually at the national and local levels until 2020. As quality of education is concerned, LNTA has to cooperate with the Ministry of Education and Sport, National University of Laos, other public and private education institutions, the Lao Hotel and Restaurant Association (LHRA), the Lao Association of Travel Agencies (LATA) to develop curricula at undergraduate and postgraduate levels. In addition, LNTA plans to construct tourism and hospitality training centres and develops textbooks related to tourism and hospitality skills.

As far as international cooperation is concerned, LNTA is working with other countries and international organizations to attract financial and technical assistance. Important organizations include UNWTO, PATA, SNV, DED, ADB, World Bank, JICA and so on. Some organizations already stopped providing assistance, SVN for instance. In addition, there are bilateral and multilateral cooperation with neighbouring countries. GMS tourism is a good example or tourism cooperation among ten ASEAN member countries. ASEAN Tourism Forum is organized every two years in the ASEAN member countries.

Nevertheless, it has been argued that the priority of the poor was not addressed in both national and provincial tourism strategies. Rather the strategies were formulated as *ad hoc* policies as a part of the national socioeconomic development plan (Phommavong, 2011). The author identified four areas in tourism policies: employment, linkage opportunities, knowledge based, and cultural assets. Tourism is promoted as a tool to generate paid employment for local people. Foreign investment in tourism sector was addressed, but locally owned enterprises were neglected. The strategy focused on linkage in local economies to prevent financial leakages. Yet, only backward linkage (food and construction materials supply) received attention, whereas forward linkage (e.g. souvenir products) was not addressed in the plan. The government provided training on explicit knowledge such as tourism law, general knowledge of tourism and hospitality skills, and tour guiding and the training programmes were conducted in mandatory manner. However, tacit knowledge such as hands on experience and exchange of knowledge among local people were not addressed in the policies. Cultural assets in the forms of local customs, costumes, festival and rituals and handicraft products were addressed, but the marketing and production techniques of the product were not clarified in the strategies. In addition, traditional performances of local people need commodification to generate regular income to local people.

4.8.4 National Ecotourism Strategy and Action Plan 2005-2010

The Lao National Tourism Administration formulated the National Ecotourism Strategy and Action Plan 2005-2010 in 2005 with the technical assistance of SNV, a Netherlands development agency (LNTA, 2005b). The strategy aims to:

- raise the profile of Lao ecotourism;
- communicate the vision, goals and objectives of the strategy to a wide audience;
- encourage dialogue and cooperation among the public and private sector;
- facilitate an involvement of donor and development agencies;
- promote business confidence and investment in Lao ecotourism and wider tourism sector.

The strategy was formulated in close consultation with stakeholders including local communities, government agencies (at the local and national levels), NGOs, aid agencies, accommodation and transport providers, restaurant, retails outlets, guidebook writers, tourists and tour agents (at the local, national and international levels). In addition, the drafted version of this strategy was disseminated to participants, who attended the ASEAN Tourism Forum held in Vientiane in 2004 to receive feedbacks. A number of challenges were identified. First, ecotourism

was a new thing for Laos, where stakeholders still have less understanding on the meaning of ecotourism. Secondly, there is a need to create awareness and empowering stakeholders in various dimensions. Thirdly the on-going growth of ecotourism depends on healthy nature environment, which require conservation effort. Fourth, local communities must be the principal beneficiary and increase sense ownership of local communities, as the aims of ecotourism development are to reduce poverty for the local people. Finally, the database on existing and potential ecotourism products has not been well developed.

Five key objectives and a number of work plans were elaborated as illustrated in Table 9.

Table 9: Ecotourism Key Objectives and Work Plans

Key Objectives	**Work Plans**
1. Strengthen institutional arrangements for planning and managing ecotourism growth;	o Create or assign responsibilities to high-level government bodies to lead the development of the sector. o Assign taskforces to carry forward the recommendations and work plans o Organizing workshops, seminars, study tours for policymakers and technical staffs; o Organizing workshops, seminars, study tours for project managers and head of provincial tourism office to impart ecotourism product standard, management mechanism o Include ecotourism strategy as a principal component of National Tourism Master Plan o Developing guidelines and apply them at the local levels
2. Support training, capacity building and the promotion of good practice;	o Set up mobile training units on tour guiding; o Ecotourism awareness training for national and local government staffs and local communities; o Ecotourism business skills for ecotourism service providers o Ecotourism planning and management for government staff at different levels o Promote the development of diploma course in ecotourism at vocational and bachelor degrees; o Establishing sustainable tourism network to share information and knowledge o Developing media and marketing campaign

	o Invite ecotourism writer and travel journalist to Laos o Developing "National Ecotourism Awards" programme
3. Support environmental protection and nature conservation;	o Finance NPA management through ecotourism; o Include ecotourism component in NPA management plan to complement NPA plan and reduce threats to the NPA o Review the legal mechanism related to tourism, environment and NPA o Need assessment of capacity building to effective implementation of environmental rules and regulations o Application of environmental impact assessment to ecotourism project o Seminar and workshops on partnership between NPA, local communities and private sectors o Capacity building for ecotourism guides to provide accurate information to tourists;
4. Provide socio-economic development and cultural heritage protection for host communities.	o Support NGOs and donor agency that promote CBE development in rural areas o Vocational ecotourism education at the provincial level o Community and NPA partnership to promote conservation and ecotourism o Local participation decision making frameworks o Regulation and guidelines for local tourism businesses o Credit and funding mechanism for CBE project o Promote community and private sector partnership to develop tourism products and services o Local and foreign investment in "ecolodge" that promote conservation and socioeconomic development o Promote handicraft production and sales o Mechanism to ensure faire distribution of ecotourism benefits o Develop visitors codes of conduct to ensure respect of local culture o Address cultural value and community needs in ecotourism businesses

5. Develop ecotourism research and information.	o Inventory of existing ecotourism products and services o Tourism and conservation research with international organization o Market research national, regional and international o Developing NPA visitor profiles o Data on international tour operators and accommodation provider interested in developing ecotourism o Research on certification and accreditation for Lao ecotourism standard o Ecotourism information for policy makers.

Source: Adapted from LNTA (2005b)

Three types of relationship namely hierarchical relationships, product support relationships and coordination and communication relationships were identified to develop coordination mechanism among stakeholder at different levels. The hierarchical relationships refer to coordination between government agency at the national and provincial levels (e.g. LNTA and provincial tourism office). The product support relationship refers to stakeholder work together to develop and manage ecotourism products and services: guides provide services; PTO registered the guides; LNTA designed and approved guiding course. In the coordination and communication relationships, emphasis was placed on creating awareness and understanding among stakeholders.

Nevertheless, the implementation of the strategy is lacking due to lack of fund and qualified human resources. Another difficulty is ecotourism is competing with other land uses. A number of work plans have not been implemented. The ecotourism certification programme has not been carried out. In Luang Namtha, for example, there are not any tour operators that have been accredited by the programme. Regarding research, a few research projects have been carried.

4.9 Summary

The aim of this chapter is to provide deeper understanding on socioeconomic development and the development of Lao tourism industry in particular. The chapter begins with a short description of history of Laos and Lao peoples. The two periods of economic development 1975-1985, when the Lao PDR was established, and the transition to market economy were discussed. Later, tourism industry development is elaborated. As ecotourism take place in the NPA, a brief description of Lao NPA system is provided. Ecotourism development in Laos is examined a separate section. Finally the institutional at the national level including the national socioeconomic development plan, national tourism development strategy, and national ecotourism strategy and action plan are examined.

CHAPTER V: COMMUNITY BASED-ECOTOURISM IN LUANG NAMTHA

5.1 Introduction

Luang Namtha is one of the poorest regions in the country; however, the province has rich endowment of natural and cultural resources. Thanks to the resources, the country's first ecotourism project known as Nam Ha Ecotourism Project (NHEP) was launched in the province on October 1999 aimed at poverty reduction and cultural and natural resource conservation. Since its inception, local residents at the province and village levels have been actively involved in planning, development and operating the project. The project has gone through a series of evaluations from external reviewers. It has been argued that NHEP has been successful due to the fact that it generates significant economic impacts and brings a lot of positive changes to the rural communities.

The aim of the study is to explain the benefits and burdens from ecotourism to stakeholders, in particular local communities using three communities located inside Nam Ha NPA as a case study. The analytical framework developed in Chapter II was applied to analyse factors influencing tourism development; the interactions among stakeholder and the outcomes of the development.

5.2 Factors Influencing Ecotourism Development

Culture and nature constitutes two principal components that support ecotourism development. The following sections examine socioeconomic and natural environments of Luang Namtha province, particularly in the Nam Ha NPA.

5.2.1 Luang Namtha Province

Archaeological evidences found in Nale and Vieng Phoukha districts suggest that human settlement in the area, which is today called Luang Namtha, occurred approximately 6,000 years ago (UNESCO, 2008). The history of contemporary Luang Namtha can be dated back to the 16th century, when Chao Fa Deknoi of Xieng Houng established a principality called Xieng Kheang located on the bank of the Mekong River. Later, the principality was colonized by neighbouring powers namely Burma and Lane Na[28], which brought economic hardship to the population.

Between the 16th and the 19th century, people moved to settle in the areas called Luang Namtha plain and Vieng Phoukha district. By 1624, Sean Hansoulin established Luang Huatha based on administrative structure of Tai *mandalas*. The newly established *mandala* tried to create friendly relations with neighbouring principalities in order to maintain stability and peace. In 1628, Poum Pouk and Prasad stupas were erected to symbolize the friendship between Luang Huatha and Xieng Sene and the neutrality of Luang Huatha. Nevertheless, due to conflicts with neighbours, the inhabitants fled the area leaving the region empty for a certain period of time. In 1890, however, Luang Sidthisan led Tai Yuan to settle in

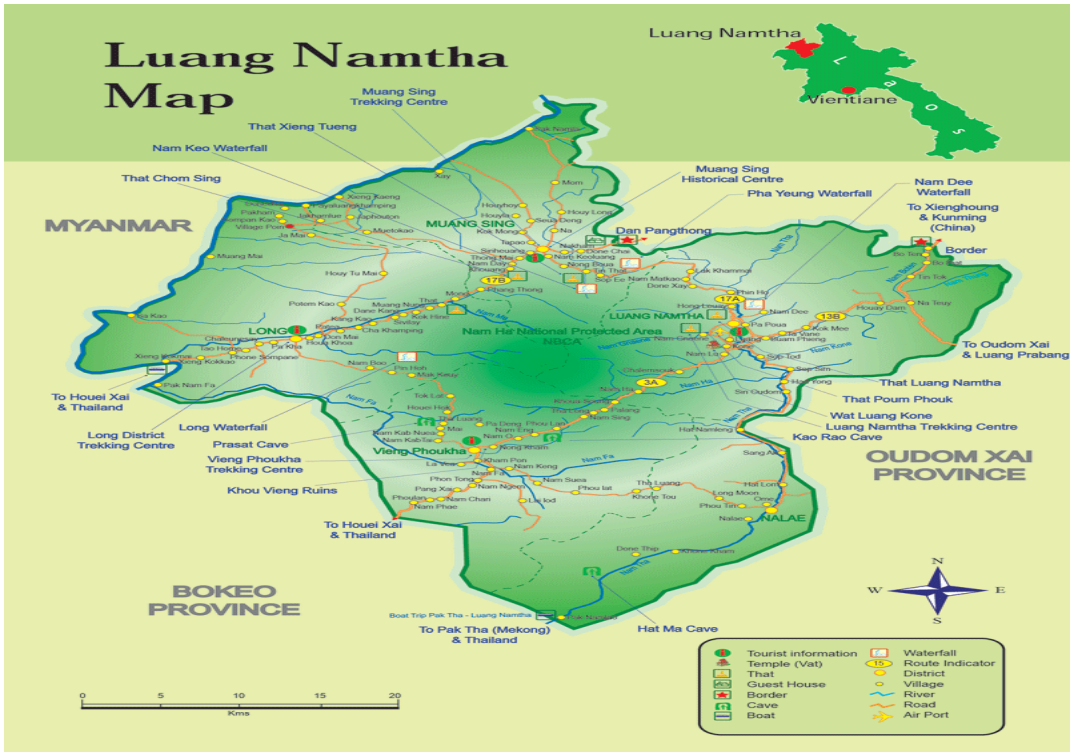
[28] Contemporary Chiang Mai in northern Thailand

the Namtha Plain and re-established Luang Huatha. He mobilized the people building the Luang Khon temple, the largest temple in the province.

Although Luang Huatha was located in the most remote area of Laos, the region could not escape from a western influence. In 1894, the area was integrated into the French *protectorat* under a tripartite treaty among France, Great Britain and Siam. The treaty designated the northern-most of Meuang Sing and Xieng Sene as the border between French and British rules. Subsequently, Tai Dam moved from Sipsong Chu Tai in northern Vietnam to settle in Thongchai village along Namtha River. Following the French defeat in Indochina in 1954, the Kingdom of Laos took control over Luang Huatha. In 1962, however, the *Pathet Lao* managed to seize Luang Huatha and renamed the province Luang Namtha. By 1983, Luang Namtha was integrated into Hua Khong province. Nevertheless, Hua Khong was separated into two provinces: the present-day Luang Namtha and Bokeo province.

Luang Namtha is located in north-western Laos and has a total land area of 9,325 square kilometres (LSB, 2012, p. 22). The province shares common borders of 140 and 130 kilometres with China and Myanmar respectively. In addition Luang Namtha borders with two other provinces of Laos namely Bokeo to the northwest and Oudomxay to the south. Thanks to its strategic location, the province has been transformed into an important international trade route and tourism hotspot in the country as well as in the Greater Mekong Sub-region (GMS). A large-scale infrastructure development such as the R3 route, a road linking southern China with northern Thailand via Laos, was constructed to facilitate development of the North-South Economic Corridor. In addition, five international checkpoints were installed in the province to ease the movement of goods and people in the region.

Figure 5: Map of Luang Namtha



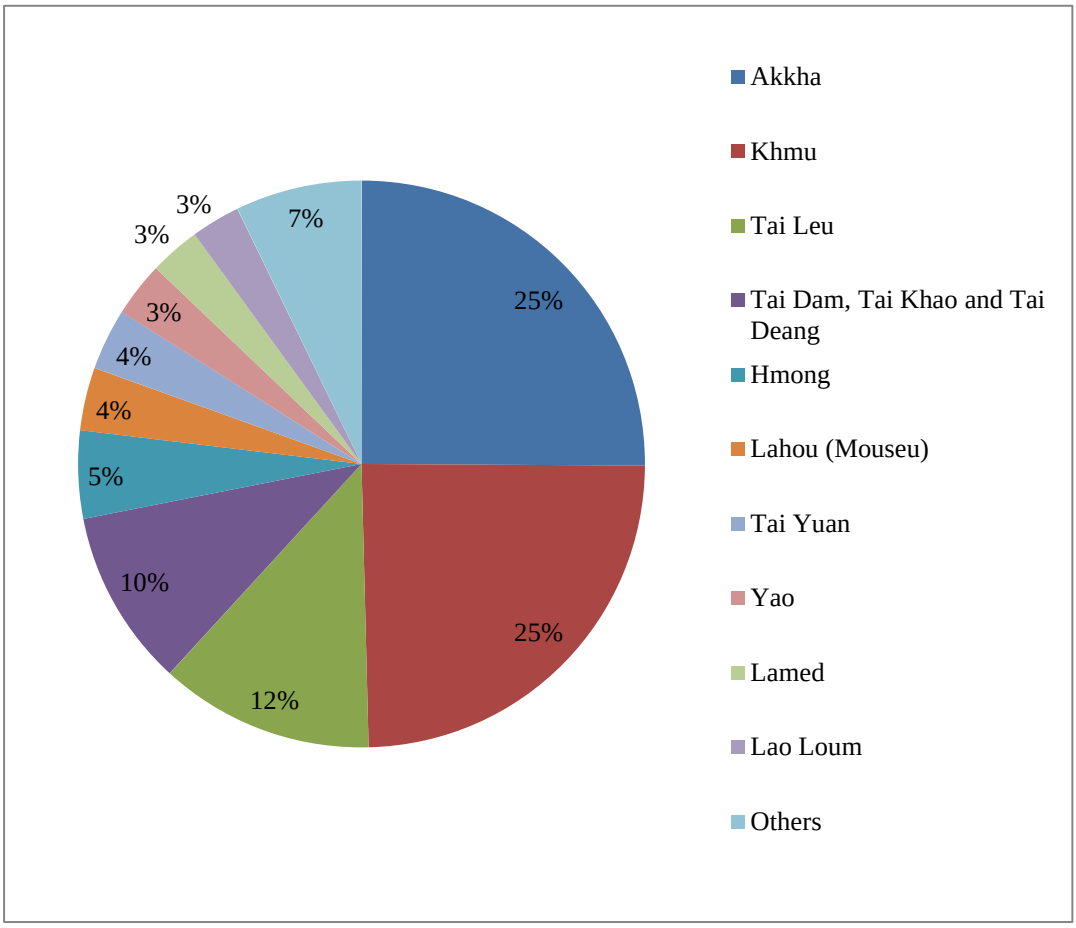
Source: www.ecotourismlaos.com

Like other provinces in Laos, the region is dominated by a tropical climate divided into two distinct seasons. The rainy season runs from May to October, while the dry season begins in November and lasts until April. The average annual temperature ranges from 20° to 25° C. However, during the coldest months, the temperature may drop to 0° C during nights, particularly in the mountain regions. Approximately 85% of the landscape is dominated by calciferous mountains, having altitudes ranging from 800 to 2,000 meters (UNESCO, 2008). The highest point measures 2,094 meters in Vieng Phoukha District.

In terms of administration, the province is divided into five districts including Luang Namtha, Nalea, Sing, Vieng Phoukha, and Long, of which Luang Namtha constitutes the provincial capital, where the centre for administration, trade, education and cultural activities of the province is located.

Luang Namtha is one of the least populous areas in the country. In 2012, the population was estimated at 171, 967 inhabitants and a population density of 18 persons per square kilometre (LSB, 2012, p. 22). In terms of ethnic diversity, there are over 20 ethnic groups inhabiting the province, making it one of the most diverse provinces in Laos (UNESCO, 2008). Akkha is the most populous group accounted for 25.1% of the total population, followed by Khmu and Tai Lue represent 24.5% and 12.2% respectively. Although Lao Loum forms the majority of the total population of the country, in Luang Namtha, however, they are minority (see Figure 6).

Figure 6: Ethnic Composition in Luang Namtha



Source: UNESCO (2008)

Owing to the mountainous landscape structure, Luang Namtha is one of the poorest regions in Laos. In 2005, per capita income was recorded US$ 280, yet the provincial economy has sustained strong growth, with an average growth rate of 7.7% per annum (UNESCO, 2008). Between 2007 and 2012, the provincial economy achieved continuous growth of 7.8% per annum, with a Gross Provincial Product (GPP) amounting to 1,086 billion Kip in 2012 (Nolintha, 2012). Likewise strong economic growth translated into rising per capita income, which was recorded US$815 in the same year. Nevertheless, the fruit from economic growth has been unevenly distributed given that 30.5% of the total population is still living below the national poverty line.

Luang Namtha economy is still largely dominated by the primary sectors. In 2012, agriculture generated 69.7% of the total output, whereas industrial and service sectors contributed 15.8% and 14.5% respectively. Yet, agriculture is characterized as subsistent farming, in which the outputs are just for family consumption and a little surplus for exchange. Rice constitutes the main crop with an average annual production amounting to 62,580 tons from the cultivating areas of 18,603 hectares in 2012. Nevertheless, the industrial sector, including tourism, is playing an increasing role in moving the province toward regional integration. In addition, industry becomes the fastest growing area among the other sectors, thanks to the influx of foreign direct investment (FDI) from the neighbouring countries, mainly China.

Cultural and natural environments form two major components of tourism resources in Luang Namtha. In 2012, there were a total number of 72 tourism sites registered, of which 26 were classified as natural, 34 cultural and 12 historical sites (TDD, 2013, p. 24). The most common activity, which is popular among visitors, is trekking to ethnic communities inside Nam Ha National Protected Area.

5.2.2 Nam Ha National Protected Area

As the research on Lao NPAs is still limited, the information presented in this section was mainly summarised from www.ecotourism.org in the section on protected areas.

Located in Luang Namtha, Nam Ha NPA (NHNPA) was established in 1993 by a Prime Minster Decree No. 164 and the extension was approved in 1999 (ICEM, 2003). NHNPA has a total area of approximately 222, 000 hectares covering the areas of five districts of the province: Luang Namtha, Sing, Long, Nalea and Vieng Phoukha and contiguous with Xieng Yong Nature Reserve in Yunnan, southern China. The area lies at the latitude between 20° 33’-21° 15’ N and the longitude of 101° 7’-101° 37’ E. It is a tropical rainforest with an average annually precipitation of 1,256 mm and the maximum amount approximately 1,990 mm. the average annual temperature was recorded 23.75° C. However during the coldest months between January and February, the temperature may drop to a minimum level of 5° C.

NHNPA is dominated by mixed-secondary evergreen forest, in particular the semi-evergreen and moist evergreen forests. The area is divided into four zones based on the landscape structures and its altitudes. With the elevation between 540 and 1, 000 meters, Luang Namtha plain is described as “mosaic human modified

habitat". The northern highland area, where altitude ranges from 1,000 to 2,094 meters, is covered by primary evergreen forest in combination with secondary evergreen forests and imperata grass. With altitudes from 1,000 to 1,572 meters, the southern highland is primarily dominated by evergreen forest and scrub. Located along Lao-Chinese border, the Nam Kong area, the altitude between 600 to 1,556 meters, is classified as evergreen forest and scrub.

Anthropogenic activities pose several threats to sustainable use of natural resources in the area. A total number of 104 villages have been identified as stakeholder villages, where the inhabitants depend on the resources inside the protected area. Development and resource extraction activities are posing serious threats to the area. The activities have been practiced by local residents as well as people from outside the area as illustrated in Table 10.

Table 10: Activities Threatening the NHNPA

Activities	**Share of local residents (%)**	**Share of outsiders (%)**
Slash and Burn cultivation	90	10
Harvesting NTFPs for sell	70	30
Harvesting NTFPs for food	80	20
Hunting wildlife for selling	40	60
Road building	0	100
Harvesting timber products	50	50
Domestic animal ranging	40	60

Source: Adapted from www.ecotourismlaos.org

NHNPA maintains high rich in bio-cultural diversity. Botanically, the area is described as unique and diverse despite the fact that a thorough survey has not been carried out. It is home to 33 mammal species and 288 species of birds, of which a number of flagship species such as clouded leopard, leopard and tiger. Furthermore, endangered species such as guar, Asian elephants were identified, particularly in the northern highland region. Some species of reptiles, amphibians and fish have not been surveyed. Apart from that, it is home to several ethic groups such as Lao Leu, Tai Dam, Lao Thueng, Ikor, Lao Houai, Kui, Hmong and Etong living inside and in the vicinity of the area. The area serves as an important watershed given that Namtha River is a tributary of the Mekong. Thanks to rich endowments, four values were identified namely biodiversity value, cultural values, watershed values and recreation and tourism values, which worth protection and conservation. To raise the profile of the protected area, NHNPA was declared an ASEAN Natural Heritage Site in 2000.

Figure 7: Ecotourism Activities in NHNPA



Source: Author's fieldwork, August 2012

5.2.3 Community Socioeconomic Characteristics

The study was conducted in three communities, namely Nalan Neua, Nalan Tai and Namkoy. The sociocultural, economic and environmental aspects of the communities are examined in the following sections.

5.2.3.1 Locations and Demographic Characteristics

Nalan Neua[29], a Khmu community, is located along Nam Ha River in the interior of NHNPA, approximately 16 kilometres from the town of Luang Namtha. The village was established in 1975, when a group of villagers migrated from Bokeo province in search of arable land for agriculture. The village has a total area of 3.5 hectares, including settlement and forestlands. The community is relative small consisting of 41 households and 199 inhabitants, of which 111 people are female[30]. Nalan Neua is the first village in the province, where a trekking tour was piloted in 2000.

Nalan Tai, another Khmu community, is located downstream to the south, along the trekking trail between Nalan Neua and Namkoy. The village has 22 households and a population of 101 inhabitants[31]. The Khmu prefer to build houses raised above the ground on stilts, which is similar to Lao Loum housing style. In most cases, the residents build their houses with materials they can find in the forest. Yet, some modern construction materials such as cement and roof tiles are increasingly popular among villagers. Formerly, Nalan Tai and Namkoy were integrated as a single village called 'Na Hom' based on a government policy of 'integrating smaller villages into bigger villages' and in a bid of better access to public services. Subsequently the village was separated into two communities due to tribal conflicts and problems on the distribution of tourism benefits.

[29] "Neua" and "Tai" literally mean northern and southern respectively. The names of the villages derived from the flowing direction of Nam Ha River.
[30] Statistics from the Village Chief Nalan Neua
[31] Statistics from the Village Chief Nalan Tai

Figure 8: Landscape of Nalan Tai and Namkoy



Source: Author's fieldwork, January 2014

The third community is called Namkoy, two-hour walking distance from Nalan Neua. It is a Lanten or Lao Houai, literally Lao Stream, community. The name was derived from their habitat, due to the fact that they prefer to settle along the streams. There are about 21 households with 98 inhabitants[32]. Unlike Khmu, Lanten prefer to build houses on the ground. There are relatively impoverished in comparison to Nalan Neua and Nalan Tai due to chronic drug problems. Only three families out of the total number of households have not used drug.

The results illustrated in the figures below derived from the questionnaire surveys conducted in the three communities in January 2014. In total 93 questionnaires were distributed to the residents who have been involved and not involved in tourism. Quantitative analysis indicates that 68% of the respondents are males, while 32% are females. The majority of the residents are active population, who are between 16 to 50 years old.

Figure 10: Age Distribution (n=93)

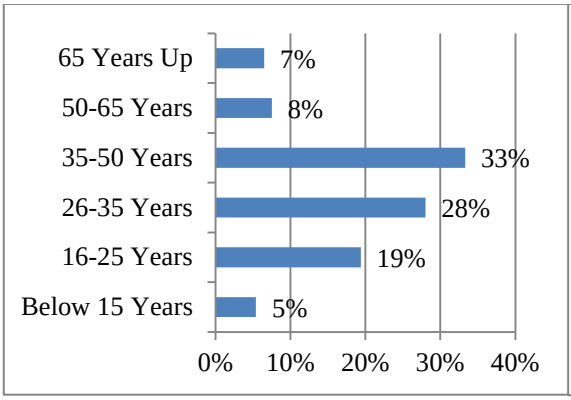
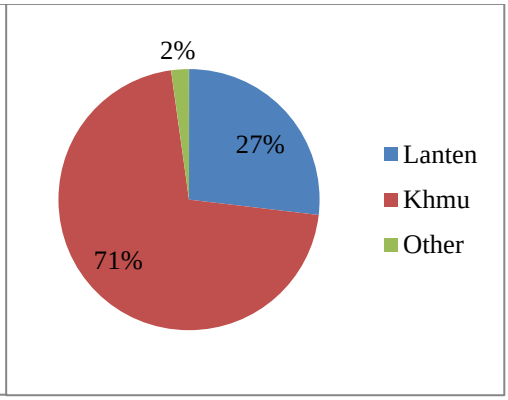


Figure 9: Ethnic Composition (n=93)



Source: Author's survey, January 2014

As mentioned above, the population forms two main ethnic groups namely Khmu and Lanten; however, there are some community members, who moved from

[32] Statistics from the Village Chief of Namkoy

other ethnic groups through intertribal marriages. As the communities are located in a remote area, education opportunities are limited. Just over 70% of the respondents have three to five year formal education and 14% of the respondents have no education.

Figure 12: Education (n=92)

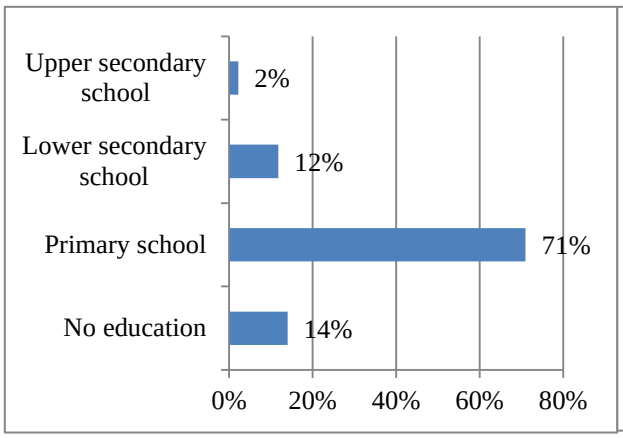
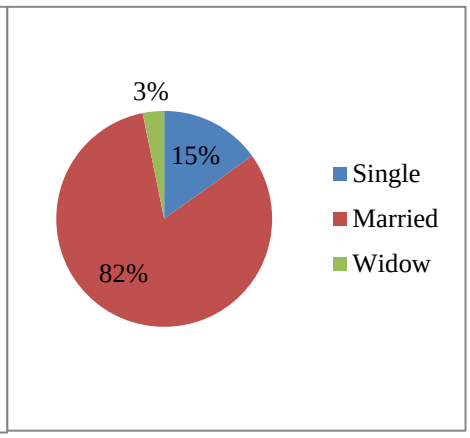


Figure 11: Marital Status (n=93)



Source: Author's survey, January 2014

5.2.3.2 Village Administrative Structure

Like other villages in Laos, the three communities have the identical administrative structures. On top of the hierarchy, the Village Chief and two Deputies Chiefs are responsible for the overall administration of the village. The Village Chief and the Deputies are elected based on the majority vote of the community members. In case of power abuse, they will be dismissed from the posts by the same procedure. In addition there are three or four *neohom* (elders), who serve as village advisors. In addition, they are also responsible for rituals, ceremonies and solidarity within communities. In some cases, *neohoms* are more respectful than the Village Chief in terms of making important decisions, for instance dealing with outsiders. The other important organs are called mass organizations including Women's Union, Youth Union and Village Security. They also participate in decision-making processes in the village. To accept a new community member, for example, a consensus must be reached among these organizations. Furthermore, they play important roles in communal works. The Women's Union is responsible for providing hospitality to visitors, while Village Security is in charge of safety issues.

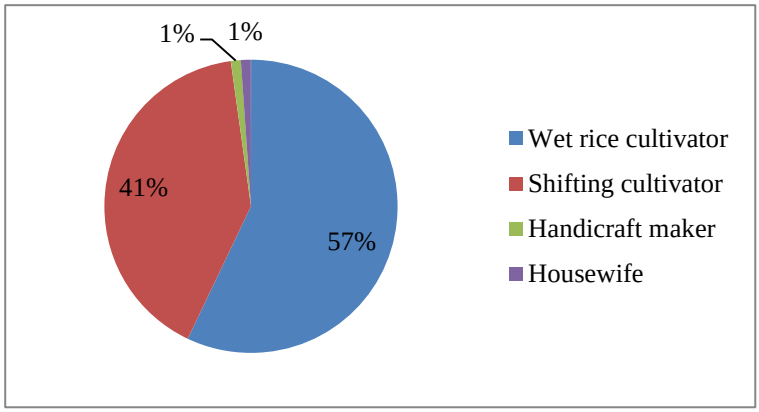
5.2.3.3 Economic Characteristics of the Communities

With a per capita income approximately US$100[33] per annum, the communities are the poorest villages in the country. The majority of the villagers are subsistent farmers, who practice wet rice and shifting cultivation. The shifting cultivation is still widely practiced due to limited availability of flat land areas. Supplementary to rice cultivation, they raise poultry and cattle and collect NTFPs for domestic consumption, cooking for visitors, and selling to middlemen from the town.

[33] Statistics from the Village Chief Nalan Neua

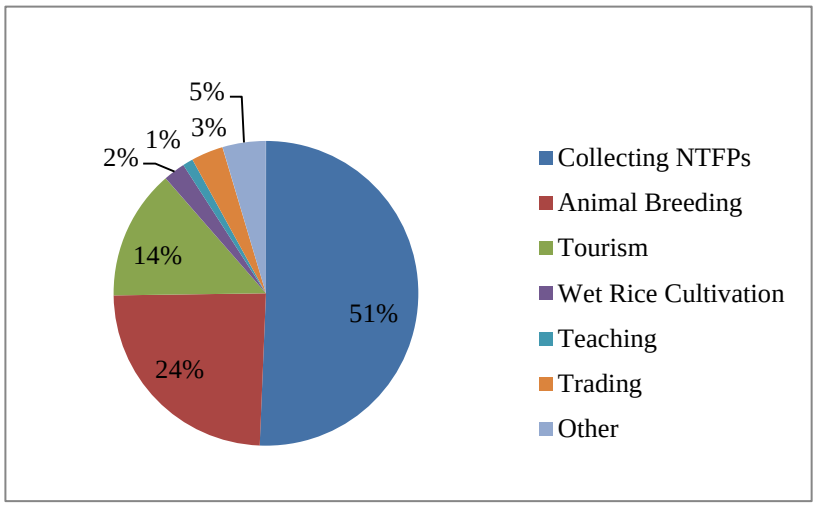
Although regulations exist, illegal wildlife hunting and forest clearing are still widely practiced in the area. Some common NTFPs they collect include cardamom, barks, broom grass, young edible rattan stems and other wild vegetables. In addition, there is some blacksmithing and handicraft production, particularly by women, for selling to visitors.

Figure 13: Occupation (n=91)



Source: Author's Survey, January 2014

Figure 14: Main Income Sources (n=87)

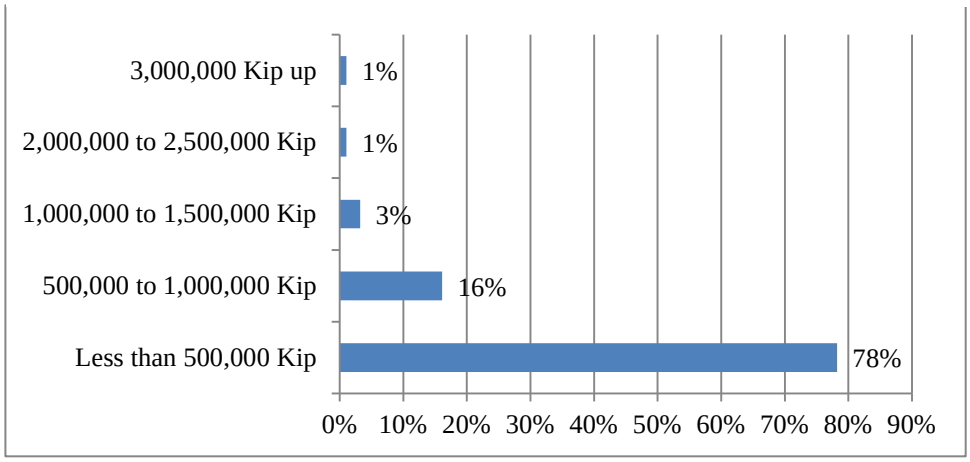


Source: Author's survey, January 2014

While wet rice and shifting cultivation are the main occupations of the residents, these activities do not constitute the main income source of the residents. The main purpose of rice cultivation is for consumption in the households. In addition, the residents view rice as a source of food security. Over 50% of the respondents earn the main income from collecting NTFPs for supplying to tourism sector and middlemen from other villages near the town. Animal breeding is the second principal source of the households' income. The animal breeders supply meat to both tourism sector and markets in the town. As tourism is regarded only as

supplementary income source, only 14% of the respondents state that tourism is their main income source.

Figure 15: Monthly Family Income (n=87)



Source: Author's survey, January 2014

Living in the communities is considerably difficult due to poor economic and social infrastructure. There is no access road to the town of Luang Namtha; however, villagers use trekking trails for commuting between the communities and the town. In addition, market places do not exist in the area therefore villagers depend on the town, external middlemen, and tourism for exchanges. There are some inter-village exchanges, yet the volume is minimal since the majority of them have identical commodities such as rice, animals and NTFPs. They carry the commodities on their backs and walk along trekking trails to other villages, located along the highway, to trade with outsiders. On the way back, they buy manufactured goods from the town for consumption and reselling to other villagers and visitors.

5.2.3.4 Infrastructure and Public Services

There is not power grid in the communities. The residents depend on electricity from small diesel engine generators, Chinese-made solar cells and mini-scale hydropower generators installed in the Nam Ha River. Hydropower generation is possible only during dry season, when water level in the river is low enough.

The villagers get their water supply from two main sources such as running water from the mountain and the river. Tap water facilities were constructed by foreign development agencies. The projects provided financial and technical support, while the communities contributed labour in the construction and maintain the facilities.

In each village, there is a primary school run from Grade 1 to Grade 3 (Grade 5 is only available in Nalan Neua). All classes are instructed in the same classroom with a single teacher, given a limited number of teachers. The Provincial Department of Education and Sport is responsible for recruiting teachers, while village authorities support housing and food. Absenteeism and school dropout are chronic problems due to the fact that children have to help their parents to earn living or caring for siblings. In case the children want to continue secondary education, they have to go to an ethnic school provided by the

government in the provincial capital; however, only a small number of better off families can afford this.

Figure 16: Primary School and Water Facility in Nalan Neua



Source: Author's fieldwork, August 2012

Unlike other communities located near the main roads, healthcare stations are not available in the communities, yet there are some medicaments supplied by the Provincial Department of Public Health. Village authorities are responsible for distribution and collect some money to refill the inventories. Nevertheless, some of them still rely on traditional healing by shamans in the villages due to the fact that the majority of the population practice animism. When hospitalization is required, they have to carry patients going along harsh trekking trails, which take more than six hours, to reach the main road.

For communicating with outsiders, wireless telephones are available. In addition, mobile phone signal exists, but only in some parts of the protected area. They use it for communicating with the outsiders namely Luang Namtha Tourism Office and local tour operators in the town. When a group of visitors books a tour with a tour operator, the tour operator will call village authority to inform about the visit. Additionally villagers can request the assistance in case of an accident or other emergencies.

5.2.3.5 Cultural Heritage

The three communities form two different tribes namely Khmu and Lanten. Each community is homogenous in terms of ethnic composition. Yet few of them moved from other ethnics such Hmong or Lao Loum through intertribal marriages. The two ethnics still maintain unique ways of life and also share a number of similar cultural aspects. However Lanten still maintain the traditional ways of life more than the Khmu.

Khmu: Khmu, Mon-Khmer group or Austro-Asiatic linguistic family constitutes the most populous minority in Laos. They migrated to settle in the mountain regions of Laos hundreds of years ago. Within the group, there are different subgroups including Khmu Leu, Khmu Khean, Khmu Rok, Khmu, Yuan, Khmu Ou, and so on. The group subsist their living on a mixture of various activities such as shifting cultivation, animal breeding, hunting, fishing, collecting NTFPs. Animism dominates their religious life, in which *lieng phi* (sacrifice for

spirits) are practiced during several occasions such as illness, the onset of planting season, harvesting, new year, and so on. There are numerous types of spirits namely ancestral, house, village, forest spirits, and so on. Khmu are regarded as experts in *lao hai* (rice wine) production. The wine is drunk in different occasions such as wedding ceremony, *Boun Kreu* (Khmu New Year), house warming party, and so on. In addition, they are also good at basketry and other handicraft production.

Lanten or Lao Houai, literally Lao Stream: Lanten is classified as Hmong-Mien linguistic family, who migrated from southern China during the 19th century. Their relatives can be found in Guangxi, Yunnan and Hainan in China. They prefer to settle in the plain, valley and along streams, where the name "*Lao Stream*" was derived. In most cases they earn their living by cultivating rice, breeding animals, collecting forest products and hunting. Lanten received considerable influence from Chinese culture. Their writing system was developed from ancient Chinese characters. Presently only older generations know how to write. The writing is used to record religious ceremonies and normally on paper made from bamboo produced by women. Like Khmu, the group believe in animism

5.3 Institutional Frameworks at Local Level

The local institutions include both formal and informal rules that influence tourism development and operation. These are Luang Namtha tourism development plan, tourism management regulations and local customs and traditions. The relevant issues are examined in the following sections.

5.3.1 Luang Namtha Tourism Development Plan

The Luang Namtha Department of Information, Culture and Tourism is responsible for formulation and implantation of the Provincial Tourism Development Plan. By the time of this writing, the department was implementing the Five-Year Tourism Development and Promotion Plan 2011-2015[34]. The department aims to:

1. develop and promote of tourism based on provincial carrying capacity, focused development and service quality improvement;
2. develop tourism to support strong and continuous economic growth;
3. develop tourism simultaneously with the protection of environment and cultural heritage of ethnic groups; and
4. develop tourism toward industrialization and modernization and regional integration.

Seven priority tasks were elaborated in the plan including (1) staff reorganization; (2) tourist attractions development; (3) promotion and marketing; (4) tourism and hospitality businesses administration; (5) human resource development; (6) international cooperation; and (7) investment in tourism infrastructures.

[34] Luang Namtha Department of Information, Culture and Tourism, December 2013. Unpublished document

In the staff reorganization section, the task was broken down into sub-activities. An important issue is gender development in tourism. Furthermore, the participation of ethnic women was addressed.

Concerning tourist attraction development, the province aims to develop additional 24 natural and cultural tourist sites across the province. Nevertheless, the development activities have mainly been concentrated in the provincial capital.

Internal and international cooperation were highlighted in the plan. Domestically, Luang Namtha is working with other provinces namely Bokeo, Phongsaly, Oudomxay, and Luang Prabang, mostly focuses on tourists information exchanges and cross-promotion. Internationally, the province partners with neighbouring countries namely China, Thailand and Vietnam to promote tourism in the region. The main themes of the cooperation are the facilitation of the tourist movement, co-organization of cultural exhibitions, and technical assistances.

In the section called community-based ecotourism development project, participation of women and villagers are outlined. A fair distribution of benefits of villagers is also stressed. In addition, the plan also highlights an expansion of ecotourism activities to Nale and Long districts.

In the marketing plan, four main activities are stipulated including print media production, advertising, promotion and tourist information centre construction. The tourism office attends domestic and international exhibitions as well as organizes local festivals to promote different ethnic cultures throughout the province.

As far as regulation and administration are concerned, the department plans to regulate tourist attractions including classification and registration to prevent encroachment. Some disqualified tour guides and substandard local operators are a problem addressed in the plan. In addition, control of tourist behaviour is stated in the plan.

In the section called human resource development plan, there are two main activities namely the construction of a community-based tourism training centre and the development of tourism-related learning materials. In addition, the plan states training programmes for employees in tourism and hospitality in the province and village levels, of which 260 employees working in the hotels, guesthouses and restaurants and 100 tour guides at the district and village levels will be trained. However, less attention was paid on villagers who are working as cooks, community lodge keepers and handicraft makers.

As far as cooperation with international development agencies is concerned, Luang Namtha will continue working with donor organizations namely UNESCO, DED[35], ADB and NZAID for funding and technical assistances.

In the investment plan, it focuses on the development of infrastructure such as roads to tourist attractions, bridges and other infrastructures. The private sector is encouraged to invest, notably in hotel and guesthouse construction.

Nevertheless the implementation of the plan is a major concern due to a lack of funds and qualified human resources and it seems that the targets are unrealistic as an expert respondent observes ‘The plan is excellent, but the goals are so ambitious’ (AD1, August 2012). In addition, the implementation focuses on

[35] DED was integrated with GTZ and renamed GIZ.

quantity rather than quality of the tasks as an expert interviewee stated 'We do too many things at the same time. We assigned too many activities' (NL2, September 2012). The problem occurred due to the fact that the provinces tried to include too many activities in the plan. Another challenge is rule enforcement at the local level that impedes effective plan implementation. The rule enactment process is too loose. The problem is explained by a weak capability to control tourism at the local level as the following quote exhibits. '…it is concerning with the management at the local level; it is quite weak, too weak' (NL1, August 2012). The communication with a provincial tourism policymaker confirms the problem:

> [I]t is the administration of the government itself. The management and control mechanism are not tight enough and do not operate in a systematic way (PPM1, September 2012).

The respondent explained additional obstacles that cause difficulties in the administrative system. This is due to the fact that the rules are often changed and there is ambiguity in the distribution of the responsibilities between the administration in the province and district levels.

5.3.2 Village Tourism Management Rules

There are different types of rules that shape tourism development and operation at the community level including formal and informal rules. The former are the written rules, which were formulated with assistance from the project, while the latter was created and agreed among community members. It was difficult for local communities to establish formal rules by themselves owing to the lower level of education. As a result, external actors (e.g. experts from NZAID, Luang Namtha Tourism Office) had to intervene in the rule making process.

> If we let them think by themselves they don't know. When we newly developed the area, [the local people], themselves, did not understand tourism. They didn't understand what the rules are…We led the people to write the rules (NL2, September 2012).

From this notion, tourism was regarded as a new and complicated matter for remote villagers. It takes time for them to understand. In the early stage of development, it is necessary for a development project to intervene to establish rules and at the same time to implant tourism knowledge for the local communities. Nevertheless, the process of rule formulation was based on a participatory approach. The development partners provided inputs, facilitated brainstorming process and led villagers to agree on the establishment of the rules.

> We draft the rules and talk with them, if [villagers]…have a problem, how to solve the problem. And we helped them to brainstorm on how the problem occurred; how to solve it. Later the internal rules were formulated…We try to make them understand that if they group together, they need principles, administrative rules (NL1, August 2012).

The project did not only help the communities in rule establishment, but also instructed them how to work together in an organization, which might result in more political empowerment for local people.

Following the rule formulation, the written rules were approved by LDICT and disseminated to the village authority. These include the rules on village guide wage, food charge, accommodation charge, and souvenir product distribution. In addition, each "service group" such as community lodge, cooking and tour guiding has its own rules. The rule designated CBT Steering Committee, whose members include the Head of LDICT, the Village Chief, and the Heads of Service Groups. The committee plays two major roles: (1) providing direction in tourism operation in the village and (2) conflict resolution among participants. In addition, the rule [36] stipulates the duties and responsibilities of the participants as the following:

- Follow the rules and regulations;
- Properly clean village lodge, kitchen, toilet and surrounding area;
- Provide waste basket, drainage, and weeding in the surrounding area;
- Wash and dry blankets, pillow covers, and sheets every time after guests left. For village guide, (s)he has to clean up trekking trails (clean up plastic bags, tins and environmental unfriendly objects);
- Checking inventory of bedroom supply, keep them in the bags and clean up internal and external areas. Keeping bed room supply properly to prevent them from rodents and make sure they are odorless;
- Collecting service charge and transparently manage it and report revenue and expenses to group members on monthly basis;
- Spending fund of each group based on the plan, spending must be approved in group members meeting; and
- Group members have the right to attend meetings organized by the steering committee and based on invitation of authorities.

In addition, the regulation set the conditions for villagers who wish to participate in tourism activities as the following:

- Poor and disadvantaged (priority)
- Healthy and without any contagious diseases (no gender discrimination)
- From 15 to 50 years of age
- Having good human relations and being enthusiastic
- Completed hospitality training in the village.

According to the rules, the poor are given a priority to participate and there is no discrimination against women. However, it seems that the disadvantaged groups will not participate in tourism activities due to the fact that the participation is based on voluntary and the poor do not have enough facilities to serve visitors. The poor have been regarded as "ugly", in which the fellow villagers assumed that this would make visitors frustrated.

As far as informal rules are concerned, community members have agreed on certain rules to control behaviour of the members. In the community lodge group, for example, a weekly clean up activity is performed in the surrounding area of

[36] Data from Nalan Neua village tourism manager, February 2013

the lodge. When a group member is absent from the task for the first time, (s)he is obliged to pay 25,000 Kip to the group. In case of consecutive absence for three times, (s)he is forced to quit from working in tourism. In addition, the communities informally agreed on the rules to protect the environment. Some harmful fishing methods such as explosive or electrocution are banned. Also, certain blocks of the Nam Ha River were declared as "*vang harm*" (forbidden fishing areas) to conserve fish species for touristic purposes. Regarding logging, if a villager cuts a tree, (s)he is supposed to be fined 10,000 Kip per tree and 50,000 Kip for those from outside the villages.

The rule enforcement is considerably effective as there are respectful figures in the communities (village chief, elders, and village security) responsible for enacting the rules. These people have legitimate power to sanction rule breakers. Nevertheless, rule breaking is still a major concern. Some wildlife hunting, illegal logging and protected area encroachment are still widely practiced in the area (VC1, February 2013). Yet, village authorities confirmed that forest destructive activities are decreasing since the introduction of ecotourism in the communities.

5.3.3 Local Customs and Traditions

Important aspects that ecotourism policymakers and planners have to take into account are local customs and traditions, particularly in culturally sensitive areas; otherwise, it might lead to serious conflicts between local people and tourists during an operational phase. Data on cultural issues such as customs, traditions, ceremonies, and taboos must be collected and carefully studied in order to develop social guidelines. The guidelines serve as useful information for tourism planners and developing dos and don'ts for visitors. Prior to a visit, visitors must be well informed about the rules. Each tribe has unique as well as common aspects regarding customs and traditions and some tribes, Akkha for example, have more taboos in comparison to Khmu and Lanten (DTC, August 2012). Khmu have certain restrictions regarding funeral ceremony. When a death occurs in a village, for instance, strangers are not allowed to enter the village until the death body is buried in the cemetery. Sometimes it is the case that visitors have to postpone a trip to the village until the funeral ceremony is over. In a Lanten village, visitors are not allowed to enter the village during the *lieng phi* (sacrifice for spirit) period. In addition, there are some restricted areas and objects in villages, where outsiders are not allowed to enter or touch. In an Akkha village, for example, visitors are not allowed to traverse a cemetery or touch a swing.

5.4 Ecotourism Action Arena

This section examines the ecotourism action arena, where both non-local and local actors interact in order to plan and develop ecotourism activities. The section examines a set of stakeholder groups; the roles they play in the arena; and the interactions among the actors.

5.4.1 Ecotourism Stakeholders

Ecotourism stakeholders are groups of people, whose actions affect or being affected by ecotourism development. In Luang Namtha, there are 25 stakeholder

groups[37] were identified in ecotourism development arena (UNESCO, 2008). The stakeholders are divided into two levels namely central and local levels base on their roles and responsibilities. Their respective roles and potential benefits have been clearly stated in the National Ecotourism Strategy and Action Plan 2005-2010 (LNTA, 2005b). For example, Tourism Development Department supports policies, product development, promotion and management, whereas donor organizations provide expertise and fund the projects. Nevertheless, only few of them are directly involved in ecotourism development. This research focused only some stakeholder groups, who are actively involved in ecotourism development and operation due to limited time and resources.

5.4.2 Actors and the Roles of the Actors in Ecotourism Development

5.4.2.1 Non-Local Actors

In this case, the non-local actors are the group of stakeholders, who operate in the international and national environment. These include Tourism Development Department, International Development Agencies, and national and international tour operators.

5.4.2.1.1 Tourism Development Department

The Tourism Development Department (TDD)[38], the successor of the Lao National Tourism Administration (LNTA), is a department of the Ministry of Information, Culture and Tourism (MICT). MICT has sixteen branch offices in the provinces and some in districts known as the Provincial Department of Information, Culture and Tourism (PDICT) and the District Information, Culture and Tourism Office (DICT) respectively.

The main responsibilities of TDD include tourism planning and regulations, marketing, human resource development and international cooperation. Also, TDD serves as a bridge linking international development agencies and local communities. Given that TDD is operating as a department of MICT, tourism policy formulation and planning are under direct supervision of MICT (NTP, September 2012). As far as ecotourism is concerned, the Ecotourism Division, located in the TDD head office, is directly responsible for planning and development. Within the TDD organization, there is the Marketing Department responsible for marketing functions. The main responsibilities of the department include developing advertising media such as brochures, leaflets, movies, etc. the National Tourist Information Centre is located in the TDD building, where tourism information from provinces, including Luang Namtha and Bolikhamsay, is disseminated to tourists. In addition, the department regularly attends both regional and international exhibitions to promote the country to international tourist markets. Also, the department hosts international tourism-related exhibitions. In 2009, for example, Laos hosted the World Ecotourism Summit, where LNTA was the main organizer. There is a training centre responsible for

[37] See UNESCO (2008) for full details.

[38] Lao National Tourism Administration (LNTA) was under the Prime Minister's Office, where a minister to the Prime Minister Office was appointed as the Chairman of LNTA. By 2012, LNTA was integrated as a single department of MICT and renamed Tourism Development Department.

training human resources in hospitality and tourism sectors. The centre is in charge of issuing licenses for national tour guides. TDD is working with international development agencies such as NZAID, ADB, LUX-DEV, Japan International Cooperation Agency (JICA), GIZ and etc. to attract financial and technical assistances. Furthermore, it cooperates with neighbouring countries, particularly within ASEAN for experience and information exchanges.

5.4.2.1.2 International Development Organizations

In most cases, community-based ecotourism development in Laos is characterized as a donor-assisted development model. There are numerous donor organizations working on tourism development in Laos such as New Zealand Aid (NZAID), Asian Development Bank (ADB), German International Cooperation (GIZ), Netherlands Development Organization (SNV), and etc. Some of these principal players, SNV for example, removed tourism components from their development aid agenda in 2011. Given that this study focuses only on two main actors namely NZAID and ADB, the roles they are playing, are discussed in the following sections.

New Zealand Aid

In fact, NZAID has been one of the main donors in ecotourism development in Luang Namtha since the introduction of NHEP in October 1999. NZAID has a national representative office in the TDD building in Vientiane Capital and the provincial offices adhere to Provincial Tourism Offices in these provinces, where it operates the projects. In 2012, two national experts including Lao and foreign nationals supervised overall project implementation. NZAID is running projects in four provinces namely Luang Namtha, Xieng Khuang, Bolikhamsay and Khammuan. In each province, two villages were selected as “CBT villages”. In Luang Namtha, five staff from LDICT were appointed to work as the main coordinating body to coordinate project implementation activities. NZAID development activities include financial and technical assistance, and linking communities with private sectors.

With a commitment of US$ 1 million a year until 2010, New Zealand becomes the primary CBT donor in the country (Harrison & Schipani, 2007). NZAID financial assistance was divided into four phases. Between 1999 and 2002, called Nam Ha Phase I, NZAID contributed for the development. Thanks to the success of Nam Ha Phase I, the project granted additional fund for Nam Ha Phase II (2005-2008). The third phase of funding was implemented in the Plain of Jars, Xieng Khuang, called Xieng Khuang Heritage Tourism Programme. By the time of the writing, it was the fourth phase of grant. Apart from tourism, New Zealand provides funding for UXO clearance activities, mainly in Xieng Khuang, which are somehow related to tourism development.

NZAID provides technical assistance to government tourism offices at the national and local levels. Nationally, it assists TDD to prepare a master plan for tourism development of the “National Tourism Development Strategy”. Locally, NZAID helps provinces to develop provincial tourism development strategies based on characteristics of tourism resources of each province. The project seeks to identify the potentials of the provinces and advise each province to promote. Luang Namtha, for example, is rich in natural and cultural diversity; therefore, the project supports the province to promote ecotourism. At community level, NZAID

works with Provincial Tourism Offices to organize training programmes related to hospitality skills and nature conservation. The project assisted local communities to establish rules, particularly related to benefits distribution.

In addition, NZAID is trying to develop the private sector in Luang Namtha. The project allocated a certain amount of fund and allowed local tour operators to borrow to develop tourism products in the villages with a generous repayment policy -30% of the principal. Nevertheless, the programme was ineffective due to the fact that the local tour operators spent money on wrong purposes[39]. As the private sector is still weak, the project trained the local tour operators how to work with local communities.

The project tries to create links between local communities and private sector to ensure continuous operation in the long run given that the private sector is responsible for supplying visitors to the local communities. An expert respondent observes:

> I like to emphasize that our country is a little bit different from Thailand...The local communities…are not strong enough to do...to be proactive. So we have to find the private sector or people who are interested in continuing the enterprises…activities that the project helped to establish (NL1, August 2012).

As the respondent explained, the communities in Laos are relatively weak in comparison to those in neighbouring countries, where local people are capable, to some extent, to manage community-based tourism businesses by themselves. The problems stem from a lack of financial capital and lower level of education; as a result, private sector involvement is considered indispensable to ensure sustainability of tourism businesses.

Asian Development Bank

Since 2002, the Asian Development Bank (ADB) has played a significant role in sustainable tourism development in the Greater Mekong Sub-region (GMS) as well as in Laos. The bank initiated a tourism development project called Mekong Tourism Development Project (MTDP) by providing an approximately US$ 30 million low interest loan to Cambodia, Laos and Vietnam with the aims to:

> reduce poverty in the countries, contribute to economic growth, increase employment, and promote the conservation of natural and cultural heritage. The specific objective of the Project is to promote sustainable tourism in the lower Mekong basin countries through infrastructure improvements, community and private sector participation, and sub-regional cooperation. The Project will improve high priority tourism-related infrastructure in Cambodia, Lao PDR and Vietnam, promote pro-poor, community-based sustainable tourism in rural areas and strengthen sub-regional cooperation. It will mitigate environmental degradation, develop human resources, and promote cooperation between private and

[39] Personal communication with a staff of LDICT during the stakeholder seminar in Luang Namtha, January 2014

> public sectors within GMS by establishing tourism marketing and promotion boards (ADB, 2002, p. iv).

Laos received about a third of the total fund for developing tourism related infrastructures. Subsequently, ADB continues to support tourism development in Laos. Between 2009 and 2014, an additional fund of US$10 million was allocated in addition to budget from Lao government to set up Sustainable Tourism Development Project (STDP). The objective of the project is to:

> contribute to the sustainable socioeconomic development of Lao PDR focusing especially on poverty reduction, sustainable development and protection of the natural and cultural heritage and protection of vulnerable groups from exploitation[40]

LNTA is the executing agency responsible for project implementation in nine provinces: Bokeo, Luang Namtha, Oudomsay, Houaphan, Sayabouly, Vientiane Province Savannakhet, Salavan and Champasack. The project is working on five main areas: (1.A) biodiversity conservation in Siphandone Wetlands; (1.B) environmental protection and management in Vang Vieng[41]; (2) pro-poor tourism development in Bokeo, Houaphan, Sayabouli, Salavan and Vientiane provinces; (3) promotion of tourism development along North-South and East-West Economic Corridors, (4) human resource development; and (5) institution strengthening and implementation.

STDP's organizational structure consists of a Project Coordinating Unit (PCU) based in TDD and Project Implementation Unit (PIU) located in the Provincial Department of Information, Culture and Tourism (PDICT) of the provinces where projects are implemented. The PCU is equipped with foreign and local consultants, whereas Project Manager and Financial Controller are appointed by TDD. At the provincial level, PDICT provides PIU staff, who work as project coordinating body.

In Luang Namtha, STDP development activities are centred in the town of Luang Namtha; along the highway linking southern China to Thailand; and in villages located near the highway such as Chaleunsouk and Nam Dee. The project funded tourism related infrastructure, tourism supply chain product development and capacity building activities. For infrastructure development, STDP financed the construction of NHNPA Visitor Centre; a suspension bridge over the Nam Thoung River to the Phousamyot village. In addition, the project helped to improve tourism facilities in the town such as a night market, a tourism information centre in the provincial bus terminal etc.

As far as product development is concerned, STDP trained villagers and tourism related businesses to develop their products and improve service quality. In Chaleunsouk village, for example, the project trained villagers on tour guiding, hospitality skills and basketry product improvement.

For institutional strengthening and human resource development, the project organized training on tourism strategy and development plan formulation for tourism staff in public sector at the district and provincial levels. In addition,

[40] www.stdp.com

[41] Vang Vieng is one of the most famous tourist destinations, especially for backpackers, located about 150 kilometres from the Capital to the north.

STDP funded the development of tourism and hospitality textbooks for vocational schools and public universities at the provincial and central levels.

5.4.2.1.3 Ecotourism Operators

There are a large number of foreign and Lao tour operators and travel agencies operating in Laos. In 2012, 275 travel agents and 75 branch offices were recorded across the country (TDD, 2013, p. 24). However, the majority of them focus on classical tour operation, which requires less investment in comparison to ecotourism (AD1, August 2012). Although the government of Laos wishes to promote the country as a world class ecotourism destination (LNTA, 2005b), only few ecotourism specialists namely Green Discovery Laos, Exotissimo Travel Laos, and Tiger Trail are dominating the markets. In addition to developing and selling their own products, these operators also serve as subcontractors for the classical tour operators, who want to include nature-based or adventure experiences in their packages.

Shortly after the introduction of the first ecotourism project in Laos, Inthy Deuansavanh, a young Lao entrepreneur who has been regarded as a passionate nature-lover, established a nature-based tour operator called Wild Side Travel, specialized in kayaking and water rafting in 2000. A year later, the company was renamed Green Discovery Laos [42] (GDL) and quickly diversified its product ranges and expanded businesses across the country. GDL has a head office in Vientiane Capital and seven branch offices located in six provinces in the several regions of the country. The company offers a range of nature-based or ecotourism products such as trekking, kayaking, rafting, mountain biking and etc. GDL's markets consist of several segments such as Free Independent Travellers (FIT) and special interest groups like scientists, reporters and documentary producers. The company works closely with local communities and international conservation agencies such as IUCN, Elephant Asia and Wildlife Conservation Society.

Exotissimo Travel Laos[43] is a French company operating in other countries in the region such as Cambodia, Myanmar, Thailand and Vietnam. In Laos, the company offers a combination of culture and nature-based products in Luang Namtha, Luang Prabang, Vientiane Capital and Champasack. As community-based tourism is concerned, the company works with international development agencies and local communities to develop tourism products. In Meuang Sing, Luang Namtha, for example, a CBT project called "Akkha Experience" was first developed by GTZ with total funding of US$280,000 for the development. As tourism is a business, the company was engaged to ensure the operation in the long run. Another example is in Yoy Hai village, Oudomxay, where the company committed 100% finance of US$300,000 to build "Khmu Lodge" along the Mekong in 2004. Local communities have been actively involved.

Tiger Trails-Outdoor Adventure is a Lao company, but equipped with multinational team based in Luang Prabang. The company has been regarded as strong competitor of GDL (AD1, August 2012). Like other operators, the company works with international development agency and local communities to develop CBT products. In 2010, for example, the company granted US$2,000 to

[42] See www.greendiscoverylaos.com for further details
[43] www.exotissimo.com

US$3,000 and collaborated with United Nation Office on Drugs and Crime (UNODC) to develop a tour named "Living with the Akkha", with the aim to reduce drug consumption in Meuang Khua, Phongsaly province.

In addition to funding and technical support for product development, the tour operators play key roles in marketing, creating linkages in local economy, empowerment local people, and promote tourism development in the country as a whole. Expert interviewees from donor organizations and the private sectors share similar views on marketing role of the private sector.

> We improved [tourism] products and there is no one who continues to sell the products…or advertises, they may disappear (NL1, August 2012).

> Don't forget the private sector. Many places are sustainable because of the private sector, tour operators, other business enterprises involved. People will be able to produce continuously. Because entrepreneurs...the private sector, they know the markets (NL2, September 2012).

> GDL was at very early…stages already involved because of their expertise and later on their means of marketing. If you have a project and the government is developing a project, it must be marketed and this should be private sector, not the government (AD1, August 2012).

The private sector has been involved mainly because of their expertise and marketing means. It would be difficult for the local communities to market products by themselves, due to a lack of know-how and capital. Therefore, private sector involvement is necessary, since '[they] know the markets and…know how to deal with the markets (AD1, August 2012). Furthermore, private operator participation is considered as an essential component that sustains tourism operation in the long run. It is obvious that several destinations are still running although the projects ended long time ago, thanks to the presence of private operators. On the contrary, a number of destinations are declining or disappeared due to the fact that private sector has not been engaged.

The private sector tries to create linkages within local economy. GDL, for example, when the company developed a product, local people have been involved in the beginning, from planning and development to running the project. The company tries to 'give [local people] jobs as many as possible' (AD1, August 2012). Also, GDL tried to encourage local people to grow vegetables and produce handicrafts for selling to tourists. The development activities do not only generate additional income for local people, but also develop local production systems.

Furthermore the private sector plays an important role in educating villagers. In case it is a new village, which has not exposed to tourism before, the private operators try to create awareness for the people on the meaning of tourism and how they benefit the village. Additionally, the companies try to create rapport with local people and convince them 'to reduce hunting, to reduce collecting of NTFPs…especially for illegal ones' (AD1, August 2012). By doing so, a win-win-win situation was developed. The local people have additional income; tourists are happy thanks to more intact nature; and the tour operator makes profit.

Apart from the above mentioned roles, private tour operators serve as "goodwill ambassadors" to promote the country as an ecotourism destination to the world tourism markets, as an expert interviewee observes:

> When I started working with LNTA in 2000, there was nothing. They were just starting the Nam Ha Ecotourism Project. Most of the tourists still had to go to the airport authority, when they registered and asked where they can go and now they can go free with no problems. So there is a huge step forward. [The tourism products] offered in the country…are the pioneering activities of Green Discovery… (AD1, August 2012).

The respondent, who used to work as ecotourism consultant to LNTA, stresses an important role that private companies have contributed to ecotourism product development and promote the products to the markets. In 2000, when ecotourism was first developed, there were few ecotourism opportunities for tourists and tourist information system was not well developed. Thanks to the private sector, an increasing number of attractive products have been developed and tourist information has been widely disseminated through advertising media of the tour operators. These help to support the overall growth of Lao tourism industry. Furthermore, the eco-tour operators might play a key role in promoting natural and cultural beauty of the country to its own population, particularly the young generations. In most cases, domestic tourists prefer to go on tours in more developed regions like in Europe or more advanced countries in the region. In the next decades, however, the situation might change, as it was already the case in neighbouring countries (Malaysia, Thailand, the Philippines…), where young people in urban areas have roamed to national parks as a part of their study programmes or for recreational purposes. This might soon come to Laos. If it is the case, the eco-tour operators might play a key role in educating and promoting the products to these market segments.

5.4.2.2 Local Actors

In this study context, local actors are both public and private entities, whose scope of actions is in the provincial, district and village levels namely Luang Namtha Department of Information, Culture and Tourism (LDICT), Nam Ha NPA Management Unit (NHNPA), Local Ecoguide Operators, Transport Provider Association, Provincial Guide Association, local communities, and tourists. Their roles and responsibilities are examined in the following sections.

5.4.2.2.1 Luang Namtha Department of Information, Culture and Tourism

Like at the central level, the former Luang Namtha Tourism Department was integrated in Provincial Department of Information and Culture and renamed Luang Namtha Department of Information, Culture and Tourism (LDICT) in 2011. LDICT is a provincial government organ responsible for tourism planning and policy formulation and implementation, regulating tourism and hospitality businesses, and facilitating local participation. As tourism policy is concerned, LDICT propagates the national tourism policy and formulates specific tourism policy according to the potential of provincial tourism resources. Concerning tourism regulation, LDICT is responsible for granting business licenses to tourism-related businesses, local tour operators, and issuing trekking permits for trekkers. In addition, the department trains and certifies provincial tour guides. Also the department works with development partners to encourage local communities to participation in ecotourism planning and development.

Additionally, the department promotes nature and culture protection through raising awareness in local communities.

Nonetheless, the implementation of tourism plans and regulations are not effective enough. A number of problems such as low quality guides and unjust competitions remain the major concerns. There are some untrained tour guides and some of them are civil servants, who profit from their free time to guide tourists. It has been found that some of them mislead or provide wrong information to tourists. In addition, there are some rule breaking operators, who pays too much attention on profit rather than the quality of the trips as an expert interviewee echoes '…there are some "service units", which are privately owned providing these services. Sometimes they focus only on profit...they do not care about the policies' (PPM1, August 2012). The problems occur due to '…the administration of the government itself… [the] control mechanism is not tight enough…doesn't operate in a systematic way' (PPM1, August 2012). In addition, changing rules and an ambiguity in the responsibilities between the province and district levels constitute obstacles preventing the department to function properly.

Concerning the control of the local operators; however, there is a possibility that the department will allow local tour operators to regulate themselves by setting up an association as a control mechanism as a respondent states.

> If possible it will be turned to the organization of…an association [of the local tour operators] and we let them control themselves. Then the problem such as…you charge more I charge less will disappear. They will discuss among themselves; the association (PPM1, August 2012).

One of the major difficulties is market dumping, in which some operators offer products below the market price in order to attract more customers. In fact a group of local tour operators has been set up, yet a group meeting has been never held to discuss the problems among group members since the establishment. The group will be upgraded to an association responsible for setting price and monitoring the quality of the trips. This might make the regulation function more effective.

Another major challenge that LDICT is facing is a lack of budget to implement the plan. The department still heavily relies on grants allocated by donor organizations, especially ADB and NZAID. It has been reported that numerous projects ceased to exist following the transfers to local authorities due to the fact that the authorities do not have sufficient budget to continue the activities.

5.4.2.2.2 Nam Ha NPA Management Unit

Formerly NHNPA management unit was located in the Provincial Department of Forestry and Agriculture. Later, it was transferred to Forest Resource Management Division (FRMD) in the Provincial Department of Natural Resources and Environment. FRMD has ten staff responsible for the NHNPA covering an area 222,400 hectares and protection forest of 300,000 hectares making the total responsible area approximately 500,000 hectares, come up with an area and staff ratio of 50,000 hectares per person.

The main tasks of NHNPA include demarcation and monitoring the protected area, especially in the sensitive areas. The protected area staff are stationed in the villages due to limited number of personnel. In addition, "village forest officers" were appointed as coordinators to report, when illegal activities such as logging,

encroachment and etc. are committed. Although tourism has contributed some fund for management activities, NHNPA still encounters a number of problems due to inadequate supply of staff and budget. The park authority receives some fund from the government; however, the amount is minimal and irregularly supplied as a respondent explained:

> Every year the government fund comes very slowly and is not enough...We want concerning authority to have projects to help us…to protect the forest. Forest cover is diminishing day by day. We don't have enough vehicles. We don't have enough personnel; the funding situation is even worse (PAM, February 2013).

As the respondent witnesses, the protected area management is risky due to inadequate fund and personnel leading to increasing amount of forest areas being cleared. A number of illegal activities such as hunting, logging and protected area encroachment are widespread in the area. Furthermore, rubber plantation has played a principal role driving protected area encroachments, which exacerbates environmental degradation. During the 1990s, the government allocated three plots of land to each family in the villages inside NHNPA for shifting cultivation. The size of the land depends on the number of people in a family and the capability to work on the land. When rubber boomed in Luang Namtha between 2005 and 2006, a large number of families converted their land into rubber plantations. In addition, some poorer families sold their land to the rich for the plantations. Given that the land areas were converted to rubber plantations, the residents intruded new areas for shifting cultivation, which makes the problem more complex to solve.

5.4.2.2.3 Local Tour Operators

During early stage of ecotourism development, four project-run Nam Ha Ecoguide Services (NHEGS) were set up. When private sector has been promoted, NHEGSs were gradually transferred to private operators. In 2012, there were three inbound tour operators, two branches of larger national tour operators and 22 local operators. In most cases, local tour operators were characterized as family-owned operated by local people from the province. Some of these small entrepreneurs used to work as tour guides for GDL. When they accumulated financial capital and expertise, they started up their own businesses.

In most cases, the ecotourism businesses are operated under a partnership between the tour operators located in the town of Luang Namtha and local communities in the vicinity areas or inside NHNPA. During the development phase, the operators coordinate with other stakeholders (NHNPA, LDICT, tourism police…) and work with local communities to develop trekking trails, community lodges and other tourism infrastructure. The operators play a leadership role and provide fund for the development, while local communities contribute labour and materials for the construction of the infrastructure. During the operational phase, the operators are responsible for marketing and selling tours to the villages, while local communities are supposed to cater for tourists and maintaining tourism facilities.

Service quality remains a major concern given that the majority of the operators are in short of qualified tour guides and a lack of quality standard. Furthermore, evaluation of service quality and monitoring from public sector are

still lacking. According to personal communication with the respondents (tour guides, branch managers, project experts…), only one operator carries out feedback survey for each tour in order to improve service quality. Furthermore some operators have engaged their relatives, who do not have English skills and have not completed a tour-guiding course, making the situation even worse. Some of the tour guides gave wrong information and misled tourists; as a result, tourist complaints are prevalent and remain unsolved. In addition, some operators use tricky marketing technique in order to attract more customers. Given that price is a determining factor of choosing an operator and the best price depends on the group size, some operators misled prospective customers by advertising that two persons already booked a tour; in fact no booking has been made. When the customers booked the tour, they informed them on the day of the trip that those who booked the tour before cancelled the booking. To attract as many customers as possible, some tour operators try to decrease the price of the packages as low as possible. Subsequently the guides reduce tourist spending, for example food charge, in the villages causing discontent among villagers. Nonetheless, numerous tourists, who are more concerned about service quality, still prefer better operators with higher prices.

5.4.2.2.4 Local Hotels, Guesthouses and Restaurants

In 2013, there were 6 hotels, 76 guesthouses and 135 restaurants registered in Luang Namtha. The total accommodation establishments have a total number of 1,269 rooms and the average room occupancy rate of 49%, dropped from 54% in 2012 (TDD, 2013). The room rate approximately ranges from 50,000 Kip to 130,000 Kip. In most cases, tourism-related businesses are locally owned by people from the province or by Lao nationals from other provinces. Only one local tour operator and restaurant operated by a foreigner in the name of a Lao national. The majority of the enterprises are family businesses employing less than 10 employees. The employees are local people from the province, yet there were some volunteers, who assisted local tour operators in information technology and marketing. They were university students from western countries such as England and Germany. There were some Chinese investments, particularly in hotel and entertainment businesses to serve an increasing number of Chinese investors in the province. Several local businessmen operate many businesses such as guesthouses, restaurants, ecoguide services, and bicycle and motorbike rentals.

The town of Luang Namtha is a starting point for going trekking inside the protected area. Apart from the protected area, there are not so many attractions unlike in other provinces, for example Luang Prabang, where visitors can visitor temples, museums and so on in addition to nature experiences. In general, tourists spend about one or two nights before and after the treks.

5.4.2.2.5 Transport Providers

Local tour operators in Luang Namtha do not operate transport fleets for sending and picking up the visitors. The services are outsourced to local transport providers, who are organized as an association. This helped to spread tourism revenue to other sector. The transportation services are family owned enterprises run by local people from the province. An entrepreneur may own one or more vehicles registered with the Provincial Department of Transport and Public Works

and LDICT, in case one wants to serve tourists. In 2013, a total number of 24 vehicles were registered with LDICT. In addition to serving tourists, they also serve to local residents. Service provision is organized based on a partnership between vehicle owners and tour operators or guesthouses and hotels. A tour operator may cooperate with several transporters to rotate to transport tourists. The main responsibility of the transporters is to send and pick up tourists based on the agreed time and places.

Transporting tourists is a good income source for local people, as a transport provider explained 'I think it is better than transporting other passengers; I have a good income' (TP, February 2013). Serving tourists is better than serving local residents. During the high season, a transporter earns an average income of 2 million Kip a month for a twenty-day working period. When there are not many tourists, they turn to serve local people.

5.4.2.2.6 Provincial Tour Guides

In Luang Namtha, provincial tour guides are freelance, who grouped as an association. An individual, who wants to work as a tour guide, must complete a one-month training course, including language training, offered by LDICT to get a guiding license. With a provincial guiding license, a tour guide is able to work with in the provincial border. (S)he must complete a national tour guide training programme offered by TDD in Vientiane to be able to work beyond the provincial boundary. In 2012, a number of 316 provincial tour guides was recorded, of which 34 were females. The majority of the guides have been recruited from villages in the province.

Provincial guides are categorized into two classes namely lead guide and assistant guide. There is no fixed employment; therefore, the tour guides earn income on a daily basis. A lead guide is paid 120,000 Kip per day, while an assistant guide earns a daily wage of 100,000 Kip. On the average a tour guide earns two to three million per month during the high season and about one million Kip during low season. In addition to the daily wage, the guides enjoy special privilege such as an exemption from accommodation charge and boat charge (in case of crossing a river) based on an agreement between tour operators and the local communities.

When a group of tourists booked a tour with a certain operator, tour guides will be contacted. The frequency of guiding depends on qualification and enthusiasm of the guides. The more enthusiastic and hard-working the guides are, the more likely that they will get the jobs offered. In addition, better quality guides prefer to work with better performed-operators, in particular the GDL. In each trip, at least two guides (one lead guide and one assistant guides guide) are employed for a group with a maximum number of eight tourists.

During the tours, a provincial guide assumes the role of tour leader who is in charge of controlling the whole the process of the tour. In each trip, a tour operator calculates the total costs of meals, transportation, accommodation, and other expenses in a village and the total budget is handed over to the guide. As a result, the guide is the distributor of tourism revenue to different actors in the province and in the local community. (S)he is able to decide how much money to spend for buying food stuffs in the market in the town and in the community inside the protected area.

Also the guides are regarded as educators, who provide necessary information on the protected areas and the communities for tourists. They advise visitors on local customs and traditions, taboos, "dos and don'ts", and illegal acts, for example, drug use and wildlife consumption. The information serves as essential guidelines to guide tourists to behave properly in the local context and to prevent possible negative impacts or conflicts between the hosts and guests.

In addition, the guides serve as intermediaries between tour operators and local communities and between tourists and villagers to overcome language and other cultural barriers. They act on behalf of operators to maintain friendly relation with local communities. An improper action might break the relationship between local community and tour operator. As a result, the local communities do not cooperate with the tour operators affecting tourism business as a whole.

Given that all villagers cannot understand foreign languages or in some cases even the Lao language, the tour guides facilitate the communication between visitors and villagers. During a meal, a village representative (a village chief or an elder) is invited to attend to provide general information on the community to the tourists, while at the same time villagers are encouraged to ask the tourists about their home countries. This promotes cross-cultural learning.

Likewise, the tour guides help visitors in carrying luggage, especially for children or elderly tourists, due to the tough conditions in some sections of trekking trails. They also give warning signs of possible dangers and provide first aid in case of an accident or illness.

The tour guides monitor service quality provided by local communities and illegal activities in the protected area. Following a tour, the guides are responsible for reporting the overall organization of the trip and some illegal activities they may find along trekking trails to the operator. If the illegal activities have been reported, the operator will inform NHNPA.

5.4.2.2.7 Local Communities

In fact, local communities constitute an attribute of ecotourism products in Luang Namtha as one the main purposes of visit is to experience local way of life. '…we go there to see their live…to see their schooling'. The tourists want see different aspects of rural live such as education, healthcare…and do some community services. In many cases, the pictures of ethnic people and their habitats are featured in the advertising media of tour operators and public tourism administration offices. In addition, the names of ethnic groups such as "Khmu" and "Akkha" have been designated as the product names, for examples "Akkha Experience" in Meuang Sing and "Khmu Travel" in Luang Namtha.

During planning and development phase, local communities provided knowledge on the biophysical environment to project experts. In some aspects, they have superior knowledge in comparison to external experts. They know forest areas where rare species of plants and animals occur. An expert interviewee states 'Although, they cannot understand English, they have interesting things to tell tourists…they know so many secretes of the forest' (AD1, August 2012). Thanks to local knowledge, local people were engaged in tourist sites exploration, which made the explorations more effective and efficient. In addition local knowledge also contributes to tourist learning and enhances positive experience of the tourists. Likewise they know dangerous areas in the forests, where preventive measures can be planned in advance. In case of emergency, they are considered as

the best messengers to request assistance from the town given that they can walk faster than the outsiders.

Apart from local knowledge, the local communities have contributed labour in the development of tourist infrastructure. The construction of village lodge and bridges, for example, the development partners provided financial and technical support, while local people provided labour to transport construction materials and contribute some material they could find in the villages. In addition, they have committed to protect the nature in the NPA by reducing hunting, fishing and cutting down trees.

Local communities serve as control mechanism to monitor the protected area, tourist behaviour and provincial tour guides. They report illegal activities practiced by local residents and those from the town to NHNPA authority. There are a number of tourists, who enter the protected area without tour guides and trekking permits. In this case they report to the tourism police. In addition, they are responsible for reporting inappropriate behaviours of the provincial tour guides to tour operators or tourism authority in the province.

5.4.2.2.8 Tourists

Tourist perspectives are useful information for future planning and development. To capture the tourist perception of benefits and burdens sharing, an MSc thesis (C. Winkler, 2013) was conducted in association with this study. The study was based on qualitative approach, in which a total number of 52 problem centred-interviews were conducted with western tourists, who took part in ecotourism activities in the protected area. The main findings are presented in the following subsections.

Who are ecotourists in Luang Namtha?

The respondents participating in the interviews were between 18 and 70 years old. Remarkably, approximately 90% of them have university education or been undertaking university courses. According to C. Winkler (2013) tourists can be categorized into three groups: young and alternative ecotourists, quality-oriented ecotourism and service-oriented ecotourists.

The young and alternative group is between 18 and 35 years old. Mostly they are university students or newly graduates, who are interested in nature. They care for the benefits to the local community, however they have limited budget to spend.

The quality-oriented group is between 30 and 50 years old. The majority of them are university graduates. Similarly to the young and alternative group, they are interested in foreign culture, in addition to concern for nature. The group prefers quality to budget tourism products and they pronounce themselves as independent tourists.

The service-oriented group is characterized as wealthy and well-educated who are interest in foreign cultures; therefore, they travelled to several countries in Southeast Asia. They are relatively old; therefore, they prefer to use travel agencies for travel arrangements.

Apart from Laos, they visit other countries in the Southeast Asia such as Burma, Cambodia, Thailand and Vietnam. The tourists learn about Laos through media and recommendations from friends. In addition, authentic nature and

cultural heritage constitute the pull factors attracting them to the destination. Laos is used as a transit route to travel to other countries in the region.

What are their expectations?

The majority of the tourists are familiar with the concept of ecotourism. They associate the term with various terms such as green, sustainability, natural and cultural protection. The priorities of the tourists are to experience undisturbed nature and local culture, in which the current state of the destination meets tourist expectations in a certain extent. They have low expectation on imported goods, but rather try to adapt themselves to local ways of life such as trying local dishes and participate in activities with local people. However, some necessities such as the Internet, and western style toilets should be available.

Perception on benefits and burdens sharing

Tourists view tourism as a means to generate environmental, economic and sociocultural benefits to the local communities. Tourism has been regarded as a means to raise environmental awareness for local people through economic benefits from tourism. This might convince local people to pay more attention to nature protection. In addition, tourists are optimistic about tourism as is an additional income source for local people. This might translate into better education, healthcare, and other infrastructure in the communities. In addition, tourism might stimulate a sense of pride on natural and cultural heritage of the local communities.

Nevertheless, one of the major concerns is an increasing waste from tourism activities and they are afraid that the local people may not have adequate knowledge to properly manage the waste. As local communities are increasingly dependent on tourism for earning living, they may relinquish traditional careers in agricultural sector. As money is increasingly important due to tourism growth, the local people might become greedier. From sociocultural point of view, tourism creates inequality in the communities. Furthermore, tourists voice concerns over irritation generated by tourist behaviours to the local communities.

Experiences and suggestions

One of the main purposes of the visits is to enhance mutual understanding between the host and guests. Therefore, the interaction between tourists and local people plays a crucial role in enriching positive experience between the two sides. The findings suggest that the interaction between tourists and local people is still lacking due to language and cultural barriers. The provincial guides are playing an essential role as a bridge between tourists and local communities. Tourist satisfaction increasingly depends on the performance of the guides. As satisfaction with the site is concerned, Luang Namtha has been perceived as functional rather than spectacular location. It serves as a starting point of trekking tours inside the protected area. Regarding service quality, although Lao people are fame for friendliness and hospitability to the visitors; however, service quality is relatively low. This is partly due to inadequate hospitality training. Overall tourists suggest improving of infrastructure, accommodation, and service quality, especially improving English skills for employees who are working in tourism and hospitality sectors.

5.4.2.2.9 Other Government Agencies

The other stakeholder groups that are involved in ecotourism development in Luang Namtha include the Provincial Hospital and the Provincial Department of Public Security. In the early stage of development, the hospital provided trainers on first-aid for provincial tour guide training, while the police delivered lessons on security issues and took part in tourism site exploration. In addition, there are police officers called "Tourism Police" stationed within tourism section of LDICT. Their main responsibilities include control and monitoring unlawful acts of tourists and mediating conflicts between tourists and local people.

5.4.3 Stakeholder Interactions in Ecotourism Development

This section examines the interactions among different stakeholders in ecotourism development arena. There are subsections explaining ecotourism planning and development process, local community participation, rule formulation, community-based tourism management and communication between non-local and local actors.

5.4.3.1 Ecotourism Planning and Development Process

In Luang Namtha ecotourism development was initiated by international donor organizations. The donors provided financial aid in the form of low interest loans or grants and collaborated with LNTA to set up an ecotourism development project. The projects were equipped with staff recruited from public and private sectors working at the central and local level. Following a project set up, a meeting was held in the Provincial Governor's Office for presenting development concept to provincial authorities. Later on targeted villages were selected based on recommendations of the province. Not all communities were able to participate in tourism; rather the communities were selected based on the following criteria: accessibility and safety, community cooperation in conservation activities, prioritized villages determined by provincial authority, community interest, quality of natural environment and interesting cultural heritage.

The project developed sequential activities as a guideline when developing tourism in the selected communities. The guidelines include the following steps: field survey, tourism awareness workshop in the village, trailing the trips, participant feedback, community feedback, guide and community operational training, pricing the trips, information and promotion and monitoring. In the early stage, a stakeholder meeting was organized in the province, where representatives from different groups including project experts, government offices, private sectors and local communities met to discuss the problem. In the beginning, the project did not approach the whole village, but invited village representatives such as village chief and *neohom* (elders) to attend a meeting. Subsequently, the village representatives disseminated the information to community members. A series of community workshops were organized to create understanding on tourism and how tourism can benefit the communities.

As far as private sector is concerned, it was the responsibility of a branch manager (in case of Green Discovery), who approached communities before developing tourism products. A meeting between the branch manager and community leaders was organized to negotiate issues on environmental protection such as shifting cultivation reduction, and wildlife hunting reduction, particularly

the endangered species. When the consensus has been reached, an agreement on nature protection was signed between the tour operator and the community.

5.4.3.2 A Big Tree Experiment

In the beginning of development, the communication between local communities and the external actors was challenging due to cultural barriers and a lower level of education of the local communities. In some cases the development projects had to employ local people to facilitate the communication (NL1, August 2012). In addition, Lao language skills vary among ethnic groups. Khmu, who are better developed and educated, are easier to communicate, while working with Akkha requires greater effort (DTC, September 2012). During planning and development, development planners had to use the easiest language and tried to avoid using jargons (NL1, August 2012; NTP, September 2012; DTC, August 2012). An expert respondent observes:

> The word "impact", they don't understand...It's even worse to talk about positive and negative impacts, if we don't say "good" and "bad" (DTC, August 2012).

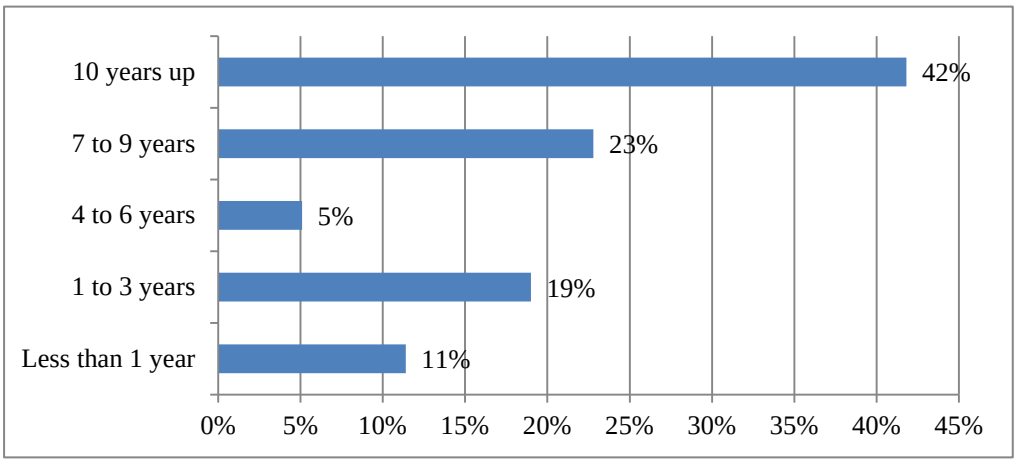
It is even more complicated for local communities to understand how tourism could bring economic benefits to the communities. An expert interview partner explained:

> Earlier it was a little bit difficult. We talked to them. At the beginning they didn't understand. We will bring tourist there; we will visit your village; you will get money. First, a big tree, you just guide them to see. They take only pictures. They hire you to see the tree, when you return home you make money. They said we don't know. We have to show them practical aspects. When they earned money, they realized that it's true (DTC, August 2012).

5.4.3.3 Local Community Participation

It has been argued that tourism development in Luang Namtha is characterized as top-down approach. However, local people in the province and village level have been involved from planning till operation, which resulted in considerable success. Figure 17 exhibits the results from the questionnaire survey in the three communities. Over 40% of the respondents have been involved in tourism in the communities for more than ten years, while 23% of them work in tourism between 7 and 9 years. In addition, new recruitment and selection are continuously carried out by village authorities, particularly for the younger generations. This confirms that the residents have been engaged in ecotourism activities since the introduction of Nam Ha Ecotourism Project in 1999.

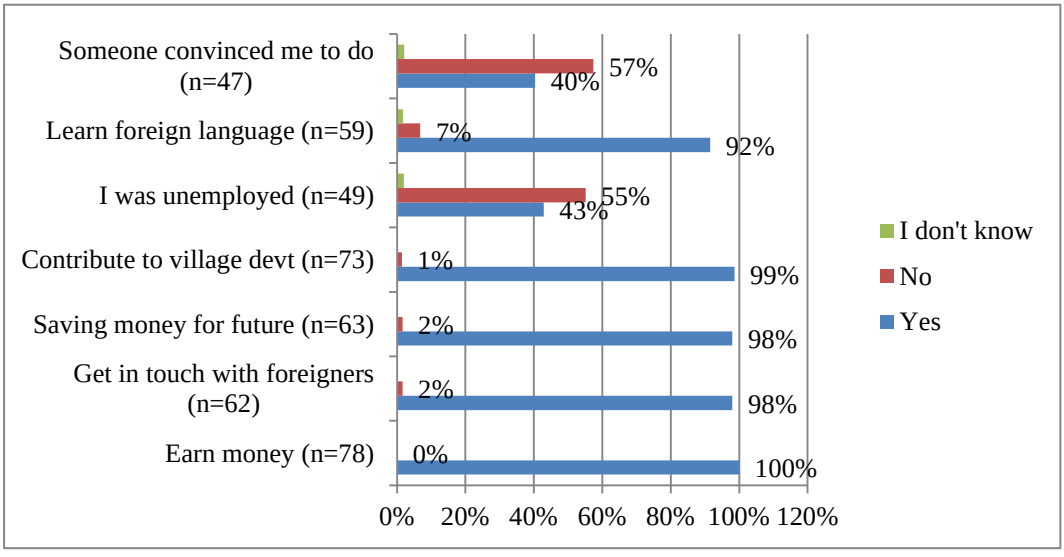
Figure 17: Working Duration in Tourism (n=79)



Source: Author's survey, January 2014

As the majority of the residents are subsistent farmers who have limited economic opportunities, monetary benefits constitute the major drivers of participation in tourism. The majority of the respondent state that they participated in tourism activities because they want to earn money; contribute to village development and saving money for the future respectively. In addition, the respondents state that they are happy to get in touch with foreigners and learn foreign language. This indicates that the residents are not feeling irritated by the presence of foreigners in the communities. Unemployment and convincing by the other are not associated with participation as the former may be associated with laziness, while the latter implies voluntary.

Figure 18: Motives of Participation in Tourism (n=78)



Source: Author's survey, January 2014

How to approach local communities?

Local customs and cultures must be taken into account when consider involving local people in tourism planning. An expert respondent suggests that a development project should first approach elders and village chief, who have been regarded as the "gate keepers". In some cases, the elders are more respectful than village chiefs in terms of decision-making (e.g. working with a development project) (NL2, September 2012). Also, geographical locations of the communities constitute an important factor determining the ease of local involvement. The villages located near main roads or close to the town are considerably easy to approach compare to the communities located inside the forests (DTC, August 2012). This is partly explained by more exposure to development.

Another factor that development planners or researchers have to keep in mind, when approaching local communities, is to understand their behaviours and needs. An expert observes:

> The only thing is that we have to know what they like. Akkha people like being photographed. I had to take photos for all of them…later I gave them photos...After giving them the photos they started to know me (DTC, August 2012).

As the example illustrates although it is a minor detail, yet a starting point to keep in touch with local people. Subsequently, the interactions have been developed into a friendly relationship between outsiders and insiders, which makes the participation effective.

It is increasingly difficult when it comes to engage women in the development process due to sociocultural factors. Lao is a patriarchal society, where dealing with the outsiders or attending village meeting, has been regarded as male business. The situation is even worse for minority women. Akkha women, for example, are very shy. They are even afraid of having a meal with strangers. Within a family, the women are supposed to have meal only after the men have finished. Regarding education, only boys attend school; the girls rarely do. The situation holds true for tourism planning meetings. In the beginning, Akkha women did not attend the meetings. The development planners should seek to understand their behaviours and needs.

> I started to think about what Akkha women like…I asked the men what the women like…they like very small tubes of perfume and red lipsticks. When I returned to the province, I bought a big pack [of perfume] and red lipstick for giving to young girls. After that the young girls came to talk to me; to get acquaintance…when I organized a village meeting, most of them came and also the women, but they sat far away (DTC, August 2012).

This is what an expert, who has worked in ecotourism development for more than ten years in Luang Namtha, explained how to involved minority women in tourism planning. Firstly, he approached the men through understanding their behaviours. Later he used men as a link to approach women. The development planner gradually changes local people behaviours and involves them in the development process.

To what extent do local people participate?

There are different perspectives regarding the degree of local participation in tourism. An expert interview with private sector confirms that local people have been involved in tourism development from planning to running of ecotourism project:

> We involve these people as much as possible in the planning of products, try to give them jobs as many as possible…we hire villagers as workers…they would be workers temporary or they would be workers for long time and as soon as the products finished…we hire them as waiters, as gardeners, as a security man, as a guide of course…village gets involved from the planning, but also in the earning and running the project (AD1, September 2012).

Nevertheless, another expert respondent argues that participation of local people is relatively limited and confined to activity implementation level.

> It is relatively minimal. Let's say our development is "top down" approach…When it comes to people level, it is rather an activity implementation level; however, at the beginning when we designed a project, we interviewed, we explored; we visited the area (NL1, August 2012).

Although the respondent confirms that local participation is limited, yet the local communities were consulted during ecotourism planning. Through participant observation of the researcher, it was found out that the participation of the villagers in ecotourism activities (cooking and tour guiding) was limited. In most cases, it is the provincial guides, who buy ingredients from the town, cook for tourists in the villages. The local residents are only responsible for giving minor assistance such as bringing some food and firewood, fetching water and cleaning. Regarding tour guiding, a village guide is taken from the village to carry food and luggage (in some cases) and walk after provincial guides and tourists to a certain point in the forest and return to the village. Interaction between tourists and village guides rarely occur during the treks. In fact, tourists want to interact with village in order to learn from them but it is difficult due to language and other cultural barriers. It is possible for tourists to talk with village guides only through interpretation of provincial guides. From this notion, tourism did not contribute to improving villagers' skills, which are important tools for securing benefits from tourism.

Participation as a sign of solidarity

According to expert interviews (DTC, August 2012; LN2, September 2012), it has been found that there are some families, particularly the better off families that have been involved in tourism activities, but do not want direct benefits from tourism. Rather, they take part in the activities as a contribution to community development as a whole or a sign of harmony and solidarity in the villages. In most cases, they contribute labour in communal activities such as cleaning up village and trekking trails and fencing village lodge etc.

Participation implies sustainability

Local communities must be engaged in the earliest stage of tourism planning and development to ensure sustainability of tourism. An expert respondent states '…If there is participation, there will be sustainability…because [local communities] have been involved in the beginning' (DTC, August 2012). Local participation sustains tourism operation in the long run because the local participation, according to the respondent, creates love in itself. Local people feel more responsible to the properties if they contributed in the construction. They are more accountable to the properties when maintenance is needed. The respondent narrated how non-participatory approach failed to sustain operation in the long run:

> Earlier we didn't have experience. When we built [tourism infrastructure] we brought all workers from the town. The workers built a house without any involvement of the villagers. After completed, a party was organized in the village to hand over the guesthouse to villagers. Few years later, we always took tourists to stay in their village. They collected money from the guesthouse services. They cooked and provided food. After three years, the roof was leak. They came to us and wanted us to fix it. I thought what happened, they made money but they didn't understand, as we already handed it over to them. Later I realized that villagers didn't contribute in the beginning. They didn't raise the stilts with us, touch anything with us, they didn't roof the house, dig the holds...We employed only one person in the village. The villagers thought that it wasn't their property although we already handed over to them. It belonged to the project. Five years later, they still believed that it's a project's property (DTC, August 2012).

As the example indicates, the non-participatory approach failed to sustain operation in the long run. Local people perceived the developed infrastructure as project's properties rather than their assets; as a result, they were not accountable for the properties when reparation is needed. Therefore, local people should be encouraged to contribute in the development as early as possible. Many destinations died after the projects ended, due partly to a lack of participation of local people. It seems that the more villagers have been involved in the development, the more accountable they are as a villager states:

> We contributed some capital. If it's only [the project] give us, we don't have capital to contribute, we would become lazy people… [laughter], just want to have but doesn't want to do, let say (VTM1, February 2013).

This is what a villager says how they contributed to the development. The village has contributed capital accumulated from tourism income, for development and maintenance tourist infrastructure. They express their sympathy to the project that helped them to develop; consequently they want to do what the project wanted them to do.

Local participation helps to reduce the control from governmental department since they have become more responsible (PPM1, August 2012). In addition, community participation has contributed to the survival of local tour operators in the town. The villagers have played an important role in environmental protection, maintenance of ecotourism attractions and facilities such as trekking trail,

community lodge (DTC, August 2012). In addition, the local way of life constitutes an important component of the products. As one of the most experienced guide in Luang Namtha observes:

> I like to suggest the concerned parties to make tourism in Luang Namtha sustainably exist…to cooperate, to care for villagers because in most cases our products are with the people (PG4, February 2013).

Local communities have been regarded as active keepers of tourist attractions. If a certain tour operator runs a trekking tour to a community; however, there are not any interactions between tourists and the host community, the trip would not be interesting given that one of the main purposes of the visit is to experience local ways of life. If local communities do not cooperate in development activities, facilities maintenance and visitor catering in the protected area would be difficult.

Challenges of local participation

Local communities should be regarded as a centre of ecotourism planning and development to guarantee development effectiveness. Attempts should be made to involve villagers in tourism planning as much as possible. Nevertheless, one of the main obstacles impeding the local participation is a lack education of local communities. It was quite difficult for local people to grasp potential benefits from tourism as an expert interviewee observes:

> If we develop a trekking route crossing their village, they would only perceive it as a *viak khong phuk-lud* [a government business]. It would be hard for them to have an idea on producing local products for selling to the tourists (PPM1, August 2012).

It is often the case that when local communities perceive development activities as government businesses, they were reluctant to involve in the development. Therefore, more understanding is essential to empower local community to participate. A Lack of local participation implies fewer benefits to local communities:

> In some areas local people receive reasonable benefits; however, they lost advantage to businessmen in other areas. This depends on the level of understanding of local people and their participation. Sometimes they *mod panya* [lack knowledge]; they told service providers, businessmen, saying that…we couldn't do this, you do it yourself; when ones refused to do, the income is minimal (PPM1, August 2012).

The participation is based on a voluntary basis. When local people refused to participate, it is a good opportunity for businessmen outside communities to catch in and take the advantages from tourism. Given that volunteering is the first priority criterion, it is likely that the poorest of the poor would not participate, since poverty constitutes a reason of not involving in tourism.

5.4.3.4 Ecotourism Operation Model

All visitors are not allowed to go trekking to the communities by themselves due to the regulations of NHNPA and LDICT. They have to use services from local operators based in the town of Luang Namtha. The tour operators are responsible for requesting trekking permits from NHNPA and LDICT for visitors. The tour operators outsource some services to transport providers, provincial guides association, and local restaurants and other retail businesses. The tour operators play a key role in controlling tour operation and have been regarded as the "gate keepers"; as a result, local communities completely depend on the tour operators for visitors. At the community level, the Village Tourism Steering Committee (VTSC) is responsible for coordinating with the tour operators and at the same time supervising community lodge, cooking group and village guides.

5.4.3.5 Tourism Organization and Management in the Communities

Tourism organization and management in the three study communities share a number of similar and different characteristics. Nalan Neua[44] had a contract with LDICT, whereas Nalan Tai and Namkoy partner with GDL. In general, tourism organization is based on rotation of the whole village to cater for tourists.

In Nalan Neua, tourism organization was divided into two phases. Between 2000 and 2011, the village had a contract with Nam Ha Ecoguide Service (NHEGS) operated by Luang Namtha Tourism Office. The tourism activities were widely open to every villager to participate. The villagers participated in two main activities namely cooking and preparing the community lodge for tourists. During that time, service groups and village-based guides did not exist. The villagers, who have been engaged in tourism, were rotated to cook and arrange village lodge for tourists; three families for three trips. The cooking charge and the money left from buying the ingredients was distributed to the participants, who cooked for tourists, while the accommodation charge was kept in Luang Namtha Tourism Office as village revolving fund. However, the number of visitors decreased due to increasing competition from private operators. In addition, a number of problems emerged making tourism disorganized. The villagers took advantage from each other by disobeying the rotation schedule. In some cases the stronger, village elite, seized opportunities by engaging only their relatives in service provision, which aggravated conflicts within the village.

By 2012, the tourism organization in Nalan Neua was changed following the introduction of new development assistance of NZAID. The project supported the construction of a new village lodge, kitchen and toilet and restructured tourism organization. Every tour operator was allowed to guide tourists to the village to attract more visitors. The participation is based on individual volunteering and enthusiasm. A villager, who wishes to participate in a certain touristic activity, has to submit an application form in person to the village authority. The participants were grouped into three groups of village lodge, cooking and tour guiding.

[44] By the time of the writing, the village was transferred to several local tour operators because of decreasing number of visitors. This was due to the fact that LDICT was unable to attract enough visitors to the village. After opening to all tour operators, it was reported that the visitor number was increasing. Nevertheless, the tour operators were reluctant to sell tours to the village as each tour operator had its own products and the prices in the village were strictly controlled by LDICT.

Specific rules were formulated to regulate members in each group. In addition village revolving fund was transferred to the village authority.

Tourism organization in Namkoy and Nalan Tai was based on service rotation. Unlike Nalan Neua, the participants have not been grouped for providing services to visitors. Rather, all households in the villages have been rotated to serve visitors; two families per visit, regardless the number of visitors per visit. The two families do three activities: clean up community lodge, cooking and guiding visitors. The villagers earn money from cooking, guiding tourists and selling handicrafts. However, the accommodation charge and village revolving fund is managed by GDL due to the fact that village authorities have been considered as too weak to handle the money.

Tourism management committees, which consist of village chief, elders and head of the groups (only in Nalan Neua), were installed in the three villages to control tourism operation at the community level. The committee members were selected by community members and appointed by LDICT. The tourism management committee is responsible for price setting in consultation with the development project. In addition, it is responsible for scheduling the rotation and ensuring that the rules are strictly followed. In case of rule breaking, for examples the food is not enough for tourists or a group member does not hand the money to the group, (s)he will be given verbal warning for the first and the second time. In case of third time, the rule breaker will be excluded from providing the services. Likewise, the committees are responsible for organizing monthly meetings in order to evaluate service quality within the communities (EL1, February 2013).

5.5 Development Outcomes

This section presents the outcomes, in the forms of benefits and burdens, from the interactions among stakeholders in ecotourism development arena. The benefits and burdens can be direct and indirect. The detailed are presented in the following sections.

5.5.1 Ecotourism and Luang Namtha Economy

There is an inconsistency regarding to the estimation of economic impact of tourism on Luang Namtha economy. It has been reported that a total number of 184,515 and 274,100 visitors visited the province in 2011 and 2012 respectively (TDD, 2011, 2013). According to LDICT, a total number of 87,943 tourists and 194,570 transited tourists were recorded making the total number of 282,513 visitors and spent US$ 9.7 million in 2012. Taking GPP value of 8,036 billion Kip in 2012 (Nolintha, 2012), tourism industry was accounted for approximately 7.2 % of provincial economy.

The development of the tourism industry has stimulated development of tourism-related businesses from the provincial to village levels. This generates employment opportunities for local people, as an interview partner observed ‘There are many sectors having income ranging from transport providers, tour guides, guesthouses and restaurants’ (PG4, February 2013). According to TDD (2013), a total number of 6 hotels and 75 guesthouses with a total number of 1001 rooms were reported in 2012. However, LDICT reported that there were 7 hotels

and 76 guesthouses and the total room number of 838 rooms[45]. In addition, there were other businesses such as transport service, bicycle and motorbikes for rent, restaurant and other retail businesses. At the community level, villages have been extensively involved in tourism. There were 149 trekking routes involving 198 villages, accounted for 53.2% of the total number of villages in the province.

5.5.2 Benefit Distribution

A large number of stakeholders are involved in tourism development making the distribution of benefits complicated. In the province, there are some stakeholders who make benefit from tourism including tour operators, hotels and guesthouse, restaurants, NPA, and other government offices. Nevertheless, some stakeholder groups must be excluded from the benefits given that they fulfil the tasks in tourism development activities as a part of the *raison d'être* of the organizations. The Department of Agriculture and Forestry, for instance, is responsible for land allocation, while the Department of Public Work is responsible for road survey and construction. The focus of ecotourism development is the local community, thus, the local community should be the main beneficiary.

The distribution of the tourism income is unevenly among actors in the province and in the community in the protected area. It seems that actors at provincial level (tour operators, provincial tour guides) take a major share of benefits from tourism in comparison to actors from the communities in the NHNPA (local guides, farmers, cooks…). On the average provincial guides earn between two and three million Kip during the high season and one million Kip during the low season, while the questionnaire surveys with villagers indicate that 82% of them earn less than 100,000 Kip per month from tourism (Figure 19).

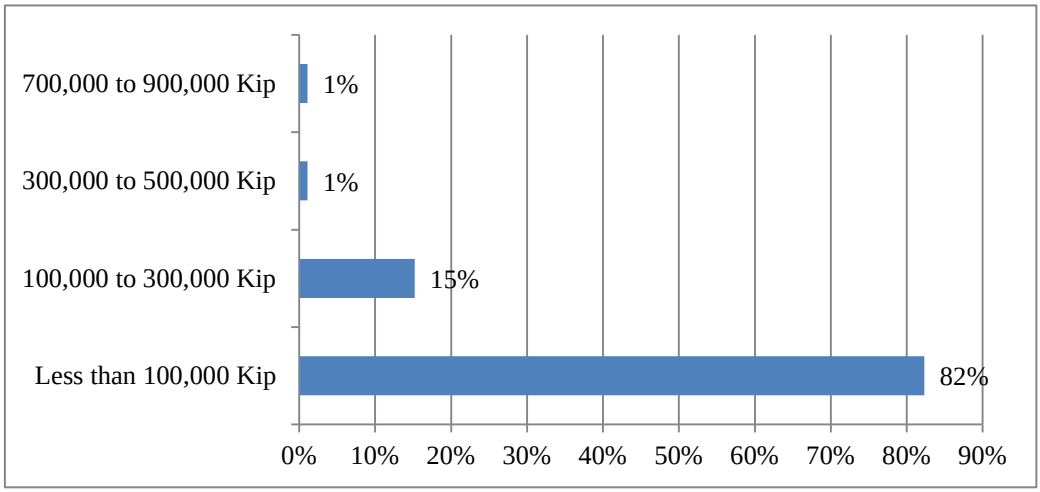
Nevertheless, from external actor perspective, the distribution of tourism benefits in the local communities is relatively fair (BM, August 2012). The expert from a private sector argues that tourism revenue has been widely distributed in the form of revolving fund in the village, wage of local people, local guides and government permits, only a small percentage retained within the company (AD1, August 2012). Similarly, the branch manager of GDL in Luang Namtha states that tourist expenditures equally allocated: 25% to a tour operator; 25% to the government in the forms of taxes and permits; another 25% to provincial guides and transport providers and retail business in the province and 25% to local communities in the protected area. The expert from NZAID claims that local communities fairly benefit from tourism, yet the current food charge, accommodation charge and other expenses should be reviewed due to the fact that the prices have never been adjusted since the establishment of NHEP in 2000 (NL2, August 2012).

At the community level, the government and development partners helped in establishing rules on benefit distribution. The project set up a village revolving fund and determines the price of accommodation, food charge, and village guide wage based on the consultation of local communities. There are both direct and indirect benefits to the residents. The residents, who provide direct services (cooking and tour guiding), will get more benefits in comparison to the villagers, who provide indirect services (cleaning up a trekking trail) (NL2, September

[45] Data from Luang Namtha Department of Information, Culture and Tourism, 2012 (Unpublished document)

2012). The direct benefits are the incomes for working in tourism as village guides, cook, selling local produce, etc. The communities received indirect benefits through the village revolving fund, which is spent for development activities. In addition, the project tries to spread benefits to the wide communities by encouraging villagers to produce products for selling to visitors. Nevertheless, the majority of the villagers earn over 20 times smaller than outside actors (e.g. provincial tour guides and local transport providers).

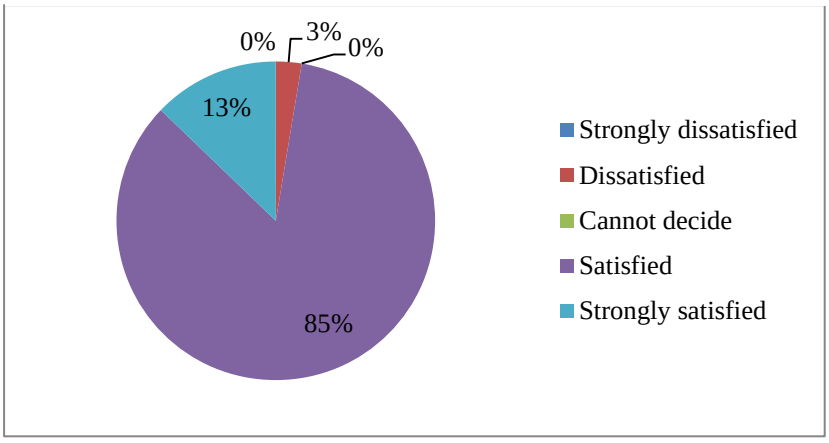
Figure 19: Monthly Family Income from Tourism (n=79)



Source: Author's survey, January 2014

Although tourism is only a supplementary income source, which generates marginal income to the households, 85% of the respondents are satisfied with the income; only 3% of the respondents are not satisfied and the rest could not provide an answers.

Figure 20: Tourism Income Satisfaction (n=78)



Source: Author's survey, January 2014

This is partly explained by the fact that tourism is one of the only few economic opportunities for the communities. In addition, working in tourism is viewed as a

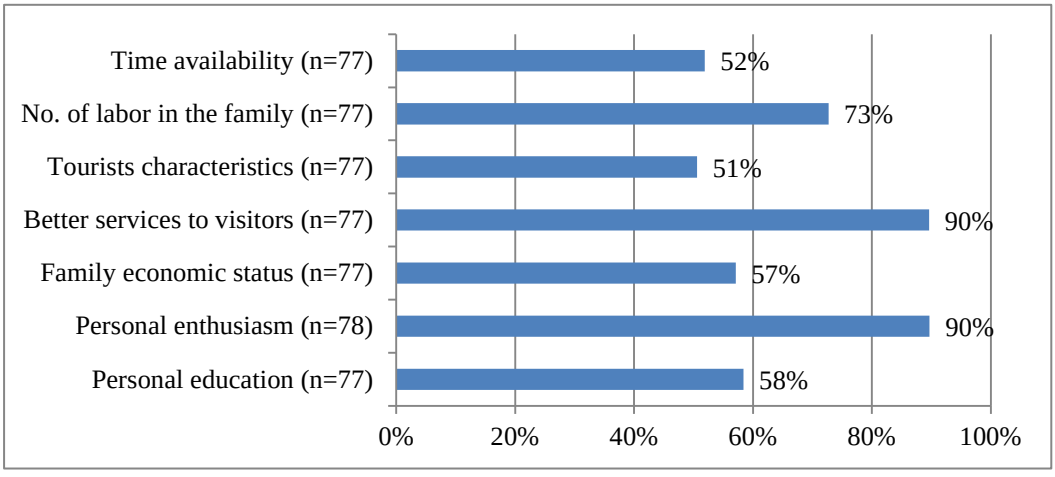
comfortable task in comparison to traditional activities (e.g. rice cultivation, hunting etc.). Collecting NTFPs, for example, a resident might earn less than 20,000 Kip a day, whereas guiding visitors, (s)he can earn 60,000 Kip per day (EL3, February 2013). Nevertheless, it does not imply that local communities are satisfied with income from tourism. It is often the case that the residents are reluctant to tell the truth directly to an outsider due to cultural factors. An expert interviewee observes:

> The villagers gave feedback and there was some dissatisfaction…sometimes they don't tell us. They showed the sign of not participating in the activities. We could observe this (NL1, August 2012).

Figure 21 indicates the perception of local residents on the factors that determine the ability to earn income from tourism. Personal enthusiasm, better service provision and number of labour in the family constitute three significant factors. The respondents perceived that education did not constitute an important factor due to the fact that the majority of the residents have been involved in unskilled jobs. Time availability does not form a significant factor due to the fact that the main traditional career (rice cultivation) and tourism itself are seasonal in character. Another explanation is that the number of visitors in the communities is not large enough, which requires fewer workers to serve.

Family economic status is not strongly associated with the ability to earn more income from tourism; however, from qualitative interviews and participant observation, it seems that the rich families manage to earn more income from tourism as they have more food stocks for sales and capital to invest in retail business (selling drinks). A worse case occurred in one among the villages, where a man moved from the town to marry to a woman in the village. He seems to be smarter than the other villagers as he has more capital (animals, small rice mill, land, small retail business). Given that the majority of the villagers have a problem of opium addiction, they depend on him for money for surviving and the other goods for serving visitors. When ones did not have money to repay the debt, they have to provide labour in exchange. In this circumstance, a large amount of tourism revenue goes into a single family.

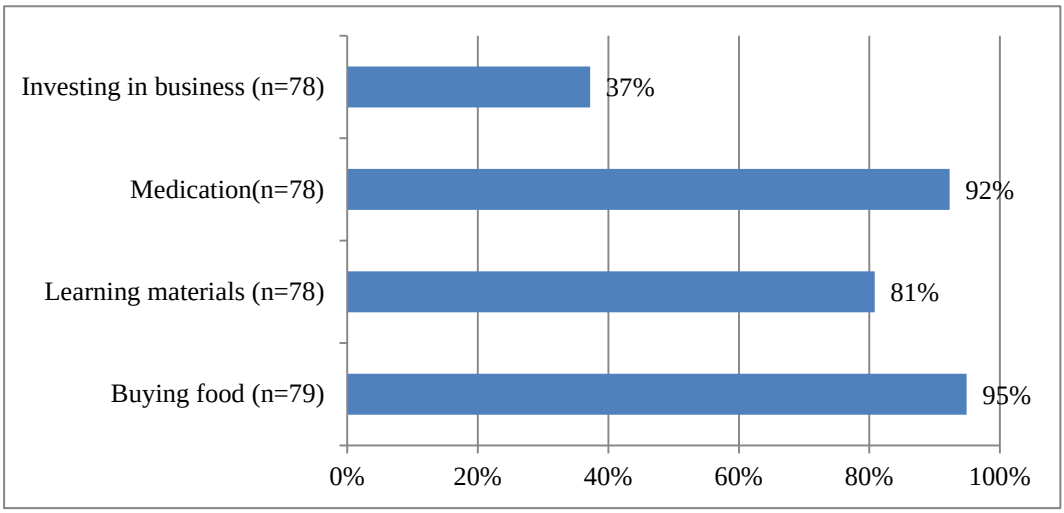
Figure 21: Personal Factors Determining Income from Tourism



Source: Author's survey, January 2014

Given that income from tourism is relatively small, the majority of the tourism income was spent to satisfy basic needs such as food and medicines and learning material for children (Figure 22). Only few families invest tourism income in small trading such selling beer, soft drinks, instant coffee…which created relatively small multiplier effect. A number of families spend the income for buying better farm equipment and investing in rubber plantation. In this case, tourism might contribute to forest destruction in the protected area rather than nature conservation.

Figure 22: Tourism Income Spending

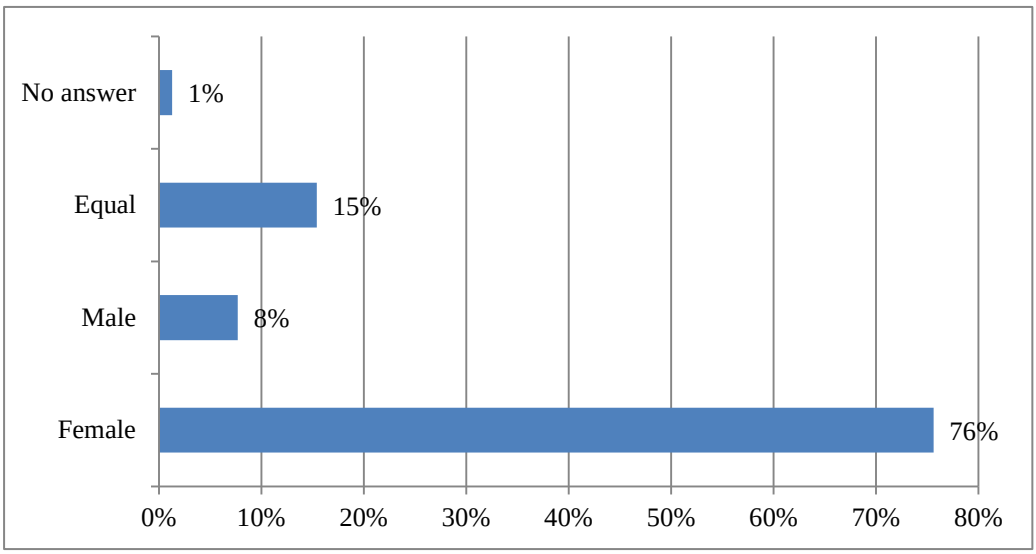


Source: Author's survey, January 2014

5.5.2.1 Benefit Distribution between Genders

The respondents were asked to score the tourism benefit distribution between men and women. Seventy-six per cent of the respondents state that women manage to receive more benefits from tourism in comparison to their male counterpart. This is partly explained by division of labour between genders in the communities. The women are mainly responsible for the tasks that generate direct income such as selling food, handicrafts and drinks, keeping community lodge and cooking. In addition, women possess better expertise in handicraft production in relation to men. In this regard, women have better knowledge capital, which can turn into revenue. In some cases, women are also regarded as more diligent than men. As far as men are concerned, they are responsible for the tasks, which are considered as hard works for women, such as trekking trail maintenance and community lodge reparation etc. These activities do not generate direct income.

Figure 23: Benefits Distribution and Genders (n=78)



Source: Author's survey, January 2014

5.5.2.2 Linking Agrarian Economy to Global Market through Ecotourism

As mentioned in the previous section, a road and market places are not available in the study communities making exchanges with the outsiders problematic. 'When tourists come, it like we have a market in the village' (CM3, February 2013). This helps village to save time from commuting to the town to fulfil other productive tasks. In fact, ecotourism activities generates on site exports for the remote villages. Before the introduction of tourism, villagers had to carry their commodities (rice, NTFPs, poultry…) to other villages located near the main road for trading. In some cases, they had to carry them back home, when buyers were not found. Having been asked to compare when there was no tourism, a respondent stated:

> [It's] much better, ranging from vegetables, bamboo shoots…all they want to buy…if there were no tourists, it would be difficult for people in the town to come or we carry them there [laughter]…there're a lot of benefits (EL3, February 2013).

Similarly another respondent in another village observed:

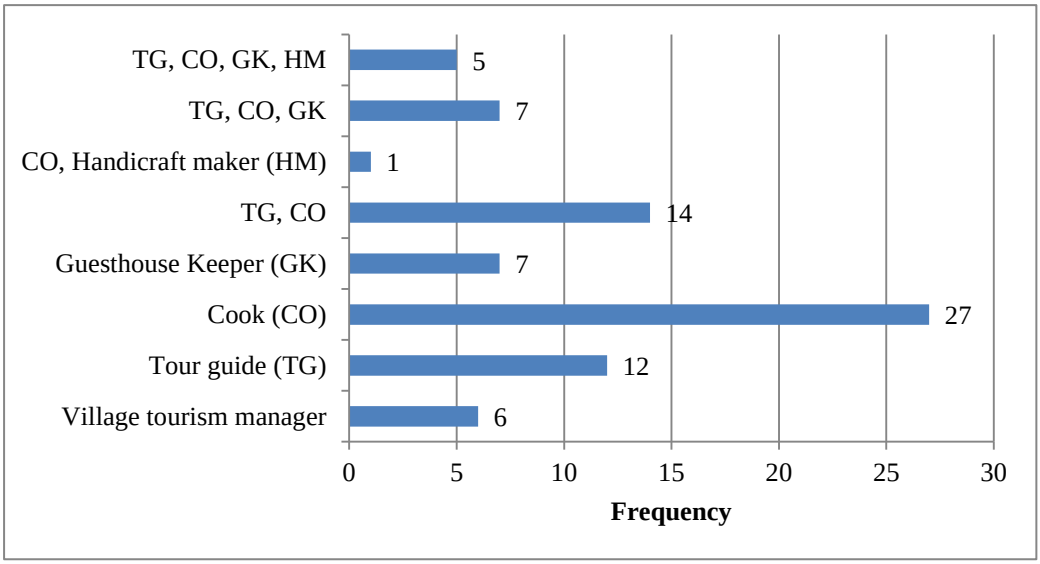
> It is a remote village. If there would be no tourists, it would be difficult, money…buying chillies, seasoning powder, I make from tourists; selling ducks, chicken, vegetables, cooking for them, we can make supplement income, increasing our production (VTM1, February 2013).

Although tourism generates small economic impacts, yet it produces significant effects because tourism is one of the only few economic opportunities available for villagers.

5.5.2.3 Employment Opportunities for Local People

At the village level, cooking and tour guiding are the two dominant activities performed by the local residents (Figure 24). In Nalan Neua, there is a clear division among cooking, tour guiding and community lodge keeping. A resident, who participates in a certain activity, is not allowed to participate in another activity. In Namkoy and Nalan Tai, however, the families, who are involved in tourism, have been rotated to fulfil the three activities. As illustrated in Figure 24, several respondents are involved in multiple activities.

Figure 24: Responsibilities in Tourism (n=79)



Source: Author's survey, January 2014

Keeping Community Lodges

In each village, a separate community lodge[46] was built with the support from the project to accommodate tourists. The lodge was equipped with basic facilities such as bedding supplies, toilet and kitchen. There is no running water and electricity available, except in Nalan Neua. Tourists are supposed to pay 20,000 Kip per night for accommodation charge.

In Nalan Neua, keeping the community lodge is the responsibility of "community lodge group", whose members work based on rotation basis. The main responsibilities of the keepers include cleaning, preparing sleeping places, fetching water from the river and facility maintenance. In return, a lodge keeper earns 10,000 Kip per visitor per night. Although the lodge keeper earned a small income; however, lodge keeping is regarded as a comfortable and easy job in comparison to other activities, as a respondent stated 'the work is not hard, just prepare beds and tidy up the lodge' (CM1, February 2013).

[46] The lodges were mainly built using materials found in the areas. There are no separated rooms for tourists. During each trek, tourists have to stay in a communal bedroom supplied with pillows, mattresses, blankets and mosquito nets.

Figure 25: Community Lodges in Nalan Neua and Nalan Tai



Source: Author's fieldwork, August 2012 and January 2014

The distribution of the revenue from community lodges differs among the three villages. In Nalan Neua, the income is divided into three portions. In accommodation charge of 20,000 Kip per night, a keeper earns 10,000 Kip, while 5,000 Kip is allocated to village for development activities. The third portion, another 5,000 Kip, is kept within the "community lodge group" for facility maintenance. In addition, the amount kept within the group will be redistributed when a surplus occurred.

In Nalan Tai and Namkoy, where tourism operation is relatively different, the residents, who work in the community lodges, do not earn income from accommodation charge. They earn money from cooking and guiding visitors. The accommodation charges have been kept with local tour operator in the town. When the villages want to spend the money, they present their record of visitor numbers to the manager of the tour operator to withdraw the money.

Attempts have been made to develop tourism infrastructure maintenance mechanism to secure tourism operation in the long run. A certain portion of accommodation charge has been allocated for maintenance. The fund is spent for replacing worn out supplies in the lodges as a respondent says:

> We keep it in case of some materials in the lodge are broken…for example, today I bought some [supply] costing 1,790,000 Kip. I used this money to buy...If we don't do like this when the materials are broken, there would be no money to buy (VTM1, February 2013).

The evidence indicates that the maintenance mechanism is relatively effective. By allowing villagers to share operating costs, it does not only make the residents feel more responsible and accountable to the properties, but also allow them to learn how to operate tourism business in the long run.

Cooking for Visitors

Similar to operating community lodges, cooking organization is different among the three villages. In Nalan Neua, all households in the village rotate to cater for tourists and cooking rotation was organized based on the number of the guests (VC1, February 2013). By 2012 when the cooking group was set up, two families

are assigned to cook for two trips regardless the number of the guests. In Nalan Tai and Namkoy the families, who are involved in tourism, have been rotated to cook for visitors. The number of the families in each cooking turn depends on group size of the visitors. If there are five or more visitors in a group, two families are assigned. One family is supposed to do, when less than four tourists coming (EL3, February 2013).

There are no standard menus in the villages. In all cases, villagers cook what tourists order through provincial tour guides. The villagers cook local dishes using local ingredients produced in the villages or collected from their plantations and forest. Indeed, villagers do not control the whole process of cooking for visitors due to concern over the quality of the food. Most of the tasks are performed by provincial tour guides; therefore, they play a key role in benefit distribution in the villages. The provincial guides buy some ingredients from the town claiming that they are not available in the villages. As villagers are concerned, they assist in finding ingredients, collecting firewood, boiling water, washing dishes and etc.

The residents earn income from cooking from two sources: cooking charge and food sales. The cooking charge is 30,000 Kip per visitor per meal, while the income from food sales depends on the quantity of the food (rice, meats, vegetables…) the participants contributed.

> If there are two persons cooking together, for the one who has more food for sell will get more; for the one who has less will get less. The money received is not equal, but the cooking charge 30,000 Kip is equal; 15,000 Kip for each (CM5, February 2013).

When visitors left the villages, the income is distributed to cooking participants. First the revenue is paid for food costs and then the left over amount is distributed to the participants. For the villagers, who do not have food for sale, they earn only from the cooking charge.

In addition, the cooking income also depends on the amount and type of food the guests consumed. Chicken is more expensive than vegetables. A respondent explained ‘Sometimes [a cook] earns 100,000 Kip. If [the guests] eat a lot, less money is left; if they eat less, more money is left’ (CM19, February 2013). In some cases, cooking income is not left for the cooks. A respondent states that ‘When [tourists] come, they buy…If the money is left, it will be divided, if not that’s it’ (VC2, February 2012). Furthermore, they have to spend money in their pocket to compensate for the loss. A respondent claims that ‘Sometimes if [tourists] eat a lot, I spend money in my own pocket’ (VC2, February 2012). In this case, instead of making profit, the villagers lost benefits from tourism.

A major concern related to cooking income distribution is a lack of transparency between the villagers and the provincial tour guides. Several villagers complain that the guides spend too much money buying food in the town thus decreasing the income in the villages. Some also complain that the provincial guides cheat by taking the money from villagers.

Nevertheless, from the provincial guide perspective claim that they have a lot of responsibility and too much money goes to the local communities (PG2, February 2013). Regarding food in the villages, it seems that provincial guides buy a lot of food from the town due to the fact that villagers are reluctant to sell their food to the guides. This is supported by the participant observation during the final fieldwork phase between January and February 2014. The researcher

tried to buy chicken from villagers, but they refused to sell even when the price of the chicken was raised, without giving any reasons.

Cooking is also regarded as a hard work and time-consuming, which reduces time spent in working in other economic activities such as cultivation, collecting forest products and hunting. Some villagers in Nalan Neua already switched from cooking to guiding tourists claiming that it is more convenient and less time consuming.

> For cooking, if the guests come, at this time (3 pm), it already started; we started to cook dinner, breakfast and lunch. We lost the whole day in the second day. That means we lost two days, today and tomorrow. We have to wait until the guests leave at 9 or 10. It is already too late to go to the rice fields. We lost two days (CM5, February 2013).

There is a trade-off between working in tourism and traditional occupations. Tourism activities divert villagers' time from working in their plantations and forests. This allows the nature to regenerate. However, income from tourism must outweigh the time forgone from working in the fields. Otherwise, ecotourism might generate additional burdens rather than benefits to local communities.

Tour Guiding

In each village, villagers are engaged as village based-guides. Before working as village guides, they have gone through a village guide-training programme offered by the project and Luang Namtha Department of Tourism. Like the cooking group, villagers have been rotated to guide tourists. For each trip, a village guide is employed to send visitors from the village to a certain point in along the trekking trails, for example, from Nalan Neau to Namkoy and from Nalan Tai to Chaleunsouk. A village guide earns 60,000 Kip per trip regardless of the number of tourists. However, the guides get only 50,000 Kip as 10,000 Kip is kept within the group as a fund for trekking trail maintenance and new trail exploration.

The main responsibilities include carrying food, preparing the dining area and handling luggage, when needed, during the treks from village to village. Due to a lack of English skills, village guides rarely have interaction with tourists during the treks. This does not help to improve the skills of the village guides. When tourists want to talk to them, this can only be done through provincial guides who function as interpreters.

Although the village guides earn only about half of what provincial guides get, several of them regarded guiding tourists better than cooking in relation to time and effort (CM12, February 2013).

Handicraft Production

Another activity that generates income for villagers, particularly women, is handicraft production. In most cases, handicraft purchase amounting to 15,000 Kip is included in the price of the tours as gifts for visitors in addition to other offers when tourists visit the villages. Yet the production is still minimal and the quality and product diversification needs considerable improvement.

Figure 26: Handicraft Products in Namkoy and Namleu



Source: Author's fieldwork, January 2014

Nevertheless, there is a potential for future development, especially for Lanten. Lanten are experts in producing wooden masks and cotton fabric, yet they need middlemen to market the products. In Namleu, another Lanten village located near the main road, for example, a Japanese businesswoman has tried to improve the production of Lanten cotton fabric in the village. An exhibition hall, where traditional products are displayed, was built. She advises villagers to produce the fabrics and tries to collect them in order to export to Japan.

5.5.2.4 Village Fund as Microfinance Scheme and Social Security System

With the aim to promote community development, village revolving funds, contributed by tourism revenue, were set up in each village. The local tour operators have helped in control and management of the funds due to the fact that village authorities have been regarded as having insufficient ability to properly handle the money. Nevertheless, the fund of Nalan Neua was transferred to village authority since 2012.

The main function of the village revolving fund is serving as a microfinance scheme for villagers, who need financial capital to invest in agriculture or other economic activities as a respondent explained:

> In case someone wants to plant rubber trees, cardamom or breed animals, cows, buffaloes, (s)he is able to borrow with a low interest rate, 3 or 5% (EL1, February 2013).

As the respondent explains, the fund is also invested in forest destruction activities, in particular rubber plantation. As a consequence, tourism might contribute to forest destruction rather than saving forest areas and ecosystems as a whole.

Apart from microfinance function, the funds serve as social security system, where villagers are able to borrow for medical care and other purposes. In case of illness, they can borrow without interest charge or with a reduction of certain amount as a respondent explained:

> We allow ill people to borrow to go to the hospital. When one borrows 1,000,000 Kip, (s)he has to repay 1,000,000 or 950,000 Kip, with a reduction of 50,000 Kip (EL1, February 2013).

In addition, the fund is spent for paying taxes, buying land for resettlement and other development activities. In Namkoy, for example, when the village decided to separate from Namhom, the fund was spent for buying land area and building a primary school.

Likewise, the village fund is spent for cultural and social activities, as an expert interviewee observed:

> If they want to organize a festival or a village ceremony…, they can spend this money; all of them benefit. I told them like this, buying a cow, a buffalo, all of them eat. It is easy to distribute (DTC, September 2012).

In this case, ecotourism does not only economically benefit villagers, but it also contributes to revitalize customs and traditions and promote solidarity among community members.

5.5.2.5 Ecotourism and Poverty Reduction

One of the main objectives of ecotourism development in Luang Namtha is poverty reduction for local people. However, the tourism impacts on poverty reduction are spatially different. There is a huge gap between local residents in the town and remote villages inside the protected area and differences among villagers themselves. In the villages, there is a considerable number of the poorest of the poor, who are unable to seize benefits from tourism. Although, a development partner states that…'we have to look after the disadvantaged, the poorest' (NL2, August 2012), yet their problems have not been addressed in the provincial tourism strategy (Phommavong, 2011). Furthermore, it seems that the poorest would not participate in tourism due to the fact that participation is based on voluntary and poorness constitutes an obstacle to participation.

The ability to untie the poverty trap does not only depend on locations where people live, but also on personality traits. People, who are more active and smarter, often manage to reap more benefits from tourism. The following examples conspicuously illustrate how ecotourism has brought positive changes at the individual level.

Mr. Bouaketh Dedphachan, who has been regarded as the oldest and most experienced tour guide in Luang Namtha, is originally from an ethnic village in the province. He is a wet rice farmer. He started working as a tour guide when NHEP was initiated. According to him, 'I *lubta dam namkhoun* [literally closed eyes diving unclear water]; I didn't know a single word'. As he said he had null English skills and guiding skills. He attended a tour-guiding course organized by the project and became a trainee guide and subsequently a lead guide. In the beginning, he earned US$9 per day. By 2013, he earned 150,000 Kip per day excluding tips. Thanks to working in tourism, he could save money to build a new house; buying a hand tractor for his rice field; sending children to school; and recently buying a motorbike for commuting to work. Therefore, tourism does not benefit him alone, but also his family members, who have a better house to live, more rice for consumption and better education.

Mr. Inthavong Thongkan, with six-year formal education, is also from the province. He started working in tourism as an assistant tour guide when GDL opened a branch office in Luang Namtha in 2000. By 2013, he earned 120,000 Kip per day. The income from tourism is not only enough for living, but he managed to save the surplus for buying a minivan for serving tourists from Luang Namtha to other destinations, particularly Luang Prabang. Therefore, it is undoubtedly to say that tourism does not only reduce poverty, but also develop family businesses.

In contrast to people in the town, the majority of villagers earn only a marginal income from tourism. Although it is a small income, it significantly contributes to poverty reduction for villagers. A respondent stated that 'If tourism project didn't exist, there's nothing in this village' (VC1, February 2013). In this case, tourism was regarded as agent of changes. Another respondent stated that 'Formerly when there're no tourists in the village we suffered. We didn't have money to spend (CM17, February 2013). In addition to generating additional income to villagers, tourism has brought a lot of positive changes to the communities. People have better access to education, healthcare, and other services, which contributed to raising their living standard day-by-day, as an interviewee observed:

> Previously when tourists didn't come...our villages remained unchanged...now tourists come…people have a better life, living, trading, and making money from tourism (EL2, February 2013).

5.5.2.6 Tourism Infrastructures Benefit the Whole Communities

A lot of infrastructure has been developed in the communities to support tourism development. In 2012, for example, NZAID funded the construction of a small suspension bridge in Nalan Neua costing over US$4,000. The bridge benefits the whole communities as they use it for commuting to their rice fields and to collect NTFPs, in particular during the rainy season when the water level in the river is relatively high. During the construction, the development project and private tour operators provided fund for construction, while the communities contributed labour materials and some capital from tourism revenue.

Furthermore, tourism development has induced the development of other infrastructure such as running water, schools, toilettes etc. In 2012, for example, a German development project financed the installation of a running water system in Namkoy, while ARDA, another development project, has helped to develop sanitation facilities in the three communities. This helps to improve living conditions of the communities.

5.5.2.7 Tourist Donations

Ecotourism is not only about taking something from destinations, but it is also about giving something to host communities. The visitors, who participate in trekking tours to the communities, do not only want to experience nature and local way of life; however, they also want to do community services. They donate money and materials, in particular learning material for children. In some cases visitors, who are working as medical doctor in their home countries, provide free medical treatments and check-up for the residents.

Regarding the learning materials, village authorities and teachers are responsible for the distribution to the children. The children from poor families

are given priority. When they run out of supply, they can request more from the authorities. In some cases, parents do not need to buy learning materials for their children thanks to adequate supply from tourism donations.

The money donated by tourists is being kept with the village authorities. The fund is spent for development activities. In Namkoy, for example, when it was separated from Nalan Tai, the fund from donation and accommodation charge was spent for building a new school and buying farmland as a respondent explained:

> We checked village fund, accommodation charge and money from donation box. The amount was eight million Kip. I agreed to lead villagers [to build the school]…concerning the farmland, the district would help in buying it back...Later the villagers thought that the district already helped a lot…we spent money from accommodation charge to buy [the land] (EL3, February 2013).

5.5.2.8 Ecotourism Promotes Better Education

Tourism development in Laos has creates positive effects on education at different scales ranging from national to community levels. Nationally, a number of international development agencies have helped the country to develop human resources in the hospitality and tourism sector in addition to a number of public institutions, particularly Pakpasack Technical College and the National University of Laos. Some of the major players include Luxemburg Development (Lux-Development), German Technical Cooperation (GIZ), NZAID and the Sustainable Tourism Development Project (STDP) of ADB. Lux-Development financed the establishment of Lao National Institute of Tourism and Hospitality (LANITH) in Vientiane Capital, while GIZ funded the construction of Tourism and Hospitality Vocational Colleges in several Northern provinces. As far as STDP is concerned, it helps in human resource development from national to village level (NL2, September 2012).

At the provincial level, when ecotourism was first developed in Luang Namtha, the project sided with the Provincial Tourism Department and other departments such as the provincial police, Nam Ha NPA office and hospital to organize a training programme for provincial tour guides. The tour guides were recruited from different villages in the province. Each concerned department delivered course contents related to its respective area of responsibilities. The tourism department taught English and tour guiding techniques, while the NHNPA authority taught lessons on biodiversity and monitoring techniques. The provincial hospital delivered first aid courses and the provincial police offered lesson on safety and security. In addition, STDP in cooperation with other development partners, helped in institutional strengthening. The project helped to train the provincial tourism department staff in formulating tourism plan and strategies (NL2, September 2012).

At the community level, the project offered training programmes to villagers in the communities. The training programmes include awareness training, English language, cooking, and hospitality skills. In addition, the project has developed self-study English textbooks designed specifically for their needs.

The training programmed offered by the development project and the contribution from tourists help to improved human capital in the communities. When asked about how tourism has brought benefits to the community, one

interviewee stated that '…it makes villagers to be more knowledgeable' (EL2, February 2013).

5.5.2.9 Cross-Cultural Exchange

Ecotourism creates spaces, where people all over the world come to meet in order to exchange cultures and knowledge. Provincial tour guides are the ones who have more interactions with visitors than any other group of people. Both visitors and the guides mutually benefit from the interactions. Tour guides' skills and knowledge enhance good experience of the visitors, while guiding tourists improves skills of the guides, in particular English language skills. Having asked what tourism benefits are, a guide from the province responded:

> R: Every time I go, I meet different people. I always learn new things…It's not just the people from a single country coming, the languages, the cultures are different.
> I: What do you learn from tourists?
> R: Uh…first I learn the language with them…when I first graduated, I didn't know what [foreigners] said, because while I was studying, I studied with Lao teachers (PG1, February 2013).

As the tour guide explained, while he was studying English at a school, the teaching quality was low due a lack of qualified teachers. Therefore, working in tourism allowed him to improve his English skills, which constitutes as knowledge capital for future development.

In the village level, the interaction between the hosts and guests are still minimal due to language and other cultural barriers. In addition, visitors are housed in a separated lodge away from the village, where a distance between villagers and visitors has been created. Nevertheless, an interview with a provincial guide claims that provincial guides act as intermediary facilitates the communication between tourists and village residents. When arrived a community, the guides are responsible for explaining a set of rules or "do's and don'ts" and socioeconomic and cultural environment of the community to the visitors. On the other hand, villagers are encouraged to ask tourists about their home countries e.g. where they are from; how they live; and what their customs and traditions like (PG3, February 2013).

According to personal communication with some expert respondents, it seems that villagers have regarded the encounters with foreign visitors as a social benefit. One expert interviewee stated in the name of a village residents '…I don't need to go abroad, I live in my village, I can see foreigners, black skin, white skin…I can see them all' (DTC, August 2012).

As far as tourists are concerned, it seems that local conditions meet tourist expectations as they have a degree of tolerance and try to adapt to local ways of life. Several respondents state that the tourists are eager to learn local culture and adapt their ways of life to fit with local conditions, for example, trying local dishes, take part in activities in the village. In this way, both the hosts and guests are mutually benefiting from the interactions. These interactions promote mutual understanding that contributes to peace building. So, it is undoubtedly to say that tourism is a "peace industry".

5.5.2.10 Tourism as a Tool for Revitalizing Cultural Heritage

Some cultural aspects of the study communities have been still well preserved, which might be interesting and attractive for visitors. Some interesting aspects of Khmu culture include *boun kreu* (Khmu New Year Festival), sword dancing and *khub teum* (Khmu folk song), while Lanten has expertise in bamboo papermaking and wooden mask carving. Lanten have tightly kept their traditions, particularly clothing in comparison to Khmu. Nevertheless, there are a lot of changes and moving in the fast pace. From the participant observations, it is likely that tourism does not constitute the factor that brought the changes; rather it is because of the effects of globalization, which is penetrating every corner of the world. The products such as modern style clothing, television sets and other consumer goods are widely available and affordable in the markets in the town of Luang Namtha. Furthermore, traditional costumes are difficult and time-consuming to produce, which convinces them to easily accept new clothing styles.

Thanks to tourism, some cultural elements have been preserved and revitalized. In the study communities, less evidence for the relationship between tourism and cultural heritage conservation has been found. Yet an interview with a provincial tour guides confirms that following the development of tourism, local people preserve the uniqueness of their tribes (PG2, February 2013). In addition, in similar areas in the province, tourism development project has helped to restore local culture. In Vieng Neua village, for example, the project tried to rejuvenate folk music by providing fund for purchasing Lao musical instruments and encouraging older musicians to teach younger generations. When tourists visit the community, the musical band created by a project initiative, is invited to perform for visitors after a *baci* ceremony[47] (NTP, September 2013). In this case, tourism does not only rejuvenate local culture, but also generates jobs and additional income for the residents.

5.5.2.11 Community Pride

Ecotourism has created environmental awareness among local residents and subsequently stimulated pride on the natural heritage. There are few evidences indicating that villagers feel proud about splendid nature surround their communities. However, some respondents show signs that they praise the beauty of the nature. When asked what they think about tourist presence in the village, a respondent describes:

> The nature, the forest is stunning; [tourists] like. There are birds, squirrels singing…sometimes they see monkeys…they take pictures; they like that (CM8, February 2013).

As the example indicates, when tourists visit the communities, the residents seem to realize the beauty of natural heritage surrounding their communities. In addition, tourists act as a good model of environmental stewardship, which may stimulate love in natural environment among local residents.

[47] *Baci* is a unique Lao ceremony performed for giving best wishes during various occasions such as wedding, house warming party and so on.

5.5.2.12 Beautify Villages for Tourism

Ecotourism has contributed to the improvement of the cleanliness making the communities liveable for the residents. In the beginning of tourism development, the project offered training programmes on basic sanitation, hygiene and waste management (DTC, August 2012). When asked what the benefits from tourism are, a provincial guide stated that 'When [tourists] come, [villagers] properly dispose the waste' (PG1, February 2013). Similarly, another interview partner pronounces that people clean their villages to welcome tourists (PG2, February 2013).

From the villagers' point of views, they confirm that tourism has contributed to enhance the cleanliness of the villages. A respondent in Nalan Neua compares before and after tourism development 'When there're no tourists, [the village] is messy. It's ugly than this. When tourists come in, it's been getting better step-by-step (VTM1, February 2013). Another respondent in Nalan Tai provides a similar statement 'When tourism came in, there're a lot of changes; people know how to…keep clean' (VC2, February 2013).

In addition, tourism induced the construction of other sanitation facilities such as toilets and clean water supply system. These help to improve community environment, which has brought health benefit to the whole community. Tourism does not only allow villagers to have a better place to live, but also reduce potential risks from disease.

5.5.2.13 Ecotourism Promotes Nature Conservation

Ecotourism has been viewed as a sustainable form of natural resource consumption. A branch manager of an ecotour operator stated that 'Tourism is green gold' (BM, August 2013), which can be sold without exhaustion. Similarly, an ecotourism expert stated that 'Tourism is inexhaustibly consumed' (DTC, August 2012). From this notion, natural tourism resources are regarded as natural treasures, in which the current generation consumes without compromising the capacity of the resources to satisfy the needs of future generations. However, without proper management, the development of tourism and other induced anthropogenic activities might cause ecosystem degradation. Of course this will affect ecotourism, as it was the case in a number of destinations. Therefore, the survival of ecotourism or nature based-tourism industry is inextricable linked to nature protection.

In Luang Namtha ecotourism has contributed to nature conservation in several ways. In the beginning of tourism development, the government and development partners helped to raise environmental awareness for local people and how they can make benefits from tourism. In addition, tour operators, in particular the GDL, have convinced local people to reduce collecting NTFPs and stop hunting, especially endangered species in exchange for tourism benefits (AD1, August 2012). This creates a win-win situation, as tourists are happy because the nature is protected and the local people make money from tourism.

Apart from raising environmental awareness for local communities, the sector has generated fund for protected area management through entrance fees and trekking permits. The protected area authority spends the money for monitoring activities such as patrolling and demarcation of the protected area.

The regular presence of tour guides and tourists inside the park also contributed to the reduction of illegal activities in the protected area. During the treks, the guides are responsible for monitoring the protected area. When illegal activities such as logging and hunting are found, they are supposed to report to the protected area authority.

From the villager's perspective, ecotourism has contributed to nature conservation. A community leader insists that 'Tourism has a lot of benefits. First it's the protection of nature…without tourism, people are not aware of protecting the nature' (VC1, February 2013). In addition, tourism activities diverse people's time spent on natural resource-dependent activities, for example shifting cultivation, which allow ecosystem to regenerate. A village guide loses a whole day for sending tourists from a village to another and villagers lose two full working days for cooking for a group of visitors (CM5, February 2013).

Nevertheless, protected area encroachment and illegal hunting are prevalent in the area; therefore, the community leader requests additional training on conservation from concern authorities

> We want the tour operators to help in training villagers on nature conservation, to make everyone deeply understand the protection and conservation of nature (VC1, February 2013).

Tourism has a high potential as an effective means for nature conservation due to the fact that local residents regard working in nature destruction activates such as shifting cultivation and collecting NTFPs are harder in comparison to working in tourism. The following quotes exemplify: 'Working with tourists is better because I don't need to go inside the forest and the mosquitoes bite me; it's easier to make money' (CM17, February 2013).

> Tourism isn't difficult like other activities. For the other activities, it requires a lot of labour force. Collecting broom grass, for example, it requires a lot of labour force to carry. For working in tourism, one only prepares food for visitors; then (s)he makes money (VC1, February 2013).

> We don't need to go inside the forest or expose ourselves to the sun or rain…we serve the guests…we easily make money. We don't use a lot of force; just stay at home (CM3, February 2013).

> I don't need to go somewhere. If there're a lot of guests; just stay here and wait for working every day. 'It's more comfortable, when there're many guests (CM8, February 2013).

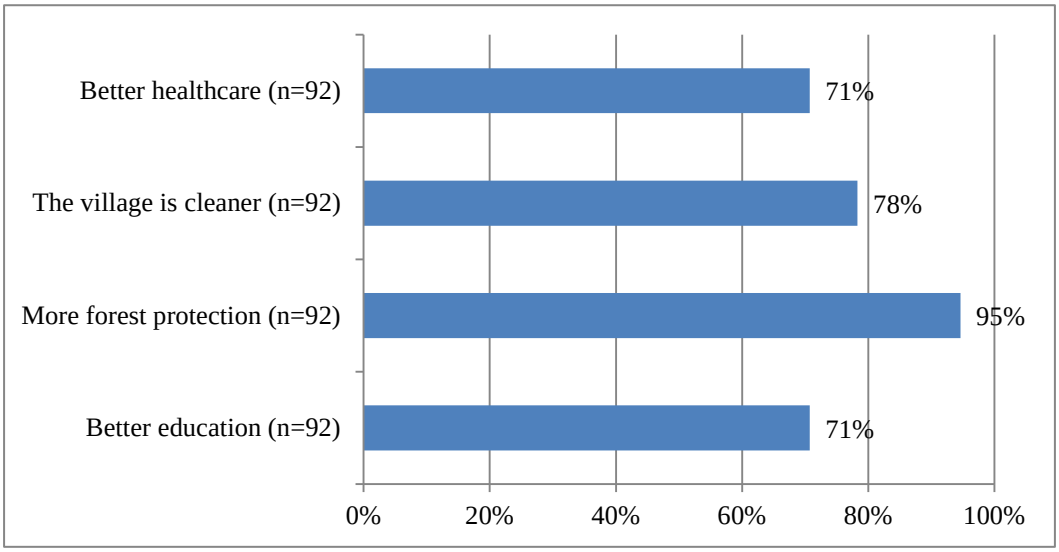
Nevertheless, a major concern is that the guests do not come regularly and the number is not large enough, especially in Nalan Neua. Thus servicing visitors is not economically viable. In fact, the number of tourists is even decreasing in comparison to the past four or five years due to increasing competition among villages. Economic benefits should be large enough to convince people to turn to working in tourism. This would reduce the dependence of local communities on forest resources for survival. An expert interviewee explained:

I think if local people are economically better off, they will be aware of the importance of environment and natural resources in which they depend on (NL1, August 2012).

5.5.2.14 Local Perception on Positive Impacts of Ecotourism

As discussed in previous sections, tourism contributed to improve living conditions of local residents. The residents have a very positive attitude to tourism development in their communities. As Figure 27 indicates, the respondents, who are involved and not involved in tourism, view tourism as an agent of development, which has brought positive changes to the communities, especially forest protection. This entails increasing environmental awareness among local residents.

Figure 27: Local Perception on the Positive Impacts of Ecotourism

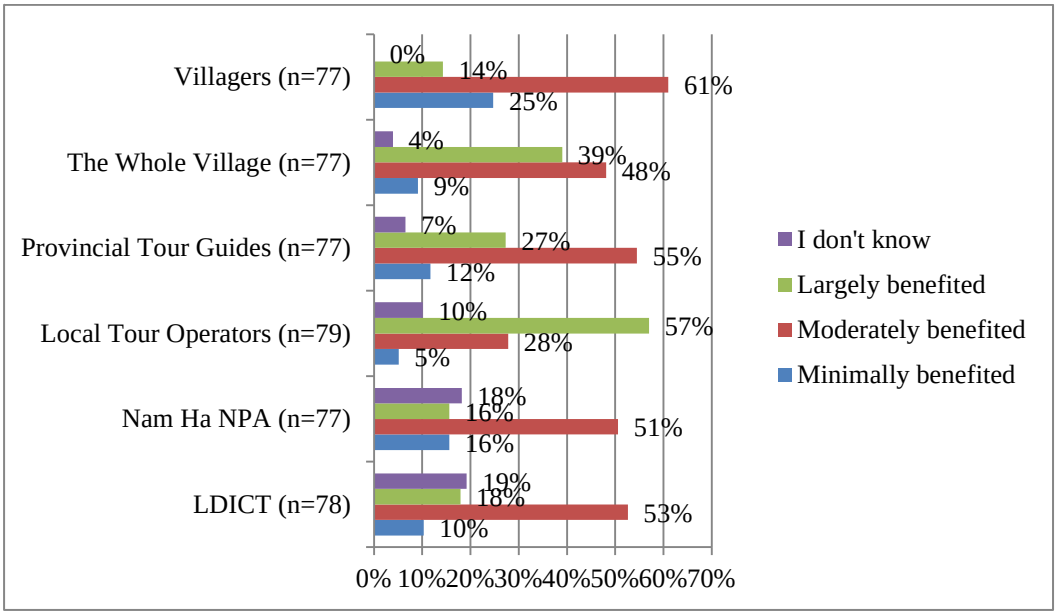


Source: Author's survey, January 2014

5.5.2.15 Who make more Benefits from Tourism?

Figure 28 indicates the perception of local communities of the distribution of tourism benefits among stakeholders in Luang Namtha. The majority of them perceive that local tour operators based in the town reap significant amount of benefits followed by the whole village and provincial tour guides respectively. This is partly explained by the fact that all visitors have to use services from local tour operators in order to trek to the communities; as a result, a large portion of revenue goes to the operators.

Figure 28: Benefits Sharing among Actors



Source: Author's survey, January 2014

5.5.3 Burdens Distributions

Ecotourism development generates burdens to stakeholders at different levels. The research focuses on local levels. As the main beneficiaries, local communities bear substantial burdens in comparison to the other stakeholder groups. They are mainly responsible for catering for visitors in their communities and tourism infrastructures maintenance. In addition, tourism development requires villagers to forgo the extraction of natural resources. Tourism also serves as a source of conflicts among community members, and other problems for the local residents.

5.5.3.1 Ecotourism Drives up Living Costs

In general Laos is a generous society, where free offers to neighbours or visitors, are a sight of friendship and hospitality. Thus, exchange of labour and commodities is commonly practiced among local residents. Tourism might change behaviours of the local people resulting in increasing greed. In local restaurants and coffee shops in the town, a cup of green tea is always offered to a customer for free after a bowl of noodle soup or a cup of coffee to show a sign of warm hospitality. However, there is a restaurant operated by foreigner in the name of a local businessman charging 10,000 Kip for a cup of green tea from customers. This action received a lot of complaints from local residents, who are afraid that they might lose tight in the community (PG3, February 2013). Tourism has contributed to increasing living costs, which affects village residents, as a provincial guide explains:

> [I]f too many of [visitors] come and when they buy food stuffs in the village, villagers will ask for higher prices. Tourists can afford because they don't stay for a long time. The villagers are affected as well. The prices are likely to increase. They ask for the same price as they offer to

> tourists. If I could not sell at this price I keep it for selling to tourists (PG1, February 2013).

This contributes to speculation of the commodity prices in the communities (PG1, February 2013; EL3, February 2013), leading to increasing living cost, which affected all community members.

5.5.3.2 Catering for Tourists

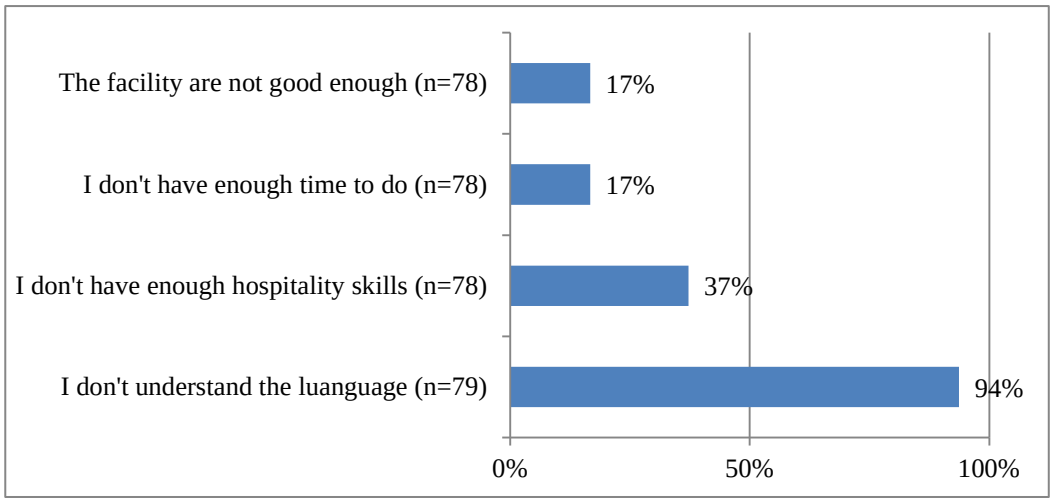
Having visitors in the villages is like having additional family members to care for. As mentioned in previous sections, villagers are responsible for three main activities including community lodge keeping, sending and cooking for visitors. The residents have to forgo some resources necessary for survival to meet visitors' needs. This might create food shortage problems for local residents, who have been considered as impoverished. An expert interviewee, who used to conduct a survey with villagers, stated that some villagers faced a problem of insufficient rice supply due to the presence of a large number of tourists in the communities (DTC, August 2012).

The villagers use local produce and some ingredients (e.g. bamboo shoots, young edible rattan stems…) for cooking. This generates additional pressure to forest resources given increasing demand. Nevertheless, the number of visitors is relatively small and the local respondents insist that the quantity of forest products they are able to harvest remains stable (CM14, February 2013). It would be risky if the number of visitors increases rapidly without proper control.

In some cases, local residents have to provide assistance to tourists. In case of emergency (severe accident, illness…), village are responsible transporting tourists to the town. In addition, it is often the case that some visitors enter the protected area without permission and provincial guides, villagers also provide helps when they get lost.

Figure 29 exhibits the local perception on the problems they are facing in working in tourism. A major concern is a lack of English language skills making communication with visitors problematic. The second problem is that the facilities and equipment are not enough for a large group size. In Ban Nalan Tai, for example, the community lodge and kitchen are too old. By the time of this writing GDL is working with the residents to renovate the facilities in 2014.

Figure 29: Problems of Villagers in Working in Tourism



Source: Author's survey, January 2014

5.5.3.3 Ecotourism as a Source of Conflicts

One of the common problems of ecotourism development is conflict among stakeholders. The conflicts occur between local communities and external actors and conflicts among community members themselves. The external actors, who always interact with local communities, are provincial tour guides, tourists and tour operators. It is often the case conflicts of interest occur between the actors. Given that the provincial guides are responsible for expenses during the treks, they have been alleged of committing frauds by taking the profit at the expenses of local communities. An interview with a project expert reveals that:

> There were some tour guides who didn't want to pay. It used to be…they bought food from the province and cooked in the village; they didn't want to buy from villagers in the village (DTC, August 2012).

It seems that a considerable amount of economic benefit is leaked from the communities due to the fact that a large proportion of food is purchased in the markets in the town and cooked for tourists in the villages.

Similarly, the interviews with the villagers indicate that they are not satisfied with the money left from cooking for visitors on an assumption that some provincial tour guides bought a large quantity of food from the town and took the money.

> There're some problems…previously some people, who provided services, didn't get money. The guests brought money with them, but the bad guys took the money (CM3, February 2013).

The bad guys in this case the respondent referred to the provincial tour guides. Similarly, another respondent addresses the same problem:

> There's a problem mostly with tour guides. They come…the companies give them the envelopes with the money inside. In most cases, the guides

> do not give the envelopes to the person responsible for the guesthouse. It's a problem like this (EL1, February 2013).

As the respondent explained, the causes of the conflicts were not generated by the local tour operators, but it was the provincial tour guides, who cause troubles en route. They spent too much money buying food from province. Also they were accused of stealing the money on the ways to the villages.

Conflicts with visitors

Apart from conflicts with provincial tour guides, conflicts between the hosts and guests occasionally occur due to a lack of understanding of local culture of visitors. In the studied communities, there was no evidence indicated that the communities had conflicts with visitors. Nevertheless, it was the case in another village in the province, where the project developed trekking tours. This is an Akkha village called Phouvanh located in NHNPA. According to an informal discussion with provincial tour guides, three French visitors went to the village without permission and a provincial tour guide few years ago. The visitors camped and stayed overnight in the cemetery area of the village. When villagers found them, they realized that it is a taboo, which required tourists to pay a certain amount of money for a sacrifice ceremony. The village authority requested the visitors to pay 4 million Kip for *lieng phi* (the sacrifice ceremony); however, they were only able to pay 2 million Kip. The two sides could not reach a consensus, which led to an intervention of Luang Namtha tourism office to solve the problem. Afterwards, the local operator, who was working with the community, decided not to guide tourists to the village resulting in a decline of visitor numbers. Subsequently, the tourism infrastructure and facilities were abandoned and tourism activities disappeared from the village.

Conflicts among Community Members

In the communities, conflicts sometimes occur among villagers. One of the major conflicts is unequal distribution of tourism benefits among community members. This is due to the fact that some community members do not respect service rotation regulations. Given that the number of tourists in a group during each visit is unevenly distributed, some families were reluctant to serve smaller groups, instead prefer larger groups (NTP, September 2012). It was sometimes the case that people, who worked less than the others, wanted to have an equal share of benefits (DTC, August 2013). In addition, there is a conflict on the division of tasks. Cooking for the tourists, for example, a group member was not accountable to the assigned task (CM5, February 2013). In some cases village elites take the majority of the benefits and engage only their relatives in tourism activities create discontents among community members (DTC, August 2012).

5.5.3.4 Limited Access to National Resources and Restrictions

The majority of the community members are subsistent farmers, who heavily depend on forestland and natural resources for survival. As a respondent stated '…in most cases, there are not many places to earn money, only finding something in the mountains, forests and sell' (CM17, February 2013). Following the introduction of tourism, villagers have been restricted in access to natural

resources. The government offices and development partners negotiated with local communities and the regulations were created. The villages committed to conserve natural resources and report illegal activities inside the protected area in exchange for tourism benefits. Along the trekking routes, for example, the residents are not allowed to clear forestlands for agriculture within 50 meters distance on both sides of the trails. In addition, certain blocks along Nam Ha River were declared *vanghaam* (forbidden fishing areas) to conserve fish species for touristic purposes. However, there is an exception that when there is a communal work, all villagers agree to catch fish them for consumption.

Regarding restrictions, the villagers have been required to keep their domesticated animals[48] in custody in order to make villages cleaner. Nevertheless the residents voiced a concern over the restriction, arguing that the animal populations might decrease. The residents assumed that if the animals were kept in stables, they would not be well-fed making animal breeding unprofitable. In Nalan Tai, for example, a respondent reports that the pig population considerably decreased by virtue of the restriction (EL3, February 2013). If it is the case, it might bring economic difficulty to a large number of villagers due to the fact that animal breeding constitutes one of the most important sources of family income.

5.5.3.5 Tourism Infrastructure Maintenance

One of the main responsibilities of the village is the maintenance of tourism facilities in the villages and in the protected area. They maintain community lodges and kitchens, bridges and clean up trekking trails. To repair and restore the community lodge, villagers, particularly male, work collectively to gather materials they find in the forest and do the work by themselves. The residents inspect once a month in order to clean up the trails. When weeds grow up, they work collectively to clean up the trails. In addition, the villagers in Nalan Neua organize monthly *orkheangngan luam* (collective cleaning up) for cleaning up the area surrounding the community lodges.

Attempts have been made to established funds for maintenance activities and future development to ensure the consistent operation in the long run. In Nalan Neua, for example, 5,000 Kip have been collected from accommodation, cooking, and tour guiding groups per visit as a fund within the respective group. The fund is mainly spent for maintenance activities. The accommodation group spends the fund for purchasing new bedding supplies, while the tour-guiding group spends the money for cleaning up the trails. The cooking group spends the money for replacing worn out kitchen utensils. Regarding tourism development, more tourism infrastructure has been developed through an investing the money from tourism development fund. In Namkoy, for instance, the village contributed half of the construction cost of a small suspension bridge traversing Nam Ha River, while GDL was responsible for the other half of the total cost. Furthermore, the accommodation charge, which has been kept in GDL office, was spent for the construction of a toilet at the community lodge area. There was a complaint from the village that the tour operator should be responsible for the construction costs (EL3, February 2013).

[48] In the communities, the majority of villagers raises animals for domestic consumption and sells to the markets in the town. In general they raise pigs, chicken, and duck and etc. The animals are released freely on the village grounds.

5.5.3.6 Burdens Distribution and Genders

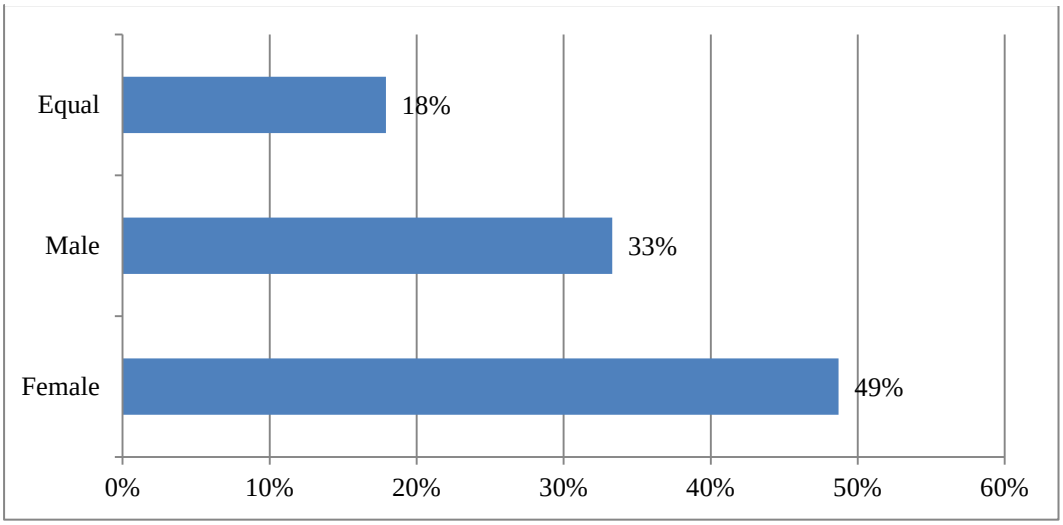
As women are responsible for catering for visitors, 49% of the respondents state that women bear heavier burdens than their male counterpart. The common explanation was that women are responsible for cooking and cleaning and selling foodstuffs to visitors.

Figure 30: Division of Labour between Genders



Source: Author's fieldwork, January 2014

Figure 31: Burdens Sharing between Genders



Source: Author's survey, January 2014

5.5.3.7 Waste Management

The development of tourism industry has led to increasing waste in the province and in the villages in the protected area. Although wastebaskets are provided along trekking trails, non-biodegradable waste such as plastic bottles, aluminium cans, plastic bags are increasing in the forest. The waste is not generated by tourism activities alone; rather it was the local residents who improperly disposed

the waste along the trails. During the stakeholder seminar in January 2014, the problem was raised in the meeting; however, responsible persons could not be identified due to the fact there are several communities in the protected areas.

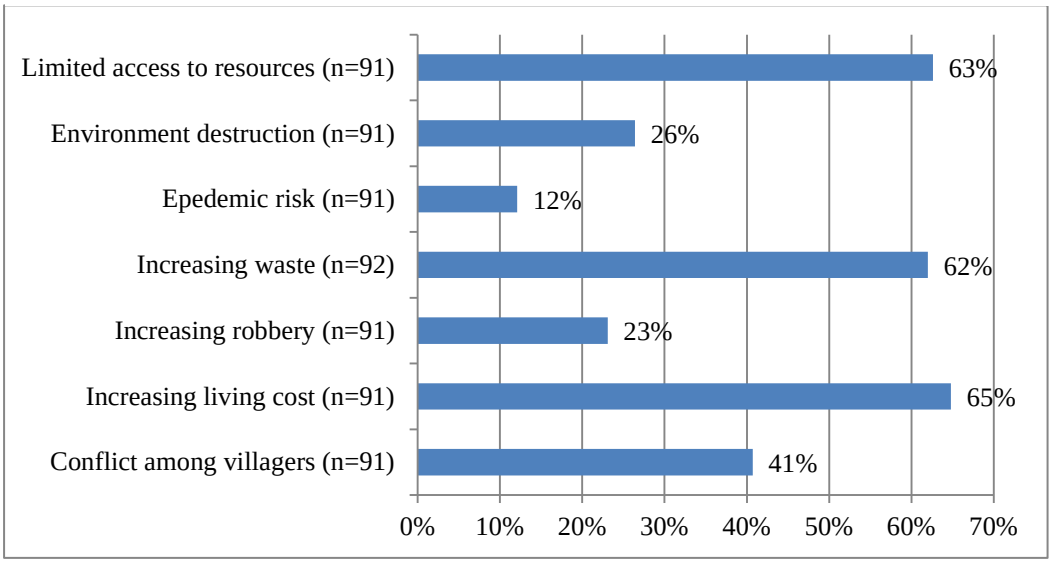
Some local tour operators, for example GDL, try to minimize environmental impacts by using bio-packaging materials. GDL has outsourced food preparation to Boat Landing Guesthouse. The restaurant used environmental friendly materials such as banana leave for packing meals and transported to visitors in the protected area. In addition, the provincial guides, who work for GDL, are instructed to carry non-degradable waste such as plastic bottles back to dispose in the province.

In the communities waste generated from tourism activities such as plastic bottles, cans, beer bottles are prevalent. The development project provided training on waste management to villagers. The residents dispose waste by burying and burning. Some waste such as bottles are reused. The problem of waste could pose serious threats to the area if the number of visitor increase and local residents are not properly train to deal with the problem.

5.5.3.8 Local Perception on the Negative Impacts of Ecotourism

Figure 32 shows the local perception on negative impacts of ecotourism in the communities. Villages voice concern over three main issues including increasing living cost, limited access to natural resources and increasing waste. Furthermore, tourism activities might pose threats to food security in the villages.

Figure 32: Local Perception on the Negative Impacts of Ecotourism



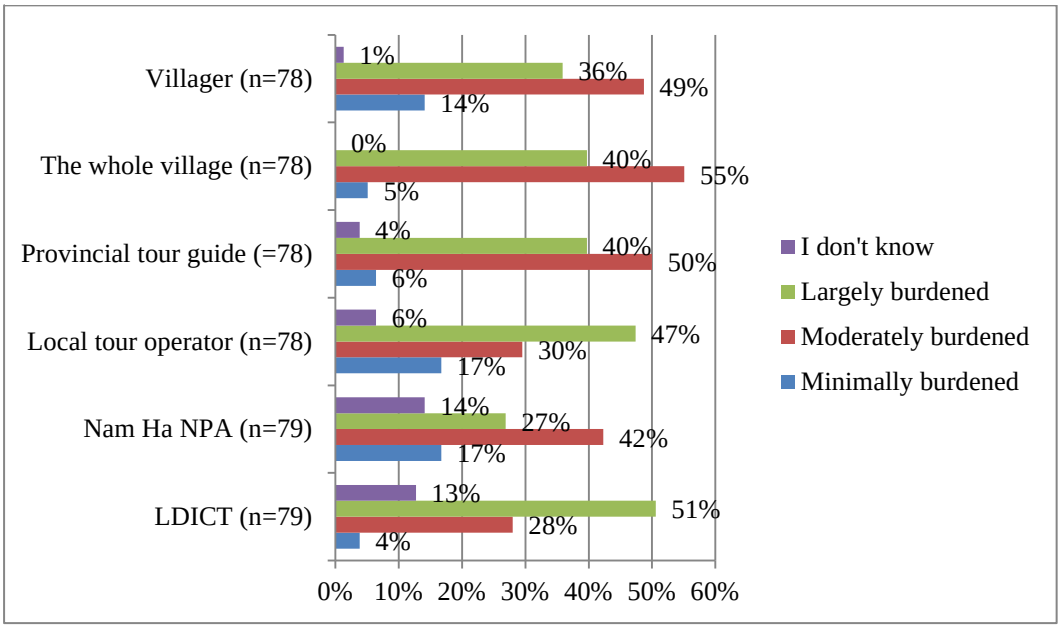
Source: Author's survey, January 2014

5.5.3.9 Who Share more Burden from Ecotourism?

Figure 33 demonstrates the perception of the local residents of burden sharing from ecotourism development. The residents conceive that Luang Namtha Department of Tourism has born the majority of the burdens, followed by local tour operators. This is explained by the fact that the department is working with

development project to initiate the ideas and helped communities in infrastructure development and provided technical supports. As far as local tour operators are concerned, they provided support in infrastructure development and market the products

Figure 33: Burdens Sharing among Actors



Source: Author's survey, January 2014

5.6 Future Scenarios

The most pressing need of the three villages is a road, which is able to accommodate motorbikes, for commuting to the town. It was assumed that a road would contribute to improving living standard of the residents, as a respondent observed:

> In this regard…if there is no road, the development would not come like ones say "*namlai faisavang*" [49] …in the rural area, we want better development…no road means nothing; up to our children, grandchildren eras, it would be like this. The development…the integrated rural development let says, if there were no road, electricity, development would be difficult in the country side (VTM1, February 2013).

By the time of writing, the Provincial Department of Public Work and Transport and NHNPA granted permission to the village authorities to build a road in the protected area. The three communities were working together to build a road at their own costs and resources. The village authorities mobilized labour, equipment and fund to build the road. Nevertheless, the construction of a road would bring additional threats to the protected area. In Namkoy, for example, Chinese

[49] The expression literally means "running water and electricity". In Laos, the phrase is commonly used to refer to development.

investors approached the village authority to build a road to the village in exchange for land areas, as a respondent described:

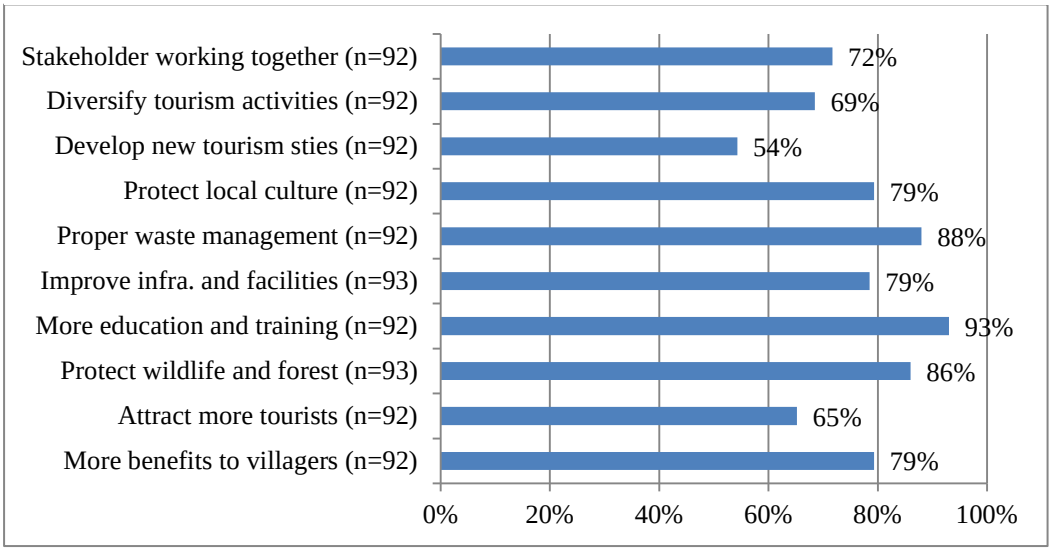
> They build the road to their rubber plantations. They will plant rubber. On that day the district chief informed us the province and district have already agreed, but the agriculture department has not yet agreed. How many plots we will give them, I don't know. The district chief asked the village to build the road; villagers want the road. If we build by ourselves…it would not be completed. If the Chinese do, we will give them the land. The agriculture department should measure for them. We will give them the land only when they build the road to the village; otherwise, we won't give them (EL3, February 2013).

If the proposal was realized, there might be possible land grabbing and more environmental degradation in the protected area. In addition, the road construction may contribute to unsustainable harvesting of forest products. Thanks to better accessibility of the NPA, more people from the town of Luang Namtha will come to the area for hunting, harvesting NTFPs and clearing the forest for cultivation. This would not only affect the communities inside the protected area, but also tourism industry as a whole.

Another issue that the local communities have raised was an improvement of agriculture technology. The communities requested concerned authorities to help them in improving irrigation canals and sending agriculture experts to provide more training on plantation and animal breeding. This would help to improve agriculture outputs and reduce pressures on ecosystem in the NPA.

The residents raised concern over increasing waste in the communities and in the NPA as a whole. They proposed authority to provide wastebasket and waste management. The residents also proposed more training on tourism related skills and go on study tours in other provinces.

Figure 34: Future Scenarios



Source: Author's survey, January 2014

5.7 Summary

This chapter presents a case study conducted in Nam Ha National Protected Area using the analytical framework, which was developed in Chapter II. There are six main components examined in this chapter. After an introduction, the chapter explains factors influencing ecotourism development. Institutional framework at local levels regulating ecotourism and operation are discussed. The chapter presents ecotourism action arena, where a number of actors worked together to develop ecotourism products. Likewise, the development outcomes, which divided into benefits and burdens to ecotourism stakeholders, are examined. Finally, the chapter briefly explains future scenarios of ecotourism development in the area.

CHAPTER VI: COMMUNITY BASED ECOTOURISM IN BAN NA AND BAN HATHKHAI BOLIKHAMSAY PROVINCE

6.1Introduction

This case study presents another community-based ecotourism project located in Phou Khao Khouay National Protected Area (PKK NPA) in central Laos. Between 2003 and 2004, LNTA collaborated with DED, a German development agency, to develop ecotourism activities in Ban Na and Ban Hathkhai following the NHEP model. The project aimed at creating alternative income source for local residents and promoting nature conservation in the NPA. Local residents have been involved in planning and development tourism activities. Following DED project end in 2006, NZAID has continuous to support the development thanks to the previous success. The operation was transferred to village authorities; however, the villages are working closely with tour operators based in Vientiane Capital.

Applying the analytical framework developed in Chapter II, the aim is to shed more lights on benefits and burdens sharing among ecotourism stakeholders with a specific focus on local levels. Subsequently, the results are compared with the findings from the case study in Luang Namtha in order to draw cross case conclusions and develop practical implications.

6.2 Factors Influencing Ecotourism Development

In order to better understand the situation where ecotourism has been developed, the following section describes factors influencing the development. This includes a brief description of Bolikhamsay province; characteristics of PKK NPA; and biophysical and socioeconomic characteristics of the communities.

6.2.1 Bolikhamsay Province

The modern history of Bolikhamsay began in the late eighteen century when the king of Siam ordered the establishment of Muang Bolikham. Bolikhamsay was unofficially declared a province in 1968 including four districts of Bolikhan, Khamkeut, Viengthong and a part of Hinboun. Following the official establishment in 1984, two districts namely Paksan and Pakkading were established. The name "Bolikhamsay" derived from three words of "Boli" from "Bolikhan", the own town; "Kham" from "Khamkeut", another old town established in 1350s; and "say", a Lao word literally meaning victory.

Bolikhamsay is the 10^{th} largest province of Laos having an area of 15,977 km^2 and a population of 227,000 inhabitants (LSB, 2012), with a population density of 16 persons per square kilometre. The province population comprises three linguistic families[50]. Lao-Tai family constitute 76% of the total population, while Hmong-Mien and Mon-Khmer account for 14 and 10 % respectively.

[50] Data from Bolikhamsay Department of Information, Culture and Tourism, 2014 (unpublished document)

The province is located in the central Laos approximately 60 kilometres from the capital to the South, in the altitude between 140 and 1,588 metres. The province shares borders with Vietnam to the east and Thailand to the west and four provinces namely Xieng Khuang, Vientiane Capital, Vientiane, and Khammuan. The landscape is primarily dominated by rugged terrain consisting of large bolders and streams. Nam Kading (literally Bell River), a tributary of the Mekong River, is the most important river with a catchment area covering 92% of the landmass of the province. Other rivers include Nam Muan, Nam Sat, Nam Tek. The rivers do not only function as sources of food, they also serve as transportation routes and recreational sites for local inhabitants and visitors. Apart from the rivers, there are three magnificent waterfalls namely Tad Xai, Tad Leuk and Tad Xang, which offer a number of opportunities for ecotourism activities. In addition, the area has a series of mountain ranges, predominantly Phou Luang range stretching along Lao-Vietnamese border.

The province economy is largely dominated by the agriculture sector. Agricultural commodities include tobacco, sugar cane and oranges. However, industry and services are playing an increasing role. The area is the location of Nam Theun 2, the largest private hydropower investment in the country. By bordering two neighbouring countries, the province has a potential to develop as an important trade route and tourism hotspot in the region. A Mekong bridge linking the province with Beungkan province in Thailand is scheduled to complete in the near future. PKK NPA is one of the main attractions offering a number of nature-based and ecotourism activities such as trekking, camping, kayaking, biking etc. In addition, the area hosts an important monastery called Phabath[51], where an annual festival is organized. The festival attracts hundred thousand of visitors every year, particularly domestic visitors.

Tourism resources in Bolikhamsay province are classified into three categories. In 2014, a total number of 51 natural, 8 cultural and 4 historical sites were registered. The natural sites include cave, waterfalls and protected area.

6.2.2 Phou Khao Khouay National Protected Area

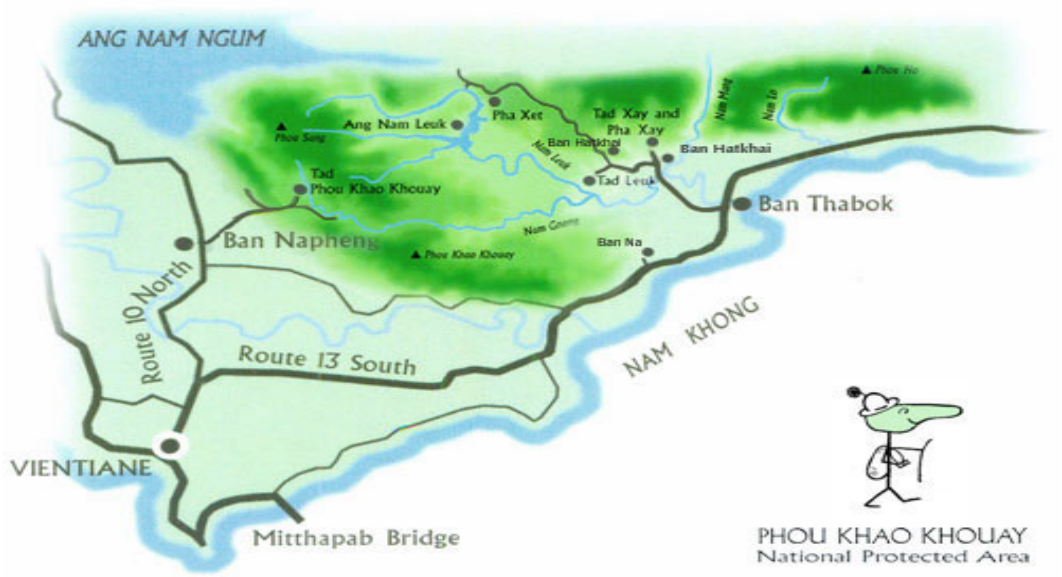
The information presented in this section was adapted from www.ecotourismlaos.org in the national protected areas section. Like other protected areas in Laos, Phou Khao Khouay[52] (PKK NPA) was established in 1993 by Prime Minister's Decree 163 (ICEM, 2003). It is located at the latitude 18° 14´-18° 32´ N and longitude 102° 38´-102° 59´ E with the altitude between 200 and 1,761 meters. It has total area of 2,000 square kilometres contiguous in three provinces namely Vientiane, Vientiane Capital and Bolikhamsay in central Laos. PKK NPA has monsoon tropical climate with average annual temperature of 26.6° Celsius, mean minimum temperature of 21.5° Celsius and mean maximum of 31.6° Celsius. Average annual precipitation is recorded at 1,936.1 millimetres; however, the rainfall is notably higher in the upland regions.

Between 1987 and 1992, State Forest Enterprise 3 was granted a concession for logging in the eastern part of the reserve. By 1990, a simple management was

[51] "Phabath" means footprint, which the temple got its name from. The temple is located just next to the entrance to Ban Na. The monastery holds one of the most important footprints of the Buddha; therefore, the monastery serves as an important site for pilgrims.
[52] Literally Buffalo Horn Mountain

formulated. However, with the aim of sustainable forest management a co-management conservation plan was created between the Department of Forestry and SFE3. Staffs from DoF and SFE3 were appointed to oversee the administration of the forest. Subsequently the area was declared a protected area with a field station based in Thaphabath District, Bolikhamsay Province. By 1994, the administration was transferred to the Ministry of National Defence with the field stations at Long Xan, Thoulakhom and Xaythany Districts.

Figure 35: Map of PKK NPA



Source: www.trekkingcentrallao.com

Forests are classified as upper dry evergreen particularly in the central regions along Nam Leuk and Nam Mang rivers, whereas mixed deciduous forest found in the lighter and shallow soil regions. Some plant species such as genera *Dipterocarpus* and *Shorea* occur in the area. These species can be found in other countries in Southeast Asia. The western part of the park is predominantly dominated by coniferous forest particularly large stands of *Pinus merkusii*, which grow on shallow, nutrient deficient and sandy soils. Likewise, fire-climax grasslands occur in this portion.

Figure 36: Tourist Attractions in PKK NPA



Source: Author's fieldwork, September 2012

Apart from flora, PKK NPA is rich in fauna. Some flagship species include white-cheeked gibbons, Asian elephants and green peafowls. White-cheeked gibbons occur in eastern part of the reserve, while green peafowls can be found in Na Khay and Na Khanthoung villages. Asia elephants are roaming in the central portion near Ban Na in Bolikhamsay province.

In addition to cultural and ecological values, the park is an ideal site for recreational activities. Some of the main attractions include three waterfalls, two viewing points and Nam Leuk Reservoir where water-based touristic activities could be developed. A number of activities, which have already developed, include trekking, canoeing, wildlife watching, picnicking and camping.

Around and within the protected area, 49 villages have been identified in the buffer zone or community development zone. Some communities have settled in the interior. The population living in these communities is composed of two main ethnic groups. Lao *loum* inhabits on the floodplain to the south of the park while Lao *soung* occupies northern, western and interior of the reserve. For long time, these communities heavily depend on natural resources in the park posing some threats on the protected area. A number of threatening activities such as forest fire, shifting cultivation, selective logging, and selective harvesting of NTFPs have been identified. In addition, PKK NPA is under threat due development activities such dam construction and casino development in Vientiane province.

6.2.3 Community Characteristics

The research was conducted in Ban Na and Ban Hathkai, where CBE was initiated between 2003 and 2004 following the NHEP model. The two communities are located in the periphery in the southern part of PKK NPA in Thaprabath District, Bolikhamsay Province. The socioeconomic and environmental aspects of the communities are examined in the following sections.

Ban Na

According to an oral history of a villager, Ban Na[53] was founded in the 1940s, when six families moved from Pakkading to look for arable land for rice cultivation in the area. The village was formerly called *Ban Na Khao Pra* (literally village of rice for Buddhist monks), where the residents claimed that the rice from shifting cultivation was just enough for alms giving to the monks rather than consumption in the families. In the former time, a large number of villagers earned their living by hunting and shifting cultivation. Thanks to the government policy of shifting cultivation reduction, the villagers have switched to wet rice farming.

The village is located on the Road 13 South, approximately 70 km from Vientiane Capital in the Tha Prabad District, Bolikhamsay Province and about an hour walking distance to the interior of PKK NPA. The community is relative large according to Lao classification. In 2012, a total number of 128 households with a total population of 657 inhabitants were recorded[54]. Of which, 124 families have been considered as *khobkhua meekin* (better-off families), three as poor families and one as a *khobkhua anatha* (disadvantaged family). The majority of

[53] The name derived from two Lao words, "*Ban*" means village and "*Na*" rice field.
[54] Statistics from Village Chief

the residents earn living from wet rice cultivation, basketry; particularly rice boxes[55], collecting forest products, small trading, animal breeding and tourism.

According to the land and forest allocation policy of the government, the government has allocated forest and land areas for local control since early 1990s. The land area of the village has been classified into several land use categories as shown in the table below.

Table 11: Land use Classification in Ban Na

Land use types	Total area (in hectare)
Settlement area	1,670.30
Forest area	5,102.19
Elephant tower area	194.51
Used forest area of the village	130.31
Rubber plantation area	89.40
Village protected area	434.72
PKK NPA	4,435.42

Source: Ban Na Village Chief, September 2012

Ban Hathkhai

Ban Hathkhai is located about 20 kilometres southward from Ban Na. According to a record from village authority, Ban Hathkhai was established in 1787 by two brothers, who led a group of villagers, migrated from Samtai District, Houaphan Province to settle in the area due to conflicts with Siamese[56] and Chinese. The village is located along the Nam Mang River approximately 9 km from the Road No. 13 South, on the way to Nam Leuk Hydropower Dam.

In 2012, Ban Hathkhai had 92 households, 104 families and a total population of 514 inhabitants[57]. Ninety-two families were classified as *khobkhua phadthana* (developed families). The population is formed by two ethnic groups namely Lao *loum* and Khmu who earn their living on rice farming, animal breeding, small trading and basketry and recently also commercial agriculture. In 2012, the village has rubber plantation areas of 150 hectares and agar wood 10 hectares. Some other cash crops such as pineapples and tomatoes are widely cultivated in the area.

The village has an area of 1,500 hectares, of which 12 hectares were classified as settlement area, while the agricultural land and other land use cover 269 hectares. The villagers heavily depend on the NPA for forest products for domestic consumption and trading with the outsiders due to the shortage of arable land. In addition, flooding often occurs, which destroys agricultural areas, resulting in economic difficulty to the villagers; the majority of them are subsistent farmers. As a consequence, some of them, particularly young people have migrated to other areas to find better employment opportunities. Recently, a number of projects have been introduced in the village to improve the quality of

[55] In Laos, the majority of the population consumes sticky rice, which is steamed in bamboo baskets and kept in rice boxes, as the main food. Therefore, the rice boxes are common in almost every Lao household. Over 90% of the households in Ban Na weave rice boxes to supply the markets in Vientiane Capital, other provinces and export to Thailand.
[56] Contemporary Thai
[57] Statistic from Village Chief

life of the residents. These include animal breeding, clean water, toilets, and sanitation and ecotourism projects.

6.2.3.1 Community Demographic Characteristics

The two villages share a number of similar characteristics. The information presented in the sections below derived from questionnaire survey conducted in the two communities in November 2013. In total, 121 questionnaires were distributed to the respondents, who were involved or not involved in tourism activities. 56.2% of the respondents are female, while 43.8 are males. Only 45.5% of the population were involved in tourism, while 54.5% were not.

Figure 37 exhibits the age distribution and ethnic composition of the respondents. A large number of the respondents are active population aged between 26 and 50 years. There are two ethnic group Lao *loum* and Khmu (only in Ban Hathkhai). However, some of them identified themselves as Meui (in Ban Na), which fits into the Lao *loum* groups as all of them practice Buddhism.

Figure 38: Age Distribution (n=121)

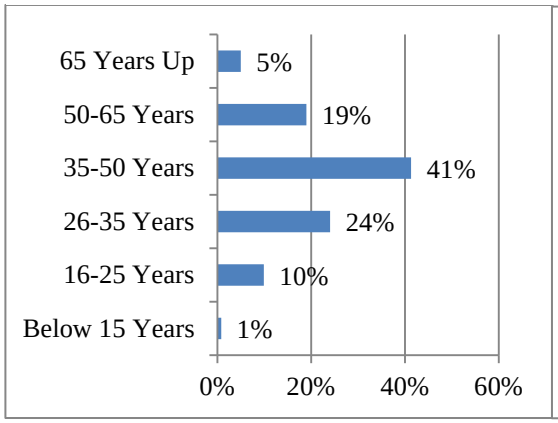
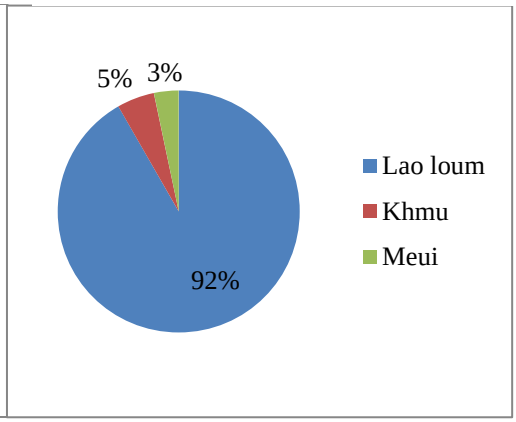


Figure 37: Ethnic Composition (n=121)



Source: Author's survey, November 2013

The communities have good access to education opportunities due to the fact that the villages are located near urban areas. Some respondents, who work for public offices, have higher education at higher diplomas and bachelor levels. However, the communities still face the problem of inadequate supply of qualified human resources, especially those who have better English and computing skills to work in the tourism sector.

Figure 40: Education (n=115)

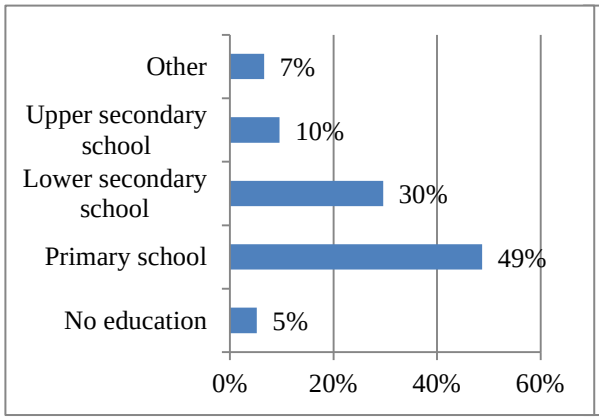
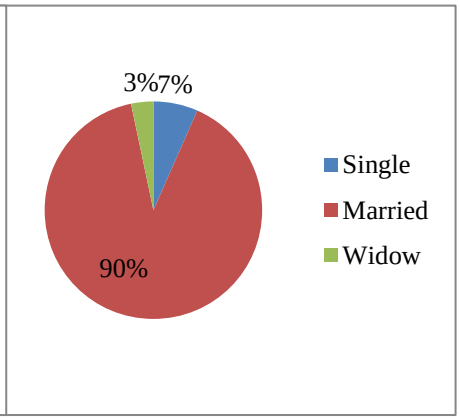


Figure 39: Marital Status (n=121)



Source: Author's survey, November 2013

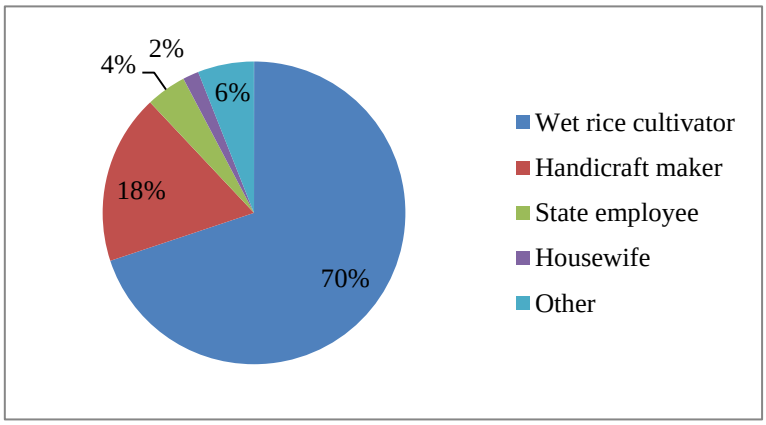
6.2.3.2 Administrative Structure

Ban Na and Ban Hathkhai share similar administrative structures. The Village Chiefs and Deputy Chiefs supervise the overall village administration and the elders serve as village advisors. The Village chief and his deputies are elected based on majority vote of the community members, while the elders are appointed based on their seniority and merits. The village authority is mainly responsible for mediating conflicts among villagers; approving timber extraction; and cooperating with the outsiders such as government offices and development agencies. In addition, there are some mass organizations such as Youth Union, Women's Union and Village Security, which are responsible for communal works such as village festivals, collective cleaning and etc.

6.2.3.3 Economic Aspects

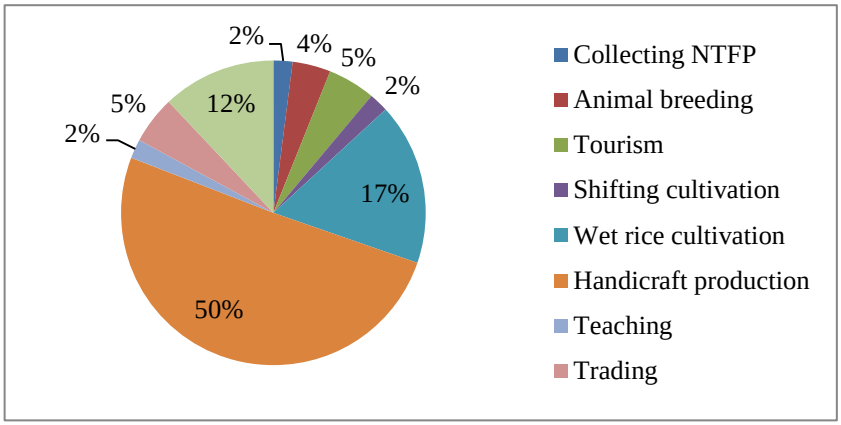
The village economic activities are relatively diverse. Wet rice cultivation and bakery are the two main economic activities of the villages. Seventy per cent of the respondents identified themselves as wet rice farmers. Nevertheless, wet rice cultivation does not constitute the main income sources, as only 17% of the respondents stated that their main income came from wet rice cultivation. This is explained be the fact that the main purpose of wet rice cultivation is for domestic consumption. The majority of the family income came from handicraft production, particularly rice boxes. Tourism contributes only a minor share as only 12% of the respondents reported that their monthly family income is from tourism.

Figure 41: Occupation (n=121)



Source: Author's survey, November 2013

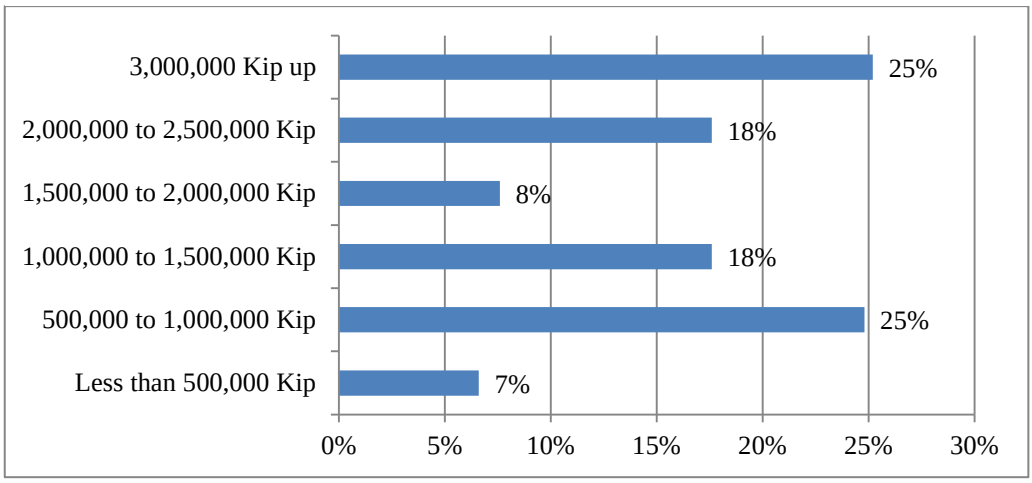
Figure 42: Main Income Sources (n=121)



Source: Author's Survey, November 2013

Unlike in Luang Namtha, where the communities are relatively isolated from development, Ban Na and Ban Hathkhai manage to benefit from a booming national economy. Eighteen per cent of the families have a monthly income between 2 and 2.5 million Kip and 25% of the households earn over 3 million Kip per month. Only 7% of the respondents reported that they have monthly family income below 500,000 Kip, just lower than the national minimum wage of 626,000 Kip per month (TimeReport, 2013).

Figure 43: Monthly Family Income (n=119)



Source: Author's survey, November 2014

6.2.3.4 Infrastructure and Public Services

As the two villages are located close to urban areas, the infrastructure and public services have been considerably improved in comparison to the communities in Luang Namtha. Some basic public services such as electricity, telecommunication network, and primary schools are available in the communities. Nevertheless, the roads to the villages require considerable improvement due to dust and difficulties, especially during the rainy season. In some cases, Hathkhai villagers have to use motored boats to transport tourists from the main road due to the fact that the road to village was flooded. Healthcare facilities are accessible at the district and provincial levels. As the majority of the residents are Buddhists, there is a temple in each village, where it serves as the centre of cultural and spiritual activities and meeting halls of the communities.

6.3 Institutional Framework at the Local Level

The institutions at the local level include the provincial tourism development strategy and village rules related to tourism development. In Bolikhamsay, there are several institutions related to tourism development. These include the tourism development plan 2011 to 2020, 2015 to 2020 and a provincial marketing strategy. The important points are discussed in the following sections.

6.3.1 Bolikhamsay Tourism Development Strategy 2015-2020

The Bolikhamsay Department of Information, Culture and Tourism (BDICT) is the main body responsible for formulation and implementation of province tourism development strategy. By the time of writing, the province completed drafting the Bolikhamsay Tourism Development Strategy 2015-2020. BDICT set a vision to 'develop the province to be a centre linking the north-south tourism

route and in the region, and…promote Bolikhamsay a destination for both domestic and international tourists'[58].

Specifically, BDICT aims to:

- develop natural, cultural and historical sites to contribute to making the province a sought destination;
- integrate tourism development with other provinces and in the region and improve service quality;
- develop community based tourism focusing on…creating employment for local people;
- promote cooperation, investment from both domestic and foreign private investment; and etc.

As stated in the vision and objectives, the province is still regarded as a transit point to other provinces; therefore, the provincial authority aims to develop the province as a targeted destination for both domestic and international visitors. Community-based tourism development was addressed as a separate objective. In addition, the province committed itself to allocate budget for investments mainly in infrastructure to support tourism growth. Also, both domestic and foreign private investments in the tourism sector are promoted. In the strategy, each district of the province was suggested to develop tourism based on the potential of each area. Paksan, the provincial capital, for example, is developed as a hub, where cultural activities such as food festival, night market, will be organized. As far as Thaphabath is concerned, the development focuses on a combination of cultural and nature-based community tourism. The cultural tourism activities include the Phabath Temple festival, a boat racing festival and the end of Buddhist Lent festival, in particular Naga Rocket Festival[59]. In Ban Na and Ban Hathkhai, the development activities include road improvement to the villages; development of more trekking routes; service quality improvement; improvement of language skills of local guides; souvenir product development; and biodiversity conservation, especially regarding wild orchids.

The strategy was considerably well written, where detailed outlines of the activities were elaborated. Also, implementation measures, duration and responsible persons were specified in the plan. In addition, the activities were prioritized with the scale from 1 (most important) to 3 (the least important). The strategy includes four plans: awareness creation, human resource development, advertising and promotion and tourism regulation. Concerning awareness creation, the plan focuses on disseminating tourism laws and regulations and creating understanding on tourism for staff in the districts and villages, where tourism activities were developed.

[58] Data from Bolikhamsay Department of Information, Culture and Tourism, 2014 (unpublished document)

[59] Every year during end of Buddhist Lent in late October, thousands of mysterious pink and red bursts of light or commonly known as Nagas' fireballs rise from the Mekong River in the full moon day of 11th lunar month. Local people believe that it is Nagas, legendary water serpents, who shoot the fireballs to celebrate the end of Buddhist Lent. The phenomenon attracts hundred thousand of visitors mainly from Laos and Thailand to the area. It is still a mystery, which receive interests from public as well as scientists.

Previously BDICT offered training courses for employees working in the tourism and hospitality sectors. Between 2005 and 2014, a total number of 441 personnel, of which 342 trainees were female, were trained in housekeeping, food and beverage service, front office and cooking. However, tour guide training, which is vital especially for Ban Na and Ban Hathkhai, received less attention. From 2015 to 2020, human resource development focuses on the following activities: training employees working in tourism sectors across the province; prioritize development activities; capacity building for administrative staff; and CBT management training.

In the tourism site development plan, the following activities were elaborated: prioritize development activities; identify product attribute; symbols and slogan for tourism products across the province; the restoration of some cultural sites (Phonsan Temple) and categorizes and identifies CBT development areas. In addition, BDICT tries to find development partners, who might be private sector and international development agencies to develop the products.

Formerly advertising and promotion activities focused on printing media and distributing in the province and at the TDD headquarter. Also, websites were developed. In addition, BDICT cooperated with a Lao television channel to produce a documentary about tourist sites, particularly in Ban Na and Ban Hathkhai. Between 2015 and 2020, BDICT will continue to promote tourism in the similar fashion. In addition, cooperation with tour operators and attending regional exhibitions were addressed in the plan.

As far as the tourism regulation plan is concerned, BDICT continues to categorize some selected accommodation establishment and standardize of employees in selected tourism and hospitality establishments. However, standardization of homestay in the villages was not addressed in the plan.

6.3.2 Local Rules

The rules related to ecotourism development include the rule regulating use of natural resources and rule controlling ecotourism itself. Regarding the rule regulating uses of natural resources, village authorities are responsible for enforcing the rules. Villagers are not allowed to cut big trees in the protected area without permission from the village authority. In case, one wants to build a new house, for example, (s)he has to ask for permission from the authority to get a quota. The residents are not allowed to harvest timber for commercial purposes. In case of rule breaking, village authorities are responsible for punishing the guilty. Minor cases are solved within the villages, while major cases are brought up to the PKK NPA.

Regarding tourism management rules, the development project assisted local communities in establishing rules regulating tourism. The rules concern with benefit distribution and participation in tourism activities. Tour operators based outside the communities wanted to control tourism operation in the communities, but the community leaders do not allow them to do so. This indicates that the communities have a certain degree of independence to manage tourism affaires. Regarding participation, only the residents from Ban Na and Ban Hathkhai are allowed to participate in tourism.

6.4 Ecotourism Action Arena

6.4.1 Ecotourism Stakeholders

A small group of stakeholders were involved in ecotourism development in Ban Na and Ban Hathkhai. At the national level, they are TDD, German Development Service (DED[60]), NZAID, and some tour operators based in Vientiane Capital. Locally, the stakeholders consist of BDICT, PKK NPA, and Ban Na and Ban Hathkhai. The stakeholders groups have played different roles in ecotourism planning and development. Their respective roles and responsibilities are discussed in the following sections.

6.4.2 Actors and the Roles of Different Actors in Ecotourism Development

6.4.2.1 Non-Local Actors

Non-local actors in ecotourism development context are based at the national level. These include tourism policy makers, donors as well as tour operators. They are TDD, DED, NZAID, Green Discovery, Vieng Champa Travel, etc. the roles TDD plays in Ban Na and Ban Hathkhai are similar to those in Luang Namtha. Therefore they are not examined in this chapter. The roles of TDD are examined in Chapter V.

6.4.2.1.1 International Development Agencies

Tourism development in Ban Na and Ban Hathkhai was initiated by DED, a German NGO, with the aim to solve the conflict between human and elephants. In PKK NPA near Ban Na, there were around 40 wild elephants, which came to the surrounding areas of the village and destroyed the crops of the residents. Dr Klaus Schwettman, a biologist and former university professor, who was working as a DED expert and a consultant to LNTA, wrote a proposal to development agencies from three countries namely Germany, Canada and Switzerland for funding. Later on, he led villagers to construct an elephant observation tower in the NPA, an hour walk from Ban Na, with the construction cost of 45 million Kip[61]. The construction began in late 2004 and was completed in March 2005. When the tower was completed, the project sent experts to train villagers in tour guiding and hospitality skills as well as how to operate community-based tourism.

Between 2003 and 2004, the project also introduced tourism in Ban Hadkhai with the aim to expand tourism activities in the area. Prior to the development, project experts collaborated with village authority went to explore tourist attractions such as Tad Xai Waterfall, Pha Luang, Tad Mang Waterfall and Houai Khili Stream. Later on, the village chief was requested to recruit ten men to be trained as local guides. Following the recruitment, a ten- day tour guiding training was provided. Also, the project helped the villages to set up village revolving funds and set up rules on the benefit distribution. DED's project activities ended in 2006 with considerable successes; as a result, NZAID proposed financial

[60] DED's project ended in 2006, the same year when NZAID introduced the project in the villages.
[61] The amount was equivalent to US$4,500 in 2004.

assistance to develop infrastructure and tourism related products (NL1, August 2012).

In Ban Na and Ban Hathkhai, NZAID granted US$ 601,833[62] for small-scale infrastructure development and the tourism supply chain product development. In Ban Na, the project funded the construction of a village hall used as visitor centre and place for basketry demonstration and as well as village meetings. In addition the project provided 70 million Kip[63] for building a bridge over a stream to the protected areas in 2013. In Ban Hadkhai, the project financed the construction of staircase on Nam Mang River bank to facilitate tourists as well as local villagers, who descend to the river. Apart from that, the project assisted in construction of the toilets and the purchase of bedding supply for homestay hosts in both Ban Na and Ban Hadkhai. As far as product development is concerned, the project helped Ban Na to diversify basketry products by sending trainers from Vangmon Village to train villagers in Ban Na. In former times, villagers in Ban Na weaved only rice boxes. Following the training, they started to produce handbags, tissue holders and *khans* from bamboo. In the meantime, they regularly supply their handicraft products to market in Vientiane Capital and other provinces. Furthermore, they also attend annual handicraft exhibition at LAO ITECC[64] in Vientiane.

6.4.2.1.2 Ecotourism Operators

Although visitors are able to travel to Ban Na and Ban Hathkhai by themselves, some of them rely on the services of tour operators based in Vientiane Capital. The tour operators, who guide visitors to the villages, include GDL, Vientiane Orchids, and Vieng Champa Travel. The tour operators are mainly responsible for marketing the products and guiding visitors. It is often the case that when tour operators hire tour guides from the city and bring in some equipment (mountain bikes, kayaks, camping equipment etc.) and food stuff resulting in a decrease in tourism revenue from the villages. Nevertheless, the tour operators are required to include at least two village tour guides and contribute to village revolving fund and pay for protected areas and taxes.

6.4.2.2 Local Actors

Local actors are from provincial and village levels. They are Bolikhamsay Department of Information, Culture and Tourism (BDICT), PKK NPA, provincial guides, local communities and tourists. Their roles and responsibilities are examined in the following sections.

6.4.2.2.1 Bolikhamsay Department of Information, Culture and Tourism

Similar to other provinces in Laos, the Bolikhamsay Department of Information, Culture and Tourism (BDICT) is a provincial branch of the Ministry of Information, Culture and Tourism (MICT). Within BDICT, there is a division directly responsible for tourism planning and development in the province.

[62] Data from Bolikhamsay Department of Information, Culture and Tourism, 2014 (unpublished document)
[63] The amount was equivalent to US$8,750 in 2013.
[64] Lao International Trade, Exhibition and Convention Centre

BDICT also allocated some budget for tourism development. By 2014, it was reported that 5 billion Kip [65] was allocated from public sector. The tourism division is responsible for tourism planning, regulation, and promotion. It is in charge of appointing village tourism management committees and approves rules and regulations governing CBT operation in the communities. As tourism development is concerned, the main activity is to carry out an inventory of tourist attractions and propose to TDD to include in the National Tourism Development Plan. Site selection is based on the attractiveness of tourism resources and the readiness of local communities (PPM2, September 2012). In addition, the tourism division provides office space for PIU of NZAID and staff for the implementation of project activities. The division also serves as the link between donor organizations and local communities.

6.4.2.2.2 Phou Khao Khouay NPA

PKK NPA is under the administration of Battalion 902, Ministry of National Defence (MND) and the Division of Forest Resources, Ministry of Natural Resources and Environment (MONRE). The PKKNPA has four field stations located in Houai Luek, Thaphabath, Xaythany, and Thoulakhom districts. PKK NPA is responsible for demarcation and monitoring the protected area. They are also responsible for signposting and trekking trail reparation. The patrolling activities are often carried out during the dry season, when the forestland is sensitive to forest fire and more accessible to loggers and forest product collectors. During the rainy season, the activities are carried out once or twice a month. In addition, PKK NPA organized meetings in the villages to disseminate the rules and regulations on use of the resources in the protected area to villagers. Nevertheless, rule enforcement is not effective enough. Several illegal activities such as logging, hunting, wild orchid harvesting…are widely practiced by the residents in the protected area and people from outside the communities.

6.4.2.2.3 Tour Guides from Vientiane

When tour operators from Vientiane bring visitors to the villages, they often send their own tour guides from the city. However, it is obligatory that the tour operator have to employ two village guides per group of visitors. As the tour guides from Vientiane have superior language skills, they serve as interpreters between tourists and local guides and villagers.

6.4.2.2.4 Local Communities

In Ban Na and Ban Hathkhai, local people play an active role in ecotourism development. In fact, the village live is one of the main attractions for visitors. Local community also participate in the development by providing local knowledge and contributing labour for building tourist infrastructure. The local communities participate in nature protection in the protected area. During the exploration phase, the village authorities led external experts to explore

[65] Data from Bolikhamsay Department of Information, Culture and Tourism, 2014 (unpublished document)

prospective tourist sites in the protected area. The involvement of local people in an early stage is essential given that they are the 'gate keepers' and the main purpose of tourism development is improving the living standard of villagers. In the development phase, local people supplied labour force for the construction of tourism infrastructure. For the construction of the elephant observation tower and the bridge in Ban Na, for example, local tour guides and homestay families were requested to work in the construction sites. In case of hard work, which required more labour force, the village authority mobilized the whole village to contribute labour with no exception even for those who have not directly involved in tourism. This is due to the fact that they benefit from the facilities. During the operational phase, local communities, especially tour guides, are responsible for monitoring the protected area.

6.4.2.2.5 Tourists

This section presents the perception of western tourists who took part in tourism activities in the NPA and stayed with a host family in Ban Na. The findings came from thematic analysis of selected statements written by tourists in guest books provided in a homestay family. Several statements were written in visitors' native languages such as English, French, German, and Spanish etc. The data were transcribed and translated (only from French) into English. Four themes emerged from the data including Ban Na sense of place; warm hospitality and delicious food; interaction with local culture; and feedback and comments. The majority of the visitors to Ban Na are from western countries such as France, Germany, the Netherlands and America. Some of them were from Asian country (e.g. South Korea) and Middle East (e.g. Israel). In most the length of stay is between one and two nights. However, in some cases, visitors stayed up to one or two weeks.

Ban Na Sense of Place

Tourists travelling to Ban Na are doing so not just because of the natural attractions such as wild elephants and the protected area. The village has been perceived as a peaceful and relaxing setting, where tourists can spend time away from modern life style. A French tourist said that he is 'happy to escape from the civilization in Vientiane to this calm and warm place' (a French tourist, August 2012). As the visitor explained, although the village is about one and a half hours from Vientiane Capital, the atmosphere is completely different. Another visitor compared his stay in a megacity in Thailand and Ban Na: 'After one week in the big city in Thailand, the village is relaxing. The reception is warm; the food is excellent' (a French tourist, September 2012). Although, the visitor could not find luxury in the village like in a megacity, but he seemed to enjoy the simplicity of the rural live. The themes that visitors often associated them with Ban Na were warm welcome and delicious food.

Apart from the tranquillity and warm hospitality, the village was viewed as a place with splendid landscape: 'The village, Ban Na, is so beautiful…' (a Belgium tourist, August 2011). Another tourist shares similar notion using a Lao word 'The landscape is so "*ngam*" (a Belgium tourist, August, 2011). The word literally means beautiful. Visitors often learn local language from their guidebooks and try to practice with local residents.

Apart from local ways of life, the village is viewed as a starting point for doing ecotourism activities in the protected area, in particular trekking and staying

overnight at the elephant tower. A tourist shared experience in the protected area: 'The trekking and rapids (swimming) were really worth it. The guide didn't speak English; however tried to explain everything' (a Dutch tourist, July 2005). The tourist did not get much interpretation from the guide, but (s)he seemed to be very satisfied with the trip due to the guide's enthusiasm and spectacular natural environment. In some cases visitors were willing to accept risks and have a high level of tolerance to local conditions, as this quote exhibits: 'We had a very good time here in Ban Na despite the rain and the few mosquito bites' (French tourist, June 2012).

Although it was a short period of stay, several visitors had strong attachment to the place and the people. 'I had a wonderful time in Ban Na and I will miss this quiet and friendly place a lot…Also I will miss my little friend "Ai", who used to play with me and take me for a walk around the village' (a German tourist, March 2012). Some visitors expressed concerns about changes that might occur in the village: 'It a good experience to discover how people live in your wonderful country especially the food. We hope the people from Ban Na will stay the same in the future' (French tourists, June 2012).

Warm hospitality and delicious food

Despite the fact that the facilities and services are rather basic, visitors seemed to be satisfied as the prices of the services were relatively low. The important element was the warm hospitality of the hosts, as a visitor stated that: 'Thank you for your warm welcome in your house. It was a great experience. I enjoy it a lot; lots of warm greeting' (a Belgium tourist, undated). Other common expressions that used to describe the host family were "nice family" (a French tourist, May 2011); "warm and pleasant reception" (a Dutch tourist, December 2005). Local dishes constituted an important element that make created visitor enjoyment. Several visitors often exclaimed that the food is delicious (a South African tourist, April 2011; a French tourist, May 2011; an American tourist, May 2012). Another expression is 'Kamla [the name of the homestay host] you are a good mama and good chef (a Belgium tourist, August 2011). The visitor used the word "mama" to imply that (s)he was regarded as a daughter/son in the family. In addition, a visitor even suggested a Lao specialty to other visitors: 'Perhaps some foreigners may have difficulty with Lao food, that's to be expected, in which case I would recommend the bamboo soup, which I enjoyed eating here very much' (an English tourist, undated).

Interactions with local culture

Ban Na offers a mixture of culture and nature experiences. As mentioned above, one of the main purposes of the visits is to experience local ways of life. A visitor described how (s)he enjoyed local ways of life:

> Really amazing experience to be invited by the real Lao family and eat, sleep, take a shower like the locals do; watch their activities, smoke a cigarette with papa; see mom and daughter make baskets and get a feeling for their daily life. We were buying some baskets to support the people who need it the most and mom is so sweet to fill them with rice, so we have a meal on the way back to Vientiane. Thank you for everything' (a Dutch tourist, undated).

The visitors enjoyed the stay thanks to the friendliness and warm hospitality of the local residents. Such atmosphere seemed to be simple for local residents; however, for western tourists, they described the situation as "amazing" (a German tourist, May 2011); "well-organized authentic experience" (a French tourist, May 2011) and "unforgettable experience" (a French, July 2007).

A common activity that visitors often do was learning Lao language with the residents. In fact, visitors already learn the language from their guidebooks. Some common expressions such as "*sabaidee*" (hello) and "*khob chai deu*" (thank you) were often mentioned in the messages. Visitors viewed learning language as an entertaining activity during their stays. A visitor observed: 'I enjoyed English-Lao conversation very much' (a German tourist, March 2012). The visitor referred to "English-Lao conversation" implied that the host and guest used both languages to communicate with each other, which made the conservation funny. Although, a chance to communicate between the hosts and guest was limited due to language barrier, the two sides managed to enjoy the communication, as visitors observed 'The lady here did really well to us. She always tried to speak English to communicate with us with her English book so we did try to speak Lao with my Lonely Planet; it was a lot of fun' (a Korean and an Italian tourist, August 2007). In addition, visitors also learn how to make basketry products, which transferred local knowledge to visitors.

The interactions between visitors and local residents developed into mutual understand and friendships in the long run due to the fact that villagers cared for visitors like family members for fellow villagers. A visitor observes: 'Personally I love it here because the people are so nice and the family always went to look out for you, make sure you ok' (an English tourist, undated). Another visitor explained the kindness of the residents: 'They wanted to help with everything they could, just like the rest of the people in the village. We really enjoyed our stay in Ban Na' (a Dutch tourist, November 2004). In many cases, visitors still keep in touch through letters or phone calls after they returned to their home countries.

Feedbacks and comments

From the findings discussed above, it seemed that the visitors were happy with the conditions in Ban Na; however, the only major complaint was that they were unable to see the wild elephants. In some cases, some facilities might not be able to satisfy tourists' needs, especially "soft ecotourists", who expected to have a grocery store in the village. Another complaint was the noise of daily activities of the residents and the animals as visitors described 'We had a great night sleep, even people started play music in very early morning and geckos, dogs, cows, and roosters started making sound again; that's part of the experience' (a Dutch and an Austrian tourists, April 2008). However, the visitors viewed it as part of daily life in a rural village. In addition, substandard facilities in the homestay were a concern, which might pose some dangers to both visitors and hosts. A visitor observed: 'I have some recommendation for the future. I feel that some guests may appreciate housing control of the light switches' (English tourists, undated).

6.4.3 Interaction between Non-Local and Local Actors

6.4.3.1 Ecotourism Development Process

Tourism resources in Ban Na and Ban Hathkhai are slightly different. In Ban Na, the main attractions include the elephant observation tower, trekking routes, and steams and rapids inside the NPA. In Ban Hathkhai, the main attractions are the Tad Xay Waterfall, trekking routes, kayaking and orchids.

Tourism development in Ban Na and Ban Hathkhai was commenced in 2002. A DED expert and a consultant to LNTA, together with his foreign colleagues coordinated with village authorities went to explore tourism sites in the area. Following the exploration, he led six village guides to construct elephant observation tower in the vicinity of Phou Khao Khouay NPA near Ban Na in 2004. The technical workers were brought from the capital, while the villagers contributed labour in the construction. The construction faced a number of difficulties due to the aggressive behaviours of the elephants. According to a villager account, the elephants came to destroy the tower during the construction; as a result, the project had to reconstruct the tower (CM24, March 2014). In addition, the construction had to stop around 3 or 4 in the afternoon due to the fact that the elephants started to roam the area during this time. The forest soldiers were requested to guard the construction site to ensure the safety of the workers and villagers. At last the tower was completed in March 2005 and started to accommodate tourists.

Simultaneously with tourist infrastructure development, a series of training on tour guiding, cooking, English language, first aid and etc. were offered to villagers, who wanted to participate in tourism. The villagers were trained by both foreign and Lao experts, who some of them had experiences working in ecotourism development in Luang Namtha. Together with theoretical lectures, pilot tours, where the trainees were assigned to guides visitors, were organized to enhance tacit knowledge of the trainees. After the tours, trainers were responsible for assessment and evaluation. Later on, regular trekking tours were offered to visitors in the two villages. A website called “trekking central Laos” was developed to promote the destination with the assistance of two foreign volunteers. In addition, advertising and promotional materials were development and distributed in headquarter of LNTA, restaurants and tour operators in Vientiane Capital. In addition, the project also helped villages to set up village revolving funds and establish rules regulating the distribution of benefits from tourism.

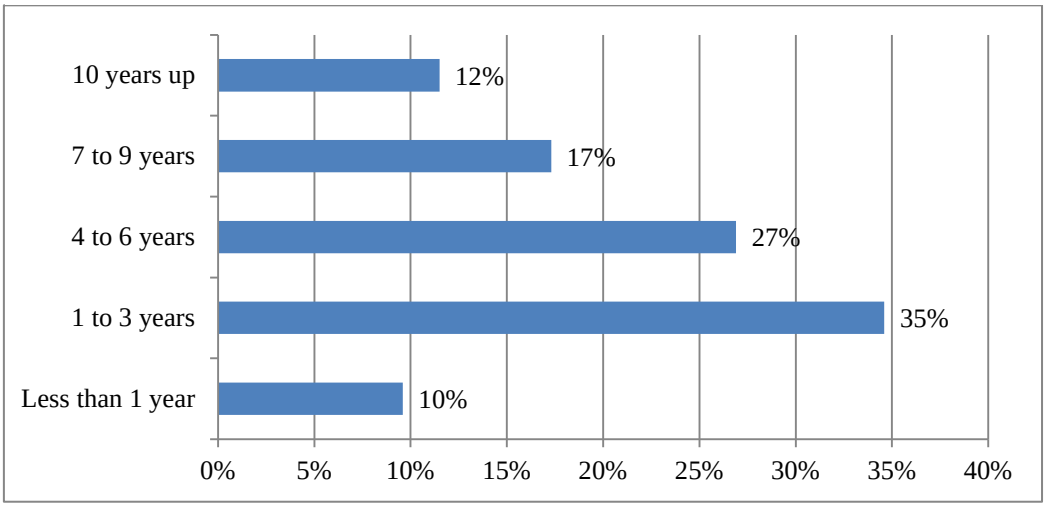
Following the trekking tour development, a homestay programme was established in the two villages in 2005 to expand tourist activities and promote more opportunities for villagers, especially women. The project provided hospitality training and helped to improve facilities for the homestay hosts. In the beginning, five families were selected to participate in the programme. By 2013, there were 10 families in Ban Na; however, some families decided to quit homestay due to a lack of labour to care for tourists (CM25, March 2013).

In the operational phase, project experts occasional went to the villages to give advises, especially on management issues (AD1, August 2012). By 2006, the whole operation was transferred to the village authorities, when DED project ended. Thanks to the initiative of DED, NZAID launched another programme in the villages in the same year.

6.4.3.2 Local Participation

Figure 44 indicates the working duration in tourism of the respondents. Between 2003 and 2004, when tourism activities were first developed in the communities, there were only a few people involved in tourism development in the villages. Therefore only 12% of the respondents stated that they were involved in tourism for more than 10 years. However, the village authority tried to expand opportunities to other community member as 35% and 27% of the respondents reported that they were involved in tourism between 1 to 3 years and 4 to 6 years respectively. In some cases, the participants quitted working in tourism and new members were recruited.

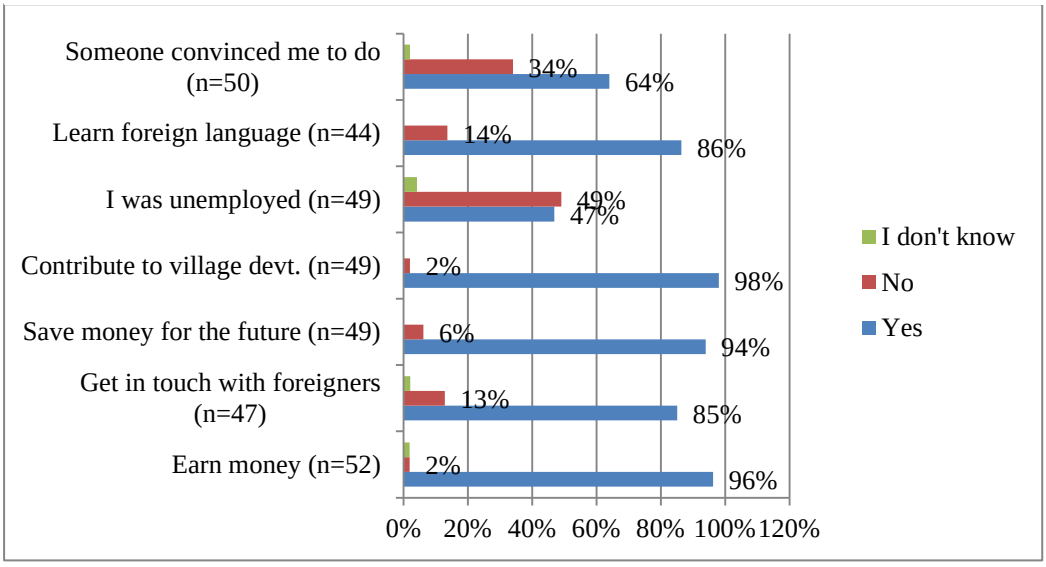
Figure 44: Working Duration in Tourism (n=52)



Source: Author's survey, November 2013

Figure 45 exhibits motivations of villagers to participate in tourism activities. The main motives of participation in tourism are economic benefits such as earning additional income and contribute to village development. Unemployment was not an issue as the majority of the villagers practice multiple activities such as wet rice cultivation, animal breeding, basketry production etc. Also, the majority of the respondents stated that they were involved in tourism because they wanted to keep in touch with foreigners and learn foreign language. This implies that local communities have positive feelings towards foreign visitors.

Figure 45: Motives of Participation in Tourism



Source: Author's survey, November 2013

Participation: Economic benefits come first

In the beginning, local participation was difficult in both villages due to the fact potential economic benefits from tourism were not realized. A respondent in Ban Na stated that: 'The number of people was limited…[there were] six people, the tour guides, because at that time the income wasn't realized…we didn't know if we could earn income' (VTM3, March 2013). Another respondent in In Ban Hathkhai explained difficulties in involvement of villagers in tourism development:

> When Mr Klaus came, the number of people wasn't enough. A teacher was added…to come up to a total number of ten people. Some people attended [the training] only one day. He was given learning stuff, books, pencils…When he came back home, his wife stopped him (CM32, March 2013).

As the respondents explained above, the potential economic benefits were not foreseen, villagers viewed tourism as an additional burden rather than benefits and blamed responsibility among others. They were reluctant to allocate time and resources from traditional activities such as rice farming, animal husbandry…to work in tourism.

However, years later when the economic benefits were known, the villagers were competing among each other in order to be engaged in tourism activities. A villager, who wishes to work in tourism, has to be involved in village administration, for example, being a village security man. It became obvious that the only female village guide in Ban Hathkhai was engaged in tourism due to the fact that she was the head of Village Women's Union (CM36, March 2013). In this case social capital constitutes an important factor facilitated participation in tourism.

Who participates in tourism in Ban Na and Ban Hathkhai?

When ecotourism was first developed in the villages, there were only men engaged in the development. This was because the main activity was trekking to dangerous areas, where the task was considered as unsuitable for women. Later on women were involved when homestay programmes were established. The women mainly work as cooks and homestay hosts. Women were also indirectly involved in tourism as they are producing handicraft for selling to visitors.

In some cases, children were encouraged to participate in tourism-related activities, for example, handicraft production. In both villages, a large number of female children aged between five and six years old already know how to weave rice boxes, which attracts attention from visitors. In some cases, children teach tourists how to weave rice boxes. The interaction between children and tourists stimulate learning of the children and enhance tourist experiences.

In both Ban Na and Ban Hathkhai, the poor were reluctant to participate in tourism activities. A respondent in Ban Na stated that:

> They don't want to do because…the families are relatively poor. The poor, when serving the guests, it is incorrect. They are afraid the guests will be…not good. They don't want to do. The elders…they don't want to serve the guests' (CM25, March 2013).

As the respondent explained, the poor themselves were not voluntary to participate in tourism activities due to personal factors. In addition, economic status of the poor constituted the main obstacle preventing them from participation in tourism benefits. The poor do not have enough resources to invest in facilities for serving tourists as a respondent explained '…they are poor so they don't have facilities to serve tourists' (VTM4, March 2013). As one of the main objectives of ecotourism is poverty reduction, in this circumstance poverty reduction goal might be difficult to achieve. Nevertheless, village authorities try to spread benefits to the poor by providing loan for investing in animal breeding and vegetable plantation. Later on the commodities are supplied to homestay families. This stimulates local production and creates multiplier effect.

Participation implies sustainability

Local participation in earlier stages sustains tourism operation in the long run. Although the DED project ended in 2006, tourism is still running in the two villages. One of the key success factors was local people learning to operate CBT business by themselves through participation. The participation serves as the foundation to allow local residents to learn to work deal with tourism businesses. The project expert served as a facilitator to implant knowledge, which stimulated learning process for the people. An expert observes how tourism products have been developed in Ban Na and Ban Hathkhai:

> The village…I left there in 2006. It's still running today, the tourism. The problem is the elephants were not there, but it's another story. It's still running. I strongly believe that the products in Ban Na also in Ban Hathkhai were developed slowly. So I was there for long time. Some people said already…so much time for the village. But it was slowly. I was there for three months or half a year…and then I left. And now they have

> to do them all. I accompanied them for quite some time; therefore, I think it's working still nowadays without us being there. Tourists are increasing (AD1, August 2012).

Another success factor is the partnership between development project, the private sector and local communities. It is difficult for local communities to market the products by themselves due to lack of fund and expertise. Therefore, private sector engagement is crucial for the on-going operation of tourism. The former project expert explained a significant role of the private sector:

> …when I was with…DED...I was a little bit fundamentalist. I said I don't want the private sector…I was very naïve. I made a website and the tourists can come [by themselves]; it's not so far from Vientiane. We made some advertisement in the coffee houses and so on. Go to Ban Na because it doesn't cost so much money. We got from two volunteers a quite nice website…trekking central Laos this is the name... Later on I realized to have the private sector involved. When I wasn't there anymore it's not working…because who is doing the marketing. We bring tourists on a regular basis, the backpackers just dropped in, sometimes more, and sometimes no one comes for half a year. We have problems not only with tourists but many more we have our office we can offer this, our portfolio, our website and so on. We sell much more and it is much more benefits for villagers. And of course they know our task, they know our guides, then they have a question, they can get advices (AD1, August 2012).

As the expert explained, a private sector involvement also guarantees more and continuous benefits to the communities thanks to the regular supply of visitors to the villages.

6.4.3.3 Rules Creation and Enforcement

Following tourism development, a set of rules governing tourism and nature conservation was established in Ban Na and Ban Hathkhai. It was considerably difficult for the communities to set up rules by themselves (LN1, August 2012). Therefore, the development project assisted them in the establishment of the rules (PPM2, September 2012). However, the rulemaking process was carried out based on local consultation. The project organized workshops in the villages, where some input was provided. Then the participants were asked to brainstorm ideas, which possible to be developed as the regulation. In setting prices and village revolving fund, for example, the participants were asked to suggest possible prices for a meal and accommodation and how the fund is spent and so on. After the workshop, the written rules were created and signed by the head of BDICT.

Nevertheless, rule enforcement was challenging due to weak management capability of the local communities (NL1, August 2012). It was obvious that a problem concerning village fund management arose, when the villagers accused each other of mishandling the money. Another challenging issue is the rule enforcement on the utilization of the natural resources in the protected area. In both villages, illegal logging and unsustainable wild orchid harvesting are prevalent. The villages are supposed to bring the case to solve in the villages and fine the loggers and harvesters. However, the problem is that some wrong doers are from the villages and in some cases close relatives of village elite.

Nevertheless, a control mechanism exists at the village level. There is a regular village meeting, where the problems have been reported to the village authority as well as the whole village. In addition, there is a monthly meeting of the locals to draw the lessons and giving feedbacks within the group.

6.4.3.4 Ecotourism Operation Model

Ecotourism in Ban Na and Ban Hathkhai is operated based on two models: direct sell and through intermediaries, who are foreign and Lao tour operators based in Vientiane Capital.

In most cases, visitors are independent travellers, who learn about the villages through various advertising media such as websites, guidebooks, documentaries, words of mouth etc. In some cases, they call village tourism steering committees directly from their home countries. When visitors arrive the villages, they are able to book a tour directly from a member of the Village Tourism Steering Committee (VTSC), who later is responsible for assigning tour guides and home stay hosts to serve visitors.

When visitors book a tour with an operator in Vientiane, the tour operator is responsible for guiding visitors to the villages. In the villages, they have to inform the VTSC, who are responsible for assigning tour guides and homestay hosts and billing.

6.4.3.5 Tourism Organization and Management

A Village Tourism Steering Committee (VTSC) was set up in each village to manage day-to-day operation of tourism business. Three or four committee members were selected by community members and officially appointed by BDICT. VTSC is responsible for selling tours, managing service rotations, and distributing tourism income.

Tourism operation is based on rotations where the villagers, who have been directly involved in tourism, are rotated to serve the tourists. In Ban Na when tourism was first developed between 2003 and 2004, there were only six local guides and the homestay programme did not exist. Later on, 10 homestay families were established with the assistance from the development project between 2005 and 2006. By 2013, there were 23 local guides and 10 homestay families. In each family if a family member works as a tour guide, the family is not allowed to operate homestay and vice versa.

With a total number of 23 local guides and three VTSC members, three groups, with seven or eight members in each group, were formed to oversee and operate the tours. Each group, with a VTSC member as the head, stands by at village tourism office for 10 days per month. When a rotation is completed, a new round starts. A VTSC member earns 300,000 Kip per ten days, whereas a local guide receives daily wage from guiding visitors.

As far as the homestay hosts are concerned, the VTSC is in charge of organizing homestay rotation. A maximum number of two visitors are allocated to a homestay family per visit. Like the local guide rotation, a new round begins when a rotation is completed. The host families are responsible for lodging and cooking for visitors. The hosts receive food and accommodation charges after the visitors checked out.

In Ban Hathkhai, tourism organization is carried out in a similar fashion. The only difference is that there are boat transport services. In 2013, there were 25-

motored boats, 10 homestay families and 16 local guides, of which one was female. The trekking tours and boat service have been organized according to the rotation basis. Four VTSC members occupy four separated functions including trekking tour organization, homestay and boat rotations, general accounting and cash accounting.

Evaluations are regularly carried out in both communities to improve tourism operation. A monthly meeting is arranged, where VTSC members, local guides and homestay hosts assemble to listen to financial reports. In addition, tourism related problems such illegal logging, hunting, tourist complaints and etc. have been raised in the meeting in order to figure out possible solutions. Every month, a committee meeting is organized where the numbers of visitors and tourism income are summarized and put into the account.

6.5 Development Outcomes

The section discusses how the benefits have been distributed and what kind of benefits and burdens go into different stakeholders apart from financial benefits.

6.5.1 Bolikhamsay Tourism Industry

The research was conducted in the two villages located approximately 80 kilometres from Paksan, the provincial capital, where the majority of tourism-related businesses are located. However, it is very interesting to present a big picture of tourism industry of the province. Like other provinces in the country, the tourism sector is playing an increasing role in developing provincial economy. By 2014, a total number of 76 tourism sites were recorded in the province, of which 63 sites were classified as natural sites; 10 cultural; and 3 historical sites. There were 31 hotels, 68 guesthouses, 2 resorts and 128 restaurants across the province.

Table 12 exhibits the total number of visitors and tourism revenue in the province between 2000 and 2013. The statistics were collected in two international checkpoints namely Paksan and Namphao. The number of visitors, who travelled by buses from Vientiane to the province, were not taken into account. In addition, the visitors were not classified based on their countries of origin, length of stay and purposes of the visits. Therefore, day-trippers, who are businessmen from neighbouring countries namely Thailand and Vietnam, were also counted in these figures.

Table 12: Visitors Numbers and Tourism Revenue in Bolikhamsay

Year	Visitor Number	Total Revenue (US$)
2000	35,681	2,439,180
2001	23,900	2,982,281
2002	30,758	3,188,021
2003	34,418	3,954,821
2004	55,087	6,667,254
2005	63,579	8,357,604
2006	71,394	10,135,548
2007	119,874	14,225,385
2008	111,199	15,349,215
2009	130,636	18,110,280
2010	89,405	18,119,460
2011	146,329	24,258,645
2012	137,704	30,012,540
2013	139,031	39,206,550

Source: BDICT, 2014

As illustrated in Table 12, tourism industry plays a crucial role in driving local economy. By 2013, 139, 031 visitors were recorded and spent over US$30 million. Although, the number of visitors fluctuated, yet the total revenue gradually increased. This implies an increase in average spending of the visitors. By 2020, it is estimated that visitors to the province will increase to 165,264 arrivals and generate over US$ 50 million in total revenue.

6.5.2 Benefits Distribution among Stakeholders

6.5.2.1 Tourism Revenue Distribution

Ban Na: Thanks to the initiative of development project and public sector, Ban Na has a well-established tourism benefits distribution scheme. As mentioned earlier, visitors can either visit the village by themselves or using services from tour operators in Vientiane Capital. In both cases, visitors are supposed to pay for services based on the prices listed in Table 13.

Table 13: Services and Prices in Ban Na

Items	Price
Village revolving fund	50,000 Kip per person
Accommodation charge at homestay	30,000 Kip per night
Accommodation charge at elephant tower	100,000 Kip per night
Food	30,000 Kip per meal
Local guide	80,000 Kip per day
Trekking permit	40,000 Kip per person
Tax	10,000 Kip per person

Source: Ban Na VTSC, September 2012

Since its inception between 2003 and 2004, the prices of some items have been adjusted according to the fluctuation in living costs. The local guide wage, for example, was raised from 60,000 from the beginning to 80,000 Kip per day in 2012. As villages have enjoyed a degree of freedom to control the majority of activities in tourism supply chain, they play a significant role in benefit distribution to stakeholders. Using the prices in Table 13 and visitor numbers from Ban Na VTSC, tourism revenue distribution was calculated and illustrated in Table 14.

Table 14: Tourism Revenue Distribution to Actors in Ban Na

Year	Visitor Number	Village Revolving Fund	PKK NPA	Thaphabath District
2005	272	13,600,000	10,880,000	2,720,000
2006	595	29,750,000	23,800,000	5,950,000
2007	682	34,100,000	27,280,000	6,820,000
2008	977	48,850,000	39,080,000	9,770,000
2009	935	46,750,000	37,400,000	9,350,000
2010	583	29,150,000	23,320,000	5,830,000
2011	852	42,600,000	34,080,000	8,520,000
2012	610	30,500,000	24,400,000	6,100,000
Total	5,506	275,300,000	220,240,000	55,060,000

Source: Statistics from Ban Na VTSC and author's computation, March 2013

As Table 14 illustrated, it was the village that manage to earn more income from tourism followed by PKK NPA and Thaphabath district respectively.

The number of visitors to Ban Na gradually increased from 272 in 2005 to 977 visitors in 2008. Nevertheless, the number slightly declined to 935 visitors in 2009 and dramatically dropped to 583 arrivals in 2010. Both internal and external factors were responsible for the declines. In 2009, it was reported that poachers from other villages killed five elephants in the PKK NPA, about four kilometres from the elephant tower. Since that time, the elephants have not roamed around the tower area, which was a major factor distracting visitors to visit the village. The number of visitors fluctuated between 2011 and 2012.

Alternatively to homestay, visitors are able to stay overnight at the elephant tower. Table 15 indicates the number of visitors and total revenue between 2005 and 2012. The revenue has been distributed based on the following percentages: 35% for tower maintenance; 30% for elephant impacts; 20% for administration; and 15% for ten stakeholder villages. Ban Na authority is reasonable for revenue distribution for the tower.

Table 15: Tourism Revenue Distribution from Elephant Tower

Year	No. of Visitor	Total revenue	Tower maintenance	Elephant impacts	Administration Costs	10 stakeholder villages
2005	90	9,000,000	3,150,000	2,700,000	1,800,000	1,350,000
2006	223	22,300,000	7,805,000	6,690,000	4,460,000	3,345,000
2007	305	30,500,000	10,675,000	9,150,000	6,100,000	4,575,000
2008	460	46,000,000	16,100,000	13,800,000	9,200,000	6,900,000
2009	416	41,600,000	14,560,000	12,480,000	8,320,000	6,240,000
2010	256	25,600,000	8,960,000	7,680,000	5,120,000	3,840,000
2011	368	36,800,000	12,880,000	11,040,000	7,360,000	5,520,000
2012	156	15,600,000	5,460,000	4,680,000	3,120,000	2,340,000
Total	2,274	227,400,000	79,590,000	68,220,000	45,480,000	34,110,000

Source: Statistics from Ban Na VTSC and author's computation, March 2013

Since 2009 the elephants have not been present in the area; however, a number of visitors still prefer to stay overnight in the tower, but visitations dramatically dropped. Apart from revenue from accommodation charge, local guides also earn revenue from cooking to visitors at the tower.

Ban Hathkhai

As it was the same project developed tourism in Ban Hathkhai, the services and prices are similar that of in Ban Na. The only differences are that the boat charge and the tax allocated to Bolikhamsay province. The revenue distribution is based the price listed in Table 16.

Table 16: Services and Prices in Ban Hathkhai

Items	**Price**
Village development fund	50,000 Kip per person
Accommodation	30,000 Kip per night
Food	30,000 Kip per meal
Local guide	80,000 Kip per day
Trekking permit	30,000 Kip per person
Boat charge	80,000 Kip per person
District tax	10,000 Kip per person
Provincial tax	10,000 Kip per person

Source: Ban Hathkhai VTSC, September 2012

The process of revenue collection and distribution is similar to that of Ban Na. VTMC is responsible for collecting money and distribution to the persons, who served the guests and other stakeholders. Using the prices in Table 16 and statistic from Ban Hathkhai VTSC, tourism revenue distribution could be calculated as shown in Table 17.

Table 17: Tourism Revenue Distribution to Actors in Ban Hathkhai

Year	Visitor Number	Village Revolving Fund	PKK NPA	Thaphabath District	Bolikhamsay Province
2003-09[66]	1,820	91,000,000	54,600,000	18,200,000	18,200,000
2010	656	32,800,000	19,680,000	6,560,000	6,560,000
2011	621	31,050,000	18,630,000	6,210,000	6,210,000
Total	3,097	154,850,000	92,910,000	30,970,000	30,970,000

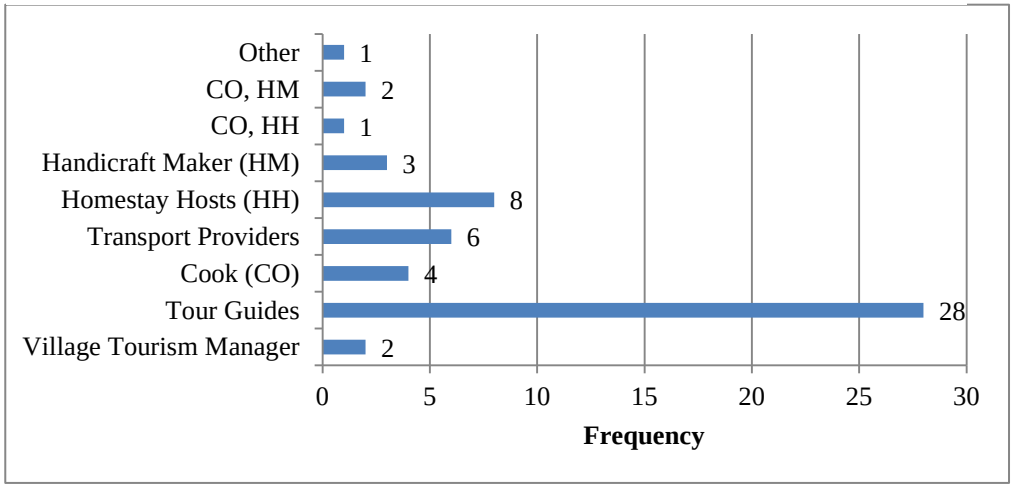
Source: Statistics from Ban Hathkhai VTSC and author's computation, March 2013

As Table 17 indicated, a larger proportion flew into village revolving fund followed by PKK NPA, district and province respectively. Nevertheless, there is some leakage of tourism revenue from the communities due to the fact that local communities cannot deliver some services and equipment for tourism activities. It is often the case that when the tour operators come to sites they bring some equipment such as camping equipment, bicycles, boats and food that the local communities cannot supply from outside. Tourism also generates income to the individual households who participated in tourism activities, which examined in the sections below.

6.5.2.2 Employment Opportunities for Local People

One of the main objectives of tourism development is to create employment opportunities in the rural villages. In Ban Na and Ban Hathkhai, tourism has generated both direct and indirect employment for the residents. In 2013, the tourism sector employed 23 local guides and 10 families operate homestay in Ban Na. In addition, a large number of the villagers also produce basketry products and produce for selling as ingredients for cooking to tourists.

Figure 46: Responsibilities in Tourism (n=55)



Source: Author's survey, November 2013

[66] The detailed annual figures between 2003 and 2009 were lost due to improper data management of Ban Hathkhai VTSC.

In Ban Hathkhai, 16 villagers work as local guides and 10 families operate homestay. In addition, there are 38 motored boats to transport tourists to Tad Xay Waterfall. Nevertheless, the villagers have regarded tourism as supplementary jobs to create additional income to their families.

Working as homestay hosts

A homestay host performs two main duties: cooking and preparing sleeping places for visitors. Regarding cooking, there is no standard menu; therefore, visitors can order whatever they want to eat directly from the host. In return from the services, the host earns income from accommodation charge and cooking. VTSC is in charge of collecting revenue from visitors and handed it to the host after the guests checked out. The homestay hosts view tourism as an additional income source which contribute small amount to the family as a respondent in Ban Na stated:

> I don't get much; it is 30,000 Kip per meal…the amount was subtracted for buying food then a little bit left...If they eat duck, chicken, I spent a lot of money (CM25, March 2013).

The amount of income left from cooking depends on the quantity and type of food consumed. Given that no standard menu exists, food cost control is difficult for the residents. Although tourism contributes small income to the homestay families, it contributes to improving living standard for the residents 'When they come to stay in the house, we have money to pay' (CM26, March 2013).

Similarly another respondent stated:

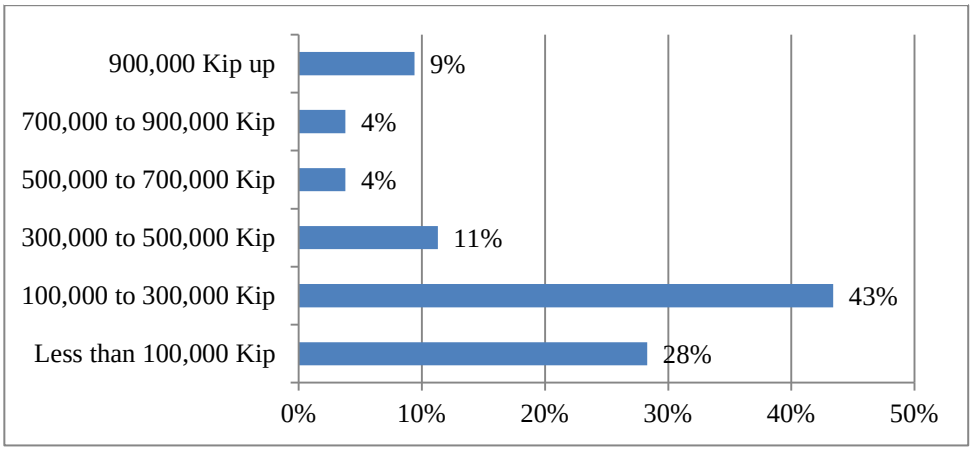
> R: Now, since operating homestay, we have had additional income.
> I: Is the income increasing a lot?
> R: It's about 200,000 to 300,000 Kip per month…I have money for children to go to school (CM27, March 2013).

Guiding visitors

In each trekking tour, two local guides are assigned to guide visitors. The local guides are mainly responsible for giving information about the NPA to visitors; cooking for visitors in case staying overnight in the protected area; and providing other assistances. However, the guiding quality is a major concern due to poor English skills of the guides. The guides earn income on a daily basis and tour guiding has been regarded as additional job, which supplement small income to the families.

In addition to the direct employment of tour guiding and being homestay hosts, tourism also generates indirect employment for local residents, who have additional markets for their handicraft products, farm produce and other commodities and services.

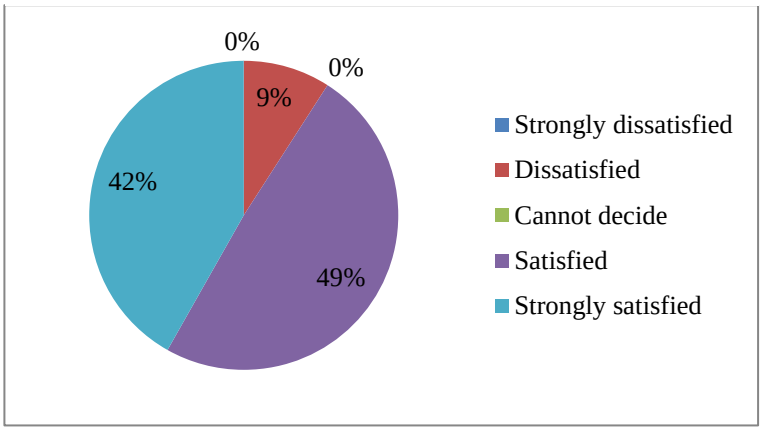
Figure 47: Monthly Family Income from Tourism (n=53)



Source: Author's survey, November 2013

Tourism contributes a relatively small proportion to the total household income. Nevertheless, the residents were satisfied with tourism revenue. This is explained by the fact that the residents viewed working in tourism as a comfortable task in comparison to other activities such as farming. Tourism generates immediate income to the residents and it is not risky than other activities.

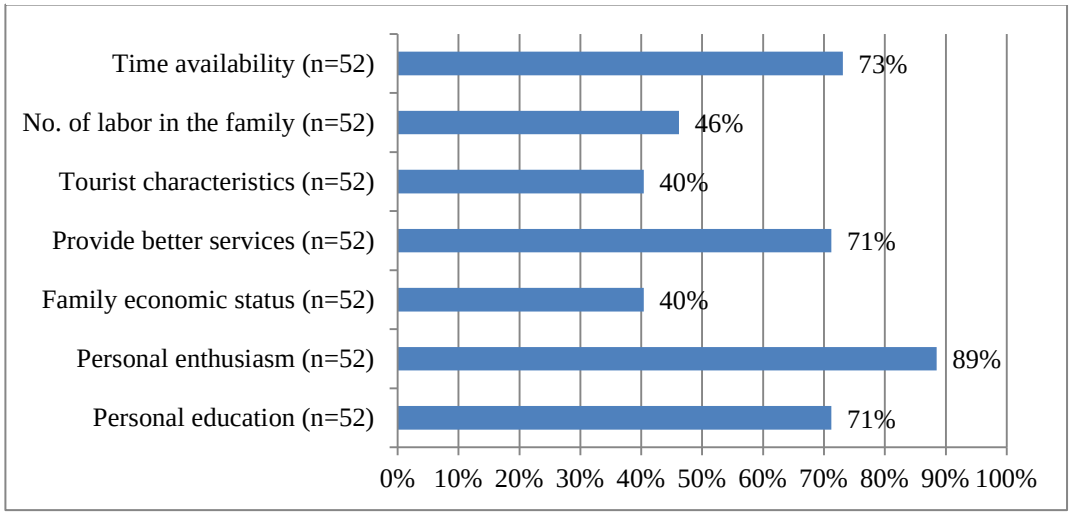
Figure 48: Tourism Income Satisfaction (n=52)



Source: Author's survey, November 2013

The residents believe that personal enthusiasm and education constitute the main factors determining the ability to earn income from tourism. The number of persons in the family was not associated with tourism income because only few people in a family were involved in tourism and the family was allowed to participate in a single activity.

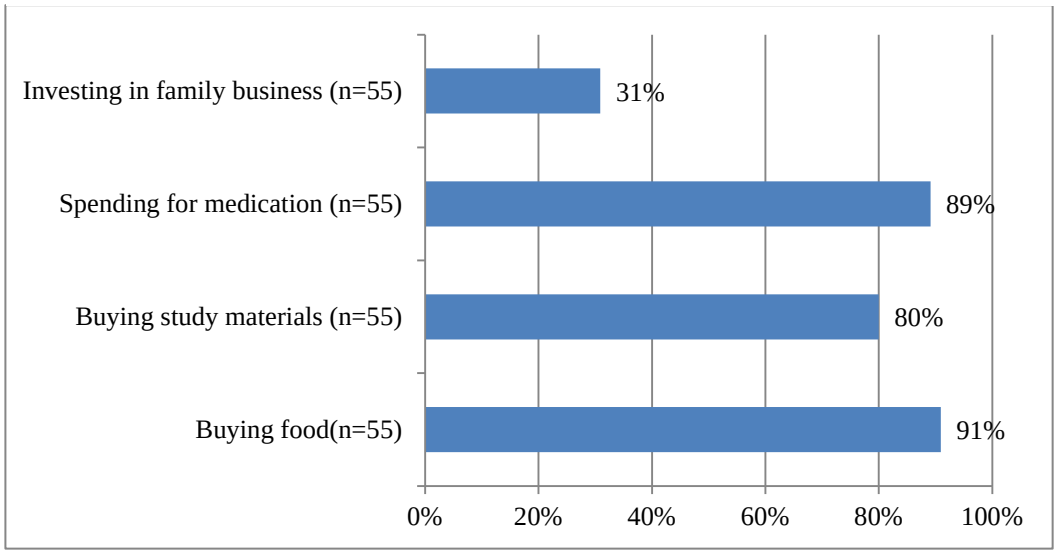
Figure 49: Factors Determining Income from Tourism



Source: Author's survey, November 2013

As tourism activities contribute small income to the families, the income from tourism was mainly spent for satisfying basic needs such as food and medicines. However, some respondents invested the income for basketry and improving their houses to provide homestay for visitors.

Figure 50: Tourism Income Spending



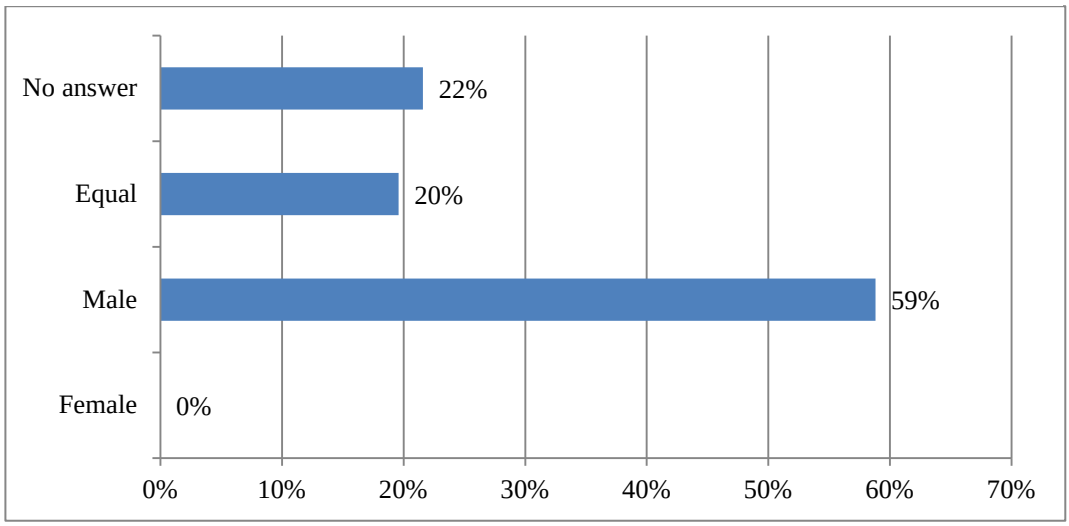
Source: Author's survey, November 2013

6.5.2.3 Benefit Distribution and Genders

The respondents were asked to answer the question: 'Between women and men who makes more benefits from tourism?' The respondents believed that men manage to reap more benefits from tourism activities in relation to women. The common explanation was that men were responsible for tour guiding and driving vehicles and boats. The other explanations such as 'men are more

knowledgeable'; 'men are more competent' occasionally emerged from the answers.

Figure 51: Benefits Distribution between Genders



Source: Author's survey, November 2013

6.5.2.4 Promotes Local Product Innovations through Ecotourism

Apart from job opportunities for the villagers, tourism has stimulated innovation in handicraft production in the communities. As mentioned in the previous section, Ban Na produced only rice boxes in the former time. When NZAID introduced tourism development project in the village in 2006, the project initiated the diversification of basketry products as the souvenir products within tourism supply chain. With the assistance from the project, the trainers were sent from Vangmon village in Vientiane province to train Ban Na villagers. Since then, they have produced other bamboo products such as handbags, tissue holders and alms bowls apart from rice boxes. The products have been sold to not just only the tourists, who visit the village, but also the local markets in Vientiane Capital and exported to other provinces and Thailand. In addition the village is invited to attend to annual international handicraft exhibition in Vientiane Capital.

Figure 52: Handicraft Products in Ban Na



Source: Author's fieldwork, September 2012

6.5.2.5 Village Fund as Microfinance Scheme and Social Security System

Village revolving funds were set up in the two communities with the assistance of the development project to spread tourism benefits to other community members. The project leader, Dr Klaus Schwettmann, contributed his personal money of 500 Bath to initially establish the fund in Ban Hathkhai to express a strong commitment to the development. The funds have been accumulated through contribution of visitors (see details in Table 14 and Table 17). By 2013, Ban Hathkhai had over 400 million Kip in the fund. The project also helped the communities to formulate rules to regulate spending of the funds to ensure effective management of the fund.

In both villages, the funds serve as microfinance scheme, social security system and are also spent for village infrastructure development. All community members, regardless whether they are involved in tourism, are eligible to access to the capital for investing in family businesses (rice plantation, animal breading, house improvement…) with 3% monthly interest charge. In case a village resident borrows for healthcare purposes, a three-month interest exemption rule will be applied. After three month, the normal rate of 3% will be applied.

In addition, the funds are spent for infrastructure improvement such as roads, schools, and monastery etc. Furthermore, the funds are spent for administrative purposes and social gatherings such as village meetings and reception parties. This helped to reduce burden of community members due to the fact that the money for organizing such events came from all villagers in the former time.

The fund was spent for helping disadvantaged groups in the villages. In Ban Na, for example, there was a family, who has been considered as *anatha* (disadvantaged). The village authority decided to allocate some fund from village revolving fund to build a house for the family.

Local guides have enjoyed special social welfare offered by village authorities as they have been regarded as the key persons who earn revenue for the villages. In Ban Hathkhai, for example, when a local guide has a serious illness, (s)he receives an allowance of 500,000 Kip and 200,000 Kip in case it is a family member of the local guide. In case of death, the family will receive 2 million Kip.

Nevertheless, there were a number of challenges regarding to village fund management in the beginning due to a lack of transparency. There were accusations among community members on spending the fund on wrong purposes; however, the project provided additional training to solve the problem as an expert respondent observes:

> There are the people who manage…the revolving fund. They were accusing one each other of mishandling the money. So, there was a theft in the village. I was told fortunately by the villagers there was a quarrel. And then I went there again and talked with them and had training…Lao-Thai NGO. They did microfinance training. It was misunderstanding. After this everything went fine. Uh…maybe if we know about this we of course try to mediate; what else we can do is mediate. Sometimes they may not tell us (AD1, August 2012).

In addition, conflicts also occurred between the residents who are directly involved in tourism and who did not. The money from village fund was spent on the reception and other necessities and those who worked in tourism complaint

that the money should be spent on tourism only. The project had to intervene in order to solve the problem (PPM2, September 2012).

6.5.2.6 Tourism Infrastructures Benefit Whole Communities

A number of small-scale infrastructures have been developed in the two villages to facilitate tourism development. The funds for the construction come from both donor organizations and village revolving fund. NZAID financed the construction of a village hall; improvement of toilets for homestay families; a bridge to the protected area in Ban Na. In Ban Hathkhai, NZAID financed the construction of a staircase to Nam Mang River bank and toilet improvement for the homestay families. In addition, the village revolving funds were allocated for building roads, schools and etc. The infrastructures do not only benefit the residents who have been involved in tourism, but also the whole villages. The village club in Ban Na, for instance, has not been used only as the visitor centre and tourism-related training venue, but also as a place for handicraft exhibition and village gatherings. Another example is the bridge over a stream to the protected area. Ban Na villagers use it in their daily life for commuting to their rice fields or collecting NPTFs and other purposes.

Figure 53: Ban Na Tourism Infrastructure



Source: Author's fieldwork, February 2014

6.5.2.7 Voluntourism

The by-products, which often come with ecotourism development, are a number of voluntary works fulfilled by visitors. There are a number of tourists who enjoy taking part in community services and in some cases the tour operators use this as a part of their marketing strategies, for example, as Tiger Trails does in Luang Prabang. As an expert interviewee observes:

> We go there to see their schooling, the schools. There are sometimes the tourists like to pay for the schools. We have nowadays a lot of schools from abroad like Hong Kong, Japan, Singapore, Thailand, and Malaysia. They want to go to the villages to do community services and so on (AD1, August 2012).

In Ban Na, a 60-year old-English woman made a phone call to a VTSC member from her home country stating that she heard a story about the village. She

decided to visit the village and spent five million Kip for painting and buying electric fans for the primary school in the village. In return, the village authority awarded her a recognition certificate and organized a *baci* ceremony for her.

In addition, during the development, some German volunteers came to teach English for local guides in the two villages. Additionally the two volunteers helped the project to develop website called trekking central Laos to promote the destination the markets.

The voluntary activities generate mutual benefits to both visitors and local residents. The visitors may feel delightful about themselves as they contribute to the development, whereas the residents have better social services.

6.5.2.8 Ecotourism Promotes Better Education in the Communities

Ecotourism helped to improve knowledge for the residents in Ban Na and Ban Hathkhai. In the beginning, the project offered some necessary training courses such as English language, tour guiding and basic hospitality skills. In addition, the other training programmes such as gender roles, tourism management, and microfinance management was organized in the communities.

In fact, the communities are stronger and have better capacity to absorb new knowledge in comparison to the communities in Luang Namtha; however, they lack strong leadership and vision. As a result project experts acted as ignites, who sparked learning process for the local communities. Later on they learn how to deal with tourism by themselves as an expert respondent explained:

> Yes, we give them training. We give them advice, for example, to improve their services so that the tourists will be happy and live depending more on the village. So, let say a miracle thing more or less. We are not just training them...We assist more or less in the advisory level you know. Um the…people learn to deal…with tourists and tourism and with us (AD1, August 2012).

Furthermore, tourism serves as an incentive to motivate the residents to continue searching for new knowledge, as the following excerpt exemplifies:

> I: What do you do in your free time?
> R: I take a rest, read books. I learn English from books when I have free time. I search for knowledge myself (CM24, March 2013).

As the example indicates, the residents might not learn English and other knowledge without the tourism development in the village.

Training has been viewed as a tool to empower local communities in order to reduce their dependence on public sector as an expert respondents stated:

> …we have to start training people, to create the learning process for the people to reduce their dependency on public sector or other stakeholders, enable them to initiate by themselves, to be self-managed (PPM2, September 2012).

In addition, ecotourism has contributed to education improvement of younger generations, who may continue CBT businesses in the future. It is often the case that visitors buy learning materials for children while visiting the villages.

Furthermore, the village funds have been spent for replacing worn-out tables, chair, boards…in Ban Na and for new school construction in Ban Hathkhai. Thanks to tourism project, six students from Ban Hathkhai won scholarships to study English and other subjects in Nongkhai, Thailand in order to work in tourism sector in the village.

Despite the fact that a series of training programmes were offered, a lack of skilled labours remains a major concern for the communities. The majority of the tour guides and homestay hosts have a basic level of English, which is inadequate to effectively communicate with visitors, as a respondent clearly explained: 'the main problem is we don't have enough knowledge compared to the tasks; simply speaking, we don't know English' (VTM4, March 2013).

As a result, both communities have requested the concerned authorities to provide additional training. A community leader even asked for training on computing and internet skills. In the near future; however, the situation may be improved given that some families have sent their children to study English and tourism-related fields at vocational as well as the university levels in Vientiane Capital.

6.5.2.9 Cross-Cultural Exchange

When inside the community, tourists have been regarded as strangers, who have limited knowledge about the community and the surrounding environment. Therefore, local guides play a key role in educating tourists. An interviewee stated that 'they [the tourists] much depend on us. It seems that they were blind, when they go with us' (CM30, March 2013). Nevertheless, communication between the local guides and tourists is difficult given that the majority of the guides have only a basic level of English. Despite difficulty in communication, the interactions between the guests and hosts facilitate cultural exchange as a respondent stated that 'Up till now, a lot of guests come for tourism. We...exchange cultures: our culture and their cultures…' (VC3, March 2013). The main component of cultural exchange is the language. The villagers have the opportunities to learn English from the tourists and at the same time tourists learn some Lao words from the local people.

> For the other benefits, for example, the villagers are able to learn English from them. Sometimes when they stay in a homestay, the villagers learn from them and sometimes they learn some Lao words from us (VTM2, March 2013).

With five years formal education and never been exposed to English language before, a homestay host explained how tourism allows her to improve knowledge:

> I am glad. I know a lot of things because they asked me to study [English] language. I know the language; I know how to ask for *kinkhao kinnam*[67]' (CM27, March 2013).

[67] Literally means "asking for rice and drinking water". In Lao, the expression is used to indicate that a person has a very basic speaking skill of a foreign language.

Other important component of cultural exchange is that the villagers learn environmental friendly behaviours from the visitors as a resident stated:

> We got some lessons from the guests how to dispose the waste. Formerly our village was full of plastic waste. Since tourists have visited here, the waste plastic has been disposed somewhere else (CM30, March 2013).

In some cases, tourists act as a good example for environmental stewardship for local people. 'Tourists are more careful than us; even a tiny piece of plastic, a cigarette-end; they put in their pockets and later properly disposed' (VTM4, March 2013). This implies that local people learn from some good habits from tourist that may shape their behaviours toward more environmental friendly acts.

6.5.2.10 Community Pride

It is often the case that people in the areas, where rich cultural and natural heritage occurs feel proud about their communities. This holds true in Ban Na and Ban Hathkhai. It is obvious that the villagers express their pride to the other communities as well as the tourists. A respondent in Ban Na stated that 'the other villages are jealous because our village has tourism sites, but they don't' (VTM2, March 2013). In addition, the residents seem to be content due to the presence of visitors in the village, as a respondent noted:

> If we compare [our village] to the other villages, where there is no income source, no guests visited, it looks empty…[in]our village this person comes; that person comes…it is enjoyable (CM29, March 2013).

The situation is similar in Ban Hathkai as a respondent eloquently expressed: '…we are happy that Ban Hathkhai appears on the world map; people across the world know' (VTM4, March 2013). This implies that the residents do not only express their pride to other neighbouring communities but also to the world.

These positive attitudes combined with economic benefits from tourism have stimulated the desire to protect natural assets. It is obvious that conservation initiative started to emerge from the local people. A good example is a desire to build a wild orchid garden in Ban Hathkhai, where numerous wild orchid species will be collected in a single garden for touristic and scientific purposes.

6.5.2.11 Clean Up Villages to Welcome the Guests

Tourism promotes better environmental management in the communities. In both villages it was found out that the residents learn how to improve the environment in the communities, thanks to tourism development. Several families, especially homestay families improve their houses to accommodate visitors. A resident in Ban Na stated that 'Apart from money, it's good because the environment has been improved; when the guests come, we have to clean up [the village] a lot' (CM30, March 2013). Similarly another respondent explained that:

> There is a benefit like I've said the cleanliness…Formerly when there were no tourists, the waste, cans…were spreading. Now due to environmental awareness, it's getting better…We mobilize…we

> intuitively know, we ask them to clean, to keep clean…to prevent mosquitos from laying eggs (VTM2, March 2013).

Like in Ban Na, ecotourism contributes to improve environment in Ban Hathkhai in the similar fashion, as a respondent described:

> What are the benefits of tourism? Compare to the past…our village is much cleaner. Formerly when we were sitting here, it's stingy. There was pig manure and so on. Now it is more comfortable. Our village is clean and nice. There is no dirty stuff like in the past (VTM4, March 2013).

Thanks to tourism development, the residents do not only have cleaner villages, which are attractive and lively, but it also contributes to improve health of the community members and reduce risk from diseases.

6.5.2.12 Ecotourism and Nature Conservation

Ecotourism has supported nature conservation in the PKK NPA in many ways. First it contributes fund for NPA management, as exhibited in the Table 5.3 and 5.6. In Ban Hathkhai there are a number of domestic recreationists from the region and the Capital. In this case, they are supposed to pay 5,000 Kip per person and 10,000 Kip for a car directly to PKK NPA. The fund is spent for NPA management activities such as patrolling, repairing trails, demarcation, sign posting, and seminars and etc.

Also, ecotourism activities raise environmental awareness among local residents and later sparked conservation initiatives in the protected area. In the surrounding area of the elephant tower, for examples, the villagers agreed to allocate a total area of 194.50 ha for conservation purposes. The residents are not allowed to hunt animals and cut down large trees in the area. However, they are allowed to harvest bamboos for basketry production, as they are fast-growing plants and abundant. In Ban Hathkhai, the community leaders initiated an idea of developing an orchid demonstration garden, where different species of wild orchids will be collected for touristic as well as research purposes. Furthermore, the communities promote organic farming to produce vegetables for supply for tourism sector and other markets. There is a possibility that NZAID will support the projects.

The regular presence of the local guides in the areas contributes to the reduction of illegal activities and forest fire in the NPA. Given that the NPA has limited number of staff, the local guides are *penhou penta* (ears-and-eyes) for the village authorities as well as the PKK NPA. When illegal activities such as logging or hunting have been found, they are supposed to report to the village authority or the protected area authority. In addition, VTSCs are working closely with PKK NPA to monitor the protected area. They are also responsible for observing forest fire, especially during the dry season between November and May. In 2011, for example, the village authority was informed about a forest fire and the villagers managed to stop the fire in time, otherwise it might have developed into a disaster.

Nevertheless, ecotourism as an effective tool for nature conservation is uncertain. In the two villages there is widespread illegal logging, hunting and unsustainable harvesting wild orchids for selling to traders in Thailand. In both villages, ecotourism has been considered as a supplementary income source for a

small number of families in the villages. Ecotourism still cannot compete with the other more environmentally destructive activities such as rubber plantation or illegal logging. As an expert interviewee stated:

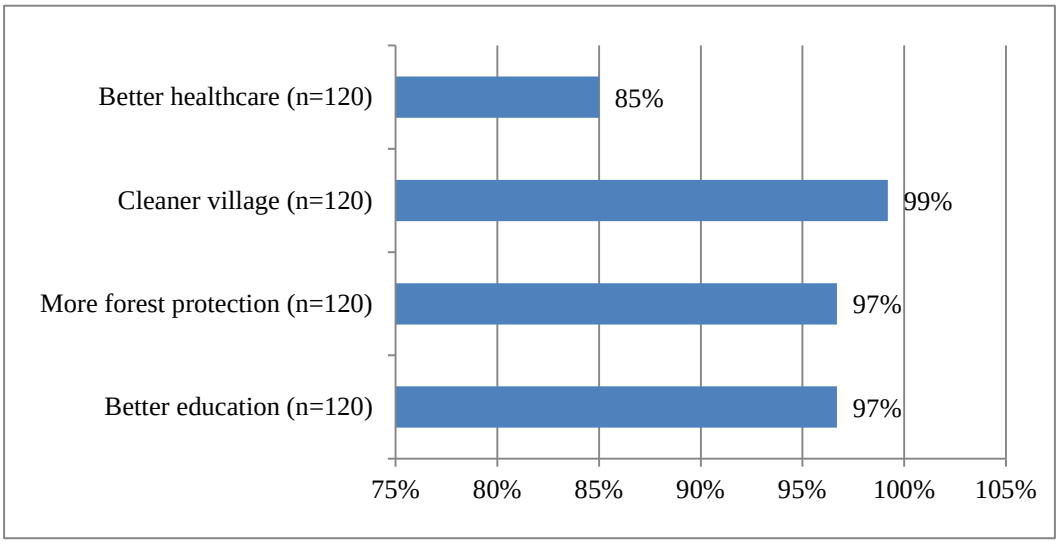
> The tourism might bring some good income but cassava brings more income because with cassava you can buy a car, with ecotourism maybe only a motorbike, but cassava maybe provide me car and I can improve my house (AD1, August 2012).

Another risk factor is that 10 other villages depend on natural resources in the PKK NPA. However, only Ban Na and Ban Hathkhai have benefited from tourism and the substantial benefits are limited to small groups of people who have been involved in tourism. There is a benefit-sharing scheme in Ban Na where 15% of revenue from elephant tower has been allocated as fund for the other affected villages. Yet the amount is relatively small, which might not be able to convince the other villages to cooperate in nature protection.

6.5.2.13 Local Perception on Positive Impacts of Tourism

In the two communities, the residents were very positive about tourism. When asked what the benefits of tourism to the villagers are, the common explanation was village revolving funds as a respondent observed: 'Personally I think it's good because it creates income to the village and secondly it goes into the individuals in the form of wage…' (CM29, March 2013). Other common explanations such 'our village is cleaner' and benefits to the protected area often emerged from the data.

Figure 54: Local Perception on the Positive Impacts of Ecotourism



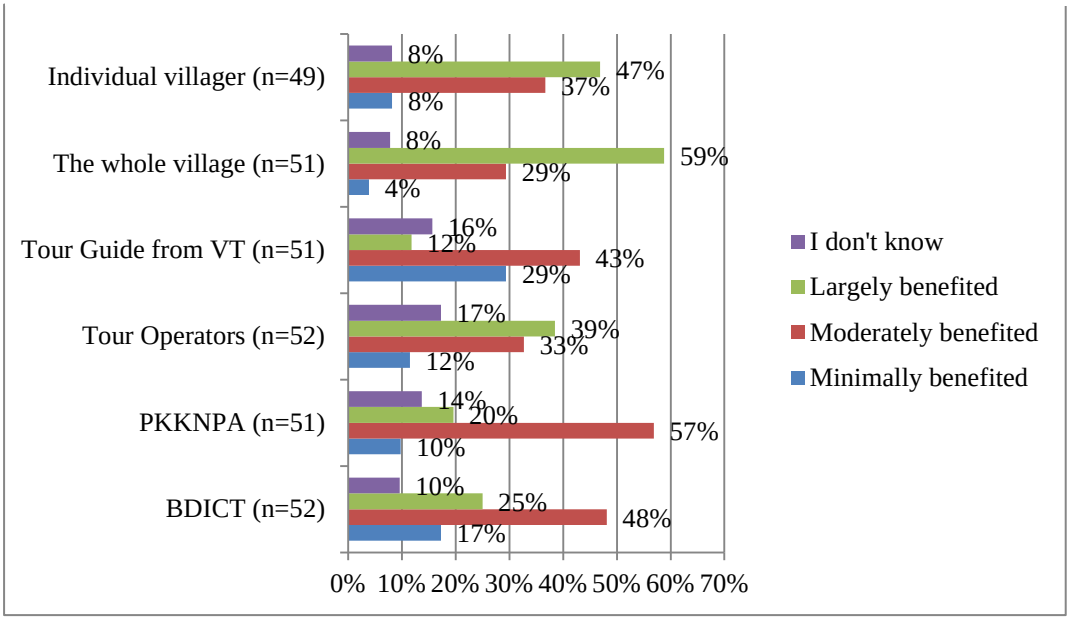
Source: Author's survey, November 2013

6.5.2.14 Who make more Benefits from Ecotourism?

Figure 55 illustrates local perception of benefit sharing among stakeholders in Ban Na and Ban Hathkhai. The residents perceive that a large number of benefits

going to the whole village and individual villagers respectively. This is because villages are considerably independent to operate tourism and the majority of the visitors visit Ban Na and Ban Hathkhai by themselves; as a result, a large portion of tourism revenue remains within village economy.

Figure 55: Benefits Sharing among Actors



Source: Author's survey, November 2013

6.5.3 Burdens from Ecotourism Development

Burdens are widely distributed among stakeholders. The burdens occur during the development and after the development. The burdens are not only limited to the residents in Ban Na and Ban Hathkhai, but also other communities in the area. The most common burdens are limited access to resources in the NPA. When ecotourism was developed some natural resources are protected for tourism purposes. Other residents who do not benefit from tourism are also affected by the regulation. This might create conflicts among villages in the region. Some selected burdens are described in the following sections. In addition, there is a section present the perception of local communities on the distribution of burdens from ecotourism development.

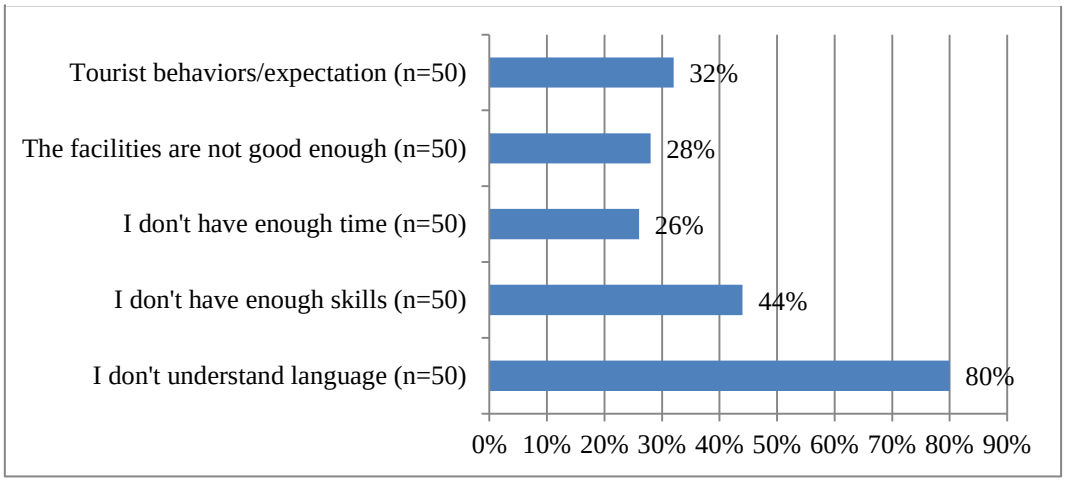
6.5.3.1 Catering for Tourists

There are two major activities that the villagers have to offer to visitors including homestay hosting and tour guiding. When visitors stayed in a host family, it is likely that the family has additional members to be accommodated and nourished. It seems that the host families are satisfied to care for visitors as they earn an extra income. Nevertheless, some respondents stated that the presence of tourists in the houses pose inconvenience to their private lives. The majority of the five families, who initially participated in homestay programme, stopped offering homestay in Ban Na due to the fact that they have inadequate labour, skills and facilities to

accommodate tourists. However, new families have been added to the homestay programme. The main tasks of the homestay hosts include preparing sleeping places and cooking for the guests. In case the guests stay overnight in the forest, it is the sole responsibility of the tour guides.

As tour guiding is concerned, the local guides play several roles such as teachers, cooks, helpers, doctors. They provide information to visitors and they have to give warning and possible dangers of visitors. In case of illness, they provide first aid and take patient to the hospital.

Figure 56: Problems of Villagers Working in Tourism

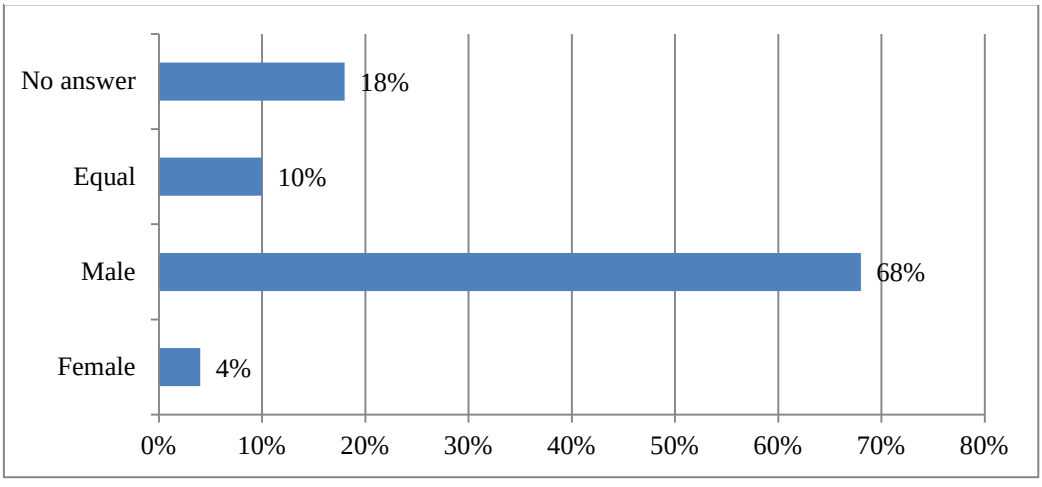


Source: Author's survey, November 2013

6.5.3.2 Burden Distribution and Genders

As Figure 57 indicates, the respondents believe that it was men who bear more burdens from tourism development in comparison to women. This was explained by the fact that men were responsible for guiding visitor, which is the main tourism activity in the two communities.

Figure 57: Burdens Sharing between Genders (n=50)



Source: Author's survey, November 2014

6.5.3.3 Ecotourism as a Source of Conflicts

Tourism constitutes a source of conflicts among community members, between the two communities and other stakeholder villages, and between the hosts and guests. Two types of conflicts among village residents arose including the distribution of tourism revenue and natural resource extraction. As mentioned in the previous sections, there were accusations among villagers of mishandling the village revolving fund. On the one hand a group of villagers, who are involved in tourism, is trying to protect the natural resources inside PKKNPA by giving warning and reporting illegal activities. On the other hand, the other community members who are not engaged in tourism in the villages or from other neighbouring villages extensively practice illegal logging, hunting and harvesting NTFPs. This creates the conflict of interest between two groups of people. A member of Ban Na VTSC admitted that it is very difficult to enforce rules and regulations since the resources have been regarded as common properties and most community members are well acquaint among each other. He admitted that if he is too strict, he must be afraid that someone else might threaten his life.

In the area, there are other ten communities, who heavily depend on resources in the PKK NPA, yet do not benefit from ecotourism. It is often the case that Ban Na and Ban Hathkhai have confrontations with other villages. In May 2014, for example, a herd of water buffaloes from Mueang Hom destroyed wild orchids in the NPA near Ban Hathkhai. The authority of the village took an action against buffaloes' owners by fining one million Kip. This may generate more hatred between the two villages.

Tourists are heterogeneous in terms of expectations and preferences. Occasionally, confrontations between the hosts and guests occur due to misunderstanding. Some visitors do not want to pay for the bills claiming that the services offered are unacceptable and do not meet their expectations, a member of Ban Hathkhai VTSC explained:

> For the trouble guests, it would be difficult concerning with paying. They want to be fed and accommodated free of charge. I argued. They tore off a piece of paper and slapped the table in front of me several times (VTM4, March 2013).

6.5.3.4 Infrastructure Maintenance

The infrastructures and facilities that are used for serving visitors in the two villages include private and common properties. The private properties include facilities in the homestay families, and boats and other vehicles for transporting tourists etc. The common properties include village tourism offices, elephant tower, bridges, trekking trails and etc. The individual owners are responsible for maintaining their private properties, while the maintenance of common properties is the responsibility of the whole communities. The community tried to set up mechanism to support facility maintenance in the long run. In the elephant tower, for instance, a certain percentage of tourism revenue is allocated for replacing worn out supply such as kitchen utensils and bedding materials.

6.5.3.5 Limited Access to Natural Resources

As the rural villages, local people considerably rely on nature as a source of food, medicine and materials for construction. When ecotourism was developed, some natural resources have been restricted from extraction, which create a trade off in resources utilization. In Ban Na, for instance, the village authority allocated 195 hectares around the elephant observation tower as the conservation area of the community. Community members are not allowed to cut large trees in this area; however, they still are permitted to harvest bamboos for basketry production and collect some NTFPs such as mushroom and wild vegetables. In case a family needs wood for building a house, they have to submit a request to village authority for an approval. It is illegal to practice for commercial purposes.

Nevertheless, illegal logging and wild plant harvesting are prevalent in the two villages owing to strong economic incentive. Previously, there was extensive exploitation of rosewood in the two villages. A respondent in Ban Na believe that it was because of the logging of this wood species that forced the elephants to run away from the area, which subsequently demotivate tourists to visit the village. The other endangered forest resources are wild orchids, which have been extensively exploited by the villagers and those from other communities for exporting to neighbouring country.

6.5.3.6 Environmental Protection

One of the main responsibilities of the local communities is environmental protection in the protected area in exchange for tourism benefits. The local guides patrol the protected area once or twice a month to observe illegal activities and forest fire. Furthermore the villages coordinate with PKKNPA and the District Forest Office in reporting and evaluation of the forest. In addition, village authorities negotiate and educate community members and other neighbouring communities to protect the forests. However, the task is challenging given that it involves different groups of people, who have different interest. As a respondent stated:

> I am afraid other villages without tourism activities, earning their living, burning forest, stealing valuable orchids for sell. We want the protected area help us in control (VC3, March 2013).

There is a concern raise over expatriates working in Laos spending their weekend in the area. It is often the case that they go there without tour guides from Vientiane Capital or local guides. The villagers are afraid that they might lose their personal property or injuries that subsequently might be the responsibility of the village.

6.5.3.7 Ecotourism Drives up Living Costs

Tourism has contributed to increasing living costs in the communities. An increasing demand for local commodities to serve visitors needs drive up living cost. A respondent observed the phenomenon:

> It is the living cost starts to move. It is one of the impacts. Formerly we used to sell duck at 25,000 Kip per kilo let say. When they realize that we

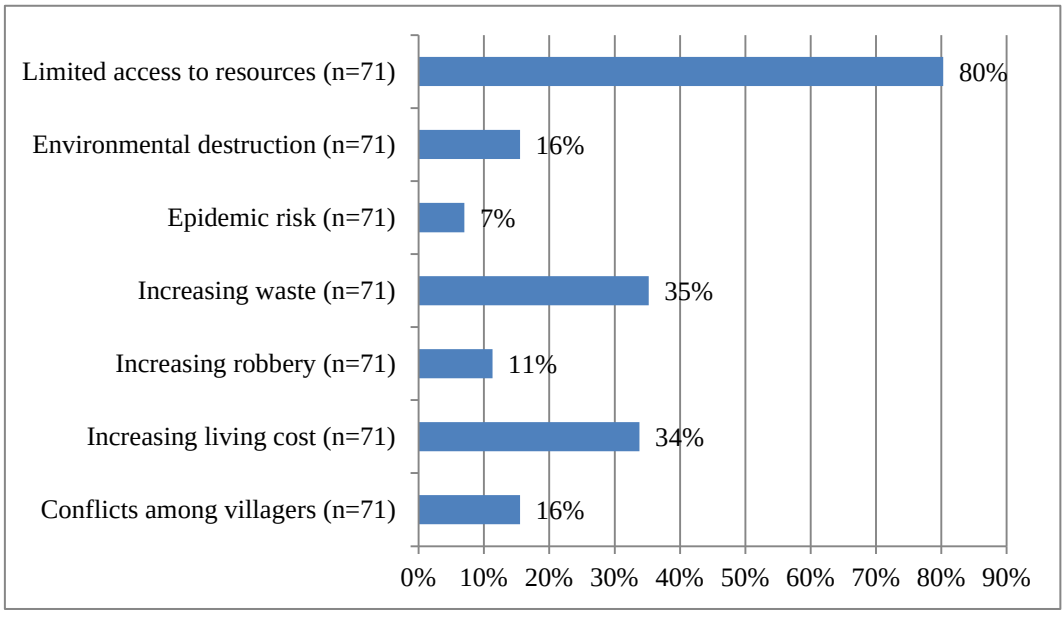
will organize *baci soukhuan* for *falang*[68], they immediately raise the price to 30,000 Kip per kilo. If we don't buy, they really don't want to sell. This is one of the negative impacts, which make us felling upset. And some people who don't understand, if we ask them to send the guests they ask if they will get money. If so I will go; if not, I won't, I do not go. If they don't get what they want, they won't go. It happens. Some people already expressed. Talking about negative impacts, if we don't know how to prevent, we will lose solidarity because somebody is thinking about income, but I think it is impossible. We will try to convince them, create awareness for them, give them direction; explain the reasons to them (VTM4, March 2013).

As the respondent explained, another concern is that the residents become increasingly greedy as economic benefit comes first, which might lead to deteriorated solidarity among community members. Nevertheless, tourism is not the only factor driving up living costs, rather it is because of other factors, in particular the increasing oil price.

6.5.3.8 Local Perception on Negative Impacts of Tourism

In Ban Na and Ban Hathkhai, the only major concern is limited access to natural resources in the protected area. There are 10 villages identified as stakeholder villages involved in natural resources in PKKNPA. However, only Ban Na and Ban Hathkhai benefit from tourism. Consequently, tourism benefits are a source of resources conflicts between Ban Na and Ban Hathkhai and the other villages.

Figure 58: Local Perception on the Negative Impacts of Ecotourism



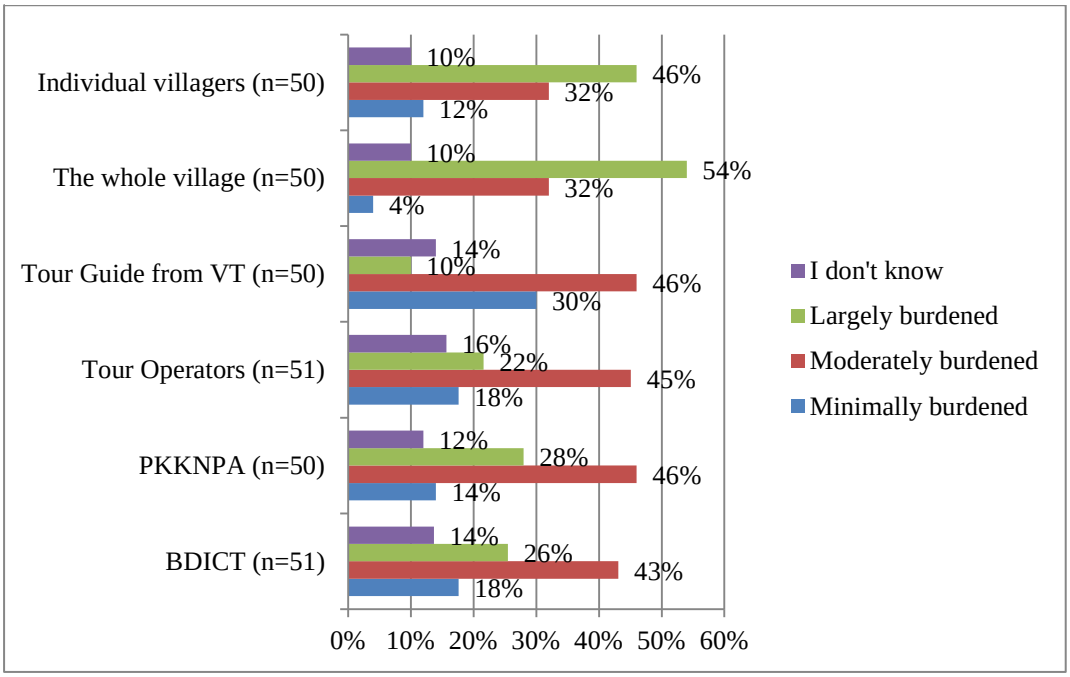
Source: Author's survey, November 2014

[68] A term used to refer to westerners in Laos and Thailand.

6.5.3.9 Who share more Burdens?

Similar to the perception on benefits sharing (Figure 55), the majority of the respondents believe that the whole villages and villagers have largely born the burdens from tourism development respectively, as exhibited in Figure 59.

Figure 59: Burdens Sharing among Actors



Source: Author's survey, November 2013

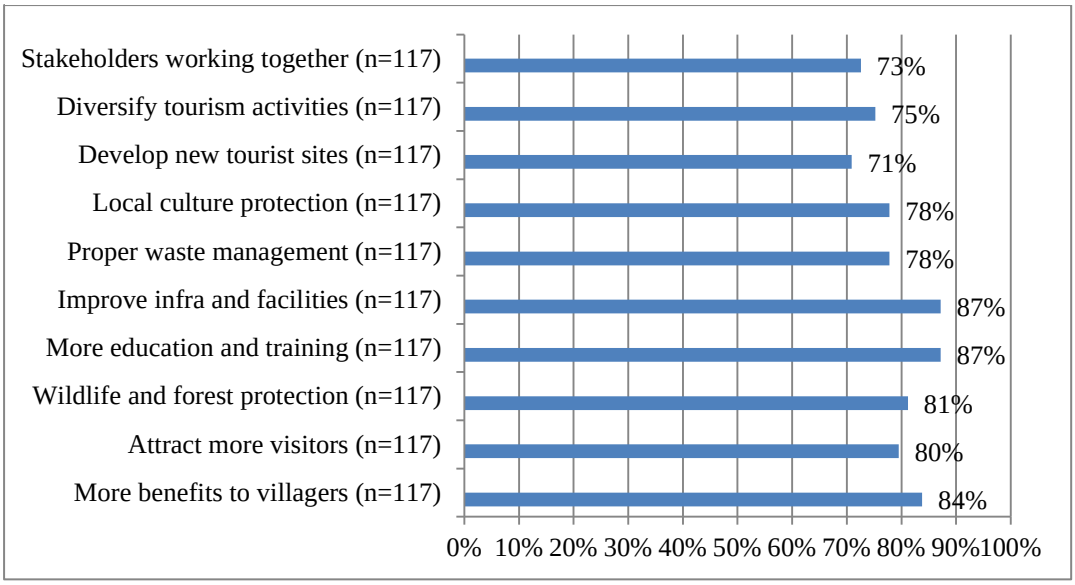
6.6 Future Scenarios

As the roads in the villages are not good enough, both communities proposed to the government to help them to improve roads to the villages. Regarding tourism development, the community leaders have vision to further develop tourism sites in order to attract more visitors. In Ban Na, there are waterfalls in the forest which have not been developed. In addition, there is a possibility to develop a trekking route linking with other village. In Ban Hathkhai, the village has a conservation plan to conserve orchid species and revitalize cultural elements of the village. The two communities also have planned to promote organic farming in order to supply produce to tourism sectors. Nevertheless, the situations in the two villages are very risky as community a leader observes:

> I think it is very risky. The first risk is that we are afraid we won't be able to protect the nature to be intact. Generally speaking the area where we live is a risky area. It is a center, people from Long San border come here, people from Long San, Hom district earn their living in this mountain. People from Tha Prabad area earn living in this mountain. We cannot guarantee that it will be safe because people are different. If they burn forests, it would end. But on the positive side we believe that the guest…the advertisement will cover more, the guests will flock to the village, we have to prepare, improve homestay, and improve personnel to

meet the current needs and the requirement of tourists. This is what we are thinking in the future (VTM4, March 2013).

Figure 60: Future Scenarios



Source: Author's survey, November 2013

In addition ecotourism is competing with other land uses such as rubber plantation and hydropower dams. In fact, rubber and agar-wood plantation have been promoted in the village socioeconomic development plan.

6.7 Summary

This chapter presents another case study conducted in two communities located in the vicinity of Phou Khao Khouay National Protected Area. Like the case study conducted in Nam Ha National Protected Area, the analytical framework, which was developed in Chapter II, was applied to the present the findings and the results. The chapter consists of six main components. Following an introduction, the chapter explains factors influencing ecotourism development. Institutional frameworks at the local levels shaping ecotourism development are examined in the following sections. Later ecotourism action arena, where stakeholders worked together to develop ecotourism is discussed. The development outcomes, which divided into benefits and burdens to stakeholder groups, are presented. Lastly future scenarios of ecotourism development in the area are explained.

CHAPTER VII DISCUSSION

7.1 Reflection of the Research Process

7.1.1 Framework Conditions for the Research

This study was funded by the Erasmus Mundus EURASIA 2 project. The funding had a certain restriction limiting time the scholar was able to spend in the field. Despite research assistants and cooperation (see section 7.1.5 and 7.1.6), this considerably deprived the ability of me to collect data in the research areas. As the time was limited, I could not conduct more effective participant observation. Some issues require considerable amount of time to observe in order to gain insights. Also the time constraint prevented me to collect additional secondary data, which is frequently not available online. Some data sources (e.g. provincial tourism statistics) are unreliable due to a lack of systematic data collection and management. Also, there is a large number of grey literature such as project proposals, reports, etc., which required time to identify and collect. The application of multiple data collection techniques helped to overcome these challenges, thanks to its ability to generate voluminous data and to cross check the results.

Another limitation was the scope of the research. There are a large number of ecotourism stakeholders, who are working from global to village levels. This study focused at the communities, where only a small number of active stakeholders have been involved in the development. Therefore, interviews with stakeholders on provincial level and associated grey literature analysis added another interesting perspective (see also section 7.1.4).

In addition, data from local tour operators (in Luang Namtha) are kept confidential making the calculation of cash flows to different actors in the tourism supply chain impossible.

7.1.2 Organization of Research on Sites

Permissions are required to conduct research in Laos due to the fact that the government wants to make sure the data is used only for research purposes and the studies will not be detrimental to national security. Without knowledge on the process of application for permissions, it would have been considerably time consuming and, in some cases, might have led to failure in data collection. The application for permission for this research was relatively easy, thanks to recommendations from colleagues and support from the home institution, the Faculty of Social Sciences at the National University of Laos. In addition, the identity of me as a Lao national also gained easy acceptance by the respondents, especially from public offices. Nevertheless, there was a challenge in the first fieldwork phase given the large number of ecotourism stakeholders. It was difficult to identify prospective target respondents. In many cases, it was the respondents, who recommended me to contact other prospect respondents. Some pre-selected respondents were dropped from the list after some interviews when it was found out that they were not relevant for the research. In addition, some important appointments were cancelled, for example, the PKK NPA authority from the Ministry of National Defence, due to a lack of understanding on liaison procedures and the time constraint.

7.1.3 Possible Biases in Interview Situations

Working with local communities was challenging due to the fact that I was regarded as an "outsider within" (Khouangvichit, 2010). In the national context, I was an insider, yet in the local situation, I was viewed as an outsider. This posed limitations on obtaining reliable responses. Also, in the beginning, with official letters from public offices, I was seen as a public officer who might collect data on sensitive issues (hunting, logging, shifting cultivation…). This created mistrust among the respondents in the communities. Some respondents were reluctant to answer the questions and in many cases tried to divert the conversations from the discussed topics. However, I tried to reduce the distance by creating trust and rapport with the residents to overcome the challenges. Instead of staying in village lodges like other visitors, I opted to stay in the homestay provided by villagers. This allowed me to get acquaintance and have informal talks with the residents. In addition, I participated in daily life activities of the villagers such as rice pounding, house reparation etc. Also, I tried to show that the research was conducted for their interest and to solve tourism-related problems. Subsequently, I found out that I gained acceptance from the local residents as they regarded me as a community member.

Another source of possible bias in data was that the local residents were too optimistic with tourism. This was because tourism is one of the only few economic opportunities for villagers and it has been regarded as comfortable tasks compare to traditional activities. It was problematic for them to figure out possible negative impacts from tourism. When asked what the negative impacts of tourism are, the common expression is "there are no impacts, only good things".

In the sociocultural setting of the villages, it was considerably difficult to conduct individual interviews, as local residents prefer to sit together in groups. While the village authorities and the expert from NZAID had instructed respondents to participate in the interviews one by one, in many cases they answered the questions on behalf of the originally contacted respondents. A husband answered the questions on behalf of his wife; an elderly on behalf of a minor etc.

The village authority (in Nalan Neua) knew when collective work was scheduled that the whole village had to do and when villagers were available for the interviews. This allowed me to plan the interviews in advance.

Conducting questionnaire surveys were challenging, particularly in Ban Na and Ban Hathkhai, where I did not carry out the surveys by myself. The surveys were implemented by research assistants from the National University of Laos, who had little experiences on data collection. While they had been instructed prior to the interviews how to use the questionnaires, there was a large number of missing data in the second study area. As the majority of the respondents were illiterate, especially in Luang Namtha, self-administered questionnaire surveys were conducted. The respondents were not asked to respond to the questions directly; rather, the interviewees explained the questions and asked them what came up from their mind. It was time-consuming, but a useful technique to get reliable responses.

Another possible bias in the result is the analysis of data from guest books to find out visitors perception on the site in Ban Na. The limitation was that the data were collected only from a single family. In addition, in this situation, the visitors might express only positive rather than negative opinions, unless they were very

angry. Nevertheless, this can be compare to the finding from the first case study conducted by C. Winkler (2013) as the two protected areas share a number of similar characteristics.

7.1.4 Associated Master Thesis as Complement

The master thesis by Christina Winkle examines the perception of western tourists, who are the main consumers for ecotourism of Laos. The master thesis adds the demand side perspective to my supply-focused analysis. The tourist's perspective is also practically useful for ecotourism planning in the future.

7.1.5 Cooperation with Research Assistants in Laos

Although I had limited time during each fieldwork phase, data collection was considerably successful, thanks to a number of supports from research assistants in Laos. The research assistants from the Faculty of Social Sciences, National University of Laos, helped to prepare permission letters and contacted the respondents in advance. In addition, the assistants also helped in conducting questionnaire surveys in Ban Na and Ban Hathkhai. This significantly contributed to overcoming the time-constraint problem.

7.1.6 Cooperation with NZAID

The cooperation with New Zealand Aid (NZAID) also provided a lot of advantages. NZAID funded the stakeholder seminars in both study areas. In addition, NZAID has Project Implementation Units (PIUs) stationed in the provincial tourism offices. They assisted in contacting representatives from stakeholder groups making the planning and organization of the seminars run smoothly. Also, the Project Implementation Unit in Luang Namtha helped to recruit research assistants, who are local ecotourism experts and provincial tour guides. They have a lot of experience in working with local communities and a good relationship with local communities making the contact with local communities easier. The Project Implementation Unit in Bolikhamsay was responsible for stakeholder invitations and supported equipment for the seminar and other arrangements in Ban Na.

7.1.7 Stakeholder Seminars

Two stakeholder seminars were organized in both study areas. The aim was to report the preliminary results to different stakeholder groups in order to receive feedback. Also, during the seminars some critical issues were raised in the meetings for discussion. This allowed the researcher to gain more insights on the problems related to ecotourism development in the two study areas as well as in other areas in the country. In Luang Namtha, it was obvious that economic benefit was the hot topic discussed in the meeting, whereas environmental protection received less attention. It was the local tour operators dominating the discussion given that there were only four participants from the villages (see Table 3 for the details of the participants). In Ban Na and Ban Hathkhai, local communities are more confident to address the problems in the meeting and they urged concern authorities to take more care for the environment as they have seen environmental

degradation as a threat to economic benefits from tourism (Sirivongs & Tsuchiya, 2012).

Importantly, the seminars served as rare settings, where ecotourism stakeholders had a chance to meet for discussing the problems related to tourism in particular and natural resource uses in the protected areas as a whole. This allowed the stakeholders to contribute to problem identification and propose possible solutions by themselves. From this experience, I have foreseen a chance for conducting further transdisciplinary research as the development project unofficially proposed more funding for research in the future and other stakeholders were very active in discussing and presenting the problems, especially in Ban Na. The opportunity is not limited to the tourism field, but also in other development areas, where local knowledge is required for solving real world problems. Indeed, local people have been regarded as experts who have more knowledge on their own problems than the outsiders in order to figure out solutions by themselves (Chambers, 2008). Likewise, the public sector in Laos is paying increasing attention on scientific research, as the government is trying to increase the budget for scientific research to 0.7% of GDP. Transdisciplinary, i.e. participatory, research could meet both needs, that of more research and that of local empowerment.

7.1.8 Ex-post Discussion on the Usefulness of the Analytical Framework

I found out that the analytical framework, which was developed from the Institutional Analysis Development (IAD) framework, was a very useful tool for presenting the results from the two case studies. It helped the researcher to organize different perspectives into the report. The framework is flexible and allows additional actors or input can be added for the analysis. The framework may be applied to analyse other development project, which share similar characteristics in Laos as well as in other developing regions. It is a straightforward approach consists of three main elements: input, process and output. Several scholars discuss the strengths of the IAD framework (Ostrom & Cox, 2010; Polski & Ostrom, 1999). Polski and Ostrom (1999), for example, argue that the IAD framework allows researchers to understand complex social situations, where several stakeholders who have different interests are involved. This can be achieved through breaking them down into manageable activities. In addition, the authors claim that the framework is compatible to other specialized frameworks. Also the framework allows researcher to do in-depth analysis, in which oversights and simplifications can be avoided (Polski & Ostrom, 1999). Given that the analytical framework was developed from the IAD framework, the former merits from the strengths of the latter.

An alternative framework would have been the Social-Ecological System (SES) framework (Ostrom & Cox, 2010). It builds on the long-standing Institutional Analysis and Development framework (Ostrom et al., 1994), but adds a more detailed perspective on the biophysical characteristics (resource systems, resource units, related ecosystems). As the focus of my thesis was on cost and benefit sharing, I considered the more social-science focused IAD framework as more suitable.

Despite the general applicability of the IAD framework, our research also confirm prior findings that its explanatory value is mainly on internal factors and that it is less helpful to understand external intervention, such as donor assistance,

market demand or state policies, and how they interact with local institutional arrangements.

7.2 Discussion of the Results from the Two Cases

7.2.1 Comparison of the Context of the Two Cases

There are both similarities and differences in various aspects of the two cases. The two study areas are located in NPAs, where ecotourism was introduced to generate supplementary income and promote nature conservation. The communities in NHNPA, however, are located in remote areas, where educational and economic opportunities are limited. The local residents belong to ethnic minorities who have been regarded as disadvantaged groups. Unlike the communities in NHNPA, Ban Na and Ban Hathkhai are located near urban areas, where people have better access to education, economic opportunities, transportation and other public goods. Thus the local residents are more educated and better off compared to those in NHNPA.

The differences in the community characteristics and the biophysical conditions of the areas have shaped the rules regulating ecotourism development and operation. The more empowered communities are able to design and control the institutions by themselves. In NHNPA, the local communities are relatively weak in terms of financial and human capital; therefore, they are able to control tourism only within the village boundaries. They cannot deal with the market by themselves. Despite the fact that the local communities are endowed with a bundle of rights over the natural resources in the protected area according to the land and forest allocation policy of the government, they have limited capacity to maximize benefits from these property rights. When it comes to developing and marketing tourism products, it is the external actors (local tour operators) who were granted management rights over the resources by the public sector over the natural resources (e.g. forest land, rivers). So the local tour operators act as “gate keepers”, who control the benefits distribution among different actors. The local tour operators also have an exclusion right, which is transferred by the public sector, to prevent other actors to use the resources. A local tour operator is not allowed to guide visitors along a trekking route of another tour operator, who jointly developed it with a local community. Another example is Green Discovery Laos who monopolizes over kayaking along the Nam Ha River. By the time of this writing, other local tour operators are negotiating with the public sector in order to gain an access right to the Nam Ha River. This sparked an opposition from GDL arguing on the ground that the other tour operators might downgrade the quality of the kayaking service. As the external actors control the resources, the benefits to the local communities are minimal.

In contrast to the communities in NHNPA, the local communities in Ban Na and Ban Hathkhai can better benefits from the bundle of rights over the natural resources in the protected area, thanks to better financial and human capital in comparison to the communities in NHNPA. They have a lot of influence over the design of the institutions governing tourism and the natural resources. Also, they have an exclusion right to prevent tour operators from Vientiane, the capital city, to control tourism in the villages. In addition, they can exclude other communities from participating in tourism activities. By allowing local communities to have a greater control over the natural resources, the communities manage to harvest

more benefits from the resources. This would stimulate collective action to conserve the resources and later contribute to sustainable use of natural resources. Sometime it was the case that Ban Na villagers took collective action to protect the forest from forest fire. In Ban Hathkhai, there were buffaloes from another village in Meuang Hom destroying wild orchids in the protected area near the village in June 2014. The village authority took actions against the buffalos' owners by fining and warning. This indicates that when any threats to the natural resources, hence the common economic interest of the community, arise, the whole community would take collective actions against them.

7.2.2 The Roles of Stakeholders

7.2.2.1 Donor organizations

Ecotourism was initiated by western NGOs as a sustainable development strategy and the concept was applied in less developed regions in third world countries. The NGOs work with host governments and local NGOs to develop ecotourism products in the destinations. Local NGOs, however, still depend on international NGOs for funding and technical support. Therefore, a large number of ecotourism-related NGOs are located in the western countries, while a large number of ecotourism destinations are located in developing countries.

In the context of ecotourism development in Laos, the idea was also initiated by development agencies from western countries with the aims of poverty reduction and nature protection. By the time of this writing, some agencies had already stopped development assistance in the tourism sector, while some still maintain the operation.

This study examined the roles of the New Zealand Aid (NZAID), the Asian Development Bank (ADB) and German Development Service (DED), who were the major funding organizations for ecotourism development in the two study areas (Harrison & Schipani, 2007). The aim of these organizations is sustainable development in rural areas. ADB not only works in Laos, but also in other countries in the regions namely Cambodia and Vietnam. It focused on infrastructure development as a part of regional development strategy in the Greater Mekong Sub-region countries (ADB, 2002). NZAID and the DED focused on product development at the community level. Indeed, several ecotourism-related organizations have different approaches to ecotourism development (Butcher, 2006; Jim Butcher, 2007). World Wildlife Fund For Nature (WWF) and Conservation International (CI) are pioneer ecotourism developers, who initiated ecotourism as a part of nature conservation strategies in developing counties (Honey, 1999). The International Ecotourism Society (TIES) promoted education and sound practices of ecotourism by providing education programmes and consultancy services (Kennedy & Dornan, 2009). Tourism Concern uses tourism as tool to promote local participation and human rights, while Netherlands Development Organization (SNV) includes tourism as a component of rural development strategies (Butcher, 2006).

In Laos, the donor organizations did not operate a separate tourism related department like the international conservation organizations such as WWF, CI, IUCN etc. (Halpenny, 2001). Rather they allocated funds in the form of grant or loan to the Lao government for setting up ecotourism development projects. When a tourism project was set up, the donor organizations continued to provide technical support given the limited capacity of government tourism offices. This is

commonly practiced in other developing countries, where international NGOs play technical roles in tourism development (Kennedy & Dornan, 2009). In Luang Namtha, the education and training programmes offered by development project contributed to technology transfer to local people, especially provincial tour guides, who later accumulated knowledge and financial capital and set up local tour operators. This contributes to economic and social empowerment of local people (Scheyvens, 1999). Also, the donor organizations tried to develop these local tour operators and link them with local communities to ensure sustainability of tourism sector. The local communities depended on local tour operators for visitors, while the local tour operators rely on local communities for product maintenance. The cooperation between the private sector and local communities creates win-win situation for both the private sector and the local communities (Nepal, 2000).

From my point of view, it is an ideal form of endogenous development as the local people learn to set up and operate tourism businesses by themselves, while the donor organizations and the government serve in the background. However, there was no institution such as ecotourism development fund to support continuous development of ecotourism when donor organizations quit development assistance. It is often the case that ecotourism activities ceased to exist after the development project ended. In this case, the private sector might sustain operation in the long run when development projects ended. Nevertheless, the majority of local tour operators in Luang Namtha are relatively weak in terms of tour operation and management, which requires further capacity building. Few of them really understand the concept of ecotourism and follow development guidelines and monitoring rarely done. In this case, the development projects should place more emphasis on capacity building of the private sector.

A primary concern was an inequality between the local communities and the private sector from outside the communities. In this case, the government offices and donor organizations might play a facilitating role to empower local communities, which they already tried to do by setting up Village Tourism Management Committee. This contributes to political empowerment of the local communities (Scheyvens, 1999), as the committee serves as mechanism to negotiate and monitor local tour operator behaviours. The committees are working to ensure the private sector follows the regulation and to make sure the benefits are distributed according to the rules.

7.2.2.2 Public Sector

The Lao government is responsible for ecotourism-related policies and regulation (Harrison & Schipani, 2007; UNESCO, 2008). The first National Ecotourism Strategy and Action Plan was formulated in 2006, with a technical assistance from SNV (LNTA, 2005b). The strategy serves as benchmarks for ecotourism development. It is often the case that international agencies play a crucial role in ecotourism strategy in developing countries by cooperation with host government. WWF, for example, assisted the Malaysian government in formulating the national ecotourism plan in 1997, while IUCN helped the Vietnamese government to launch a national ecotourism strategy in 1999 (Fennell et al., 2001).

In Laos, the implementation of an ecotourism strategy and the rule enforcement were not effective enough due to a lack of fund and an ineffective implementation mechanism. Additionally, the ecotourism development is

competing with other development activities such as agroindustry and hydropower development. This makes the implementation of an ecotourism strategy even more complicated. In Luang Namtha, local tour operators and other practitioners rarely understand the concept of ecotourism and its underlined principles. Many still follow conventional tourism practices, but advertise themselves as “eco-treks”, in which Honey (2008) describes it as “ecotourism lite”. The villagers in Ban Na and Ban Hathkhai themselves have limited knowledge on the concept and principles of ecotourism. This makes future development difficult unless a deep understanding of ecotourism is created among practitioners. This is similar to the situation in Cuc Phuong National Park in Vietnam, where the rules and regulations exist, but the implementation is lacking (Suntikul et al., 2010). Unplanned development activities occurred around the park and tourism development is contradicting with other activities.

Only a few countries have so far been considerably successful in ecotourism policy and planning (R. K. Dowling, 2002; Gurung & Seeland, 2008). Australia, for example, is a role model in ecotourism policy and planning (Fennell et al., 2001), yet the institutional environments are different from that in developing countries. Australia is very successful because the government strictly applied ecotourism principles. Also, the private sector contributes to successful implementation of the ecotourism policy. The private sector initiated an ecotourism certification programme and a nature and ecotour guide certification. In this case, the private sector also has solid knowledge on ecotourism concepts and principles. Another successful country in tourism policy and planning is Bhutan, where the national tourism policy and planning is linked to the Gross National Happiness (GNH) (Gurung & Seeland, 2008). The tourism policy is based on the principles of sustainability, ecological stability and cultural acceptability. In addition, international development agencies support the implementation of the policy.

Also, the public sector plays a role in marketing and transferring knowledge to local people, who are working in hospitality and tourism industry. However, it was argued that the knowledge transferred by the government focuses on explicit knowledge in the form of government tourism regulations and policies and is conducted in a mandatory approach (Phommavong, 2011). The transfer of tacit knowledge such as learning by doing and exchange among villagers is still lacking. There is a lack of research on training need assessments at the local level to identify skills needed in the hospitality and tourism enterprises and at the village level. In fact the local communities in the two study areas suggested going on study tours to other areas to exchange lessons and experiences with other communities. If this would be realized, it would allow local communities to broaden local knowledge to improve products and management of community based ecotourism.

7.2.2.3 Private Sector

The results suggest that the private sector plays a vital role in product development and marketing, which is corresponding to the results from (Harrison & Schipani, 2007). Taking an example from southern Laos, the authors concluded that there are not only international development agencies playing important roles in pro-poor tourism in the country, but also the private sector. There are a large number of community-based tourism investments initiated by private investors,

who contributed to poverty reduction and development of Lao hospitality and tourism sectors as a whole.

In the case of Laos, the private sector might play an essential role in the effective implementation of ecotourism policy. In Luang Namtha, a group of local tour operators was already set up in the province. The group will be upgraded to an association with the main responsibility of price and quality control. The association could serve as a mechanism to observe the application of Lao ecotourism principles. However, the problem was that private sector in Luang Namtha is still weak. There was only one tour operator that seems to be really care about local well-being and the environment. The governments and donor organizations should closely work with the local tour operators given that the development of the local tour operators in infant stage.

Although the donor organizations tried to develop the private sector, the private sector in Luang Namtha is still weak in terms of product development and marketing. Harrison and Schipani (2007) argue that the private sector did not receive enough support from development projects and government agencies. In most cases, the private sector developed themselves by investing their own assets to set up family owned hospitality and tourism businesses. This was partly due to an effect of economic liberalization policy of the government launched in 1986 (Y. Bourdet, 2000; Insisiengmay, 2008) and the deregulation of the tourism industry in the 1990s (Yamauchi & Lee, 1999). In any case, the private sector plays an important role in community based tourism development, particularly in Luang Namtha, where visitors are not allowed to trek to the communities by themselves. As the local communities cannot permanently depend on development projects, the private sector could be a viable option to sustain ecotourism operation and development after the development project ended. Given that the private sector has more financial and knowledge capital in comparison to local communities, this translates into more bargaining power of the private sector and benefit's distribution in favour to the private sector, which it was already the case. The government and development project can play an important role in empowering local communities to be able to negotiate with the private sector outside the communities.

In Ban Na and Ban Hathkhai, the private sector plays a less important role in ecotourism operation. This is because the communities are more accessible to visitors and the residents have better human and financial capitals in comparison to the communities in NHNPA. In fact, the private sector wanted to take control over tourism operation in the villages, but the communities did not allow them to do so. Nevertheless, the private sector still plays an important role for the survival of ecotourism in the two villages as they regularly bring visitors to the villages. The synergy between private sector and local communities should lead to mutual benefits and the benefits and burdens from tourism must be distributed between the two actors proportionately to the efforts.

7.2.2.4 Local Communities

Local communities are regarded as the centre of ecotourism planning and development. The local communities play a crucial role in tourism development. In fact, local ways of life constitute an important attribute of ecotourism products as one of the main purposes of the travel is to experience authenticity and local ways of life. Thus, local communities contribute to enhance visitors' enjoyment.

In Luang Namtha, pictures of local ways of life are featured in advertising media of the tour operators and public tourism bureaus. There is no evidence suggesting that the local communities were consulted concerning how to commoditize the cultural heritage and whether they received benefits from the commodification. Notzke (2004) suggested that local communities should be consulted and allowed to control the commercialization of their cultural heritage. Also, local communities must get a fair share of benefits from the commercialization.

In both case studies, there are some interesting cultural elements (festivals, customs and tradition, souvenir products and etc.), which can be promoted to visitors. Marketing and commodification of these assets, however, should be done to ensure regular income to the local communities (Phommavong, 2011). The commercialization of local cultures does not only generate economic benefits, but also stimulate pride among community members, which may lead to more cultural heritage protection.

Local communities have been regarded as environmental protectors and conservationists. As ecotourism depends on intact nature environment, local communities play an essential role in the survival of ecotourism operators in particular and ecotourism industry as a whole. From this perspective, local communities should be regarded as development partners rather than beneficiaries in ecotourism development and planning process (Garrod, 2003). More care should be taken for local communities. Economic benefits from tourism must be optimized to stimulated nature conservation in the protected areas.

7.2.2.5 Tourists

Visitors to the two study areas are almost exclusively from Western countries. They are affluent, well-educated and concerned for the environmental impacts from tourism. The visitors are familiar with the concept of ecotourism or sustainable tourism. The conditions of the protected areas can satisfy the tourists' needs. The visitors view tourism as a tool for economic development and nature conservation. Tourists have been regarded as the focus of the development as they are the source of financial capital for local economic development and nature conservation. In some cases, they expressed concerns over possible impacts from ecotourism that might bring a lot of change to local people. Tourists also play an important role in raising environmental awareness for local people. Local communities, especially in Ban Na and Ban Hathkhai, learn to manage waste from visitors. Nevertheless, tourists generate negative impacts. For example, tourism might contribute to increasing drug trade.

7.2.3 Local Participation in Ecotourism Development

While ecotourism development in Laos has been characterized as a top down approach (Phommavong, 2011), yet it has been argued that local people were extensively involved in planning and running ecotourism (Lyttleton & Allcock, 2002). Looking from the national perspective, there are three lower levels namely the provincial, the district and the village levels. Stakeholders from all three levels were involved in ecotourism development. In the beginning of the development, local communities were consulted during planning and development phase, i.e. "participation by consultation" (Tufte & Mefalopulos, 2009). In the exploration phase, local residents were engaged in tourism site exploration thanks to their knowledge on biophysical conditions of the areas. This stimulated exchange of

knowledge between external actors (e.g. project experts) and local residents (Chambers, 2008). The external actors have technical knowledge from various academic disciplines, while local people provided indigenous knowledge on biophysical conditions of their communities. This generates "coproduction of knowledge" to solve real world problems.

Local participation in the two cases shares both differences and similarities. In the beginning of the development, the process of involving local communities was difficult because of a lack of knowledge of local people. It was difficult for them to conceive economic potential of tourism. In Luang Namtha local people have been extensively involved in the development and the opportunities are widely open to everyone in the communities. There are clear written rules stipulating the opportunities are open to everyone. Importantly, the poor are given priority to participate in ecotourism activities. The ability to participate in tourism, however, depends on the locations where people live (He et al., 2008). People living closer to the town of Luang Namtha managed to better participate in ecotourism, hence, received more benefits from tourism, thanks to better access to education. On the contrary for local people living inside the NPA, who have only three to five years of formal education, it is difficult to participate in ecotourism, so less benefits from ecotourism for them. In most cases, villagers provide minor assistance to provincial tour guides. In this case, ecotourism does not much contribute to empower local people in the communities in the protected area.

In Ban Na and Ban Hathkhai, as the residents are more empowered, they managed to better participate in ecotourism. In addition, they are more independent to control ecotourism by themselves. Also they have more power to negotiate with externals actors. This is endogenous development, which correspond the view of (Jim Butcher, 2007). Importantly, village tourism management committees were set up, which are able to negotiate with tour operators or political empowerment. Also the local communities are more confident and feel proud about the communities and themselves or psychological empowerment.

Nevertheless, one of the pitfalls of participation is that the local elites excluded the others from participation (Timothy, 1999). By the time of this writing, the participation in Ban Na and Ban Hathkhai was confined to a small number of villagers, who worked as village guides and homestay hosts. The residents have to depend on political capital in order to be engaged in tourism activities. Some villagers were able to participate in tourism activities only if they work as village security, women's union etc. In addition, residents from other villages, where they were identified as stakeholder villages of the NPA, have been excluded from participation in tourism. The residents from villages are also excluded from access to some natural resources in the NPA due to the fact that the resources have been protected for tourism purposes.

In both studied areas, it was found that local participation ensures in the long run the operation of the projects as the local residents have a sense of accountability to the properties. This is partly because the development projects encouraged the local communities to contribute labour and materials from the beginning. Kennedy and Dornan (2009) argue that '…local people can only be self-reliant if they are in charge…' In Luang Namtha, the development project tried to create sense of "ownership" to the property by allowing villagers to share operating costs of ecotourism facilities. This helped to empower local them to be self-sufficient (J. Butcher, 2007). Apart from cost-sharing, local participation

helps to reduce dependence on the public sectors and donor organizations of the local communities.

In Ban Na and Ban Hathkhai, although the development project ended seven years ago, ecotourism is still running as the visitors still visit the villages. This success, on the one hand, is explained by the ability of the villages to manage ecotourism. On the other hand, tourists still visit the villages because of the private sector involvement. NZAID, however, continues to provide assistance for infrastructure development and capacity building activities. The main challenges are a lack of technical skills such as English and computer skills of the local communities. These skills are essential for sustaining community based tourism business in the long run. As many families sent their children to study these skills the problems could be mitigated in the future.

Some scholars criticized that the participatory approach is a western construct which is applied in developing countries (Garrod, 2003). The approach works differently in different socioeconomic, political and cultural settings (Timothy, 1999; Tosun, 2000). Drawing the lessons from the two case studies, the participatory approach works quite well in the socioeconomic and political context of Laos. Like democracy, however, participatory approach is not perfect solution. There are some minor concerns related to participation, which need to be addressed in planning for the future. These include exclusion and lack of financial and human capitals of local people. Optimistically, at least the local people at the national and provincial levels have been extensively involved in ecotourism development as over 80% of hospitality and tourism enterprises are characterized as family businesses owned by local people (Harrison & Schipani, 2007). Nevertheless, a challenge is to support small-family owned enterprises, with limited financial and knowledge capital in their competition with more powerful foreign investors, who are flocking to invest in Lao tourism industry, thanks to generous investment incentive of the government. Honey (1999) also addressed this issue.

7.2.4 Benefits Sharing

7.2.4.1 Direct Benefits

In Luang Namtha, the actors in the town (e.g. provincial tour guides, transport providers…) receive more economic benefits from in comparison to local communities in the NPA. They accumulated knowledge and capital, and later established tourism-related family businesses. Consequently, ecotourism does not only generate employment, but also develop local industry and entrepreneurship, which can generate more employment as a multiplier effects.

In the communities inside the NHNPA, although ecotourism has created a number of jobs for local residents, only low skills jobs (cooking, cleaning, carrying luggage) were reserved for the communities, which is often the case in other destinations. In fact, it is the provincial tour guides, who do almost everything for visitors. This would not contribute to developing tacit knowledge for local communities, as already pointed out by Phommavong (2011). This is due to a lack of financial capital and education of the local communities. The activities also generate only a small income for villagers. This is similar to the case in Wolong Nature Reserve for Giant Pandas in China, where other stakeholders outside the reserve take more benefits from tourism (He et al., 2008). Nevertheless, the opportunities to participate in tourism activities are wider

compared to Ban Na and Ban Hathkhai as the villages are located in remote areas; consequently, visitors depend much more on the villages.

A major concern is a decreasing income from ecotourism to the residents in NHNPA. Cooking is the main activity that generates income for the households. Income from cooking is decreasing because the prices of the food have not been adjusted since the establishment of NHEP in 1999. The prices of the food and accommodation might be adjusted to inflation or might even been raised in order to improve the quality of the food should be improved. Also, research should be conducted to find out market demand and their willingness to pay of the visitors (Baral et al., 2008).

An increasing competition among local operators is another concern due to decreasing numbers of visitors in the communities, resulting in decreasing tourism revenue. A lack of transparency between communities and local tour operators is another factor responsible for inappropriate tourism revenue distribution. This also occurred in other ecotourism development projects in developing regions (Archabald & Naughton-Treves, 2001). Tourism income also depends on the family economic status. The rich families managed to earn more money than the poor families. As only a small number of families accumulated the capitals, ecotourism might widen inequality in the communities (Scheyvens & Momsen, 2008).

Although the local communities in Ban Na and Ban Hathkhai enjoy independence in management of CBT enterprises, job opportunities are reserved for a small number of community members. This is because ecotourism activities are not diverse enough, only trekking is a dominant activity. There are other activities such as biking, camping, kayaking, but operated by tour operators from Vientiane. In addition the villages are located near urban areas where there are a lot of day-trippers, who not very much depend on the villages like in the communities in NHNPA.

7.2.4.2 Indirect Benefits

Apart from direct benefits (e.g. employment opportunities), ecotourism also generates indirect benefits in the forms of better infrastructure, education, cross-cultural learning, pride, cleanliness, local production, and nature conservation in the two study areas. These direct benefits derived from both tourism-induced development activities and investment from the village revolving fund (discussed in section 7.2.4.4).

The communities in Ban Na and Ban Hathkhai seem to perceive stronger indirect benefits from tourism in comparison to the communities in NHNPA. The more benefits the communities have received, the stronger the perception towards tourism (Sirivongs & Tsuchiya, 2012). Importantly, ecotourism increase self-esteem among villagers (Zapata et al., 2011) or what a scholar terms psychological empowerment (Scheyvens, 1999). Some respondents pronounce themselves as “representatives of the country to foreign visitors”. This also promotes the desire to learn and develop. Some families sent their children to study tourism-related skills at vocational and university levels in order to continue working in tourism in the village. This could contribute to the reduction of emigration of young people from the village to work in urban areas and neighbouring countries as it was the case in Nicaragua (Zapata et al., 2011).

7.2.4.3 Benefit Distribution and Gender

The results from the two case studies reveal some contradiction in terms of benefits sharing between genders. Surprisingly, in the communities in NHNPA, although women were excluded from tourism planning process, they have managed to reap more benefits from tourism activities in comparison to their male counterparts. This is due to the fact that women's skills (cooking, embroidery, weaving, housekeeping etc.) can be easily transformed into assets when tourists visit the villages. This contributes to enhancing status of women as it is the case in community-based ecotourism project in northern Vietnam (Tran & Walter, 2014). This is similar to an argument from another scholar (Flacke-Neudorfer, 2007) who studied the Akkha in Meuang Sing, where women also are able to make more benefits from tourism, thanks to traditional skills. Yet, it is contrasting to the results from a study in Indonesia, where men managed to make more benefits from tourism (Schellhorn, 2010).

In Ban Na and Ban Hathkhai, men manage to make more benefits from ecotourism, as the majority of the people working in tourism are men. This is partly explained by the patriarchal structure of the communities. The men from the villages have been regarded as stronger, smarter etc.; therefore, they were involved in tourism. In addition, working in tourism has been regarded as a hard and dangerous job; hence, it is suitable for men to do. Also, it was an intention of the development project, who recruited only men to be trained as village guides.

7.2.4.4 Benefits Distribution Mechanism

The study indicates that different benefits distribution mechanisms exist in the two study areas. In Luang Namtha, as visitors are not allowed to trek to the communities by themselves, they have to rely on services from local tour operators. Therefore, the local tour operators are regarded as "gate keepers", who are responsible for benefit distribution. On the other hand local communities lack human and financial capitals to operate community based ecotourism enterprises by themselves. This exhibits similar pattern as in CAMPFIRE in Zimbabwe (Frost & Bond, 2008), where the Rural District Councils act on behalf of local communities to grant market access to ecotourists and safari operators, who later transferred the revenue to the participating communities. Despite the fact that CAMPFIRE has been proved successful, the programme encounters some problems such as underpayment and delayed payments to the communities. This is similar to the case in Luang Namtha, where provincial tour guides try to take advantage from local communities. Nevertheless, attempts have been made to solve the problems through an intervention of public sector and donor organization. LDICT instructed local communities to monitor provincial guide behaviours.

In addition, a village revolving fund was set up in each village. The fund serves as a mechanism to spread indirect benefits to other community members, who are not directly involved in tourism activities. This is common in several ecotourism development projects in developing countries. In the tourism revenue sharing programme (TRS) in Uganda for example, tourism revenue is spent for public services for local communities (Archabald & Naughton-Treves, 2001). Nevertheless, there are a number of challenges such as poorly defined policy, instable implementing institutions, corruption, inadequate fund and several

stakeholders with different priorities. The authors suggested four areas including (1) long term institutional support, (2) appropriate identification of target community and project type, (3) transparency and accountability and (4) provision of adequate funding. Similar problems also occurred in Luang Namtha, where local communities have inadequate ability to manage village fund, which lead to corruption, a lack of transparency and conflicts among community members. Consequently the provincial tourism office and the local tour operators have to intervene to manage the funds.

In Ban Na and Ban Hathkhai, the local communities through village tourism management committees are responsible for collecting money from visitors and distribute it to other stakeholders. This allows local communities to control tourism revenue by themselves and benefit more from tourism. A tourism revenue sharing scheme also exists in both villages, where it serves as microfinance scheme and village development fund. Importantly, local communities are allowed to manage village fund by themselves, thanks to better education in comparison to the communities in NHNPA. In the beginning, the problems such as a lack of transparency, conflicts occurred due to a lack of experience in local communities. Later, the development project provided training courses to strengthen institutions, which corresponded to what Archabald and Naughton-Treves (2001) proposed. In my opinion, it is a good example of conflict resolution as the local communities were allowed to learn how to solve conflicts by themselves, while development project acted as a facilitator (J. Butcher, 2007).

7.2.5 Burden Sharing

In both study areas, the local communities perceived very few negative impacts from tourism, there are however some burdens to different stakeholder groups. It was the local community, who bears a large amount of burden, but receives small benefits as it occurred in several cases in developing countries (He et al., 2008; Schellhorn, 2010; Scheyvens & Momsen, 2008). Three major concerns are increasing living costs, increasing waste, and limited access to natural resources in the two NPAs.

In NHNPA, the majority of the residents are subsistent farmers, who depend on forest resources for survival. With the presence of the visitors in the communities, more food and resources are allocated for serving the tourists. In this case, ecotourism might contribute to food shortage in the communities as an expert interviewee observed that some families faced the problem of insufficient rice supply due to an increasing number of visitors. This is similar to a case in the Maldives, where food was reserved for tourists while local people faced the problem of malnutrition (Scheyvens & Momsen, 2008), which is one of the serious negative impacts of tourism development. When tourism economizes rural communities, the people in the communities might increasingly become greedy which leads to loss of solidarity. It can be observed that local villagers already refused to exchange food among each other. On the other hand, provincial tour guides brought a lot of food from the town resulted in decreasing income in the communities. In addition, there is no programme to increase food production in the communities. In this regard, government and development partners and private sector could play important role to provide technical support for increasing food production.

As mentioned in the NHNPA case, one of the study communities has a chronic drug problem given that only three out of 21 households do not consume drugs. In many cases, the income from tourism is spent for buying drugs. This implies that instead of developing community, ecotourism might exacerbate the drug problem in the community. Nevertheless, several projects try to introduce tourism as alternative form to drug consumption in Meuang Khua, Phongsaly province. Studies should be conducted to find out if tourism helps to reduce drug consumption or worsen the problem.

In Ban Na and Ban Hathkhai, two major concerns are limited access to natural resources and increasing living costs. The problem is not limited to the communities, where ecotourism was developed, but also visible in neighbouring villages, where the residents also depend on natural resources in the protected area. The burden from ecotourism development spread to other communities. In this case, ecotourism might exacerbate conflicts among communities in the area, as it was occurred in 2009, when people from other village killed the elephants.

7.2.6 Effects of Ecotourism on Nature Conservation in the investigated NPAs

In both study areas, ecotourism created significant effects on nature conservation in the protected areas. First, it contributes funds for protected area monitoring activities through trekking permits (10,000 Kip in NHNPA and 30,000 Kip per visitor in PKKNPA). The effectiveness also depends on how revenues from the protected areas are spent. This requires transparency and accountability in the management of the fund. The entrance fees, however, are relatively low compared to the quality of the sites, given that the Lao protected area system has been claimed as one of the best protected area systems in the world (ICEM, 2003). It seems that the country has good products, but they are offered at cheap prices, without an accurate estimation of costs and benefits. A study in Annapurna Conservation Area, Nepal indicates that visitors are willing to pay considerably higher than US$27 (the price in 2006) just in order to enter the protected area (Baral et al., 2008). A similar study in Komodo National Park, Indonesia suggested that the visitors have agreed to pay ten times higher than the current fee (Walpole et al., 2001). However, in the case of Lao protected areas, research should be conducted to identify the value of ecosystem services of the protected areas and the willingness to pay of the visitors. So the park authorities could optimize economic benefits from tourism for protected area management, given limited allocation of the government budget.

Ecotourism helps to raise environmental awareness among local residents. Local communities confirmed that more forest has been protected after the introduction of tourism activities in the areas. The more benefits the communities received, the higher the environmental awareness (Sirivongs & Tsuchiya, 2012). Nevertheless, it is too naïve to believe that ecotourism could sustain nature protection in the long run, as ecotourism has been regarded a supplementary income source only. Also, increasing benefits from tourism do not translate into nature protection (Christensen, 2004). Some tourism revenue was invested in forest destruction activities (e.g. rubber plantation) in the two study areas.

The risky situation is that there are only few community benefits from tourism, and the benefits are relatively small. Even if communities that benefit from tourism support nature conservation, they might be forced to continue to

exploit the resources in an unsustainable manner if tourism incomes are only a marginal contribution to their livelihood. Therefore, there might be conflicts between conserving and exploiting natural resources among stakeholder villages of the protected areas. Another risky factor is an increasing foreign direct investment in natural resource-based sectors (e.g. mining and hydropower), mainly from neighbouring countries. This would drive forest destruction and protected area encroachment.

7.3 Generalizability of the Results

7.3.1 Ecotourism in NPAs of Laos

Some aspects of this research are generalizable to other NPAs in Laos as ecotourism development takes place in a similar fashion. The government promotes the replication of the Nam Ha model in ecotourism projects in other NPAs in Laos. It is often the case that international development agencies together with government offices initiate tourism development programmes. Later on the private sector has been requested to engage in the processes. In Nam Et-Phou Louey NPA, for example, international development agencies (e. g. World Bank, World Conservation Society) financed the development of the Nam Nern Nigh Safari. Similarly in Nam Theun Reservoir in central Laos, ecotourism activities were proposed within the reservoir. The private sector was requested to develop and market the products.

Nevertheless, there are some aspects that this research could not be generalized. There are some areas that have special characteristics such as UXO contaminated areas. In this case, the development process is even more complicated as more stakeholders have to be involved in the process and the development costs would be higher. As the return on investment from ecotourism is relatively low, ecotourism development could not be seen as a viable investment or livelihood strategy in the short run; therefore, may not be regarded as a priority for local development.

7.3.2 Ecotourism in Developing Countries

The discussion above showed that this research's results confirm development in other areas, where ecotourism development was also initiated by international development/conservation agencies. As developing countries share similar problem of ineffective policy implementation due to weak local institutions and lack of participation of local people in designing these institutions, the novel lessons learned on the benefit and burden sharing might also relevant for ecotourism project in other developing countries:

1. Communities that can co-design the rules of the game in ecotourism, have better access to benefits.
2. Direct benefits from ecotourism are perceived as incentives for the conservation of natural resources, which are appreciated by the tourists.
3. Local organizations for collective choice and actions (such as Village Tourism Management Committee) increase the power of local actors in negotiations which actors from outside the area (e.g. minimum prices for services provided)

4. Education, language skills, technical skills and empowerment are keys for the local population's access to benefits of ecotourism.
5. International donor organizations and conservation organizations can support training and empowerment of local actor for ecotourism.
6. Although burdens are not so evidence to local actors, there should be no major miss-match between the allocation of burdens (such as food shortage, increasing cost of living) and benefits from ecotourism, which - in contrast to the burdens – often are only tangible for a local minority (elite).
7. Benefit distribution mechanisms (e.g. Village Revolving Fund) ensure wider redistribution of benefits in the local communities.

CHAPTER VIII: CONCLUSTIONS AND PRACTICAL IMPLICATION

8.1Conclusions

The aim of this study was to examine the benefits and burdens distribution among ecotourism stakeholders, and how ecotourism has contributed to nature conservation in protected areas in Laos. The research was conducted in Nam Ha National Protected Area (NH NPA) and Phou Khao Khouay National Protected Area (PKK NPA) located in northern and central Laos respectively, where ecotourism was introduced to generate supplement income for local communities. The two cases were selected for comparative purpose.

The research suggests that local people at different levels have been extensively involved in the ecotourism development. Local participation in an early stage of ecotourism development constitutes an important success factor of the development. Also, local participation guarantees survival of the private sector in particular and tourism industry as a whole, given that local communities are nature protectors and local ways of life constitute an important attribute of ecotourism products. Economic benefits must be secured for local communities, as they are the main driver of local participation.

In many cases, actors outside the protected areas manage to make more benefits from ecotourism development. This study suggests that an ideal strategy to bring more benefits from tourism to local communities is to allow the local communities to contribute to the design of the rules regulating ecotourism development and operation. This, however, applies only to communities, where local people have been already empowered. In case a community is weak in terms of human, social and financial capital, the government and other development partners should play a facilitating role to empower local communities to be able to negotiate with other actors outside the communities.

Apart from direct benefits, a village revolving fund is a mechanism to spread ecotourism benefits to wider community members. This serves as a catalyst to motivate other community members, who are not directly involved in tourism, advocate ecotourism in the community and contribute to nature conservation in the protected areas. Nevertheless, a lack of transparency in the management of the fund is a challenge, especially in the communities in NHNPA, where village revolving funds are controlled by local tour operators based in the town of Luang Namtha. Therefore, capacity building in this area should be carried out to enable the villages to manage the fund like other development projects did in Ban Na and Ban Hathkhai.

Where the communities can, to some extent, operate tourism enterprise by themselves (such as in Ban Na and Ban Hathkhai), an involvement of the private sector in developing and marketing tourism products is deemed necessary. The allocation of benefits and burdens between the private sector and local communities, however, must be balanced.

The majority of the visitors visiting Luang Namtha and Ban Na and Ban Hathkhai are from western countries. Although, the conditions of the two protected areas, to some extent, can satisfy the tourists' needs, several areas require further development. The most urgent needs are English language and hospitality skills of local people who are working in the tourism industry at the province and village levels. Some tourism-related products (e.g. food, drink,

souvenirs, etc.) should be diversified to increase the visitors' spending in the villages and to generate more income for the local people.

One of the utmost concerns is a lack of effective implementation of ecotourism policy, which is common in developing counties, where the governments speed up economic development at the cost of environmental degradation. Several government ministries have to work together to review socioeconomic development plans at the provincial and national levels in order to allocate zones from development. Also, the private sector might contribute to sound ecotourism policy implementation given that the private sector can set up an ecotourism association serving as mechanism to observe the application of ecotourism principles.

Another concern is that ecotourism stakeholders, especially at the local levels, lack understanding on the meaning and the underlined principles of ecotourism. Therefore, deeper understanding on the concept and principles of ecotourism should be developed among ecotourism stakeholders from national to local levels. Naturally, most people are myopic: long term benefits from natural resources are shaded by immediate pleasure from the consumption of the resources. The local people tend to invest in other sectors (e.g. rubber plantation, cassava plantation…), which promise higher return on investment, but in fact, it is not the case due to the fact that rubber plantation requires a lot of time, labour and capital and the rubber price is decreasing. Studies might be conducted to find out whether rubber plantation is a viable economic activity for the local communities.

A major concern regarding burden sharing is the limited access to natural resources in the protected areas, which is vital for the livelihood of the local communities, especially in NHNPA. The problem can be mitigated by improving agricultural technology to enhance productivity. This might reduce pressure on the natural resources in the protected areas. Alternatively, local products (e.g. handicrafts) can be developed to generate additional income to villagers. Some villages near the town of Luang Namtha already did with the cooperation with a Japanese businesswoman, who assists villagers to improve the products and export them to Japan. Ban Na and Ban Hathkhai already performed quite well in this area.

In both study areas, ecotourism is being acknowledged as a certain additional income source; however, it only generates a marginal income for the local communities within the protected areas. Thus it seems that ecotourism in its current form is not able to compete with other, more environmentally destructive land uses such as logging, slash and burn agriculture, and particularly rubber plantation. Given that economic benefit constitutes an incentive for nature conservation, ecotourism as a tool for nature conservation might be difficult to realize in the long run.

8.2 Practical Implications

8.2.1 Community Level

8.2.1.1 General Recommendations

Strong community leadership is very important for ecotourism operation as community leader play leading roles in working with external actors, benefit distribution, rules enforcement and so on. Also, strong leadership promotes solidarity and collective actions in the communities. Therefore, strong leadership

should be promoted in the communities to enhance transparency and justice among community members.

8.2.1.2 Specific Recommendations for communities in Luang Namtha

Capacity building

As the local residents have a relatively low level of skills (e.g. cooking, tour guiding etc.), training programmes should in the beginning focus on activating tacit knowledge rather than teaching explicit knowledge. This implies learning by doing and exchange between community members. Provincial tour guides, who have better skills, have to engage villagers in more and more tasks. This would reduce the dependence on the public sector and donor organizations for human resource development in the long run.

In a second stage, community members should be given the opportunity to acquire English language skills, so that more direct communication with tourists would be possible. Tourists could be invited to assist in lessons. Ideally some community members should also finally be qualified to work as provincial tour guides.

Product diversification

There is some cultural heritage such as ceremonies, performances etc., which could be of interest for tourists. Further development and promotion are needed to generate additional income for the communities and to revitalize such heritage. Local products such as local dishes, handicrafts, produce etc. should be developed and market to generate additional income for villagers. The donor organizations, the public sector and the local tour operators can assist the communities in this regard.

Developing standard menus

Given that there are no standard menus in the villages, the estimation of food cost and income from cooking is difficult. Standard menus can be developed in the villages to allow villagers to estimate food costs and income and contributes to ensure a fair distribution of cooking revenues. In addition, the prices of the services should be adjusted according increasing living costs.

More interaction with visitors

Given that visitors expect more interaction with local cultures, interactions between visitors and local residents should be promoted. So both local communities and visitors can optimize social benefits from intercultural exchange. As the local residents lack English language skills, provincial tour guides have to play a facilitating role in the interaction process. Donor organisations should provide consultation on organisation of activities that do not require verbal communication (such as playing football together, joint preparation of meals…).

Road construction

As a road to the villages was being constructed at the time of the investigations, the three communities should work together to agree who is illegible to use the

road. Gate keepers at the entrance to the protected area may be necessary. Given that Chinese investors approach village authorities to build a road in exchange for land areas for rubber plantation, public offices (e.g. department of forestry and agriculture) have to assist local communities in evaluations of the costs and benefits of the proposal.

Waste management

The waste is disposed along trekking trails as well as in the villages. In most cases, it is the forest residents who dispose the waste along the trails. None of the villages in the areas claimed the responsibility for waste disposal. All villages in the area should work together in this regard. Village authorities should play an important role in creating awareness among community members regarding waste disposal along the trails. In the communities, community members should learn how to manage the waste, with the assistance from external actors.

8.2.1.3 Specific Recommendations for Ban Na and Ban Hathkhai

Capacity building

In Ban Na and Ban Hathkhai, one of the most urgent needs is improving English language skills of the villagers, especially for village tour guides who play a key role in tourism in the village. Knowledge on the community and natural resources in the area should be enhanced as well. Additional cooking and hospitality training programmed should be offered for homestay hosts. The facilities in the homestay families should be improved and standardized, so that the prices of the services can be adjusted according to the quality of the services. Exchange of lessons learnt among villagers should be promoted.

Tourism product diversification

Ban Na and Ban Hathkhai have a large potential for development in the future. New tourism activities (e.g. kayaking, biking, camping, caving…) can be developed to complement with the existing attractions and substitute the old ones (wild elephants). As the villages have limited funds for investment, money from the village revolving funds should be spent to develop these activities. Given that visitors rely on tour operators from Vientiane Capital equipment such as bikes, camping equipment etc. villagers may supply equipment for rent. As the villages are located near urban areas, where mobile signal is available, Internet access may be provided for visitors.

Developing standard menu

Like the communities in NHNPA, there are no standard menus in Ban Na and Ban Hathkhai making estimation of food costs and revenue difficult. The Bolikhamsay Department of Information, Culture and Tourism should train homestay hosts in the two villages in developing standard menus. This would enable the homestay hosts to calculate food costs and revenue. On the other hand, standard menus assist visitors in decision making what they want to order from the host.

Unsustainable harvesting of natural resources

The rules of the extraction of natural resources in the areas should be more effectively enforced. Additional awareness creation should be carried out regarding the importance of natural resources to the well-being of local people. Barriers may be built to prevent rotavators (handed tractors) to access to the protected area for illegal logging.

Wild orchid restoration

As the two villages have a problem with unsustainable wild orchid harvesting, a wild orchid garden should be established for touristic and scientific purposes. The garden can be an attraction for visitors and additional income source for villagers. The provincial authority and donor organizations could help villagers to do this.

Control domestic tourist behaviours

There are some local day-trippers from urban areas, who carelessly dispose waste or set fire for cooking in the waterfall area (Ban Hathkhai). This generates additional waste and constitutes a possible source of forest fire in the protected area. The village authority should develop stricter rules to control behaviours of the day-trippers on the use of tourism sites.

8.2.2 Provincial Level

8.2.2.1 General Recommendations

As provinces are responsible for tourism planning and regulation, provincial tourism department should work to develop tourism resource inventory. Unique tourism products should be identified for development. Importantly, systematic data collection and management should be developed with the assistance from the Tourism Development Department, Ministry of Information, Culture and Tourism, and donor organizations. Information is vital for market research and estimating demands in order to determine the carrying capacity of tourism sites. Provincial tourism departments should play a role in linking local communities with TDD and the needs of the local communities should be addressed in tourism development agenda at the national level. Also provinces should work together to promote more exchange between the provinces.

8.2.2.2 Specific Recommendations for Luang Namtha

Capacity building

In Luang Namtha, the provincial tourism department should work with other stakeholders to provide additional training on some basic skills such as English language, cooking, tour guiding, handicraft production, microfinance, and facility management. These would allow local communities to more participate in tourism activities and manage village revolving fund by themselves. As a community-based tourism training centre was already set up, ecotourism related-curricula should be developed and regular offered for public staff and local people working in tourism industry. The centre may cooperate with the National University of Laos and TDD for academic exchanges.

Regulating tourism development

At the provincial level, ecotourism product development should be monitored. The main problem in Luang Namtha is that most ecotourism products are identical, with over 100 trekking routes. The provincial tourism department should work with the local tour operator to rejuvenate tourism products with distinct profiles in order to make them more attractive for the markets.

Establishment of a local tour operator association

A group of local tour operators should be upgraded to a status of an association. The rules and standard practices of tour operation should be developed which the assistant of the provincial tourism department and donor organizations.

Agriculture technology for villagers

The provincial tourism department should work with other provincial stakeholders to provide additional training to local communities, especially in conservation and agricultural technology. This would raise more awareness on nature conservation for the local people. Better agricultural technology improves agricultural productivity, food security and reduces pressure on the forest resources.

Improve public goods in the communities

The province stakeholders should work together to improve public services in the communities, especially education for younger generations.

Threats from foreign investment

Foreign direct investment in the primary sector poses threats to the protected areas. The provincial authorities should re-evaluate the proposed investment projects and reconsider zoning for the investment.

8.2.2.3 Specific Recommendations for Bolikhamsay Province

Capacity building

The provincial tourism department should assist the communities in terms of capacity building. More training programmes such as English language, tour guiding, cooking etc. should be provided in the villages.

New product development

The two villages have initiated new tourism product development. The provincial tourism department, with the assistance from donor organizations, should provide the villages in terms of financial and human capital.

Promotion of organic agriculture

As the communities already have the idea of promoting organic agriculture production for supplying vegetable in tourism sector and other markets, the provincial stakeholders, especially the Department of Agriculture and Forestry, should assist the community in technical issues and implementation of rules for certification.

Infrastructure development

One of the aspirations of the two communities is to have better roads to the villages. The provincial stakeholders may allocate some budget for road improvement.

Conservation of natural resources

Reforestation should be promoted by provincial stakeholders. As Ban Hathkhai already initiated the establishment of wild orchid garden, provincial authority should provide technical assistant in this matter.

8.2.3 National Level

Development of ecotourism education programme

Education is one of the main components of ecotourism. The Tourism Development Department (TDD) should work with education institutions to develop and include ecotourism, sustainable tourism at the tertiary and vocational curricula. Laos has a comparative advantage in nature-based and culture tourism, yet specialized training on these subjects is still limited.

Ecotourism and ecoguide certification programme

Sound practice of ecotourism by the application of national ecotourism principles can be promoted at the national level. TDD should work with the private sector and other stakeholders to develop ecotourism certification programme and specialized ecoguiding programme.

Promotion of scientific research

More research should be promoted in order to supply information for product development. TDD and donor organizations should cooperate with higher educational institutions and other stakeholders to strengthen research capacities.

Development planning

Zoning for development is needed to minimize protected areas encroachment. TDD should work with other government agencies such as Ministry of Agriculture and Forestry and Ministry of Natural Resources and Environment and other ministries to exchange information on the.

Evaluation of ecotourism policy implementation

The needs of the local communities should be addressed in national tourism strategy. This would help to empower local communities to more participate in ecotourism activities. TDD should continue working with international development organizations and international ecotourism operators, who have more experiences in working with local communities.

Appendix 1: Expert Interview Guide

Site: ……

Interviewer: ……..

Date: ……

Start: ……

End: ……

1. What is your organization's understanding on ecotourism?
2. Could you describe your organization's roles in ecotourism planning and development in Laos?
3. How and why did your organization get involved in the planning and development process?
4. To what extent local people were involved in the planning and development processes?
5. How did your organization facilitate local people to participate in ecotourism planning and development processes?
6. What benefits your organization has received from ecotourism?
7. How benefits and burdens have been shared among all groups of people involved in ecotourism?
8. Could you describe the fair share of such burdens and benefits, in particular the share of local communities and within the local communities?
9. What needs to be done to achieve a better share?
10. Based on your opinion what are the positive aspects and challenges facing the implementation of ecotourism development plan?
11. What your organization should do to solve the problems?
12. Based on your previous experience what is your perception ecotourism in Laos?
13. Do you have any other comments about ecotourism in Laos?

Appendix 2: Key Informant Interview Guide

Information about the informant: Date of interview

Name:

Age:

Gender:

Questions

1. How long have you been involve in tourism?
2. Could you describe what you do in tourism?
3. How tourism is organized in your village?
4. How government, projects and tour companies help you to work in tourism?
5. What are your contributions in development of tourism in your village?
6. How the money from tourism has been distributed in your village?
7. What are the problems you face in your work?
8. What are the good things of tourism?
9. What are the bad things of tourism?
10. What do you expect from government, projects and private companies?
11. What are your suggestions to make tourism better?
12. What are your additional comments on ecotourism?

Appendix 3: Life History Interview Guide

Background:

Full name
Place and date of birth
Father's name, place and date of birth
Mother's name, place and date of birth

Childhood:

Where did you grow up?
Describe the house you lived
Describe the village you live
Describe the sort of food you ate
Describe the type of cloth you wore
What was your favorite activity?

Family:

How many people in your family?
What does each person do?
What sort of things your family celebrates?
Describe the families gathering, wedding, *baci* ceremony, house warming etc.
Describe family ceremonies

Education:

Did you attend school? If not, why?
If yes, how many classes were there?
What the school look like?
What teacher looks like?
How many students in the class?

Work:

What did you do before?
What are you doing now?
Describe your daily activities

Marriage partner:

Where did you meet you partner?
When did you get married?
What does your partner do?
How is the relationship between you and your partner like?

Work in tourism:

How long have you work in tourism?
Why you decided to work in tourism?
How did you start working in tourism?
What do you do in tourism?
Describe your work
How money from tourism has been distributed in your village?
What are the problems concerning the distribution of money?

Between working with tourists and in the field, which one is better? Why? Why not?

Are you happy with money you earn from tourists? Why? Why not?

What do you think about tourists present in your village?

Do you like tourists? Why? Why not?

Religious activities:

What are religious activities in your village?

Describe religious activities in your village

Free time:

What do you do in your free time?

What are festivals available in your village?

How the festivals are organized?

Who attend the festivals?

What is the important part of the festival?

Appendix 4: Questionnaire

I am a research assistant from the Faculty of Social Sciences National University of Laos. I am helping Kiengkay Ounmany, an assistant lecturer and a PhD student at the University of Natural Resources and Life Sciences Vienna, Austria, in collecting data for his research. Currently he is conducting research on ecotourism in Luang Namtha and Ban Na and Ban Hadkhai with specific focus on benefits and burden to local communities.

The aim of this questionnaire is to collect data on how ecotourism benefits and burdens have been shared among different groups of people. The information you provided will not be disclosed to other community members or authorities. I will spend 30 to 40 minutes for the interview.

Local participation in tourism

1. How are you involved in tourism in your community?
   ○Village tourism manager ○Tour guide ○ Cook
   ○ Masseuse
   ○ Guesthouse keeper ○ Souvenir producer ○Souvenir vender
   ○ I am not involved in tourism ○ Other (specify) ……

   If not involved, why?

   ……
   ……
   ……

   If you are not involved in tourism, please go to **Question 17.**

2. How long have you worked in tourism?
   □ Less than 1 year □ 1 to 3 years □ 4 to 6 years
   □ 7 to 9 years □ 10 years up

3. Why you decided to work in tourism?

   Spontaneous……

   ……

   ……..

Question	Yes	No	I do not know
I want to earn money.	□	□	□
I want to get in touch with foreigners.	□	□	□
I want to save money for the future.	□	□	□
I want to contribute to village development.	□	□	□
I was unemployed.	□	□	□
I want to learn foreign language.	□	□	□
Someone convinced me to do.	□	□	□

4. On the average, how much you earn from tourism per month?
   □ Less than 100,000 Kip □ 100,000 to 300,000 Kip □ 300,000 to 500,000 □ 500,000 to 700,000 Kip □ 700,000 to 900,000 Kip □ 900,000 Kip up
   □ I do not know □ I do not want to tell

5. What factors determine the ability to make more benefits from tourism? (More than one answer is possible)
   Spontaneous……
   ……
   …….
   ○ Personal education
   ○ Personal enthusiasm
   ○ Family economic status
   ○ Provide better services to tourists
   ○ Tourist characteristics
   ○ Number of labors in the family
   ○ Time availability
   ○Others (please specify)
……

6. How do you spend the money from tourism for?
   ○ Buying food
   ○ Buying learning material for children
   ○ Going to hospital in case of illness
   ○ Investing in other activities……..
   ○ Other (please specify)……..

7. Are you satisfied with the money you earn from tourism in relation to your effort?
   □ Strongly dissatisfied □ Dissatisfied □ Cannot decide □ Satisfied □ Strongly satisfied

8. If the income from tourism is high enough for living will you completely switch from other activities to work in tourism?
   □ Yes
   □ No
   □ I do not know
9. What are the problems you are facing in working with tourists? (More than one answer is possible)
   Spontaneous……
   ……
   ……

○ I do not understand the language.
○ I do not have enough hospitality skills.
○ I do not have enough time to do.
○ The facilities are not good enough.
○ Tourist behaviors/expectation
○ Other (please specify)
……
……
…… ……..

Benefit and burden sharing

10. How would you rate who makes more benefit from ecotourism development?
    (From 1 the most and 6 the least)
    ○ Department of tourism
    ○ Protected Area Management Unit
    ○ Tour operator
    ○ Provincial tour guide
    ○ The whole village
    ○ Villagers
    ○ Someone else…….

11. How would you rate who bears more burdens from ecotourism development?
    (From 1 the most and 6 the least)
    ○ Department of tourism
    ○ Protected Area Management Unit
    ○ Tour operator
    ○ Provincial tour guide
    ○ The whole village
    ○ Villagers
    ○ Someone else…….

12. Between women and men, who make more benefits from tourism?
    □ Women □ Men
13. Between women and men, who bear more burdens from tourism?
    □ Women □ Men
14. Do you agree with the current revenue sharing scheme?
    □ Agree
    □ Disagree

15. If not, what should be done to improve?

……
……
……

16. Do you agree with the current accommodation charge?
    □ Agree
    □ Disagree

17. If not, what could be an ideal charge per person?
    □ 35,000 Kip □ 40,000 Kip □ 45,000 Kip
    □ 50,000 Kip □ 55,000 Kip

18. Do you agree with the current food charge?
    □ Agree
    □ Disagree

19. If not, what is an ideal charge per person?
    □ 35,000 Kip □ 40,000 Kip □ 45,000 Kip
    □ 50,000 Kip □ 55,000 Kip

Tourism impacts

20. What are the benefits of tourism to the village?
    (More than one answer is possible)

    Spontaneous……

    ……

    ……

    ○ More job and income
    ○ Better education
    ○ Conservation of forests
    ○ The village is cleaner
    ○ Better health care
    ○ Other (please specify)
    ……
    ……
    ……

21. What are the negative impacts of tourism in the village?
    (More than one answer is possible)

    Spontaneous……

    ……

    ……

    ○ Conflict among villagers
    ○ Increasing living cost

○ Increasing crime rate
○ Increasing waste
○ Risk of diseases
○ Environment is destroyed
○ I have been banned from collecting some forest products……
○ Other (please specify)……
……
……...

Future Development

22. What we should do to make tourism sustainable in the village?
(More than one answer is possible)
Spontaneous……
……
……..
○ More benefits to local communities
○ Attract more tourists
○ Protect wildlife and forests
○ Provide more education and training
○ Improve infrastructure and facilities
○ Proper waste management
○ Protected local culture
○ Development new tourism sites
○ Diversifies tourism activities
○ Different stakeholders working together
○ Other (please specify)……
……
……

23. Could you give additional comments on tourism in your community?
……
……
……
……
……
……

Respondent Profile

24. Sex
□ Male □ Female

25. Marital status

□ Single □ Married

□ Divorced □ Widow □ Other…….

26. Age

……..years old

27. Education

□ Primary □ Lower secondary □ Upper secondary □ Other……

28. Responsibility in the village

□ Village chief □ Elder □ Head of Woman Union □ Village security □ Youth Union □ Other (please specify) ……

29. Occupation

□ Farmers □ Housewife □ Handicraft maker

□ Other…….

30. Monthly family income

□ Less than 300,000 □ 300,000 to 500,000 Kip □ 500,000 to 700,000 Kip □ 700,000 to 900,000 Kip □ 900,000 Kip up

□ I do not know □ I do not want to tell

31. Main sources of income of the family

□ Non-Timber Forest Products □ Animal Breeding □ Tourism □ Rice Plantation □ Handicrafts □ Teaching □ Other:……

32. Ethnic group

□ Lao Loum □ Lanten □ Khmu □ Meui □ Akkha □ Hmong □ Other……

33. Religion

□ Buddhism □ Animism □ Catholic □ Other……..

Thank you for your help!

Appendix 5: Preliminary Plan for Stakeholder Seminar

Objectives: The objectives of the seminars are twofold. First the seminars aim at enhancing knowledge on community-based tourism (CBT) to different stakeholder groups particularly local communities. The second objective is to report preliminary results to representatives of different stakeholder groups in order to integrate their knowledge for developing sustainable solutions of ecotourism in Laos.

Time and Place

The seminars will take place in two places: in the office of Luang Namtha Department of Information, Culture and Tourism on 21 January 2014 and in Ban Na Village Hall on 4 February 2014.

Implementation

The seminars will be organized in the morning and lasts until noon. Department of Tourism Development in cooperation with development projects and local authorities are responsible for the organization, while the researcher is in charge of providing inputs and facilitation during the seminars. The seminar will be carried out according to the following format:

Section I: Opening remarks by concern provincial authorities (e.g. General Director of Luang Namtha Department of Information, Culture and Tourism)

Section II: Introduction to the workshop, presentation on theory of community-based tourism, and report the preliminary findings and reflection from participants.

Section III: Small groups: brainstorming on possible solutions for the problems

Section IV: Feedback from small groups, discussion and closing remarks.

Implementing Organizations

- Tourism Development Department, Ministry of Information, Culture and Tourism
- Sustainable Tourism Development Project (STDP) and NZAID
- Luang Namtha Department of Information, Culture and Tourism
- Bolikhamsay Department of Information, Culture and Tourism

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Prospective Participants

- Tourism Development Department
- Luang Namtha Provincial Department of Information, Culture and Tourism
- Bolikhamsay Provincial Department of Information, Culture and Tourism
- National Protected Area Management Units
- Provincial Tour Guides
- Ecotourism Operators
- Ecotourism Development Projects
- Transport Providers
- Village Representatives
- Interested Community Members

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