

Chapter 47

Poverty Reduction, Wealth Creation, and Tourism in Ethnic Minority Communities in Mainland Southeast Asia

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ABSTRACT

This article describes how there is a debate over the benefits and costs of international tourism and engagement with international trading networks for people living in areas where poverty continues to affect a large percentage of the population. An examination of the perspectives of ethnic minority micro-entrepreneurs on the impact of tourism on their lives and communities is presented. It was found most individuals from these communities find tourism increases livelihood opportunities and neither want to be isolated from the global economy nor want to abandon their traditional cultural values; instead it is preferred to have additional the additional livelihood options which tourism creates.

INTRODUCTION: EXPLOITATION OR INCREASED OPPORTUNITIES?

There is considerable debate over the impact of foreign investment, engaging in international trading networks, and hosting tourists as a means to improve the lives of individuals living in poverty. On one side are the claims international tourism and other forms of engaging in international economic activities result in exploitation and damage to individuals and communities in developing economies (e.g., Britton, 1982; Chok, Macbeth, & Warren, 2007; Hall & Brown, 2010). While on the other side it is argued foreign investment, engaging in international trading networks, and international tourism help to reduce poverty and improve the lives of the people living in areas where poverty is widespread (e.g. Hipsher, 2013; Khaleh, Hadavi, & Zamani, 2016; Seetanah, 2011). However, these debates are normally carried out between individuals in developed economies and the views of individuals in developing economies working in the tourism industry are rarely included in these debates (Pleumarom, 2012, pp. 101-102).

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Therefore, the objective of this research article is to present the viewpoints of a few micro-entrepreneurs, who have chosen to take advantage of the opportunities international tourism and engaging in international economic activities have provided in a specific context, in this case individuals belonging to ethnic minority communities commonly referred as hilltribes working in Northern Thailand:

The major policy challenges facing developing Asia are how to sustain the rapid economic growth that reduces multidimensional poverty and is both socially inclusive and environmentally sustainable. (Heshmati, Maasoumi, & Wan, 2015, p. 1)

INTERNATIONAL CONNECTIVITY

If eliminating or reducing poverty were a simple affair, poverty would no longer be a concern globally or within Mainland Southeast Asia (SEA). Throughout parts of Asia, some amazing progress has been seen in reducing poverty and lessening its negative impact, yet all poverty in the region has not been eliminated. Studying the basic principles which have previously been used successfully in reducing poverty in some areas can be viewed as valuable guides for creating further progress in the region. The two basic principles which have generally been associated with substantial poverty reduction are integration into the global economy and the existence of a dynamic private sector.

Throughout history, engaging in trade and having personal interactions with people from different cultural or geographical backgrounds have been associated with economic development, increases in innovation, and poverty reduction while isolationism and having more limited contacts with the outside world has been associated with poverty and a lack of innovation (e.g., Bhagwati, 2004, 2005; Bhagwati & Panagariya, 2013; Srinivasan, 2009). Today, engaging in trade and having personal interactions across cultures are often achieved through becoming integrated in international trading networks, which can be accomplished through exporting, importing, or sending or receiving foreign direct investment. However, some locations due to concerns over geographic location, population size, or level of development might be less attractive places to trade with for other members of global manufacturing value chains or other international trading networks. An alternative approach to becoming involved in economic activities with individuals from different geographical or cultural background is to engage in the international tourism industry.

Engaging in international trading networks or international tourism to reduce poverty and improve standards of living could be considered as following the wealth creation approach to reduce poverty. The term wealth creation could be considered synonymous with poverty reduction (Hipsher, 2013). But our choice of phrases and terms to frame a problem can have implications on how a problem is perceived. Wealth creation is primarily accomplished through the activities of the private sector. One view is, "Poverty occurs automatically. It is wealth that must be produced, and must be explained" (Sowell, 2015, p. 177). This view implies poverty is not the result of exploitation or outside forces stripping the wealth away from the poor which would have occurred if the people living in poverty remained isolated. Instead it is assumed conditions and connections have not been created which allowed wealth creation to take place. A wealth creation approach to reducing poverty focuses on creating conditions, connections, and opportunities resulting in an increase in economic activities and personal choices as opposed to top-down approaches designed by governments or other non-profit agencies to eliminate poverty, often through redistribution of wealth.

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