



Local Livelihoods and the Tourism Value Chain: A Case Study in Siem Reap-Angkor Region, Cambodia

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Abstract Tourism, which has grown significantly in the Siem Reap-Angkor region, has had significant impacts on the livelihoods of local residents. This paper presents an overview of the Tourism Value Chain (TVC) in the region and examines the involvement of local residents in local TVC components. A qualitative approach, incorporating observations and semi-structured interviews with 25 local residents, was applied in this study. Secondary data were collected from the Siem Reap provincial tourism department and the Cambodian Ministry of Tourism. The results revealed that, although tourism has provided jobs and business opportunities to locals, their earnings have been consistently low. It is difficult for the poor to access tourism jobs and start tourism related businesses because of lack of financial resources, lack of small business knowledge, inability to use foreign languages and low education levels. Lack of knowledge to diversify products, of information about market needs and of capital to purchase production tools, machinery and raw materials are the main constraints facing local artisans to improve their livelihoods. Poor soil fertility, small agricultural landholdings, low agricultural technological know-how, poor extension services, inability to compete with imported products and limited connections between the tourism sector and local peasants also prevent the poor farmers from gaining economic benefits from tourism.

Keywords livelihoods, constraints, tourism value chain, agriculture.

INTRODUCTION

Tourism is considered by many to be an effective tool to accelerate economic growth, to preserve natural resources and local cultures and assist in alleviating poverty in least developed countries. Cambodia has become one of the fastest-growing tourism destinations in South-East Asia, owing to its rich diversity of culture, historical sites, recreational activities and natural attractions. In 2011, 2.88 million international tourists visited Cambodia, an increase of 15.9% compared to 2010 (Cambodian Ministry of Tourism 2012). Tourism has contributed significantly to the goals of promoting national economic growth. The macroeconomic benefits of tourism include employment, GDP growth, foreign exchange earnings and investment. The Royal Government of Cambodia has adopted tourism as a strategy for poverty reduction on the basis that it is one of the Cambodia's main opportunities for rebuilding its economy. The number of tourists has increased dramatically since 1994 and the Cambodian Ministry of Tourism has recently adopted a more conscious policy of promoting sustainable and equitable tourism as a means to national poverty reduction (CMT, 2012). The government expects the number of international tourists to increase, contributing to tourism-related revenues and providing more jobs for the Cambodian people (CMT, 2012).

However, in spite of the potential for tourism to benefit local people, there is much economic leakage in the tourism industry in Cambodia, as found in a study conducted by the United Nations

Development Program (Beresford et al., 2004). It has also been suggested that tourism development in Siem Reap has failed to develop local economic linkages (Beresford et al., 2004). A World Bank study (2006, p.2) acknowledges that "tourism, driven primarily by Angkor, has been a major contributor to economic growth in Cambodia over the last decade." However, this study also notes that "...the impact of tourism on poverty has yet to reach its potential." As a result, the Siem Reap Province, despite being a major tourist destination, is still one of the poorest provinces in the country (Beresford et al., 2004; World Bank, 2006; Cambodian Ministry of Planning, 2010; Siem Reap Provincial Department of Planning, 2012).

Furthermore, tourism has produced both positive and negative effects on local residents. It has resulted in dramatic changes to their livelihoods. As more tourists arrive, increasingly local residents have begun selling off their land and giving up their farms in exchange for off-farm jobs in tourism. Although there are some indications of linkages between tourism and poor people, few in-depth studies have been conducted to examine the complexity of these interrelationships (Gössling, 2004). One reason for this could be that while a livelihood perspective focuses on poor households, tourism research tends to place more emphasis on broader economic and environmental impacts. Drawing on Cattarinich's (2001) suggestion that micro-level analysis of tourism impacts and related interactions with the livelihood of local residents should complement the focus on macro-level impacts, this paper presents an overview of the tourism value chain (TVC) in the Siem Reap-Angkor region and examines the involvement of local people in each TVC component. A TVC is "the full range of activities that are required to bring a tourist to a destination and provide all the necessary services such as accommodation, catering, retail, excursions, etc." (Mitchell, 2009, p.1).

RESEARCH METHOD

The research conducted for this paper forms part of a wider study on the role of tourism for poverty reduction. The main study includes face-to-face interviews and surveys with a range of tourism operators, tourism employees, local residents, other tourism stakeholders and international tourists as well as observations. Data for this paper were derived from interviews with 20 local residents, directly involved in the TVC and five other key informants. Non-probability sampling was employed to select research participants. While the key informants were selected by using purposive sampling, those involved in tourism and related tourism businesses were drawn through convenience /accidental sampling. Although this technique is "the least desirable" as it is "neither purposeful nor strategic" (Patton, 2002, p.242), it is often used because "it enables quick collection of data without the expense of a more systematic selection process" (Jennings 2010, p.139). This sampling technique is appropriate for this study because there is no sampling frame (list of local residents involved in the TVC). The study used both primary and secondary data.

RESULTS

Although the TVC starts from booking the tour, this study, which investigates the contribution of tourism to local livelihoods, is concerned with the actual trip to Cambodia only if this is packaged with local services, thereby affecting the ability of small operators to provide services. Therefore, only six employment components of the TVC are explored in this paper: local transportation, accommodation, food and beverages, handicraft and souvenir production, tourism sites and leisure activities.

Transportation

Transportation is a popular means of earning a living for local people. A taxi association, consisting of 94 motorbike taxi members and 231 car and van members (but excluding Tuk Tuks, as these were not in use in Siem Reap when the association was created) has a license to operate transport services from the airport to the city. Car taxi and van drivers earn USD 7-10 for

transporting customers from the airport to hotels and USD 30-35 for a whole day trip to the Angkor complex. In addition to the association membership fee (USD 9/month/car taxi driver and USD 3.75/month/motorbike taxi driver), the members have to contribute to the fee the airport owner charges the association (USD 3,500/month during the tourist high season and USD 3,148/month during the low season). There are also individual independent operators, not members of this association.

Motorbike taxis, which transport only one passenger, operate mainly in the city of Siem Reap and in some rural villages. Operators earn between USD 7-8 per day and most of their clients are locals and domestic tourists. They can earn USD 2 for transporting a tourist from the airport to a hotel and USD10 for a whole day trip to the Angkor complex. Although this type of transport is one of the main income sources of the poor (most operators are low income earners), inadequate foreign language capacity is a key constraint preventing them from accessing foreign visitors.

Tuk Tuks can carry four passengers and are popular among tourists. The number of Tuk Tuks has also increased significantly with the increase in tourism. Mainly operated by locals and immigrants from other provinces, poor families cannot afford to buy them. A brand new Tuk Tuk costs approximately USD 1,700 and a second hand one USD 1,000 - 1,300. A Tuk Tuk driver can earn USD 1 for a short trip in the downtown, USD 3-4 from Siem Reap airport to a hotel/guesthouse and USD10-15 for a whole day trip in the Angkor complex. However, if a trip is managed by a tour operator, a driver gets only USD 8-10 and it takes a few weeks to get paid. In order to get more clients, a driver must have good relationships with guesthouse owners, hotel staff and tour operators and also have a minimum level of foreign language skills to communicate with tourists. Another constraint excluding some poor local people from this livelihood source is that they live too far away from popular tourist places, particularly in the context of the road conditions (unpaved with many potholes). Some drivers have to work without pay, relying on receiving tips. Although most drivers are from poor backgrounds, not many poor local residents living in the periphery of the Angkor complex can access this potential job opportunity.

A former Tuk Tuk operator who became a motorbike taxi driver revealed that he sometimes had to drive the vehicle to the city, waiting unsuccessfully for customers for a whole day, wasting time as well as money for gasoline. For this reason he had to change his job.

A car taxi driver hired by a tour operator earns only USD 18-20 for a daytrip in the Angkor complex. A former car taxi driver who ran this business for more than 10 years revealed that some operators gave up this type of business because what they earned could not cover the price of gasoline, vehicle maintenance, and depreciation.

The bus stations are located four kilometers from downtown. Although motor taxi and Tuk Tuk operators could benefit from these stations, some hotels and bus companies provide free van services, excluding small operators from this opportunity.

Accommodation

In response to the rapid growth of tourism development, the number of hotels, guesthouses and apartments has increased significantly. According to the Siem Reap tourism department, there were 138 hotels (10,407 rooms), 230 guesthouses (3,207 rooms) and 8 apartment buildings (197 units) in 2012. This sector employs approximately 10,000 people, of which 8,372 (2,812 females) work in hotels and apartments and 1,184 (724 females) in guesthouses.

While most hotels are owned by outsiders, most guesthouses are owned by local people who have financial capital to invest. Most guesthouses are operated by owners who need only a few staff, mainly cleaners. Moreover, even though working in hotels is better-paid compared to guesthouses, most jobs require young people who have completed high school or university, that is, with a sufficient educational level and language ability to be able to communicate with customers. The salary of a hotel section manager is about USD 200-300 per month; that of a hotel receptionist USD 100-200; a guard USD 50-80; and gardeners and cleaners USD 40-60. Based on interviews with village chiefs, only a few poor households have members working in hotels.

However, the increased demand for tourist accommodation and other tourist venues has provided employment opportunities in construction and maintenance for poor unskilled local