The Impact of Tourism on an Urban Community in Vang Vieng District, Lao PDR

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Abstract

The purpose of this research is to study the impact of tourism in Vang Vieng District, Lao PDR. The study adopted various research methods including observation and monitoring of the landscape modifications, interviews and data analysis. The statistics on numbers of visitors reflect the development of tourist attractions and support systems within the local area. Since the Lao PDR’s opening-up tourism policy was introduced in 1994, there has been a steady increase of visitors to the region. This study shows that from 2004 onwards numbers of tourists have increased dramatically, making an impact on the local communities as well as natural resources within the region. The positive impacts include an improved quality of life for the locals as well as an expansion of job opportunities in a variety of industries. The infrastructure has been consolidated and vacant lands have been utilized to generate additional income sources. Negative impacts from the expansion of tourist attractions are also found to be the rise in the cost of living, unbalanced development, drug abuse, robbery, pollution in the Xong River, while traditional occupations of local people have slowly decreased. Among the problems in tourist management to be improved are creating more opportunities for local people’s participation, supporting the potential for tourism, suppressing drugs and preventing drought and pollution of the Xong River.

Keywords: sustainable tourism, development of tourism, impact of tourism, Vang Vieng

I. Framework of Study

Tourism promotions in Lao PDR over the past two decades have generated a dramatic expansion of domestic tourism with consolidated networks. Concepts of tourism have been applied in accordance with the government’s tourism promotion policy such as natural, cultural and historical tourism, emphasizing community participation and conservation of natural and tourism resources for sustainable community development (Lao National Tourism Administration, 2006). On the one hand, local communities accepted this policy by developing tourist destinations to attract more visitors. On the other hand, the government opened its borders with neighboring countries to facilitate the visit of foreign tourists and support the investment in infrastructure to link tourist resources.

In the case of Vang Vieng District in Vientiane Province, the tourism promotion policy of Visit Lao Year in 1999–2000 and the improvement of National Highway No. 13 North (NHN 13) have enabled tourism in this town to grow so rapidly. Subsequently, tourism became the main income source of the district

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through local people’s response in providing visitors with various facilities, activities and services, which created many job opportunities. Thus tourism benefited the local communities and improved the life and economic situations of local people. However, at the same time, this tourism development affected the local communities in such negative ways as unequal development and income distribution as well as degradation of the physical characteristics and environments of communities. It also had serious impact on the social and cultural traditions of the local community (Vang Vieng District Tourism Office, 2010). These negative impacts are already known not only to domestic and foreign tourists but also to the mass media. Local people are also concerned about the side effects of development on the community and resources. It is urgent to find a way to establish sustainable tourism in this area.

In this article, the author studies the impact of tourism on urban communities in order to solve the above-mentioned problems. For that purpose, it is essential to make clear the actual situation of tourism management and the perceptions of community leaders, local community members and related entrepreneurs regarding prevention of negative impacts from tourism in Vang Vieng District. This study employed surveys, reviewed relevant documents and conducted interviews with community leaders, household representatives, entrepreneurs and government officials in Vang Vieng District involved with tourism especially in Vang Vieng Urban Community. The stages of research are as follows:

a) Study the total area in the context of tourism development in Vang Vieng District by reviewing relevant documents as well as exploring the local field through on-site survey.

b) Interview with target respondents involved in the management of the main tourist attractions in Vang Vieng District that seem to have most impact on social, economic, cultural and environmental aspects of urban community, causing the issues that concern local people, and then seeking prompt countermeasures.

c) Analyze the results of the survey in order to learn the impact of development and propose measures for the improvement of tourism and the establishment of sustainability.

II. Background of Tourism in Vang Vieng District

1. Overview of Tourism in Lao PDR

Before the implementation of Lao PDR opening-up policy, tourism in Lao PDR developed spontaneously. There was no management of tourist businesses. Most foreign tourists who visited Laos were government representatives or international agencies rather than holiday tourists. The foreign visitors were mainly from the former socialist countries.

Since 1986, Laotian tourism has developed and expanded rapidly, and it gradually came to play an important role in social and economic development. The government’s new comprehensive policy and enlarged foreign cooperation policy changed from spontaneous tourism to market-oriented business operations, which enabled Laotian tourism to grow steadily. The Lao National Tourism Company, founded in 1989, was the first tourism company that operated tourism business in the name of the government. Until 1991, this company monopolized tourism in the country, sometimes as joint-venture business with private shareholders, before private tourism companies emerged.

In 1992, the government of Lao PDR set up the Lao National Tourism Authority and commissioned it to leverage the expansion of tourism. Subsequently, various policies and provisions associated with tourism were announced, resulting in the dramatic growth of the industry. The number of foreign visitors increased on a large scale: for example, in 2000, foreign tourists visiting Lao PDR doubled to 737,208 from only 346,460 visitors in 1995, generating a total income of 912 billion kip (US$ 114 million) which was considered the largest income in all exporting economic sectors (Phabouddy et al., 2010).

The number of foreign visitors to Lao PDR increased at even higher rate from 2004, as shown in Fig. 1. In 2010, Lao PDR accepted 2,513,028 foreign tourists who brought a total income of 3,056 billion kip (US$ 382 million). Tourism industries have expanded rapidly in each district, where various tourist resources
Impact of Tourism on an Urban Community in Vang Vieng District (SOSAMPHANH et al.)

have been developed. Within the whole country, there were 434 cultural tourist sites, 209 historical tourist sites and 849 natural tourist sites. Various business facilities related to tourism have been expanded as well (Table 1).

2. Potential of Tourism in Vang Vieng District

Vang Vieng District is located in the northern part of Vientiane Province, and the town lies about 156 km from the city of Vientiane on the NHN 13. More than two thirds of the district area is mountainous, mostly of limestone peaks and cliffs with different shapes and sizes. The average annual temperature is 25 degrees Celsius with an average annual rainfall of 3,681 mm. There are two seasons in a year; the dry season from late October to April and the wet season from May to early October. Vang Vieng District can be reached through NHN 13 on which several scheduled bus services are available every day.

Among the important attractions to visitors are its natural tourism resources (Fig. 2). The Xong River is the main river of the district with the capacity to support various aquatic tourist activities. Another important tourism resource is limestone caves. There are more than 30 caves around the town and over 20 caves have been opened for general visitors. In addition, good weather, beautiful landscapes, local traditional culture and unique life style also have potential for tourism in Vang Vieng District. It should be mentioned that there are also several other natural tourism resources located not far from the main road (NHN 13).

Vang Vieng District is on the route between the capital of Vientiane and the World Heritage City of Luang Prabang, and this advantageous location provides the area with an opportunity to welcome tourists. Those travelling between the two cities are increasing year by year, and the town of Vang Vieng is developing rapidly with infrastructure and support systems. At present, in the municipal area, hotels, guesthouses, resorts and bungalows number a total of 105 premises with 1,672 rooms able to accommodate 2,484 people per day, with 102 shops and restaurants with a seating capacity of 2,544 (Vang Vieng District Tourism Office, 2012). Every day, more than a couple of thousand visitors arrive in this town.

III. Development of Tourism in Vang Vieng

1. Expansion of Tourism

Laos was a closed country before 1986, and in addition, unconnected local road systems impeded accessibility to Vang Vieng. Travelling to Vang Vieng was mainly for the

![Fig. 1. Number of tourist arrivals to Laos (1990–2011)](source: Lao National Tourism Administration, 2012)

<table>
<thead>
<tr>
<th>Year</th>
<th>Accommodations</th>
<th>Restaurants</th>
<th>Travel agents</th>
</tr>
</thead>
<tbody>
<tr>
<td>2004</td>
<td>957</td>
<td>589</td>
<td>82</td>
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<tr>
<td>2007</td>
<td>1,331</td>
<td>976</td>
<td>162</td>
</tr>
<tr>
<td>2010</td>
<td>1,870</td>
<td>1,254</td>
<td>266</td>
</tr>
</tbody>
</table>

Source: Annual Report of Lao National Tourism Administration.
purpose of visiting relatives or friends, not business travel. There were few foreign tourists although some foreign tourists infrequently paid a visit as a country’s or international organization’s delegation, primarily from former socialist countries (Phabouddy et al., 2010). In 1986, the government adopted an open door policy to foreign investment, introducing mar-
ket-oriented business management systems. This enabled foreign visitors to travel in Lao PDR officially (Yamauchi and Lee, 1999). By 1995, having realized the importance of tourism, the National Assembly of Laos identified the tourism industry as one of the priority sectors in the action plans of national development. Investment in infrastructure was accelerated to expand tourism and road traffic between the cities of Vientiane and Luang Prabang gradually increased.

With its advantageous location on the national highway connecting the two cities, the residents of Vang Vieng took this opportunity for urban development to attract en route travelers as well as advertising their district as one of the most charming tourist sites in Laos. In 1994, the first tourism service was set up in Chang Cave area by Mr. Seng Phanit, an entrepreneur from Vientiane. Subsequently, he expanded development of natural tourism at some other tourist spots as well, building various facilities. In 1996, there were only 1 hotel and 12 guesthouses in the municipal district, and according to the first statistical record of tourists to Vang Vieng in 1997, there were only 4,468 visitors excluding those who did not stay in accommodation.

The government announced Visit Laos Year in 1998, which enabled its tourism to grow dramatically (Fig. 3). For instance, accommodations, restaurants, shops and other tourist service facilities apparently increased, as it took only one year to double the total number of tourists visiting the district from 6,694 in 1998 to 14,436 in 1999. This increase of tourists continued, except for the period of 2003–2005, when the Iraqi war and the tsunami disaster in Thailand affected the growth rate of foreign tourists. Another negative factor at that time may have been the unsafe conditions for travelers along the NHN 13. Although the number of tourists in Vang Vieng grew steadily again after 2005, the number of tourists in Vang Vieng District declined for the first time from 156,202 in 2010 to 148,696 in 2011. This is partly because of the flood disaster in Thailand, the entry point by which many foreign visitors travel into Lao PDR. In addition, the damage of NHN 13 by heavy rains during that rainy season could be another reason.

As to the expansion of tourism resources in Vang Vieng District, there were only 9 caves open to tourists in 1999, whereas by 2011, 20 caves had been opened to tourists. In addition, 5 cultural tourism resources and 3 agro-tourism resources have been developed, and the number of accommodations in the town has increased, comprising 2 hotels, 85 guesthouses, 8 resorts and 10 bungalows. A large number of restaurants and various facilities for tourist services have also opened business. Among the factors which have promoted tourism in Vang Vieng since Visit Laos Year is the massive government investment in infrastructure development such as extension of electricity network from Nam Ngum Hydropower System, construction of local water supply system, improvement of road and transportation system as well as establishment of a responsible agency to administer tourism directly. In accordance with this public development, the private sector has invested in the development of accommodation facilities, restaurants and other services for visitors.

2. Tourism Management in Vang Vieng District

In Vang Vieng District, the government issues permits to operate tourism services, while the actual tourism activities are mainly operated by local people. Tourism groups and associations are organized to provide various types of services as shown in Table 2.

Among the services, tubing on the Xong River is one of the most common and beneficial activities to all communities. At present, there are 10 different groups of tubing service in the district, and almost every household in the urban area is a member of a group. The members hold equal shares in the association run by each community, with the shares varying from 350,000 to 850,000 kip per member (1 US$=8,000 kip). The management of tubing activity is not so difficult. Every day, a small unit of members is stationed at the service center to rent out inner-tubes to tourists at 55,000 kip per tube per day with an additional cost of deposit of 60,000 kip per day. They arrange to transport the inner-tubes to the upstream float-
ing points located about 4 km north from the town with tuk-tuk service unit for a charge. It costs 5,000 kip to transport a tube ring from 8:00 am to 16:00 pm. In case any customer fails to bring the tube rings back to the service center by 16:00 pm, they will be charged 20,000 kip deduction on the deposit for late return, and if the tube rings are lost or not returned, the deposit will not be refunded.

This tubing service management generates almost the same level of income for the local people in the community. Each member receives their monthly dividend at the end of the month after deduction of operational costs, tax and other public imposts. The costs of deduction are calculated at the following rates: (a) Duty cost to Vang Vieng District at 5%, (b) Village Development Fund at 5%, (c) group or association fund for service development at 5%, (d) management cost at 3%, (e) environmental protection cost at 1%. In the end, each member will receive a monthly dividend of about 80,000 kip to 120,000 kip.

IV. Impacts of Tourism

According to the interviews with 32 managers of tourism services in Vang Vieng Districts, both positive and negative impacts are found in association with the tourism development.

1. Impacts on Human Aspects

As to the positive impacts on the economy, many respondents (62.5%) agreed that tourism created new employment opportunities for local people in Vang Vieng, generating additional income which is estimated at more than 50% of the total income. This corresponds to the report of Lao National Tourism Administration (2009), which mentioned that in 2009, 60% of income in Vang Vieng was from tourism. As a result, the household sector could enjoy a moderate level of income. On the other hand, the survey also showed negative impacts. More than half of the respondents (56.25%) agreed that land prices had soared sharply, especially in proximity to the developing zones in the municipality. Rise of living cost was also mentioned by half of the respondents whilst outside investors’ occupation of economically beneficial areas was recognized by 37.5%. The outsiders have generally invested in hotels, resorts, trading and tourist packages while the majority of labor has been supplied by the locals.

With respect to the social impacts, many respondents (68.75%) strongly agreed that tourism improved the well-being of the community. They consider that the expansion of tourism in Vang Vieng has led to less labor migration as well as more cooperation among the local people in middle to higher-level social classes. The survey also revealed that 43.75% of the
respondents were satisfied with the improvements of social infrastructure in the municipality. However, many respondents (62.5%) pointed out that tourism could cause an imbalance in development in certain areas of Vang Vieng. Another negative impact was answered by 56.25% in that the tourism could encourage prostitution, drug abuse and robberies, and a further 31.25% mentioned that the traditional occupations of local people were deteriorating slowly.

As regards the impact on culture, as many as three quarters of the respondents acknowledged that tourism has led the local people to be aware of the necessity for conservation of historic sites, local culture and traditional ways of living. A positive impact mentioned by 62.5% was the improvement of English skills. Some respondents (43.75%) referred to the exchange of culture with tourists as a positive impact, and the same number of respondents agreed that tourism supported the diversity of local culture. However, a few (25%) considered that the expansion of tourism in Vang Vieng disturbed local culture with the intrusion of Western culture, with 37.5% recognizing such behavioral change as teenagers imitating western dressing styles of wearing miniskirts or pants instead of sarong. As many as 31.25% agreed that tourism damaged the value of local art and tradition.

2. Impacts on Physical Aspects

As to the environmental impacts, the majority of respondents (62.5–75%) agreed that tourism encouraged the development of infrastructural facilities in the municipality. The government has invested in roads, water-supply canals, pipes and hydrants, electricity and garbage disposal. The recreational sites have been developed as tourist attractions. The environmental quality of the town so as to be more attractive to visitors. For example, 37.5% recognized that tourism caused water pollution in the Xong River through garbage dumping by tourists, entrepreneurs and community members, which corresponds with the report of Serey et al. (2010). In addition, more than half of the respondents (56.25%) are concerned about the invasion into public natural lands by buildings for accommodation, restaurants and beer bars. Other problems mentioned by respondents include the interfering with surrounding views by tall and overcrowded buildings as well as noise pollution by tourists (37.5%).

Before the expansion of tourism in Vang Vieng, the spatial structure of this town was simple in terms of land use. The land was mainly used for housing and government buildings, or otherwise remained vacant with the former site of an airfield used during the Vietnam War located at the eastern edge of the town. The density of built-up area was not so high and such important facilities as municipal market, bus station and government agencies were located in the center of town. As tourism started to grow, the land use was changed rapidly, especially after tourism regained its growth in 2006. For example, the municipal market and bus station were relocated to the north of the town about 2 kilometers away from the former sites in 2007 and 2008 respectively. Some government agencies also moved out to the new developing zone about 3 kilometers away from the center of the town. Moreover, the infrastructure was developed on a large scale in the town area. These changes of land use were caused by the rapid expansion of built-up area, which was attributed to the growth of tourism (Serey et al., 2010). Most land in the town has been utilized for tourist facilities such as hotels, resorts, restaurants, internet café, rent-a-car shops, tour guide shops and so on. And the majority of the respondents (56.25%) recognized that the former vacant and vacated land had been successfully utilized to generate additional income.

Figure 4 shows that the facilities for resorts, restaurants and other tourist services were not so large in area and concentrated mainly in Savang District next to the former airfield in the west. However, in Fig. 5, the area used for tourist facilities is much more extensive and crowded in Savang District. Some facilities are expanding into the nearby villages along the main road and small side-streets, or even trespassing on the bank of the Xong River.
Fig. 4. Distribution of tourist facilities in Vang Vieng Town in 2005

Source: author's survey and interviews
Impact of Tourism on an Urban Community in Vang Vieng District (SOSAMPHANH et al.)

Fig. 5. Distribution of tourist facilities in Vang Vieng Town in 2012

V. Evaluation of Elements for Sustainable Tourism by the Community

As shown in Table 3, among the five important elements for sustainable tourism, three of them are considered important (most or much) by the majority of the respondents (over 50%), while less attention is paid to the other two elements; namely (1) consideration on the carrying capacity in tourism development, and (2) community participation in tourism management. It will be necessary to improve the local people’s recognition of these two elements so as to make tourism sustainable in Vang Vieng District.

According to interviews with community leaders, it was found that tourism management in Vang Vieng is not equally open to every community member in some service activities such as canoeing/kayaking service and long-tail boat service. Only some families can participate in these service groups to make income. In the case of tubing association, every family can hold membership, but the opportunity is limited only to those who live in the urban community area. The families from outside the urban area cannot benefit directly from this business. These points are not yet taken seriously by the local people.

As for the element of carrying capacity, the local people in general have not yet realized its importance. However, the water level in the Xong River is decreasing every year, and some people are very concerned about it as the activities on the Xong River bring a lot of income to the local people. They want to prevent the decreasing of water level and water pollution in the Xong River as well as careless accidents, drug abuse and other problems attributed to unmanageable numbers of tourists.

Tourism in Vang Vieng focused mainly on activities that can bring quick and stable income. The activities that take a longer time and yield small income, such as trekking in the forest or making handicraft or souvenirs, do not attract the interest by the local people. Accordingly, those tourists who are attracted by the diversity of local wild life have to travel in the forest by themselves and some of them met with an accident or were even killed on the jungle tracks. As well, even in the case of such popular activities as tubing, kayaking or drinking at a bar by the Xong River, many tourists have accidents every year because the entrepreneurs neglect safety in order to make quicker and larger income in a situation of keen competition.

VI. Final Remarks

Vang Vieng District is one of the most favorable tourist areas in Lao PDR as it is located between two major cities. Within its urban area, there are various tourism resources such as water bodies, caves, mountains, cliffs and traditional ways of living of indigenous people. Therefore, once the national policy of tourism expansion was reached, it transformed this district into a popular destination for both domestic and international tourists. Since the tourism service management in Vang Vieng District...
started in 1994, its various tourism service activities and facilities dramatically expanded to support the increasing number of tourists.

At present, the groups and associations that manage tourist services come to more than 10 types. Tubing and kayaking on the Xong River as well as visiting the caves are especially popular among the tourists. Most visitors to Vang Vieng District are adolescent backpackers, some of whom behave badly with negative impacts on the local community such as extravagance with food and drink or immodest clothing. However, tourism has benefited the community a lot and has been the key to improve the life and economic well-being of local people. Nonetheless, it is important to note that more opportunity for local people’s participation and more careful development for carrying capacity will be needed to encourage and sustain tourism. The issue of wider participation may include the distribution of income not only within the urban community but also among outside communities.

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