

## CHAPTER 2

### LITERATURE REVIEW

In chapter 1, the overview of the thesis configurations was described. For this chapter, its main purpose is to review the literature work relevant to disciplines involved in the thesis. It comprises three main themes; cultural tourism in Thailand, community based tourism in Thailand, and co-operative and community development in Thailand.

#### 2.1 Cultural Tourism in Thailand

Although literature concerning cultural tourism in Thailand is relatively scarce, practical evidence in culture related tourism is remarkable. The Thai Government by means of the Tourism Authority of Thailand (TAT) has positioned Thailand as a cultural tourist destination. In recent years, it has severely promoted tourism market through a number of cultural activities. Among tourism promotion tools used by the TAT, its website, especially the sections of 'Festivals' and 'Things to see and do', is prevailing and really confirms the strong emphasis of TAT on the cultural tourism. Certain examples<sup>7</sup> of the cultural tourism activities being promoted include Songkran Festival, Loi Krathong Festival, Candle Festival, Ratri of Wat Arun Light and Sound Show, Thai Folk Song Festival, and In Memory of Ayothaya: The World Heritage Site.

Apart from those activities mentioned above promoted at the national level, the TAT also provides a specific section for those who love cultural tourism at the local level. The section<sup>8</sup> is titled 'Thai Tourism Festival to Highlight Local Cultures and Products'. Three major highlights of the year 2002 are performances of local festivals of the four regions of Thailand, a mini light and sound presentation to celebrate the 220<sup>th</sup> anniversary of Bangkok, and an agrotourism exhibition featuring local products and crafts.

---

<sup>7</sup> For more details about festivals and cultural events promoted by the TAT, please refer to <http://www.cyber-housing.com/tat/eng/home/index.php>

<sup>8</sup> <http://www.cyber-housing.com/tat/eng/news/news001.html>

The web page of TAT titled ‘Festival of the World’<sup>9</sup> really reflects a strong effort of the Government to use Thai culture, both tangible and intangible, as tourism products to market domestically and internationally. The introductory message below is obvious that cultural tourism is a crucial part of promoting tourism industry in Thailand.

*“The human beings love to learn and to experience new things. Nowadays, customs and ways of life of people become an important tourism resource. In the age of globalization, high-speed communication is a supporting factor for those who love to travel. Each year, thousands of foreign visitors celebrate and join major festivals in different parts of the world.*

*The activities in Songkran Festival and Loi Krathong and Candle Festival are participated by foreign visitors with no effect caused to the main idea of the festival. The Tourism Authority of Thailand (TAT) plans to promote both activities internationally as "The Festival of the World", maintaining the balances between cultural preservation and tourism promotion. Foreign visitors are able to learn local customs of each region and understand more on ways of life of each community. The vision of the Tourism Authority of Thailand in the years 2002 - 2006 is to emphasize on sustainable tourism, Thai ways of life and international standard in terms of economic, social and environment.”*

Aside from the TAT, other agencies also see the importance of cultural tourism promotion. Some examples of these agencies include Thai Airways International (THAI), Bangkok Metropolitan Administration (BMA), and Ministry of Agriculture and Co-operatives (MOAC). The THAI has long worked shoulder to shoulder with the TAT in promoting cultural tourism activities and events both on board and in its website.<sup>10</sup> The Bangkok Metropolitan Administration has introduced a policy to protect and preserve the Rattanakosin Island as the main cultural area and joined the TAT to organize the cultural walking street projects at Silom Street and Phra Arthit Street. The MOAC has actively promoted agrotourism projects with a sense of cultural conservation in the visited communities.<sup>11</sup> This evidence can prove that cultural tourism has been taken into account by several authorities.

---

<sup>9</sup> <http://www.tat.or.th/festival/index.htm>

<sup>10</sup> <http://www.thaiair.com>

<sup>11</sup> <http://www.moac.go.th>

Cultural tourism is viewed as sustainable tourism by the TAT. The TAT categorizes four kinds of sustainable tourism; ecotourism, cultural tourism, health tourism<sup>12</sup>, and agrotourism<sup>13</sup>. In this regard, the TAT sees cultural tourism as follows (TAT, 2001, leaflet).

*“Cultural tourism is a form of tourism that allows tourists to admire and learn about local cultures and tradition. The local community participates in the management of this form of tourism, which is based on the principle of conserving local culture and the environment. Examples of culture-based tourism include visiting the Royal Court or experiencing local life in a hill-tribe village.....Every kind of existing tourism operation can become sustainable tourism if tourism managers take responsibility for the destination’s socio-cultural and natural environment.”*

The perception of the TAT towards cultural tourism implies that it recognizes culture in the forms of tangibility (Royal Court) and intangibility (local life in a hill-tribe village). This is in line with the definition of cultural tourism given in chapter 1.

However, based on the same quotation above, it can be noted that sustainable tourism is the result of tourism management, not only by the responsibility of tourism managers as stated by the TAT but also by the cooperation of tourists/visitors and the visited destinations. Sustainable tourism in the researcher’s point of view is only the concept of managing tourism. Therefore, every kind of tourism operation can be viewed as sustainable tourism if the result of management appears sustained.

As the term ecotourism seems to be more heavily used when talking about sustainable tourism than the term cultural tourism despite the fact that the latter one also play a crucial role in sustainable tourism development, it is an appropriate manner to explore how they relate to each other. Tourism Authority of Thailand (TAT) views ecotourism as responsible travel in areas containing natural resources that possess endemic characteristics and cultural or historical resources that are integrated into the

---

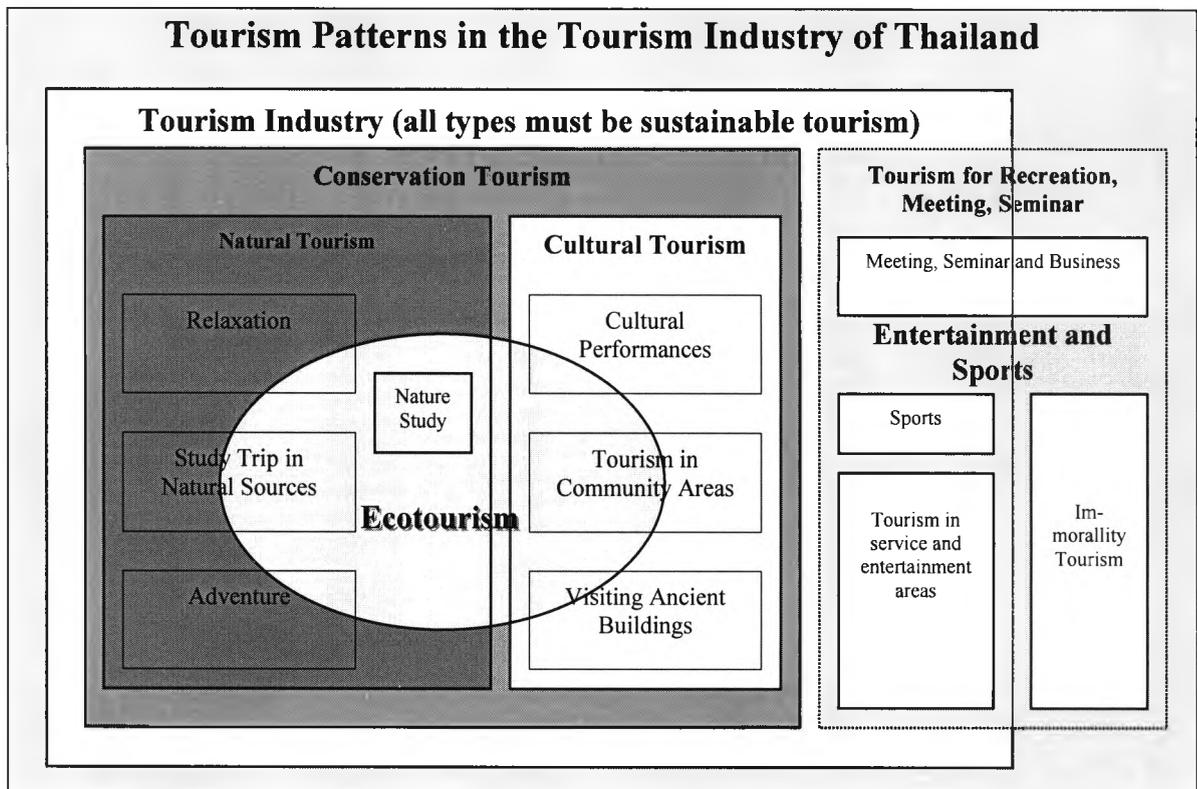
<sup>12</sup> Health tourism is a form of tourism involving activities that deliberately promote good health. Examples of health tourism include visiting exercise or meditation centers or resorts that provide health services or specialize in vegetarian food. Such visits are typically of a specified duration such as 3, 5, or 7 days (TAT leaflet on Sustainable Tourism).

<sup>13</sup> Agrotourism is a form of tourism in agricultural areas such as orchards, agroforestry farms, herbal farms, and animal farms, which have been prepared in some way for the tourists. More importantly, tourists gain experience in farming activities, such as working with animals or harvesting crops, usually under the supervision of a farm guide. Lecture describing the operation of the farm may also be given (TAT leaflet on Sustainable Tourism).

area's ecological system. It is a new means of tourism management that minimizes environmental impacts by focusing on participatory learning between relevant sectors, particularly the local community.

TAT goes on to say that destinations for ecotourism are valued for their ecological characteristics as well as for cultural identities that often have close links with the natural environment. It also discloses tourism patterns in the tourism industry of Thailand, which illustrates that ecotourism is the bridge of nature tourism and cultural tourism. In other words, the two kinds of tourism mutually form ecotourism.<sup>14</sup> The patterns are displayed below.

Figure 2.1: Tourism Patterns in the Tourism Industry of Thailand



Source: Thailand Institute of Science and Technological Research, 1997. Final Report Operational Study Project to Determine Ecotourism Policy submitted to the Tourism Authority of Thailand, cited in TAT pamphlet on 'Ecotourism in Thailand', p. 4.

<sup>14</sup> TAT pamphlet on 'Ecotourism in Thailand' p. 1

Figure 2.1 above implies that although cultural tourism is a different kind of tourism from ecotourism, it shows that cultural tourism and ecotourism may be mingled together in some tourism areas, such as in local communities where basically cultural and natural resources can be seen in the same place. An example is the case of Mae Gum Pong Royal Project Electricity Co-operative, Limited. The Co-operative offers cultural tourism services such as local dance shows whereas at the same time as it is surrounded by forest, an ecotourism related activity such as forest tour guiding is also offered.

Yos Santasombat (2001: 8-10) states that the concept of ecotourism can be perceived in several dimensions. Out of these dimensions, three are related to cultural contexts. Firstly, ecotourism is concerned with the structural changes of economy, politics, and natural environment. The community has to adjust itself to such changes, which will reflect the relationship between the local context and the conditions outside the community. If private tour operators come into the community to exploit the local resources for their own sake and ignore the negative effects that may occur to the community, the tourism business in the community can hardly be sustained and it will eventually leave behind a lot of natural and cultural damages.

Secondly, ecotourism reveals the interdependence between humans and nature as living in the same ecological system. In this regard, ecotourism accelerates the motive of humans to utilize the natural resources in a sustainable manner. If humans preserve the natural resources well, then the resources will return to the humans with good benefits. In other words, the natural and environment resources properly preserved by the community will attract tourists to come and bring more income to the community. The way they support each other is the origin of local culture.

Thirdly, ecotourism always goes with cultural concerns. It is a form of tourism that shows respect to the cultural diversity of ethnic groups whose ways of life and traditions are unique. The cultural concerns are also involved in respecting dignity and rights of humans in the ethnic groups or communities. In return, ecotourism teaches the community to be proud of their cultural resources and be interested in learning and preserving them with a sustainable way not only for the community prosperity but also for their next generation.

It can be concluded that Yos Santasombat sees the symbiosis of cultural tourism and ecotourism and both of them have the same common focus on sustainable development. Yos Santasombat also views cultural tourism in a sense of intangibility, such as dignity and rights of humans in the ethnic groups or communities. This is quite different from the perception of TAT to cultural tourism characteristics. The TAT regards cultural tourism in a wider range than Yos Santasombat by covering the senses of tangibility and intangibility of cultural resources. While the Yos Santasombat looks at cultural tourism in the local context, the TAT views that it can be performed at every level of societies ranging from the national level to the local level.

In this connection, although the case of co-operative based cultural tourism management at Mae Gum Pong community was studied at the local level that corresponds to the perception of Yos Santasombat, the researcher well understands that cultural tourism can be seen in various forms at any level of societies. Also, cultural tourism is not necessary to be symbiotic with ecotourism in all cases if cultural tourism is especially designed for cultural purposes, such as visiting the Grand Palace or a historical site in Ayutthaya Province.

## **2.2 Community Based Tourism in Thailand**

Since tourism has been used as a gear for boosting economic and social development, it is extensively promoted in almost all areas of the country. In rural areas, tourism has been introduced to communities under the concept so-called 'community based tourism'. This kind of tourism is basically focused on sustainability of local communities (Nuchnard Rattanasuwongchai, 1998; Chamnien Vorratchaiphan, 2001; and Yos Santasombat, 2001).

The concept of community based sustainable tourism (CBST) was developed as a way to overcome or minimize negative effects of tourism in a remote, rural area. CBST was developed as a form of tourism aimed at empowering local communities to be self-reliant, use a group process for local decision-making, support people's human rights and capabilities and help people raise income as well as improve standards of living on their own terms. Local knowledge, community participation, supports for local capabilities and

cultural exchange with tourists would help to sustain both cultural and natural resources (Chamnien Vorratchaiphan, 2001).

In this thesis, three cases of community based tourism were selected to be investigated for a practical understanding of community based tourism in Thailand. these cases include Plai Phongphang community in Samutr Songkram Province, Khiriwongse community in Nakorn Sri Thammarat Province, and Ban Huay Hee community in Mae Hong Son Province.

### **2.2.1 Plai Phongphang Community Based Tourism<sup>15</sup>**

Plai Phongphang community is located in a centuries-old village in Samut Songkram Province. Centered on a traditional Thai style house, the community opened ten homestay houses in 2000, which had increased to 25 houses one year later. Visitors can participate in many simple village activities, including an evening trip along canals to watch fireflies.

Despite the attractions of traditional Thai lifestyles in a water-born environment, rapid development of community tourism led to troubles and difficulties. The problems for the community arose from the firefly watching. The native firefly is found only in particular habitats and microclimates, which include the local 'lampoo' tree. However, the areas that support fireflies are some distance from the homestay community. Tourists had to travel by long-tail boat in the evening hours to see the fireflies, but the noise and pollution from the boats seriously disturbed communities along the way.

These communities along the canals quickly and decisively ended the intrusion by cutting down all the lampoo trees. No more trees meant an end to the fireflies, which meant to no more boats or tourists, no more noise, pollution or other

---

<sup>15</sup> Based on a presentation made by Chamnien Vorratchaiphan, Director of Grassroots Action Program, Thailand Environment Institute, at the National Seminar on Sustainable Tourism Development: Community-based tourism development and coastal tourism management in Indonesia, 24-28 June 2001, Jakarta, Indonesia, cited in *Managing sustainable tourism development*, ESCAP Tourism Review No.22, New York, 2001: United Nations, pp. 28-30.

disturbances. The mistake of the original project was that communities along the canals were not involved in the decision-making, nor given an opportunity to share in the benefits of community based tourism. Before developing the tourism activities, the community failed to establish policies and agreements on boat rental arrangements, noise level and measures to limit the exploitation of resources.

From the researcher's personal experience when visiting Plai Phongphang to study its community based tourism management, one interesting problem disclosed by the community leader was the continuity of influential supporters. At the beginning of implementing the community tourism, the leader of the Sub-district Administration Organization in that area upheld the local tourism well. Things seemed to go smoothly until the political shift occurred. A new leader of the local Organization took over the old one. The new one appeared to ignore or even refuse the support to the tourism community, thus giving a hard time to the tourism management.

It is evident from the above that sustainable tourism cannot be successfully implemented without the direct support and involvement of those who are affected by it. Therefore, evaluating the community sensitivity to tourism development is the first step in planning for sustainable tourism development. The evaluation is not an ephemeral event, it is an ongoing process. Communities are constantly evolving and so do tourism developments and their associated impacts. As a result, devising means to allow for people involvement in the process of tourism planning and encouraging people to participate actively in this process is of primary importance for sustainable tourism development (Martin and Pizam, 2000 in Wahab and Pigram (Eds): 164 – 165).

The lesson learned from the Plai Phongphang case is that the community needs to think and plan more carefully in a better participatory manner based on cooperation with all concerned groups. Plai Phongphang may then be able to lure back the fireflies and the tourists.

### 2.2.2 Khiriwonge Community Based Tourism<sup>16</sup>

Khiriwonge community won the first prize in community based tourism from the TAT in 1999. It is nestled in the foothills of Thailand's southern mountain ranges. The village is noteworthy as a community that has survived and flourished despite crippling adversity due to extreme deforestation and severe water related disasters. In 1988, Khiriwonge village suffered a devastating flood and several organizations came afterwards to provide relief and support long-term, sustainable solutions. As a result, the Khiriwonge Village Ecotourism Club was established to help local people preserve natural resources and the environment. Club activities include forest trekking, nature study tours, visits to fruit orchards, tree planting, etc. Tourist experiences are carefully planned and structured as villagers educate and enlighten visitors about their life and the environment.

With awareness of the deforestation-flooding linkages, the community is active in regular tree planting and forest and biodiversity protection for the surrounding Khao Luang Forest. To get as many stakeholders as possible involved in such activities in order to share the feeling and ambition of mutual responsibility of locality, tourists are encouraged to participate in tree planting and cultivation of native mushrooms and herbs. However, Khiriwonge villagers have placed controls on the number of tourists entering protected areas, with the number and frequency set in cooperation with the provincial forest office. This shows a systematic planning of tourism commonly made by the local community and relevant authority on the basis of sustainability.

The lessons learned from Khiriwonge community show that positive and successful results are possible with careful planning. Time is also necessary to build a strong community organization based on shared cooperative activities and to carefully plan ways to accommodate tourists and protect the natural resource base to provide an economic foundation for tourism revenue over many years to come. Khiriwonge villagers have become self-sufficient and successful at managing community based ecotourism.

---

<sup>16</sup> Ibid.

### 2.2.3 Ban Huay Hee Community Based Tourism

Ban Huay Hee community based sustainable tourism project<sup>17</sup> in the northwestern Thai province of Mae Hong Son is also worth studying. The project has been carried out with the help of a small NGO, the Project for Recovery of Life and Culture (PRLC). The aims are to improve the overall quality of village people's lives, to preserve and reinforce the importance of Karen culture, to empower villagers to make their own decisions about their way of life, and to contribute to the conservation of natural resources and the environment.

Tourism development in Thailand has spread from Bangkok to almost all parts of the country. Since the 1970s, the natural, cultural, and historical attractions as well as friendly people of northern Thailand have made it a popular destination, first with trekking tourism followed by hilltribe tourism. Six major hilltribe groups make their home in the North: Akha, Hmong, Karen, Lahu, Lisu, Shan, Mien, and Haw Chinese. By the 1990s, hilltribe tourism had become highly organized. However, the number of visitors has not been monitored systematically by the Tourism Authority of Thailand.

Over the past ten years, the northern province of Mae Hong Son has become a major tourist destination due to its mist-covered mountains, dense forest areas, and the cultural and ethnic diversity. While most hilltribe communities have maintained their way of life, some have become vulnerable to the negative aspects of tourism, especially giving a false image of the people as exotic and primitive based on lack of knowledge and communication among the tourists and the local people. Uncontrolled access to many remote areas has caused problems with waste management and has threatened the ecology in general.

The NGO (PRLC) helped the Karen village at Huay Hee become the first site for CBST. The project for CBST became holistic in its approach and included natural resource management, sustainable tourism development, strengthened civil society,

---

<sup>17</sup> Based on a paper written by Stephanie Thullen and presented by Tawatchai Rattanasorn, the Project for the Recovery of Life and Culture, at the National Workshop on Sustainable Tourism Development in China, 1-2 November 2000, Tianjin, China, cited in *Managing sustainable tourism development*, ESCAP Tourism Review No.22, New York, 2001: United Nations, pp. 9-11.

prevention of HIV/AIDS and drug abuse as well as youth leadership development. The people of Huay Hee developed a land classification system and cooperation model to work with government agencies responsible for a nearby national park in order to prevent deforestation and degradation of watersheds. The village has been receiving tourists for about three years with the help of PRLC and another Thai NGO, Thai Volunteer Service-Responsible Ecological Social Tours (TVS-REST). Villagers could explain how they protect the forest and follow their own traditions, while adding to their incomes and improve their standard of living.

Villagers became more aware of environmental issues, especially when tourists left garbage behind and picked rare orchids as they trekked on the mountains. Men in the village received guide training and increased their understanding about how tourists should behave during treks. Women in the village provided meals, sold items made with traditional Karen weaving and took care of tourists during homestays.

Homestays and tour guiding were shared among the families on a rotation basis, which meant both responsibility and income were shared. Some of the earnings from tourism activities were saved in a village fund that was used to conserve the forest, grow orchids, buy equipment for hosting tourists and support education and travel related to their tourism training. Well-informed exchanges with tourists helped prevent cultural degradation and created more respect for Karen traditions. The people at Huay Hee were empowered to see that tourism should provide supplementary income, especially since it was a seasonal activity. With training and support from the CBST project, people used their knowledge of traditional agricultural methods of subsistence farming to be self-reliant in food and to show tourists the role of agriculture in their everyday way of life.

The community based sustainable tourism project implemented by Karen villagers at Ban Huay Hee in Mae Hong Son Province can serve as a model for other communities. They can be empowered to control the impact of tourism, avoid degrading the environment and create a stronger, empowered community. NGOs can help spread the concept and provide training, but then they must step back as villagers work together to find ways to make the CBST project succeed. The most sustainable form of tourism will be achieved when local people take control of their lives and determine to live according to their traditions on their own terms.

The three cases mentioned above are good examples of sustainable tourism development. The case of Plai Phongphang shows that poor planning by ignoring some stakeholders brings about poor results. The case of Khiriwonge affirms that careful planning and time are essential factors to the success of tourism management. The case of Ban Huay Hee reflects that sincere empowerment to the local community and genuine supports from NGOs lead to the sustainability of tourism.

Sustainability is imperative for tourism planning as destinations encounter increasing pressure on the natural, cultural, and socio-economic environments from tourism growth. It has been recognized that uncontrolled growth in tourism aimed at short-term benefits often can harm the environment and societies as well as destroy the very basis of tourism. Host societies have become more aware of such problems, along with some consumers who now demand higher environmental standards from tourism supplier and greater commitment from tour operators and travel agents. Tourism also has the potential to bring economic benefits to host communities and help alleviate poverty and conserve natural and cultural assets, provided there is proper planning and management with a long-term vision (Marien and Pizam, 2000 in Wahab and Pigram (Eds): 165 – 166).

Sustainable development through cultural tourism provides the opportunity to take proactive approaches based on broad participation by stakeholders, which would contribute to more effective policies and plans. This would increase the opportunities to realize the full social and economic potential of the tourism industry. Sustainable tourism development creates the opportunity for governments and all stakeholders in the tourism sector to aim at ensuring long term prosperity and quality of life for future generations. It also creates opportunities to preserve natural and cultural resources for tourists and local people in ways that address development problems and reduce risks to the environment and ways of life (Rees, 1989: 13).

Ecological sustainability, which means that tourism development does not cause irreversible changes in a given destination's ecosystem, is the most commonly accepted dimension, since there is an obvious need all over the world to protect natural resources from the negative impacts of tourism activities. The general growth of environmental awareness has significantly contributed to this trend (Jafari, 1987: 32).

Social sustainability refers to the ability of a community to absorb tourism both the industry and the tourists themselves without the creation of social disharmony. Cultural sustainability in the context of tourism assumes that a given community is able to retain or adapt their own distinctive cultural traits against the pressure of both the so-called 'tourist culture' and the 'residual culture' of the visitors (Jafari, 1987: 32-33).

Economic sustainability refers to a level of economic gain from tourism that is sufficient to provide an appropriate income for the local community, when compared to the inconvenience caused by the activities of the tourism sector, and to cover all the costs of any special measure taken to satisfy the tourists, thus a precondition of economic sustainability is the attractiveness of an area and the perceived high quality of its tourist supply: without being in a competitive position in the world market, no destination can be economically sustainable (Jafari, 1987: 33).

High level of economic profitability must not be considered as a tool to cover over the damage done to social or natural resources, but the relative fragile nature of these latter must not create a planning environment where economic considerations are not being taken properly. Sustainable tourism development has to be economically viable and naturally and culturally sensitive at the same time (Mowforth & Munt, 1998:x).

Development and conservation can become mutually supportive, if people in the decision-making process see tourism as a means to an end rather than an end in itself. Tourism is just one of many means that may be used to achieve economic, environmental, social and culture, and organizational sustainability (ESCAP, 2001(b): 12-14).

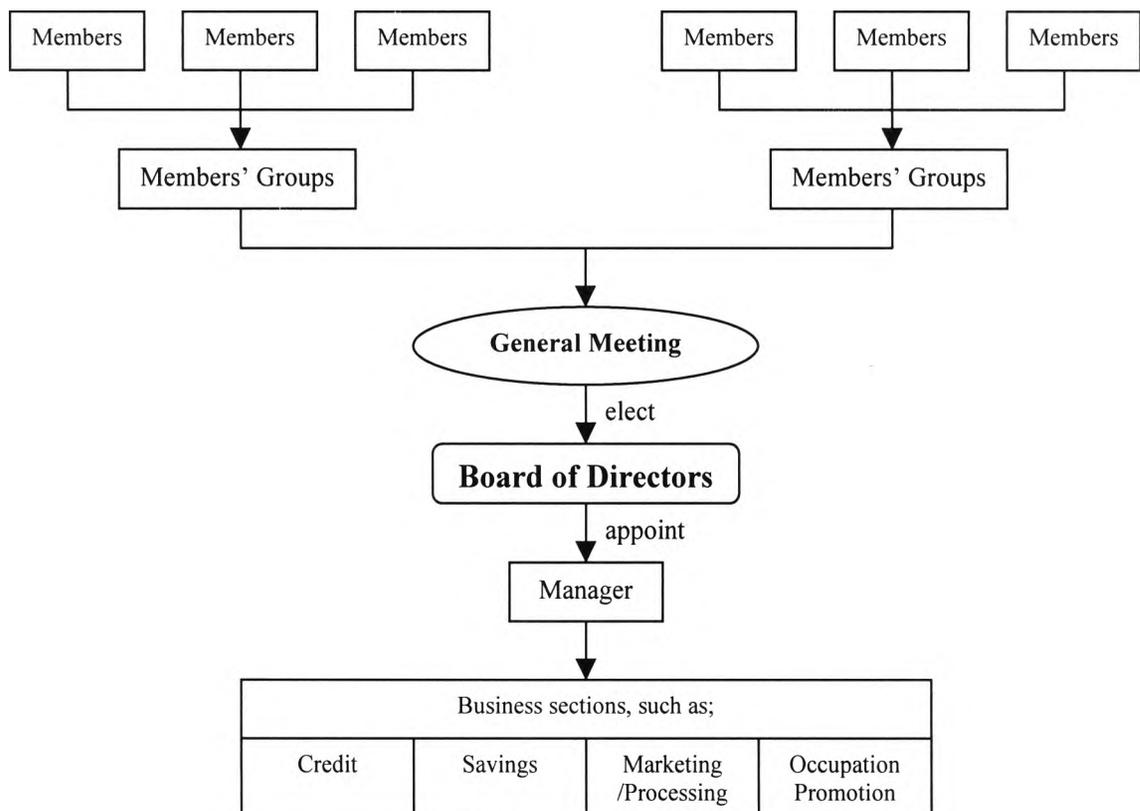
Although community organizations managing tourism can take different forms, co-operative based community tourism is rarely seen. In the case of Mae Gum Pong community, it is unique as the tourism management is operated by the co-operative approach, which is different from the cases mentioned. As a result, it is interesting to explore how tourism is managed and carried out by the co-operative approach in the community and how the approach will bring about the sustainability of economy, social, environment, and culture.

## 2.3 Co-operatives and Community Development in Thailand

Co-operatives in Thailand have been initiated by the government since 1915 with the objective to use them as a means to improve the livelihood of small farmers. The first co-operative in Thailand called Wat Chan Co-operative Unlimited Liability was established by the government on February 26, 1916, in Phitsanulok (CPD, 1997: 4).

A cooperative basically consists of individual members. The members will elect the board of directors (BOD) through the general assembly for cooperative development policy formulation. The BOD, then, appoints a manager and staff to run the cooperative business (CPD, 1997: 6). The generic structure of co-operatives is shown below.

Figure 2.2: Generic Structure of Primary Co-operative



Source: Developed from Cooperative Promotion Department (1997), "Co-operative Promotion in Thailand", Technical Division, Cooperative Promotion Department, p. 6

The government agency directly responsible for all co-operative affairs, except auditing work, is Co-operative Promotion Department (CPD) under the Ministry of Agriculture and Co-operatives. The CPD is responsible for promoting and disseminating co-operative methods. Its main areas of concerns are: to promote and disseminate the co-operative ideology, principles and practices including cooperative knowledge and information; to study and conduct co-operative research; to promote and advise an establishment and business operation of co-operatives; to assist and seek for cooperation from concerned agencies for financial, basic infrastructure and other service supports which are necessary for co-operatives to be exactly self-reliant organization; to consolidate and allocate land to landless farmers using the co-operative practices; and to supervise and guide cooperative operation following laws, regulations and the Co-operative Registrar's Orders (CPD, 1999: 3-4).

The administration of CPD is subdivided to Central and Provincial Administrations. Central Administration which is located in Bangkok comprises with 10 Divisions and two Offices. Provincial Administration is consisted of 76 Provincial Cooperative Offices and 816 District Cooperative Offices. These local offices are responsible for supervising and promoting all cooperatives within their responsible areas (CPD, 1997: 2).

Co-operatives are officially divided into two sectors; agriculture and non-agriculture. The agricultural sector comprises agricultural co-operative, land settlement co-operative, and fisheries co-operative. The non-agricultural sector includes thrift and credit co-operative (generally known as saving co-operative), consumer co-operative, and service co-operative.

Since the establishment of the first co-operative in Thailand in 1916, co-operatives have played significant roles in economic and social developments to communities, whether in rural or urban areas. In the rural societies, co-operatives in the agricultural sector are more predominant than those in non-agricultural sector. Table 2.1 below shows the numbers of co-operatives and co-operative members in each sector.

Table 2.1: Number of Co-operatives and Co-operative Members in Thailand As of 1<sup>st</sup> January 2002

Types of co-operatives	Number of co-operatives	Number of members (families)
<b>For the whole country</b>	<b>5,633</b>	<b>8,452,744</b>
<b>Agricultural sector:</b>	<b>3,588</b>	<b>5,266,169</b>
Agricultural co-operatives	3,419	5,095,554
Land settlement co-operatives	71	14,113
Fisheries co-operatives	98	156,502
<b>Non-agricultural sector:</b>	<b>2,045</b>	<b>3,186,575</b>
Thrift and credit co-operatives	1,348	2,244,545
Consumer co-operatives	246	709,741
Service co-operatives	451	232,289

Source: Cooperative Promotion Department. (2002). The Statistical Information of Co-operative in Thailand: 2002. Bangkok: CPD, 3.

As seen in Table 2.1 above, the Thai population of 8,452,744 families or approximately 33,810,976 people (an average of four people per family) has been involved in co-operatives, accounted for more than 50% of the whole population of the country. Out of this number, about one third is in the rural communities where agriculture related co-operatives play a central role as an economic and social development mechanism of the Government.

In Thailand, tourism co-operative is categorized into the type of service co-operative. There is the example of Kanchanaburi Ecotourism Co-operative Company, Limited (KECC) in Kanchanaburi Province. It was founded in 1995 by the local people of Lintin Sub-district, Thongphaphum District, under the leadership of Mr. Pongsan Pitamahaket (assistant divisional director, planning division of TAT at that time), and with the support of the Ministry of Agriculture and Co-operatives, and the Royal Forest Department (RFD) (Pongsan Pitakmahaket, 1997).

Nuchnard Rattanasuwongchai (1998) views that KECC can be described as the first successful cooperation for tourist development between local people, government organizations, and outside experts. Pongsan Pitakmahaket believes that the best way to develop the sustainable ecotourism business for the local people is to combine the

ideologies of ecotourism with the idealistic philosophy of the co-operative system, which emphasizes prosperity among the co-operative members.

Pongsan Pitakmahaket also regards the ecotourism co-operative's concept as a new preventive approach to tourism that could reverse and substitute the unfortunate results of previous approaches to tourism by giving tourism business opportunities to the local people so that they can continue to earn their living from the nearby forests and natural resources through ecotourism activities developed by their own co-operative. This is the way that local people can learn about a new perspective, new realization and new awareness of the economic value of the forests and natural resources which is far broader and more profound than the physical wood volume.

Local members are encouraged to market KECC ecotourism activities through registered ecotourism travel agents. In addition, to ensure an even distribution of profits, KECC has set up commission standards for its members. For example, villagers who work within the handicraft and souvenir sector will receive 65-80% of earnings from all sales, while KECC receives the rest as a commission or management fee. Members will also gain annual dividends for any co-operative share they buy. To promote the local involvement and increase its funding, KECC has given the local people the opportunity to buy KECC shares, borrow funds from commercial banks and monetary organization, utilize KECC members' savings, and use donations from the private sector and donor organizations.

Local members are encouraged to market KECC ecotourism activities through registered ecotourism travel agents. In addition, to ensure an even distribution of profits, KECC has set up commission standards for its members. For example, villagers who work within the handicraft and souvenir sector will receive 65-80% of earnings from all sales, while KECC receives the rest as a commission or management fee. Members will also gain annual dividends for any co-operative share they buy.

To promote the local involvement and increase its funding, KECC has given the local people the opportunity to buy KECC shares, borrow funds from commercial banks and monetary organization, utilize KECC members' savings, and use donations from the private sector and donor organizations.

In 1997, the Ministry of Agriculture and Co-operatives, by way of the Co-operative Promotion Department approved the KECC project to be the special pioneer, and model for the establishment of eight more ecotourism co-operatives in all parts of Thailand. These would cover Uthaithani Province and Nakhonnayok Province in the central part, Phitsanulok Province and Chiang Mai Province in the northern part, Nakhonratchasima Province and Khonkaen Province in the northeastern part, and Suratthani Province and Krabi Province in the southern part.

However, up till now the planned establishment of the eight co-operatives has not occurred. Also, no concrete evaluations of KECC' s performance have been disclosed. From the researcher' s point of view, ecotourism can be promoted in many areas in Thailand, but it is not necessary to be managed by the co-operative approach. The Government should be aware of actual needs of the local communities. Khiriwongse, for example, is a successful case of community tourism management without using the co-operative approach. As a result, the local communities should be allowed to choose what really suits them and their culture and environment.

Since KECC has set up a number of activity development projects, it has encountered certain limitations. Some of the projects cover the establishments of handicraft and souvenir production and training center, anthropology, local wisdom, folk cultures, history and nature study museum, herbal botanical garden and traditional Thai herbal medical training center, wild orchid botanical garden and orchid horticulture training center, elephant village, elephant hospital, central market for local agricultural products, co-operative savings bank, and co-operative store and supermarket. The potential limitations can be seen in three aspects; financial availability, tourism education of the local people, and shortage of human resources.

The lessons learned from KECC unveil that using the co-operative approach is one of several options in managing tourism at the local level. Severe investments in several projects at the beginning of implementation without any calculation of pay back period and social impacts may be risky to the co-operative and the local community. Also, the application of KECC to other regions may not be suitable for some areas since local needs and cultures vary from one community to one another community.

## **2.4 Conclusion**

From the literature reviewed, it can be concluded that whether tourism is managed by community based management or co-operative based management, positive and negative affects can occur. Also, it clearly shows that participation of stakeholders involved in tourism and careful allocations of tourism benefits are indispensable. Finally, basic limitations of tourism management in communities include community readiness, financial availability, education support, and tourism personnel. In the next chapter, research methodology is described.