

Lecture Note

Course Title: ITM 2301 Sustainable Tourism Management

Credits: 3(3-0-6)

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Program: Tourism Management

Week 3

Unit 3: The Impacts of Tourism

Topic

- Environmental impacts
- Social impacts
- Cultural impacts
- Economic impacts

Objectives

After the completion of this unit, students should be able to:

- Explain how tourism generates both positive and negative impacts towards environment, society, culture and economy.
- Recall some important terms used in explaining tourism impact phenomena.

Introduction

Traveling to nature- based tourist destinations has the main reason as people seek for relaxation and recreation from natural environment, especially the environments which are different from their routine / normal environment they live in. From the history, development and growth of world economic was one the main factors that increased the demand of people to start to travel. High expenditure on tourism since 1999- 2005 (Picture 1) tells us that the world's top spender on international tourism were mainly from developed countries in Europe. However, the table suggests us that China and Russia as the developing countries are becoming to be known as another two top spenders on international tourism. It was not only the economic factor that motivated people to travel, but also the policy of each country to reduce political limitations in terms of traveling out of the country. This means that more countries started to allow and motivate their people to travel outside the country. The fall of Communism of China and Russia became the main factor that the countries were opened and then their people started to travel and spent money on tourism and recreation.

World's top spenders on international tourism in 2005 and 1990

<i>Country</i>	<i>Actual expenditure on international tourism in 2005 (US\$ billion)</i>	<i>Rank in 2005</i>	<i>Rank in 1990</i>
Germany	72.7	1	2
United States	69.2	2	2
United Kingdom	59.6	3	4
Japan	37.5	4	3
France	31.2	5	6
Italy	22.4	6	5
China	21.8	7	40
Canada	18.4	8	10
Russian Federation	17.8	9	N/A
Netherlands	16.2	10	9

N/A=Not available
Source: UNWTO (2006a)

Picture 1: World Top Spending on International Tourism in 2005 and 1990

The tourist flow in the history of the world tourism (Picture 2) surveyed by WTO included:

1. Tourist flow from North Europe (around 120 million tourists) to the Mediterranean
2. Tourist flow from North America (around 23 million tourists) to Europe
3. Tourist flow from Europe (around 15 million tourists) to North America
4. Tourist flow from Northeast Asia (around 10 million tourists) to Southeast Asia
5. Tourist flow from Northeast Asia (around 8 million tourists) to North America
6. Tourist flow from North America to the Caribbean

(WTO, 2003)



Picture 2: The tourist flow mapping in the history

The reason why a huge number of people around the world traveled in these patterns of tourist flow was the reason of climate pull factor of the Mediterranean and the Caribbean. Summer beach and sun were the main attractions for both the Mediterranean and the Caribbean to be the world's destinations (William, 1997). Moreover, in the history, traveling flows of between Northeast Asia to Southeast Asia were mainly for friends and relatives visit (FRV), business purposes as well as seeking for sun, sand and sea (WTO, 2003).

Therefore, “*sun, sand, and sea*” has become the main motivations of people to travel since the past. However, later, sun, sand, and sea travel is not the only motivation to travel. During the 1990 century, it was found that more and more people wanted to travel in order to experience different cultures (Poon, 1993). Even though nowadays we still can see that many tourists travel

for new and authentic cultural and environmental experiences. It is about seeking for new physical environment and new activities. Examples as pull motives include “*indigenous cultures*”, “*special ecosystems*” such as rainforests, coral reefs and polar areas. Technology that helps people to access to natural environments quite easily nowadays has accelerated demands of people to travel to these areas.

Demands of people plays very crucial and effective role in shaping and creating more patterns of tourism activities, which are created to respond people’s needs, and many times we can see that too much attempts to creating activities to respond people’s needs can cause less quality tourists, less quality tourism and environmental negative impacts. There are many examples to reflect the abovementioned fact. The *Full Moon Party* of Pha Ngan Island (Picture 3) has become the brand of the Island. It started from a film named “*The Beach*” (Picture 4) that opened the wilder world of Thailand in Southeast Asia, to the world. The images of an island of Thailand were presented through this film: “isolated, wild, no crowd, fresh nature, freedom and uncontrolled environment”. These images were met with what the Europeans dreamed for, in order to escape from the boring life and go out to explore the wilder world. The activities on the Island can be described as an uncontrolled environment or atmosphere with people with unfavorable behaviour. These things can easily harm environment, society and culture.



Picture 3: Full Moon Party Pha Ngan Island



Picture 4: The film “The Beach”

1. Environmental impacts of tourism

Environmental impact means changes of environmental system both in terms of quantity and quality. These changes can alter structures and conditions of those environments, including activities and life cycle of creatures living in those environments. Environmental impacts can be appeared both in positive and negative sides. European Environmental Agency (EEA) defined environmental impact as impacts occurred to humanity, ecosystem and any things that human created, which are the result of the changes of environment. Environmental Act, B.E. 2535 defined environmental impact as impacts occurred to environmental resources and values, as a result of human deeds or natural phenomena.

(1) Patterns of environmental impacts of tourism

Mostly environmental impacts from tourism can be identified in to three factors:

- Consumption of natural resources
- Human behaviour
- Pollutions

The definition of these three factors, with problems and examples are illustrated in the table below.

Factors and Definitions	Problems	Examples
Consumption of natural resources: Development of tourism along development in other areas, and human activities that relate with use/ consumption of natural resources, especially land use and water use. Continuous consumption of natural resources can lead to changes in ecosystems and loss of flora (plants) and fauna (animals/ wildlife).	<ul style="list-style-type: none"> • Over use of natural resources • Local people who own the land cannot use or access the areas preserved only for tourists. • Changes or alteration of lands for tourism development and tourists' demands, which finally leads to destruction of ecosystems. • Illegal wildlife trades 	<ul style="list-style-type: none"> • Construction of airports • Construction of hotels, resorts and other buildings on coasts and beach areas, causing destruction of coral reefs • Deforestation for ski resorts / mountain resorts • Decrease of level of groundwater • Decrease of wildlife and plants
Human behaviour: Behaviour made by human	<ul style="list-style-type: none"> • Local people can have an attitude that tourism 	<ul style="list-style-type: none"> • Alteration and disturbance happened

<p>to places in natural environments</p>	<p>can generate money to them, while tourists may forget to act more responsibility to environments (as they are traveling/ on vacation-- which is not their fault, actually)</p> <ul style="list-style-type: none"> • Sometimes tourists may behave in inappropriate ways that can be the causes / factors to destroy nature easily and fast. 	<p>to ways of eating and food chains of animals in their ecosystems</p> <ul style="list-style-type: none"> • Disturbance of local people made to coral reefs due to their needs to get them as souvenir for tourists (so they can make money) • Fishing by use of dynamic machines (i.e. dynamite) for relaxation of tourists (Amazon case) • Tourists' walk along coral trails in the Caribbean.
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Figure 3.4 Privatisation of beach areas may result in local people being denied access to resources they previously enjoyed

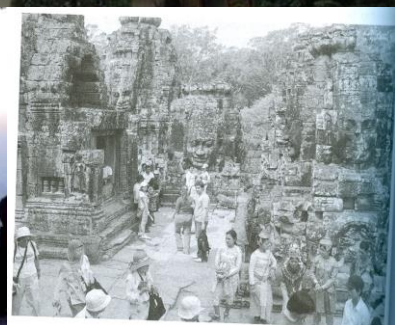
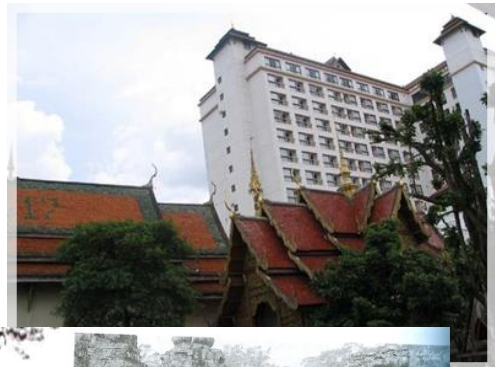
This land used to belong to local people. After tourism/ hotel investor bought this land for constructing beach resort, local people could not access, walk on, or use this land.



Figure 3.3 Beach construction alongside the Indian Ocean

Construction on the Indian Ocean

<p>Pollutions: Water pollution, noise pollution, air pollution, and eye or vision pollution</p>	<ul style="list-style-type: none"> • There are various patterns of problems in this factor that are the result of tourism activities. Problems can be from local, national and international levels. In many areas, pollutions are shown to have strong relation with level of tourism development and level of control. 	<ul style="list-style-type: none"> • Water pollution caused by wastes from tourism consumption • Air pollution on the Alps, from gas emission and smoke from jets, finally causing the global warming phenomenon • Noise pollution from balloon tour (i.e. in Serengeti Park, Africa) • Eye/ vision pollution caused by numbers of huge buildings (resorts/ hotels/ condominiums) along the beaches/ coasts (too many that we cannot see beaches)
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From above, we can see that tourism activities can be viewed as the cause of negative impacts to the environment. However, tourism can also have a good side to the environment as well. Tourism is the industry in which people travel for leisure: seeking

somewhere to relax, somewhere beautiful and pleasant. From this motivation, it can be a good reason for the fact that why many tourist destinations are improved in terms of physical environment. For examples, an area is allocated for building parks and gardens for people's relaxation, smart and beautiful design of buildings in many places/ zones especially in urban environment (city/ cityscape/ townscape); trees and bushes are brought to decorate roads, streets and pedestrian walkways or footpath; lights are opened over the main bridge of city; turning wasteland or abandoned land into beautiful place; turn abandoned, old mine/ industrial city into historical tourist destination. These developments are from the fact that each tourist destination want to look attractive to tourists, so they can visit and have a relaxed holiday.



Abandoned, isolated beach was decorated/ improved in its landscape, once it becomes a tourist attraction.



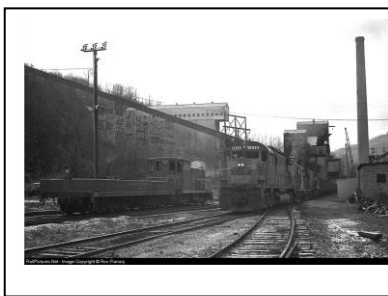
Places with lights at night are beautiful enough to attract people (place for leisure)



Good landscapes near the sea/ river front.



Garden in city



Old, abandoned mine was improved and developed to be a new tourist attraction, with nice landscape.



2. Social impacts of tourism

(1) Positive social impacts of tourism

Social impacts from tourism, both positive and negative sides can be discussed within the idea of (1) “*Host- Guest Contact*” or socialization between host (local people in tourist destinations) and guest (tourist/ visitors traveling into those destinations); and (2) *social impacts related to economic impacts and social development*. In the table below, some positive social impacts contributed by tourists and tourism industry are addressed.

Within the idea of host - guest contact

1. Building good attitude between host and guest (local people and tourists).
2. Promoting social and cultural learning and understanding between host and guest.
3. Reducing wrong “stereotype” and image set for each side (host side and guest side).
4. Building friendship between host and guest.
5. Building, promoting, and fostering pride, appreciation, respect and acceptance between host and guest.
6. Increasing self- esteem of both host and guest.
7. Increasing satisfaction from host- guest interaction.

It can be truly said that interaction between tourists and local people during tourists’ vacation can contribute to appreciation of life context of each side. This will gradually lead to learning, understanding, acceptance, awareness, and respect of each other. Moreover, local people will have opportunity to learn things outside their society while they do not have to go outside their place. At the same time tourists will have opportunity to learn different social and cultural context. Therefore, we can say that tourism industry can promote positive socialization between tourists and local people.

In terms of social impacts that relate to social development, we can bring some issues here. The first is how local people will receive benefits from tourism development in their areas as well as in neighboring areas. We can notice that at a certain time when tourism has been growing in a particular area, there will be an allocation of budget to the area, for building infrastructure and other facilities useful for the area. Those infrastructures can be school, library, hospital or healthcare center, training center, communication facilities such as Internet center and more. Normally infrastructures are not only for tourists’ consumption, but also for local people’s consumption. This development is to increase local people’s quality of living as well as to facilitate tourists during their vacation.

In terms of social impacts that relate to economic impacts, it is obviously seen that tourism is a great source of the national revenue. Tourism industry is a huge industry playing role as the main machine that drives the national economy both within and outside tourism business. Its growth ratio, flow of foreign currency, infrastructure development and emerging trends of tourism, management sciences and modern studies are those factors affecting economic units. Finally, this phenomenon leads to the national social and economic development as a whole. Tourism Authority of Thailand news release reported

that Thailand tourism receipts has been up to 30 percent and therefore tourism becomes the highlighted value for money factor. (TAT News, August 30, 2013, <http://www.tatnews.org>). The news unveiled a 31% increase in tourism receipts in 2011 over 2010. The statistics reported that there was a growth in total number of visitors that was matched by increased average length of stay and average daily expenditures. This can be foreseen that tourism industry will be one of the most important economic sectors and will be a contributor to job creation in Thailand as well as nationwide income. (*Read more about the news in the separate sheet.*)

A coin has two sides. Everything has two sides. Tourism industry also does. The more the country depends on tourism business, the more diverse on its impacts. Diverse impacts cannot only be good side. The negative or the dark side of tourism can be seen very much in social aspect. Negative impacts from tourism towards society can be generated from many reasons, from managerial, behavioural and economic- oriented aspects. Tourism can be the source of good understanding between host and guest. At the same time, tourism can be the source of bad attitude between host and guest too. Privacy of local people can be invaded by a flux of tourists to destination. Local pride and chain of traditional value system can also be destroyed, transformed or even ignored due to the modernization coming with tourism.

There are many studies suggesting that tourism has altered and even destroyed value system of society, and caused many negative impacts, especially in tourist destination areas. These impacts can be from tourism both directly and indirectly. Despite the fact that tourism can earn money to many areas of the country, we cannot deny that tourism activities that happen within the tourism- depended country are related with the words “*uncontrollable*”, “*unsustainable*” and “*mass tourism growth*”. There will be more investors in tourism, mostly foreigners, especially in inbound business. Capitalism is also the main drive of this happening, in which there are more freedoms in international trading and investments. Relying more on economic benefit, sometimes, we have forgotten about sustainability of tourism and impacts to environment and socio- culture. Therefore, some negative impacts towards society are demonstrated in the table below.

(2) Negative social impacts of tourism

1. Loss of privacy of local people, life of people is distracted. This can cause agitated feeling among local people.
2. Inconvenience in daily living of local people due to overcrowded environment and traffic congestion, which can be developed into negative attitude of local people towards tourists and tourism industry.
3. Some private areas of communities and local activities may be intruded and disturbed by tourist activities. This leads to loss of community's value system.
4. Loss of community's area/ zone which was used as the community center for community's activities in the past
5. Change of local lifestyle/ living pattern
6. At a worst case, tourism can lead to "dehumanization" or reduction of human value such as human trade, prostitution, humans treated as tourism product (such as the case of Long-Neck Karen Village (human zoo) or Human Safari Tours).
7. Change in local job or work pattern (this impact relates with economic impact)
8. Social conflicts of interest, which can be from various reasons such as fighting / competing in order to call tourists to buy things, local business is influenced by outsiders (i.e. outside traders/ outside investors), local rights have been decreased due to the fact that the community management are afraid that tourists will be disturbed.
9. Higher cost of living and rental fee. This can lead to local people moving out (this impact relates with economic impact).
10. Competing for resources for consumption
11. Loss of "sense of belonging" and local identity towards "place" due to the huge flux of tourists to the area (For the worst case, this impact can be developed to moving out of local people)
12. Crimes, drugs and illegal activities

Negative social impacts can be perceived in a form of local people showing negative attitude towards tourists, tourism industry and finally, their own community.

3. Cultural impacts of tourism

(1) *Cultural tourism: relationship between tourism and culture*

Cultural tourism or culture- based tourism is traveling that is based on seeking for cultural (and also historical) - related knowledge and experiences. Boonlert, B.E. 2548) defined cultural tourism as “...*tourism activities in which culture is the main attraction (can be used in attracting visitors/ international tourists), especially European and American tourists who are interested in learning different culture, historical heritage, in visiting and appreciating architectural arts, experiencing different ways of life. The visits are usually to Asia and Africa whose cultures are totally different from theirs. Their visits include buying souvenirs and handicrafts created from local wisdoms...*”

Cultural tourism can include the following (Boonlert, B.E. 2548) :

- History and historical remains
- Archeological sites and museums
- Original architecture
- Art, handicrafts, statues, paintings, carved works
- Religion - related attractions and rituals/ religious festivals or ceremonies
- Music, drama and films
- Attractions related with language and literature (as the motives)
- Way of life/ lifestyles, clothing, fashion and food- related
- Folk culture and traditions, local festivals
- Attractions related with local wisdom, unique technology from the local (and used by the locals)

Cultural Heritage Tourism Organization (www.culturalheritagetourism.org) defined cultural Heritage Tourism as “*travel to receive experiences from different places and activities that reflect/ represent stories of people from the past to present, including authentic historical, cultural and natural resources* “.



From the definitions above, we can classify cultural tourism into 2 characters:

- 1) Cultural tourism products that are “experiences”. This focuses on sightseeing and learning for example traveling for learning about history, way of life, learning to cook in cooking class, learning about local wisdoms, watching staged performances

(performing art) that present cultures of particular tribes or indigenous groups, participating in festivals and traditions.

- 2) Cultural tourism can be in the form of tangible souvenirs, art works, clothes, handicrafts that reflect local wisdoms.

From the introduction above about tourism that has culture as the main attraction, we can say that these cultural attractions can be developed more in order to respond the various and changing motivation and demands of people (i.e. seeking for novelty). Culture is therefore developed as tourist attraction in the form of places (e.g. destinations), tangible product (e.g. souvenir), activities and performances (e.g. cultural- related activities/ festivals, and cultural shows), and even traditionally important cultural places and buildings for local activities can also become cultural tourist attractions. Thus, tourist demands and activities can certainly have impacts (both good and bad points) to culture of those places receiving tourists.

Some of the motivations of tourists include seeking for “novelty” (something new, exciting, and not routine), a “*quest to see*”, and sometimes, people travel as a “*quest to be*”. Many people according to what people, including the media which emphasize that “these are the must- see attractions”, which motivate people to go, see and experience, in order not to be out date of the trend. Uncontrollably high number of people traveling to a place in a particular period of time harms not only to the environment of that place, but also to the “cultural environment” or the “cultural condition” or the “cultural landscape” of the place (i.e. of society of that place). Vice versa, good planning of tourism can also bring good impact to the culture of that place as well.

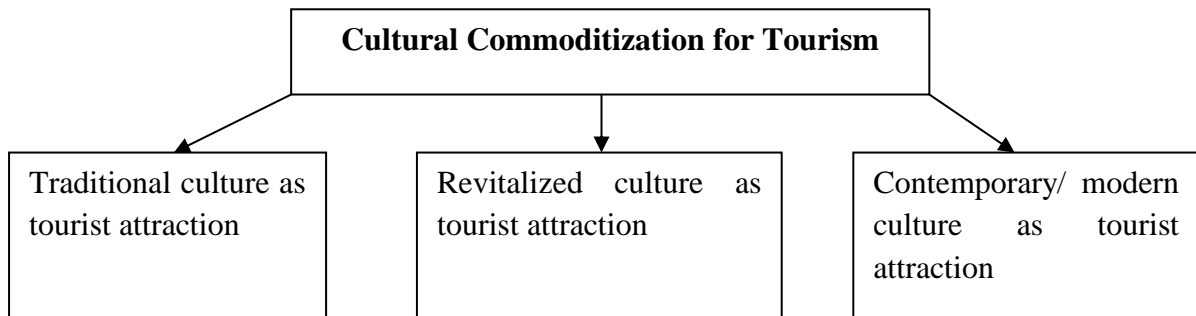
How do tourism activities have impacts on the culture of places? Normally cultural impacts cannot be perceived quite easily and fast like environmental impact, due to the fact that environment is physical, but culture is many things that have inhabited with the way of life of local people. To measure cultural impacts therefore takes time in order to conclude the result. Cultural impact is totally related with social impact. If tourism in particular destination is well planned, impacts towards culture of that destination will be positive, whereas if tourism is not well planned, tourism grows up very fast but the local still do not have skill and knowledge how to manage it, impacts towards culture of that destination can turn negative.

When we discuss about cultural impacts of tourism, we should address the fact that the destinations where tourists visit are the “society” where local people are living in (*and therefore we cannot really separate social and cultural impacts when we discuss about these types of impacts*). Those destinations are not the close historical remains without people. So, it means that tourism activities that happen in those areas must be well planned in order to meet with the needs of local people and tourists, especially the management of “*host- guest contact and relationship*” and the management of how to maintain or sustain the local way of life or culture of the area. To maintain culture is not to keep it as it used to be only, but to “sustain” or to bring it alive in the contemporary context. That’s why we use the word “sustain”, or how to sustain traditional culture in way that it will not just be forgotten. The way may alter some parts of the culture, but if this way can sustain it, it is reasonable.

(2) *Positive cultural impacts of tourism*

Culture has been known to be reasonable factor that attract people to explore other countries. Culture is not only traditional one, but it can be any types of culture of social groups (from local, national, regional and international level). Saying this, it means that while traditional or indigenous cultures of folk groups are attractive among some groups of travelers, contemporary or modern cultures, or a mixed culture of a place can also be attractive among the others. Thus, culture can be preserved, revitalized, or adjusted in order to be point of attraction in tourism, especially by countries presenting themselves to the world tourism map. We call this “*cultural commoditization*”.

We can say that there are *3 types of cultural modifications* in responding tourism demand. The first is the culture that is maintained and it is found to be attractive for tourists. In this stage, the culture can maintain itself as it has been. The second is that the traditional culture has been forgotten and therefore it needs to be revitalized so that it can be alive again, by use of tourism. The third one is the contemporary or modern cultures (normally in cities) that are attractive as to serve urban tourism various demands. These all are the good side to every kind of cultures made by tourism industry.



Picture 5: Cultural Commoditization for Tourism

- 1) *Host and guest interaction:* This is another good side of tourism. Interaction means relationship, involvement, having activities together, while sharing attitudes and behaviour of each side, and that sharing has an influence on another. Therefore, tourism can be a natural drive towards tourist and host interaction.
- 2) *Transculturation:* Every time tourists visit a place of different culture, at a certain length of time, local culture can be influenced by visitors' culture or vice versa. This comes with foreign visitors' behaviour perceived by local people, as well as local behaviour found interesting and appreciating by foreign visitors. We call this phenomenon "*transculturation*". This phenomenon can be developed to "*social mobility*".

(3) *Negative cultural impacts of tourism*

Many academics have put an interest to how tourism has developed impacts to the cultures of communities or countries which are the world's tourist destinations. There are several studies conducted, attempting to investigate the patterns of impacts occurred to cultures of places and local behaviour (*as culture is reflected by behaviour of people in particular social groups*).



Negative cultural impacts can be developed from the fact that many types of tourism activities are the point of contact or interaction of tourists and local people. Negative cultural impacts are not caused only by cultural tourism as defined earlier, but also by any kinds of tourism activities

in which local people can perceive tourists' cultures. Comparing to environmental impacts, it takes a certain length of time until a destination can be perceived of cultural impacts from tourism activities. Communities or places with fast development as tourist destinations may experience cultural impacts faster due to having less immunity to any changes that might come with tourism. People in the areas may enjoy earning money from tourism without recognizing sustainability. The management or community leader may focus more on economic benefits. Places with higher carrying capacity and immunity will be able to resist any changes coming with tourism, as they are well prepared and ready, as well as having been well planned. These places steadily go through development process and people in the areas know what they are going for. They realize that their culture is an asset so they are carefully using their culture for tourism. In many communities, people may not depend their living only with tourism, but rather live their lives as normal, and use tourism as extra source of income. When we discuss about negative cultural impacts of tourism, we may use some terms as follows in order to explain some phenomena happened as negative cultural impacts from tourism activities.

1) Demonstration Effect

Demonstration Effect refers to a phenomenon when local people have been imitating foreign visitors' behaviour (Jafari, 1974). It is an imitation process or changing process of behaviour, consumption, lifestyle of local people in order to be like foreigners' behaviour (that is perceived to be "modern"). This process can be a little adjustment or a total change, which can finally be developed into changes of consumption pattern and of western materialism (Wood, 1979). The development of this behavioural change can be from only consuming what community has, to having more demands, wants or desires to consume other products that cannot be found in the community. This is thus, why local people are willing to receive all new things into their community. Traditional values of community are changing until, if worst, it can be called "*westernization*", as we can see today in many areas of the country.

2) Cultural Commoditization and Cultural Devalue

From the history, tourists were those who made trips to the older region, usually in the pattern of MDC (more developed countries) traveling to LDC (less developed countries). For example, westerners traveled to Southeast Asia or

Africa. Number of them are seeking for traditional culture and destinations of rural areas when the travel. This is because their countries are more modern and most of environments are urbanized. People living in urbanized environments normally seek for traveling to destinations that offer rural or traditional atmosphere. They have expected to gain “*authentic experience*”. We call this “*quest of authenticity*”. This concept relates with one of tourists’ demand, called “*nostalgia*”.

Many studies revealed that tourism development in many rural or less developed areas led to changes of traditional cultures as people in the areas adjusted their living to be along with an increasing modernization/ urbanization. It will be harder to maintain or retain traditional culture, if they do not have good planning earlier. Therefore, tourists who visit these areas in later stage of life cycle of the areas will not see any things traditional or authentic, but new. A classic example case study is Dmanoen Saduak Floating Market in Ratchaburi Province, where in past people had life close to river or canal. That was why market or trading happened along the canal bank. However, once tourism was developed within the area, people had gradually depended on income from selling goods to tourists. Goods sold were changed from goods produced within the area to goods brought from other places. The community was changed from “*self-contained*” model to “*more dependent from outside*” model. Paddle boats can still be seen today, but there are also more motor boats. Another example is Klong Sra Bua Market in Ayutthaya (now declined from flood). Klong Sra Bua Market was developed by use of the concept of floating market, even though there was not canal. The market brought the life of people living close to river on stage to attract visitors. One side was the benefit as it brought incomes to people who sold things at the market, but another side was about sustainability of the place.

Another example that shows us about commoditizing culture into tourism product is arts and crafts product. Conventionally, arts and crafts represent local wisdom and their way of life that is close to natural resources. This can be explained in that local people use nature in inventing or using in daily life, such as toys and kitchen equipments. These invented things have their own functions as they are invented with particular purposes that serve local needs. Moreover, people in rural area spend their leisure time inventing things. However, there are many cases nowadays showing that local people invent arts and crafts to sell to tourists who visit the place in search of authenticity, handicraft or antique products. This demand comes with tourism into the community, and later the community’s

economy is not self- contained anymore. Nowadays in many rural areas, local people cannot invent things by their own idea, by mood, and by their leisure time anymore, but by tourists' orders or market demands. Fine art creation becomes "production" serving to mass market. Changes occur to forms and functions of products. Art is devalued. Handicraft (crafts made by hand) changes to "machine- made crafts. Small amount of goods made changes to mass amount. An example is "Night Bazaar" which has been developed from tourism until it is like today. Every things sold there is for decoration, even Buddha head.

3) *Staged Authenticity*

Staged authenticity explains phenomena where traditions are brought on stage for showing tourists who want to have authentic experience. Examples of stage authenticity include "staged performing art" (such as hill tribe dance show) and festivals, which can be both indoor and outdoor settings. Staged performance for showing tourists will be normally reduced in its pattern and time to make it suitable for tourists' tour scheduled time. Festivals which have earlier been set for local purposes are increasingly changing to the festivals that also serve tourism activities. We call this "*transformation of traditions*". Actually, changes that happen to festivals are not caused solely by tourism, but also by changes of society by time. Phi Ta Khon Festival is one of examples of festivals that



nowadays attract foreign tourists. There are changes or adjustment of its styles (invented festival), while many tourists experience only some parts of the festival and do not learn the real meaning of it. Photographing, enjoying colorful dressing like a ghost, walking and dancing in parades seem to be the only highlights of this festival among tourists/ visitors. This can affect the way local people, especially younger people, learn their tradition, as they may imitate the way tourists or visitors do while joining the tradition. Traditional body of knowledge, symbols

and values behind the establishment of festivals may be ignored or forgotten. Moreover, traditional roles of local people such as older people, men and women, may be changed. This can destroy value chain of community. Therefore, both local people and tourists should be educated and informed with the real information of any festivals or rituals they are attending.

4. Economic impacts of tourism

According to the supporters of the Advocacy Platform (in Unit 2), tourism generates revenue (*what we gain in terms of economy*), while the supporters of Cautionary Platform raise an issue about economic costs (*what we lose in terms of economy*). In terms of economic benefits, we cannot deny that tourism brings huge revenue to our country each year by increased tourist arrivals and tourist expenditures. Therefore, positive economic impacts of tourism can be divided into two main issues.

- Wealth generation
- Employment creation

However, in order to measure how much tourism generates economic circulation within the national economic system, the idea of “Multiplier Effect” will be used. Multiplier Effect is the method to measure economic impact from tourists’ expenditure towards economy of destinations. It can be divided into the following:

- (1) *Direct Effect (Direct Multiplier Effect)*: Economic effect that directly occurs to tourism businesses after tourists’ spending with those tourism businesses (this income is given to tourism suppliers)
- (2) *Indirect Effect (Indirect Multiplier Effect)*: Economic effect that indirectly occurs when tourism suppliers spend their money into purchasing of materials with suppliers (outside tourism business) used in providing services to tourists (this indirect income is given to suppliers outside tourism businesses- these suppliers receive money directly from tourism suppliers, meaning that they receive money indirectly from tourists who spend money with tourism suppliers). Indirect effect also includes taxation.
- (3) *Induced Effect (Induced Multiplier Effect or Stimulated Effect)*: Economic effect that will be stimulated within economic system originally resulted from tourists’ spending. Tourists’ spending will become induced effect to the economy in that

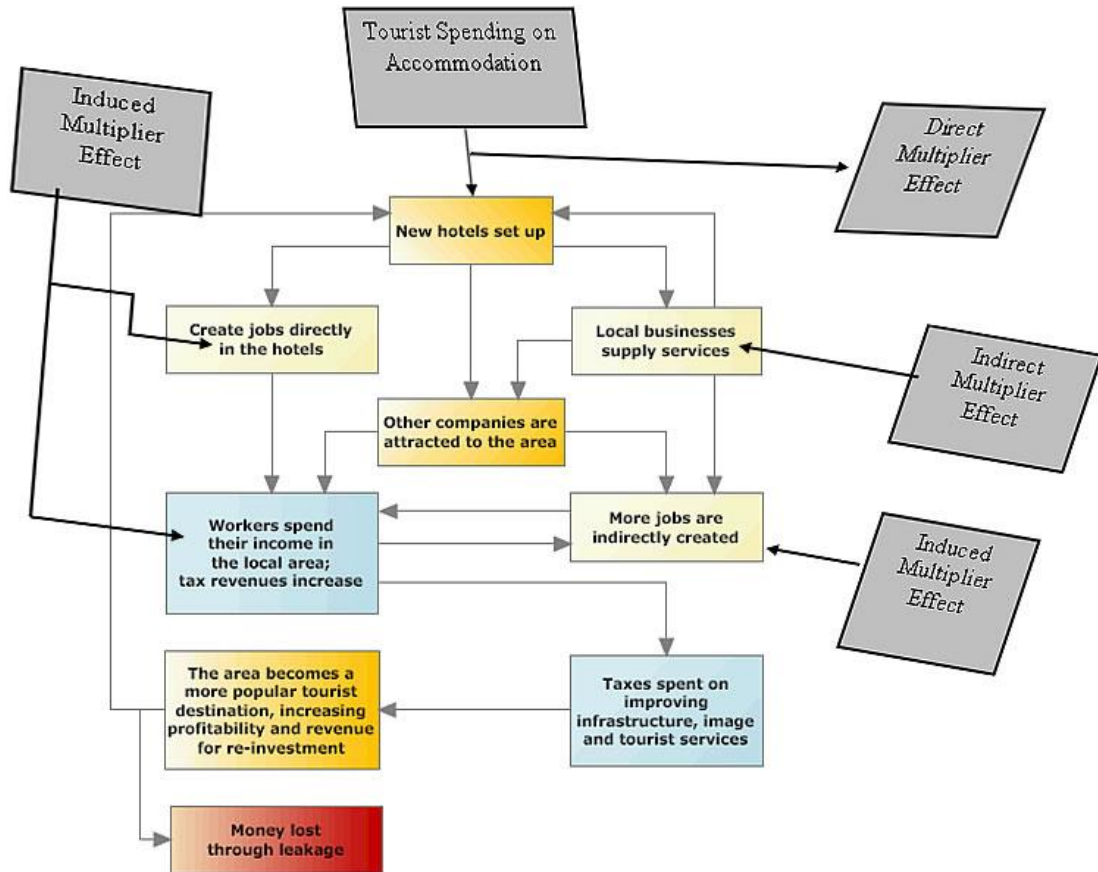
there will be more expenditure happening in areas of destinations as well as nationwide. This happens when people, both employees in tourism businesses, employees in other businesses that supply tourism and business owners, spend their income for their personal lives, such as buying things for daily life, attending English course, paying for education fee for their kids, and many others more. Normally these expenditures happen outside tourism businesses.

In order to measure economic impact generated from tourism into direct, indirect and induced effect, the following need to be measured:

- 1) How much money each tourist spends at destination
- 2) Direct revenue of tourism businesses (such as accommodation, restaurants, souvenir shops, transportation)
- 3) How much direct revenue from tourism businesses is circulated into profits and income to local people in destination
- 4) How many jobs are created within destination once tourism occurs in the area

Picture 6 demonstrates the model of Multiplier Effect, using an example of a tourist's spending on accommodation.

The Multiplier Effect



Picture 6: Income Multiplier Effect

Conclusion

We can summarize economic impacts into positive and negative sides as shown in the table below.

Positive	Negative
<ul style="list-style-type: none"> • Development of national economy through circulation of foreign currency within the country 	<ul style="list-style-type: none"> • Higher dependence on economic activities outside the country as well as foreign investments (i.e. foreign tourism investment)
<ul style="list-style-type: none"> • Increase of employment 	<ul style="list-style-type: none"> • Higher cost of living, especially in tourist destinations
<ul style="list-style-type: none"> • Distribution of income from the rich to the poorer (poverty reduction) 	<ul style="list-style-type: none"> • More budgets are allocated to areas that have higher potential to be developed as tourist destination, rather than those have not. This causes unfair resources allocation and development gap.
<ul style="list-style-type: none"> • Tourism revenues will be spent in developing the country such as in infrastructure 	<ul style="list-style-type: none"> • Leakage of money
<ul style="list-style-type: none"> • Creation of economic diversity and new businesses 	<ul style="list-style-type: none"> • Higher rental cost, real estate price, land price
<ul style="list-style-type: none"> • Tax reduction for stimulating spending of people and investment, which can accelerate tax increase later, and then this tax can be used in developing the country again 	<ul style="list-style-type: none"> • Instability and vulnerability of the country's labor market as there will be more labors from outside, such as expatriate, or labor market demanded by tourism seasons
<ul style="list-style-type: none"> • Increases of both GDP (Gross Domestic Product) and GNP (Gross National Product) 	<ul style="list-style-type: none"> • More budgets are allocated to tourism-related development rather than to non-tourism related. This can be negative side as a country may need more budget for developing the country in other areas rather than in tourism-related infrastructure.

Learning Activities and Medias

- Students are assigned to have presentation about tourism positive and negative impacts before the lecture.
- Discussion is made during the presentation.
- Lecturer summarizes terms used in explaining tourism impacts.
- *Group Presentation: Students have group presentation tourism impacts (10 marks).*