



**EFFECT OF TOURISM ON LABOURS MARKET IN  
LUANG PRABANG, LAO PDR**

By

Nittana Southiseng

**SIU SS: SOM-PhD-2006-01**

**EFFECT OF TOURISM ON LABOURS MARKET IN  
LUANG PRABANG, LAO PDR**

**SHINAWATRA  
UNIVERSITY**

FOUNDED 1999

A Special Study Presented

By

**Nittana Southiseng**

**Doctor of Philosophy in Management  
School of Management  
Shinawatra University**

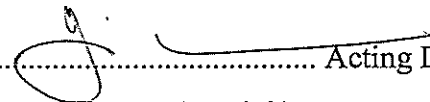
**October 2006**

Copyright of Shinawatra University

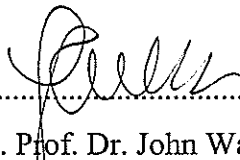
**Title:** Effect of Tourism on Labour Market in Luang Prabang, Lao PDR  
**By:** Nittana Southiseng  
**Program:** Doctor of Philosophy in Management  
**Advisor:** Asst. Prof. Dr. John Walsh  
**Co-Advisor:** Asst. Prof. Dr. Chanchai Bunchapattanasakda  
**Academic Year:** 2006

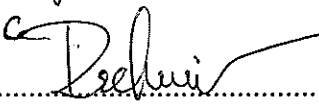
---

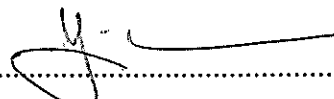
The Special Study is Accepted by the School of Management, Shinawatra University in Partial Fulfillment of the Requirements for the Degree of Doctorate of Philosophy in Management.

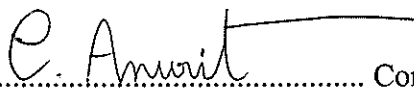
  
..... Acting Dean, School of Management  
(Assoc. Prof. Dr. Chuvej Chansa-ngavej)

**Committee:**

  
..... Advisor  
(Asst. Prof. Dr. John Walsh)

  
..... Co-Advisor  
(Asst. Prof. Dr. Chanchai Bunchapattanasakda)

  
..... Committee  
(Assoc. Prof. Dr. Chuvej Chansa-ngavej)

  
..... Committee  
(Asst. Prof. Dr. Pacapol Anurit)

October 2006

## **Acknowledgments**

I would like to express my sincere thanks and gratitude to my advisor, Assistant Professor Dr. John Walsh, for his kind supports and helpful guidance to the completion of this study. I am also very grateful to my Co-advisor Assistant Professor Dr. Chanchai Bunchapattanasakda, for his precious time and his suggestion. I am also deeply grateful to all the interviewees; employers, managers and employees in the tourism business entities of hotels, guesthouses, restaurants and tour operators; tourists and representatives of Provincial Tourism Office, Universities, Labor Union and other None Government Organizations in Luang Prabang, for their kindness in scarifying their times to answer the questionnaires and providing useful information related to the research study. Another special thank and appreciation are for my friends, especially Mrs. Chansamone and her family who are living in Luang Prabang, for their generous helps to access the targeted interviewees of this study when I was on field of data collection throughout two weeks in Luang Prabang.

## Abstract

Luang Prabang is the most famous province and globally well-known for traveling. Luang Prabang is full of cultural, historical sites and natural beauties that are attracting a plenty of regional and international tourists to the Lao PDR each year. Tourism in Luang Prabang has a direct effect on the creation of the local employment. Tourism industry is the main sector of which consisting of the greatest number of labors, either national or international labors.

The labors market in the tourism industry of Luang Prabang, currently have comprised of a diversity of people who have different background, knowledge and alternative potentials. However, a majority of them, neither the entrepreneurs nor employees, have obtained the tourism background and are skillful enough. Hence, most of them are required to improve their knowledge in terms of tourism services and management in order to reinforce their business performance and individual ability in the competitive environment.

Nevertheless, it is very challenging for the stakeholders are attempting to strengthen the tourism labors market as there was lack of appropriate development plan, lack of motivation and participation from the beneficiaries as well as the limited budgets and shortage of qualified human resources who have specific knowledge of tourism management available. Thus, to recover those challenges, the considerable recommendations are suggested at the end of the chapters.

**Keywords:** Tourism  
Tourist  
Labour supply  
Labour demand  
Labour development -- Luang Prabang

## Table of Contents

Title	Page
Acknowledgments	i
Abstract	ii
Table of Contents	iii
List of Figures	vi
List of Tables	vii
Abbreviations	viii
Chapter 1 Introduction	1
1.1 Background of the Study	1
1.2 Problem Statements	3
1.3 Objectives of the Study	4
1.4 Expected Outcomes	4
1.5 Rational of the Study	5
1.6 Scope of the Study	5
Chapter 2 Literature Reviews	7
2.1 Concepts	7
2.1.1 Tourism	8
2.1.2 Tourists	8
2.1.3 Labors	9
2.2 Job Opportunities in Tourism Industry	10
2.3 Structure of Tourism Labors Market	10
2.3.1 Labors supply	10
2.3.2 Labors demand	11
2.4 Management Strategies for Tourism Labors Development	13
2.4.1 Tourism development planning	11
2.4.2 Tourism stakeholders collaboration	12
2.4.3 Tourism education	13
2.4.4 Monitoring and evaluation	14

Chapter 3 Research Methodology	15
3.1 The Study Area	15
3.2 Sample Design	15
3.3 Data Collection	16
3.4 Data Analysis	16
Chapter 4 Findings and Discussions	17
4.1 Overall Revenues of the Lao PDR	17
4.2 Tourists in Top-Five Provinces in Lao PDR	18
4.3 Tourists in Luang Prabang	18
4.3.1 Categories of tourists to Luang Prabang	20
4.3.2 Length of stay by tourists in Luang Prabang	20
4.3.3 Accommodation budgets by tourists in Luang Prabang	22
4.4 Tourism and Entrepreneurs of Hotels, Guesthouses, Restaurants and Tour Operators	22
4.4.1 Hotels	23
4.4.2 Guesthouses	24
4.4.3 Restaurants	26
4.4.4 Tour operators	27
4.5 Tourism and Employment	27
4.5.1 Local tourism labors	29
4.5.2 Challenges	32
4.5.3 Tourism labors development	33
4.5.4 Other cooperation	36
4.6 Strengths and Weaknesses of Tourism Labors Development	38
4.6.1 Strengths	38
4.6.2 Weakness	38
Chapter 5 Conclusions and Recommendations	40
5.1 Conclusions	40
5.2 Recommendations	41
5.2.1 Employees	41
5.2.2 Employers	41
5.2.3 Others	42

References	44
Appendix Number of Tourists Arrivals to Luang Prabang by Nationalities, 2002-2005	46
Biography	48





## List of Figures

<b>Title</b>	<b>Page</b>
Figure 1 Tourist Cites in Luang Prabang	1
Figure 4.1 Length of Stay by Tourists, 2006	21
Figure 4.2 Number of Hotels, Guesthouses, Restaurants and Tour Operators	23
Figure 4.3 Market Shares of Hotels in Luang Prabang, 2006	24
Figure 4.4 Market Shares of Guesthouses in Luang Prabang, 2006	25
Figure 4.5 Market Shares of Registered Restaurants, in Luang Prabang, 2006	26
Figure 4.6 Comparison of Local and Expatriate Employment in Tourism Labors Market in Luang Prabang, 2006	29

## List of Tables

<b>Title</b>	<b>Page</b>
Table 3 Samples of Interviewees	15
Table 4.1 Revenues from Tourism and Other Major Exports	17
Table 4.2 Volume of Regional and International Tourists in Top-Five-Provinces, Laos	18
Table 4.3 Comparison between Lao and Foreign Tourists in Luang Prabang	20
Table 4.4 Accommodation Budgets by Tourists in Luang Prabang	22

## Abbreviations



ADB	=	Asian Development Bank
GDP	=	Gross Domestic Products
Lao PDR	=	Lao People's Democratic Republic
NCHRD	=	National Center for Human Resource Development
NUOL	=	The National University of Laos
OECD	=	Organization for Economic Co-operation and Development
SMEs	=	Small and Medium Enterprises
SNV	=	Netherlands Development Organization
UNDP	=	United Nations Development Program
WTO	=	World Tourism Organization

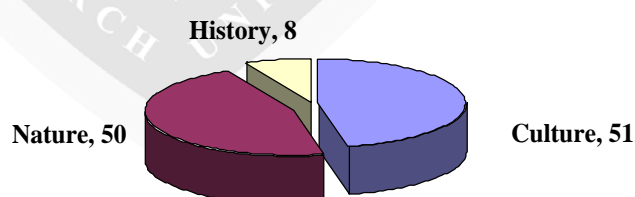
# Chapter 1

## Introduction

### 1.1 Background of the Study

Luang Prabang is one of the 18 provinces of the Lao's People Democratic Republic (Lao PDR). Luang Prabang is the ancient capital city of the Lane Xang Kingdom (the former kingdom of the Lao PDR), established since 1,200 years ago. Luang Prabang is situated in North-Central part of the country, surrounded by numerous mountains and green forests. Formally speaking, it consists of 11 districts with 855 villages and 699,802 households, confirmed by The Deputy Manager of Labor Department in 2006. Luang Prabang occupies of 16,875 km<sup>2</sup>; with the estimated population of 405,949 people and encompasses of three major ethnic groups such as Lao Loum (Lao-Tai), Lao Theung (Mon-Khmer) and Lao Soung (Hmong). Mekong Tourism Investment Submit (MTIS) has cited that not more than 20,000 people are living the capital city of Luang Prabang with the population density is 22/km<sup>2</sup>; 61,814 households; 118 villages whereas the rate of the provincial population of Luang Prabang is about 2,4% per year, stated by Saphakdy, 2005.

Luang Prabang is an antique city and rich of distinctive cultural heritages with traditional of arts, crafts, colorful lifestyle, multiple of foods, unique language, wonderful festivals and rituals. In addition, Luang Prabang is even gifted with beautiful natural sceneries and several sacred monasteries for instance, The National Museum, Vat Xiengthong, Vat Mai, That Chomsy, Vat Visoun, Kouangsy Waterfall, Tham Ting and so on. These places are very popular for a plenty of tourists around the world because they reserve the historical perception and events. According to the statistic report on tourism in Luang Prabang in 2005, the tourist cites are categorized into three main groups of cultures which consists of 51 cites, 50 natural cites and 8 historical cites as the following figure.



**Figure 1** Tourist Cites in Luang Prabang

*Source:* National Tourism Authority of Lao PDR (2005)



As a result, Luang Prabang was officially proclaimed and indexed as a UNESCO World Heritage Property in the year of 1995 (United Nations Educational, Scientific and Cultural Organizations [UNESCO], 2004). With such international recognition, it brings more and more tourists and promotes the tourism industry of the country. This makes the number of the international tourists increase rapidly, from 65,872 of international tourists arrival in 2002 to more than 133,569 international visitors in 2005 as well as a drastic increase number of local tourists from 75,697 in 2002 up to 128,381 in 2005. Luang Prabang has since then become as the potential industry of attracting both internal and international traveler's attention to Laos.

More interestingly, this kind of tourism industry has contributed to the national economic growth and creates more job opportunities for the Lao people, in particular the residents of Luang Prabang residents itself. Several tourism agencies, hotels, quest houses, restaurants have been dramatically established in order to take advantages and benefits from such tourism boom. A lot of internal and external residents

*Natural and historical tourism places*

of Lauang Prabang find a job in the tourism related enterprises (UNESCO, 2004). However, there are inevitably risks for supplying and fulfilling labours to the tourism services due to the limited qualified labour supply.

With the fact that Luang Prabang is very reputable in terms of historical and unique cultural preservation and nature's beauty, tourism industry in Luang Prabang is forecasted to draw more and more sightseers and trippers worldwide arrival for the forthcoming year. Consequently, it needs more concentrations and intents on developing and producing the extent of qualified workforce, especially the Luang Prabang Labour supply in order to ensure and keep balancing the sustainable development between labour and tourism development.

To effectively and economically study and elaborate this study, the problem statements, specific objectives, expected outcomes and research methodologies were predetermined before going to for the data collection, aiming to scope down the study area, budget and time usage. The detail of these elaborations would be descriptive in the following parts.

## **1.2 Problem Statements**

Whereas the number of the tourists both internally and externally visiting to Luang Prabang has incredibly increased year by year, it is however difficult to securely support the wise services and satisfy the respective travelers. This is due to some main constraints of weak managerial mechanism at the level of sustainable tourism development patterns and the lack of qualified human capitals who are the critical stakeholders of the regional development. Three critical problems bellow are largely believed that it slows down and creates restrictions on the tourism labor development in the Luang Prabang. They are highlighted hereunder.

- 1) Labours in tourism sector in Luang Prabang have limited skills and do not have specific knowledge related to tourism services and management
- 2) Lack of certain commitment from relevant stakeholders as well as inappropriate planning for enhancing the tourism labours.
- 3) Lack of market research and inaccessible information for developing human resources for the tourism labor supply and demand.

At the same time, this study is expected to answer the specific questions bellow:

- 1) Which sectors of labor market are mainly affected by the tourism industry in Luang Prabang?
- 2) Are there any challenges to the local labors when the tourism industry of Luang Prabang is getting boom? And how those challenges are deal with?
- 3) What kind of development program is utilized in order to strengthen the local labor in the tourism-related businesses?
- 4) Who are the main stakeholders getting involved in the tourism labor development in Luang Prabang?

### **1.3 Objectives of the Study**

It is obvious that this study is to study on what the actual management practices are and how tourism has influenced and changed the local residents' career direction. And more essentially, it is expected to constitute appropriate methods to eliminate hidden barriers and conquer the shortcoming of the insufficient managerial system. Herewith are the specific objectives of this study:

- 1) To study the current situation and practices of the tourism labor market in Luang Prabang
- 2) To identify the gaps between the present tourism labor availability and the expected tourism HR for the forthcoming year.
- 3) To demonstrate the findings and the current competitive mechanism for managing the tourism labors development to meet the optimum expectation of Luang Prabang sustainable tourism development.
- 4) To explore the strength and weaknesses of the current tourism labor development program in Luang Prabang.
- 5) To drawn conclusions and recommendations for Luang Prabang tourism labor development and for the further study.

### **1.4 Expected Outcomes**

This study is expected to get the four main outcomes as following:

- 1) To understand the current situations and practices of tourism labors market in Luang Prabang.
- 2) To recognize the gaps between tourism labor availability and expected labor market for the Luang Prabang tourism industry.



3) To present the findings and current mechanisms which are utilized to enhance the tourism labor development in Luang Prabang.

4) To determine the strengths and weaknesses of the current tourism labor development program.

5) To get the conclusions and recommendations for developing Luang Prabang tourism labor market.

### **1.5 Rational of the Study**

After Luang Prabang becomes popular and can attract a rapid increase of national and international visitors, the number of new entrepreneurs in accommodations, restaurants, and tour operators has also increased. Several of local residents are employed and able to more or less generate their own income. Career opportunities in such tourism services are considered as the main source of income generation for a majority of residents in Luang Prabang. While the tourism development is growing, human resources is officially recognized as the key indicator of economic development.

With the high volume of tourists is continuously rising up, they normally have different characteristics and culture, alternative preferences and expectation from touring in Luang Prabang. Therefore, this research will study on how tourism-related businesses as well as labor in this industry coming up with the effective planning to satisfy a variety of tourists and to enhance the capacity and effectiveness of the local tourism industry. Principally, this study is anticipated to explore how the tourism effects on the growth and development of the tourism labor market. Besides, it is very interesting to investigate more about whether or not there are any potential challenges needed to overcome and acquired any involvement for the defined achievements. All in all, this investigation is assumed to minimize the negative impact from tourism business to local labor market meanwhile it attempts to maximize the positive effects from tourism activities to the local workforce as much as possible.

### **1.6 Scope of the Study**

To keep this study within a limited scope, this study focuses on the major issues and significant impacts of tourism on the local labor market in Luang Prabang. This bases on the interviews, experiences and observations of the author. The investigation was continuously implemented on how the relevant stakeholders were trying to do to



recover the potential constraints. This study does not take other issues that tourism might effect on and not relate to the labor market of Luang Prabang into a consideration.

Of course, this study was definitely conducted within specific areas as defined in the research objectives. As this topic study obviously covers all the stakeholders who are entrepreneurs and employed in tourism-related businesses in the Luang Prabang Province. Luang Prabang district is the capital city of the province, where mainly consists of the preservation places and buildings of the heritage property. It is the particular areas where most tourists favor to visit.

The population of this study thereby were scoped down and studied in the area of where most of relevant stakeholders involved in tourism market within Luang Prabang district. All relevant governmental agencies, private units and other individuals that have and get direct or indirect influences from tourism development were assessed. To make this study more meaningful, the information supporting for this study were collected through both primary and secondary tools.



*Conservation Areas where represent cultural and historical places of Luang Prabang*

## **Chapter 2**

### **Literature Reviews**

Tourism industry now-a-day is a very sound concept and is growing very fast in the world. Tourism is a critical sector that contributes to the regional and national economic development for several countries such as Thailand, Cambodia, Singapore and etc. Broadly speaking, it is enormously accepted that it absolutely creates a positive impact on the economic growth in terms of balance of payment, on gross of income and production, in particular, on employment rate.

However, even tourism might be largely seen as the main instrument for stimulating new economic activities, it somehow may have negative impact if there is ineffective planning structure, especially, negative impact on the environment of the country. In contrast, if there is a proper plan for tourism development, a plenty of direct and indirect stakeholders would certainly be able to benefit from it. A tourism characteristic has a vital role on increasing the number of labors market. World Tourism Organization (WTO) cited that tourism activities are also highly depended on the availability and quality of the labor input as it is the main variable driving the value and quality of the tourism.

Consequently, here and throughout this chapter the important concepts and principles of tourism, tourists and labor would be demonstrated. And then, it followed with the characteristics of job opportunities availability which are influenced by the tourism industry. After that, the structure of tourism labor market is going to be discussed. Finally, the effective strategies for developing tourism labor will be raised.

#### **2.1 Concepts**

##### **2.1.1 Tourism.**

Historically, tourism perspective was originated in the Europe. Most of European preferred shaping traveling and visiting beautiful and attractive places, and spending their time in other areas with their friends and family whenever they had free time. Such kind of movement becomes notable; and eventually, emerged as the business of tourism (Pearce, Morrison, & Rutledge, 1998). Since then tourism becomes a very common concept for every generation. Tourism can be described into different ways. Some tourists define tourism as a group of businesses that provide facilities and

services which consumed by the tourists themselves. With the considerable services delivery, tourists can relax and enjoy their lives during vocational holidays; and then release all the pressure from working time away.

One of other definitions of tourism given by WTO, tourism is the provision of services for all travelers world wide a with an aim of income generation, recreating employment, economic contribution, promotion of better relationship with different countries, learning alternative cultures and experiences and etc. so, tourism does stimulate enormous investment infrastructures, create new tourism jobs and businesses, most of which can help to improve the living conditions of the local people.

By and large, tourism does not only serve the travelers, but it also brings advantages back to both direct and indirect stakeholders whom providing the services and products for the travelers as well. Subsequently, tourism becomes a popular industry attracting a various local residents to form their business in the tourism sector.

### **2.1.2 Tourists.**

Before getting to who are the labor and tourism labor, it is very important to review the literature in terms of whom the tourists are. Tourist is any person whom loves visiting historical objects, fantastic places, relaxing...outsides rather than where he/she normally resides for at least or more than 24 hours. Tourists usually has a definite journey of returning home of the origin, and more likely prefer to go with tour group in order to save time and easily assess their interested information of where they are interested in.

As having found in Pearce, Morrison and Rutledge (1998), tourists are those people whom like taking photos, buying souvenirs, going to famous places, staying briefly in one place and do not understand the local people. Meanwhile, the travelers are those how like staying briefly in one place, experiments with local food, going to famous places, taking photos and exploring places privately.

According to the statistic report on tourism in Lao PDR (Mongkhonvilay, 2005), foreign visitors to Laos are grouped into 2 categories: international tourists and regional tourists

- **International Tourists** are those tourists who enter Laos with a valid passport and visa obtained from a Lao embassy or consulate abroad, or a visa obtained on arrival at an international border checkpoint.

- **Regional Tourists** are tourists from neighboring countries such as: Thailand, China, Myanmar, Vietnam and Cambodia, which share borders with Laos. They enter Laos with valid border passes or passports. Although some of them are called “day trippers”, they many make overnight stays.

### **2.1.3 Labors.**

Labors are those people who do the productive work for wages. Labor with or without high skill, knowledge, experiences, high qualification, competitive ability and etc. is also defined as labor. In different organizations such as tourism sectors, garment industry, public services, governmental ministry, NGOs, International Organization and so on, distinctive labors are required. In any organizations, labor obviously represents as the critical input. Without this kind of input, the anticipated outputs can not be produced and of course the stained outcomes of the organization can absolutely not be able to achieve.

UNESCO (2004) had defined the term of the labor in tourism sector that they are those people who are working and getting a certain wage from both direct tourism sectors and indirect tourism-related businesses. UNESCO explained that the persons with salaried jobs in tourism agencies and related services such as persons who are earning a living from handicraft production, restaurants, construction jobs created by the demand for new tourists hotels, guesthouses or the expansion of the airports or other forms of transportation, internet cafes, superiors shops and so on; they are supposed to taken into account on the figure of tourism labor market.

In the tourism business entities, labor plays the most important role on developing the proper plan for providing the services. They are the main stakeholders whom communicate with the tourists, and provide the services satisfaction for all the travelers. However, WTO cited that tourism activities are highly dependent upon the availability and quality of its labor inputs. An understanding of labor tourism markets is thus of primary importance to tourism in both industrialized and developing countries. It is the labor that drives the quality of the tourism industry’s output and retrieves the sustainable outcome of the tourism destination. Subsequently, it is very

important for tourism destination to make sure a careful understanding of the supply of the labor available to them.

## **2.2 Job Opportunities in Tourism Industry**

Currently, it is largely seen that tourism industry is a growth sector because it increases consumers market through national and global competition. Tourism plays a very important role in poverty reduction for many countries; as it mainly contributes to economic growth and job creation, as indicated by OECD in the published paper of Measuring the Role of Tourism in OECD Economies. However, Christensen and Nikerson (1995) argued that it is not wise enough to the pursuit of tourism as an economic development strategy because tourism is perceived as offering career opportunities with seasonal and part-time job in which producing minimum wage. Most of them form a job in the lodging industry, restaurant and bar jobs, especially in eating and drinking establishment. Many people get first job experiences in these sectors because these sectors provides widespread of job availability with low-wages for non-skilled position level. Nevertheless, although tourism has largely contributed a low wages for the tourism labor, this concern can marginally leave people from unemployment.

According to the literature explored above, it is then very interesting for this study to explore about the job opportunities in the tourism sectors in Luang Prabang, Lao PDR. This job parameter has potential to study how tourism has affected the labor market. Then, the constraints can be defined, in which area the strategies for improvement and enhancement for tourism labor should be emphasized.

## **2.3 Structure of Tourism Labors Market**

To point out the area where labor development is needed, it is necessary to initially demonstrate the labor supply and demand patterns. These allow the current assessment on employment data in which may present the imbalance and unrecovered problems in the labor market. For this reason, the labor supply and demand should be analyzed separately, defined in the Summary Labor Market Assessment.

### **2.3.1 Labors supply.**

As defined in the Summary Labor Market Assessment, the analysis of labor normally starts with demographic data, which centering on working age population;

income, size and structure of gender, education, the projection of the working age population, economic activities, occupation, employment status, working scheme, average hours working, employment in public or private sectors and so on. Moreover, it existed in the Labor Supply Audit (The New Orleans Jobs Initiative, 2003), to assess the labors supply, the training and vocational experiences of the labor are also interesting to be identified because they can provide information about their skills and potentials that can serve as the individual career path in the business unit where they are employed. All in all, the labor supply simply attends to define the characteristics and potential capability of the available human capital.

### **2.3.2 Labors demand.**

Similarly to the characteristics of the labor demand found in the Summary Labor Market Assessment, this is another essential perception needs to be assessed in order to recognize the specific demand of the labor market. The labors demand is assessed in terms of the human capital needs. It primarily includes wage levels and earning, skills, knowledge and abilities (SKAs) of the labor force. As being shown in the National Center for Human Resource Development (NCHRD) in 2005, there is a high demand of labor market that provides a higher job opportunity for skilled laborers since they can raise the organizational sales and improvement with their competitive abilities.

In summary, to address the future labor development plan, the labor supply and demand assessments are the fundamental activities required to be explored. These variables can orient to the appropriate direction in order to ensure the balances between labor supply and demand markets.

## **2.4 Management Strategies for Tourism Labors Development**

### **2.4.1 Tourism development planning.**

To support for sustainable tourism development, it needs to have a proper planning and comprehensive strategic management. Interestingly, the tourism development planning should have a precise objective of what acquired to achieve and what else needed to support. Generally, the central plan of tourism development always comes from the central government or regional authorities. Yamauchi and Lee (1999) depicted that the government of Laos promotes the tourism industry on the basis of its national culture and natural environment.



To promote international tourism, the government has launched the program of infrastructure maintenance and installation for instance: construction of road, telecommunication, electricity and water supply, airports, hotels, restaurants, tourist's sites, supply of foodstuffs and souvenirs and etc. This attends to facilitates for all stakeholders whom might engage in the tourism industries; even the national or international tourists, the services providers and promoters themselves. With this regards, the government has taken into account of human development, regional culture preservation and protecting the regional environment while promoting the tourism industry development.

The experience of tourism in Luang Prabang has clearly demonstrated that strategic planning and sound management are crucial if optimal outcomes are to be accomplished (UNESCO, 2004). Whatever the tourism development plan is, all the stakeholders in the Luang Prabang community and the Lao government themselves have common interests of protecting their place of residence and preserving the resources that make Luang Prabang a unique and appealing tourism destination, and developing the local human capital (UNESCO, 2004). This expects to minimize the negative impacts of tourism while maximizing the benefits for the regional citizens the same as keeping long-term tourism development.

#### **2.4.2 Tourism stakeholders collaboration.**

UNESCO (2004) has highlighted that not only planning and better management are necessary for the sustainable tourism development, but it is also vital to have collaboration from all relevant stakeholders as well as the active community participation. Luang Prabang authority itself must give opportunities to the local community to access the available information and contribute their efforts and know-how in the tourism planning and management processes. Yamauchi and Lee (1999)



*Natures Surrounding Luang Prabang City*

said that regional co-operation is seen as the important stakeholder for assuring the containment of sustainable regional tourism development as they represents as the target beneficiaries. They should better be supported and motivated to participate in developing their local areas.

Besides the participation from the regional residents, to minimize threats, keep preserving the heritage property of Luang Prabang or of the world, there should better have the collaboration from other stakeholders involved in tourism for examples: NGOs, regional authorities, tourists and other private entities (Aas, Ladkin, & Fletcher, n.d). They said that the participation among all involved stakeholders can make sure the appropriate decision making and easy to achieve the goals. Furthermore, this can add more values of innovating knowledge, insights, and capabilities from alternative stakeholders' participation; and then it can strengthen their possibility of tourism development growth.

#### **2.4.3 Tourism education.**

Several theories and journals have developed distinctive strategies to enhance the strategic management for tourism industry as well as the tourism labor development. Some of them have the same orientation suggesting that, to strengthen the tourism industry, it is vital to ensure the quality of the labors available. WTO depicts that there is a clear relationship between tourism employment and tourism education. Good tourism education can devise appropriate training and education courses that will develop the human resources needs for related industry.

The effective educator can get lessons learnt and experiences from the tourism training courses and then can utilize it in the practical work. Particularly, in the tourism industries such as hotels, restaurants, travel agencies and so on; these tourism industries have provided training programs for employees with a target of enhance their labors' skills and abilities. A numerous schools, colleges, universities have offered the related-tourism management development course for their students. This attempts to broaden their awareness and view of development ideas for promoting, supporting and retrieving the Sustainable tourism industries.

In this regards, Human Resources Development has been identified as the most important component for tourism development (Yamauchi & Lee, 1999). With this respect, UNDP has become another interesting stakeholder involved in developing human development of Laos. It conducted an English Language Training Program,



expecting to qualify the participants to be able to speak and write English to serve for the global tourists. So, they are more self-confident to communicate with the foreign tourists. Apart from this, some of other training programs of labor development for hotels, restaurants, tour agencies are also organized at different places each year. This aims to educate the stakeholders in tourism services, and leading them to the direction of professional jobs in their future careers.

#### **2.4.4 Monitoring and evaluation.**

Even the strategic planning is well-designed, good collaboration from stakeholders is involved, education and training programs are pursued, and these can not ensure the effectiveness of the career development. It is difficult to measure the effective results. To keep track of the tourism labor development, it needs to have a good system of monitoring and evaluation. To measure the labors' skills and knowledge improvement after completing the education and training program, they should be evaluated on the basis of evaluation criteria of their participation and reaction to what they get from the training programs, behavior of how they can apply their knowledge drawn from the training to the reality and finally is measuring their results of how much their productivities are improved (Bohlander & Snell, 2004)

In conclusion, tourism industry is rapidly growing in every country. Tourism industry can bring several advantages to the regional and national economic development. It directly and indirectly creates a diverse career opportunities for the local. However, to strengthen and maintain the tourism industry development, it essentially requires ensuring capability of tourism labors of an individual organization by supporting them to get educated in the related field of study. All the related stakeholders from governmental agencies, private companies, interest groups and the beneficiaries all together are acquired to cooperate and help one another. And of course, the monitoring and evaluation patterns should not be exempted if the defined goals are to be achieved.

## Chapter 3

### Research Methodology

#### 3.1 The Study Area

This study investigated within the interest of the problem statement and specific questions mentioned and specific objectives mentioned in chapter 1. The study will particularly cover information in terms of sequences of tourism industry on labor market in Luang Prabang. Luang Prabang district consists of a plenty historical and beautiful places. It is the main area where a majority of tourists preferably come up and most of tourism agencies and business units are operating. More essentially, it is the area where a majority of the local residents are largely affected from the tourism industry.

And of course, the Provincial Tourism Office which is the representative entity for Sustainable Tourism Development and some of other interest groups (ADB, SNV and UNDP); they are absolutely located in Luang Prabang District. As a consequence, Luang Prabang district is the selected area where all the interviewing samples will be targeted and probed.

#### 3.2 Sample Design

The interviewing samples of this study were randomly selected within tourism business entities in Luang Prabang. 39 random interviewees were deeply interviewed through snowballing approach. Table 3.1 represents the detail information of the selected interviewees.

**Table 3** Samples of Interviewees

Tourism –Related Sectors	Samples
Hotels and Guesthouses	12
Restaurants	7
Tour Operators	7
Tourists	8
Representatives from Tourism Office, NGOs, University and Labor Union	5
<b>Total</b>	<b>39</b>

*Source:* Combined by the Author (2006)

### **3.3 Data Collection**

Both secondary and primary data were certainly collected before translated into scientific information and producing into a report. Secondary data collection was the first technique used by the author. Most of the background of the study, problems statements and objectives of the study, related concepts and theories related to the research study, past findings and etc were initially analyzed and processed by extracting from the relevant documents, books, journals, internet, reports, statistics, research, thesis, conference and so on.

Only the secondary data collection can not fulfill the information needed for this study. To make this study full of reliable and valid information, it requires getting concurrent information and getting participation from the related stakeholders. Hence, primary data were gathered within the area of Luang Prabang district. The primary data collections were delivered by randomly interviewing the 39 key informants whom are working in the tourism industry in Luang Prabang. Those were among employers, general managers, HR managers, tourists, employees, governmental representatives of Luang Prabang Tourism Office and NGOs.

Before going to the field study and gathering the needed information for this special study through a dept interview method (face to face and phone calls), the author had discussed and got specific suggestions from the research advisor whom is full of competitive experiences in the related field of study.

### **3.4 Data Analysis**

After the information needed were collected, all the information were accumulated altogether before getting processed, managed and analyzed through both qualitative approach. The data collected from both primary and secondary methods were carefully analyzed with an aim of producing qualified outputs of the study. The outputs of the analysis were then described into sentences and reorganized into graphs and tables where possible in order to make the readers easily understand. Ultimately, all the facts and discussion found in either secondary and primary data were finalized into report.

## Chapter 4

### Findings and Discussions

This chapter displays the actual findings regarding to the revenue generated by different industry, especially by the tourism industry. All the relevant findings of the top-five provinces are presented in this chapter as well. Importantly, the results of the current situations of the tourism and labors market of Luang Prabang are clearly discussed and presented throughout this chapter. Finally, conclusion and recommendation for the tourism and labor development are highlighted at the end.

#### 4.1 Overall Revenues of the Lao PDR

According to the information found by Mongkhonvilay, Minister of the Prime Minister's Office, Lao PDR (2005), the GDP of the Lao PDR was fundamentally generated from 9 main sectors (See Table 4.1 bellow).

**Table 4.1** Revenues from Tourism and Other Major Exports

Item	Sectors	2002	2003	2004	2005	Total	(%)
1	Tourism	113,4	87,3	118,9	146,7	466,3	24
2	Garments	99,9	87,1	99,1	107,5	393,6	20
3	Electricity	92,7	97,3	86,2	94,6	370,8	19
4	Wood Products	77,8	69,9	72,4	74	294,1	15
5	Coffee	9,8	10,9	13	9,5	43,2	2
6	Agricultural Products	25,6	11,1	20,5	26,6	83,8	4
7	Minerals	3,9	46,5	67,4	128,3	246,1	12
8	Handicrafts	2,7	12,4	1,9	2,7	19,7	1
9	Other Industries	19,9	17,1	13,4	11,9	62,3	3
10	Total	445,7	439,6	492,8	601,8	1979,9	100

*Source:* National Tourism Authority of Lao PDR (2005 )

*Note:* Revenue in Millions of US Dollars

Those sectors were tourism, garments, electricity, wood products, coffee, agricultural products, minerals, handicrafts and other industries. Revenue created by the tourism sector significantly representing the largest proportion of 24% of the total revenue generation from 2002 to 2005. Even the number of the tourism revenue dramatically decreased from 113,4 million US dollars in 2002 to 87,3 million US

dollars in 2003; such number figure still displayed the highest market share rather than the other sectors' market share. And of course, it was precise that it continuously had a high increase from 118,9 million US dollars to 146,7 million US dollars by the year of 2004 and 2005. As a result, tourism industry was noted as the most critical sector contributing to the GDP growth of the Lao PDR.

#### 4.2 Tourists in Top-Five Provinces in Lao PDR

There were top-five provinces of the Lao PDR where a plenty of the regional and international tourists had been continuously found throughout 4 years. They were Vientiane Capital city, Savannakhet Province, Luang Prabang, Champassak and Vientiane Province (as seen in Table 4.2). Luang Prabang was one of the top-five provinces, especially in rang three. Referring to Table 2 below, although Vientiane Capital City and Savannakhet provinces had a higher number of tourists arrivals through out the year of 2002 to 2005, it was found that most of the visitors visited there as a transit of targeting to visit other provinces such as Vientiane province, Luang Prabang, Champassak, Xiengkhuang and others.

**Table 4.2** Volume of Regional and International Tourists in Top-Five Provinces, Laos

Item	Province	2002	2003	2004	2005	Total
1	Vientiane Capital City	506,677	437,059	544,253	653,212	2,141,201
2	Savannakhet	98,962	64,050	118,821	192,560	474,393
3	Luang Prabang	65,872	99,150	105,513	133,569	404,104
4	Champassak	45,635	65,827	63,963	99,044	274,469
5	Vientiane Province	30,480	47,899	82,521	92,657	253,557

*Source:* National Tourism Authority of Lao PDR (2005)

Almost of 52% of tourists traveled to Laos through Friendship Bridge, boarded between Nongkhai, Thailand and Vientiane Capital City, Lao PDR whereas about 13% of the tourists came up Savannakhet to transit to Vietnam and Thailand; and some had toured to the Southern part of Laos (Mongkhonvilay, 2005).

#### 4.3 Tourists in Luang Prabang

Luang Prabang has progressively become more well-known as the tourism destination for several regional and international tourists world wide.

The number of tourists in Luang Prabang consequently had been keeping a dramatic increase every year from 65, 872 of tourists in 2002 up to 133, 569 of tourists in 2005. A numerous number of international tourists were highly enjoyed with ecotourism of cycling, elephant riding, floating, hiking and spending their lives with local people in the targeted tourist cites, said by one of the Ecotourism Tourism Operator Manager in August 2006. With such unforgettable interested and attraction, many new tourists were recommended by their friends to visit Luang Prabang, cited by some International interviewed tourists, August 2006. Hence, Luang Prabang undoubtedly was recognized and played a very important role on contributing to the national market share of the country's tourism industry. Luang Prabang was not only famous for regional and International tourists, but also for Lao tourists. Luang Prabang was very attractive for classical tourism by the Lao people in which making



*Several tourists at Phousy Temple to see the sun set at the early evening*



*Many local, regional and international tourists visiting Kuangsy waterfall*



*A well-known place for sight-seeing and sun-set*

the numbers of the tourists in Luang Prabang increase more and more. However, even the number of the Lao tourists was competitively increasing every year; the figure in Table 4.3 cited that the number of regional and International tourists seemed to be greater than the domestic tourist number since 2003 up to 2005. Subsequently, It can

be stated that most of the Luang Prabang tourism revenue gained by the foreign tourists.

**Table 4.3** Comparison between Lao and Foreign Tourists in Luang Prabang

Item	Description	2002		2003		2004		2005	
		No	%	No	%	No	%	No	%
1	Lao	75,697	53	58,983	37	90,593	46	128,381	49
2	Foreigners	65,872	47	99,150	63	105,513	54	133,569	51
	Total	141,569	100	158,133	100	196,106	100	261,950	100

Source: National Tourism Authority of Lao PDR (2005)

#### **4.3.1 Categories of tourists to Luang Prabang.**

According to the information found in the Statistical Report on Tourism in Laos, 2005; the tourists were from different countries around the world. Nevertheless, a majority of tourists were from Europe. The market share of European tourists to Luang Prabang in the year of 2005 was 59 %. There was a certain increase of almost 8% of tourists over 2004. Such growth represented a high increase in the number of European tourists due to expansion in more arrivals from United Kingdom. The growth of arrivals from United Kingdom went up from 12 % in 2004 to 16% in 2005. Whereas United Kingdom was denoted as the biggest volume of tourists arrival to Luang Prabang, Thai tourists was cited as the second significant of high volume of 15% in 2005, rising up for 8% over 2004. Apart from these 2 outstanding volumes from United Kingdom and Thailand, the other important markets were from Germany, Australia and USA in which representing roughly as 7%, 6% and 6% out of the total tourists respectively (Please see more detail in Appendix).

#### **4.3.2 Length of stay by tourists in Luang Prabang.**

The Provincial Tourism Office of Luang Prabang have accumulated the raw data from January to August 2006 in corresponding to how long most of the tourists spending their times in Luang Prabang. The result of the data analyses had been found that a maturity of tourists expected to spend their holidays in Luang Prabang for 2 nights in which representing for 33% out of the whole proportion of the tourists (Figure 4.1). Next, there was a sharp tendency that the tourists preferred to stay longer about 3 nights. The capacity of tourists' density of staying for 3 nights in Luang



Prabang had reached 26% as a whole. Most of these travelers generally tend to get to the natural exploration and would like to relax more in such peaceful circumstances in Luang Prabang, shared opinion and experiences by some tourists.

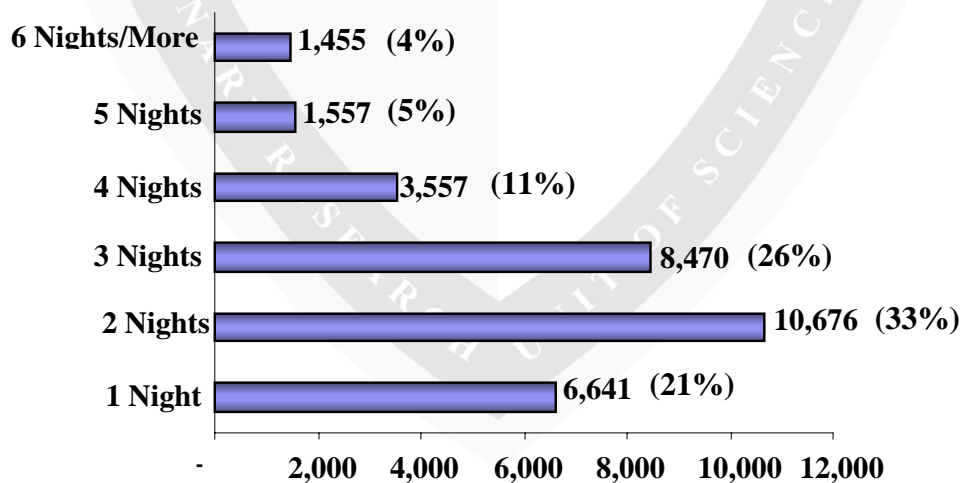


*Merit temple at Luang Prabang*



*Beautiful sculpture at the temple*

Figure 4.1 still illustrated a relative amount of 21% of the tourists for instance: Thai, British, American, French, Australian, and German and so on; preferring to have a short visit just 1 night staying in Luang Prabang. Several of tourists desired to discover and explore more distinctive cultures and living lives of the ethnic people in the rural tourist cites. They therefore required prolonging their time of staying at Luang Prabang about 4, 5 and 6 or more than 6 nights. Because of such alternative perspectives and needs of the different tourists, the consequence of the data analysis depicted that the percentage of tourists whom stayed in Luang Prabang for 4 nights was 11%. Finally, it indicated that 5% and 4% of the tourists, preferred spending their holiday in Luang Prabang for 5 and 6 nights or more respectively.



**Figure 4.1** Length of Stay by Tourists, 2006

*Source:* Provincial Tourism Office of Luang Prabang (2006)



### 4.3.3 Accommodation budgets by tourists in Luang Prabang.

By analyzing the categories of accommodation budget occupied by tourists, the results appeared that the highest ratio of the tourists considerably chose to stay in the cheapest accommodation, presenting at 64% of tourist corresponded. The cheapest cost is primarily less than or equal 10 \$USD. A plenty of those tourists mostly stayed in Luang Prabang for 2 and 3 nights. The second high ratio shown in Table 4.4 bellow revealed that 13% of tourists designated the accommodation with more acceptable prices ranging from 11 to 20 \$USD. Furthermore, it was surprised that in various tourists opted to occupy in the most expensive accommodation in which costing 120 \$USD or up. This ratio represented at 11%. Apart from these, there were 6% of tourists liked to stay in a quite expensive room which cost from 40 to 74\$USD, and after that 5% of the tourists chose to stay in the 70 to 119 \$USD rooms. Ultimately, only 1% of the tourists stayed in the 21 to 39\$USD rooms.

**Table 4.4** Accommodation Budgets by Tourists in Luang Prabang

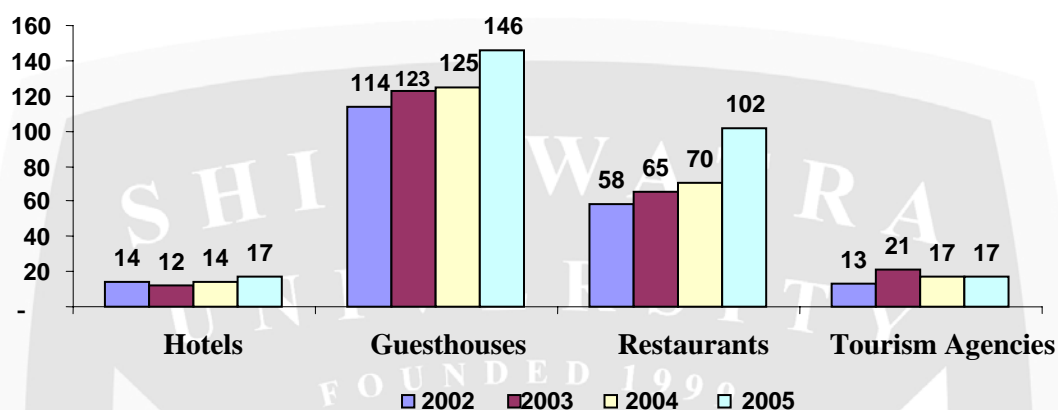
Items	Accommodation Budget	Accommodation Occupied by Tourists	
		Number of Tourists	Percentage (%)
1	\$1-10	20,260	64
2	\$11-20	4,238	13
3	\$21-39	229	1
4	\$40-74	1,854	6
5	\$75-119	1,562	5
6	\$120 & Up	3,380	11
	Total	31,523	100

*Source:* Provincial Tourism Office of Luang Prabang (2006)

## 4.4 Tourism and Entrepreneurs of Hotels, Guesthouses, Restaurants and Tour Operators

Referring to such high volumes tourists arrivals to Luang Prabang yearly, tourism market has automatically become the main market which mainly creating more opportunities for the local people to generate their own income. The tourism industry is the critical potential and has direct effect on the development of small and medium enterprises (SMEs) in Luang Prabang. Most significantly, several of local people tend to run their own businesses and alternatively cooperate with other, especially, in terms of hotels, guesthouses restaurants and tourism agencies; as

presenting by the actual growth of the accommodations, restaurants and tour operator digits in Figure 4.2 hereunder.



**Figure 4.2** Number of Hotels, Guesthouses, Restaurants and Tour Operators  
*Source:* National Tourism Authority of Lao PDR (2005)

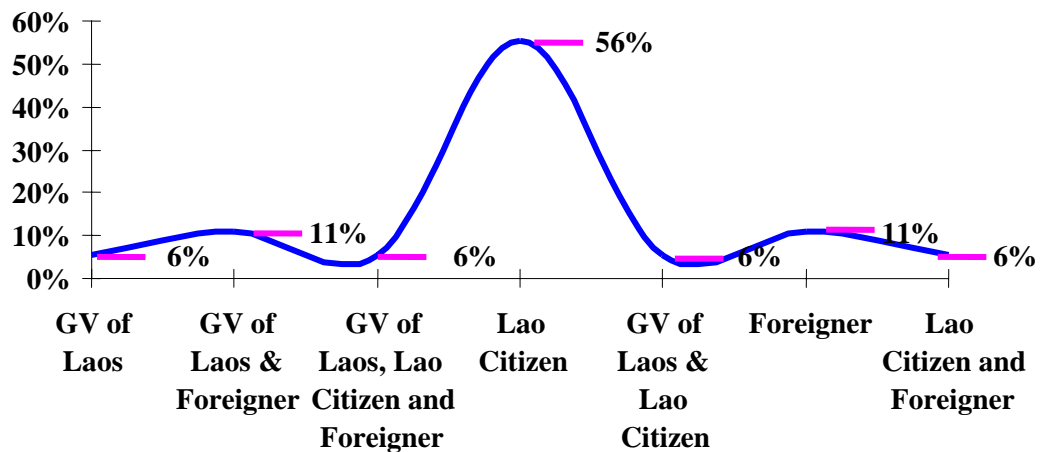
#### 4.4.1 Hotels.

According to Figure 4.2 above, it was obvious that although the number of hotels in Luang Prabang decreased from 14 in 2002 to 12 in 2003, it then started increasing again to 14 in 2004. And then, 3 more of additional hotels services were officially authorized of which reaching 17 hotels available for almost other additional 66,000 more tourists increase in 2005. Principally, the Lao government does not only attempt to attract a great extent of tourists globally, but also endeavor to entice the International investors in tourism industry in Luang Prabang targeting to promote more competitive business among local and international investors.

#### *Hotel market shares*

In accordance with the information gathered from the National Tourism Office in Luang Prabang by August 2006, one more hotel has grown up. Thus, the number of hotels services is 18 at the present. On the report of new statistic found by August 2006, it clearly appeared that hotels market shares in Luang Prabang are categorized into 7 groups. Firstly, 6% of the hotels market share is currently holding by the Government of Laos. Secondly, 11% is the joint venture between the Lao government and foreigner such as British, French and Hong Kong. With such fact, it showed that 70% out of 11% of the joint ventured belongs to the foreigner and 30% out of 11% are owned by the government of the Lao PDR.

Besides, it represented that 6% of hotels market shares in Luang Prabang are cooperated by the Lao government, Local citizens and foreigners; and only 27% owned by the foreigner. More significantly, the biggest percentage of 56% of hotels business in Luang Prabang is the local private ownership, particularly the Luang Prabang citizen. Moreover, it is very interesting that another 6% of hotel market shares are possessed by the cooperation between the Lao government and local businessman whereas 11% are solely administered and managed by the foreigner. In addition, the foreigners still join running business with the local entrepreneurs in which holding of 6% of the rest hotel market share in Luang Prabang, and almost 94% out of 6% are occupied by the foreign investors. The precise percentage of hotels market shares in Luang Prabang is concluded in the Figure 4.3



**Figure 4.3** Market Shares of Hotels in Luang Prabang, 2006

*Source:* Combined by the Author (2006)

In summary, it shows that the number of hotel services slightly growing up yearly. Even there are many foreign investors running hotel businesses in Luang Prabang, most of the hotels market share officially belongs to the Lao government and local entrepreneurs. Especially, a majority of hotels market shares in Luang Prabang is predominantly private ownership of the local businessman, mainly the Luang Prabang citizens.

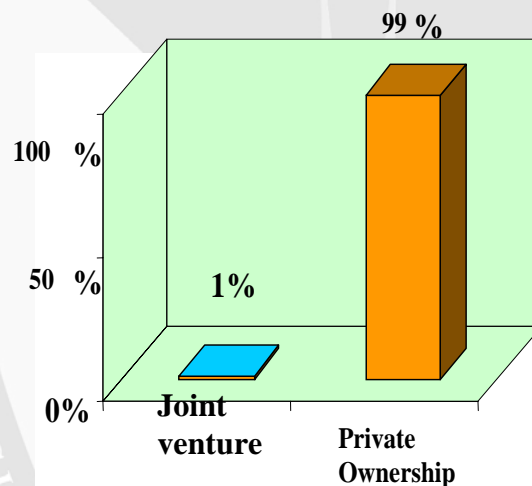
#### **4.4.2 Guesthouses.**

With reference to the Figure 4.2 mentioned above, guesthouses consisted of the largest proportion of the total accommodation in Luang Prabang. It highly grew up

from 114 to 123 units from 2002 to 2003; and then slightly expanded and reached 125 units in the year of 2004. Afterwards, in 2005 many new guesthouses were established up to 146 business entities.

#### ***Guesthouse markets shares***

As being stated in the guesthouses statistics prepared by the Luang Prabang Tourism Office on August 2006, it was discovered that there have 134 guesthouses been being registered officially. 99% of the registered guesthouses are privately owned by the local entrepreneurs whereas only 1% of the registered guesthouses are the joint venture entity due to the presentation in the Figure 4.4. Within 1% of the joint venture itself, almost 67% of such shareholding still belongs to the Luang Prabang residents.



**Figure 4.4** Market Shares of Guesthouses in Luang Prabang, 2006

*Source:* Combined by the Author (2006)

As a result, the conclusion can be certainly interpreted that the tourism industry has a straight effect on the small and medium business growth, especially, in the guesthouses business sector. One of the interviewees, the General Manager of the Inter-Lao Tourism Operator in Luang Prabang, he remarked that due to the an undoubted increase of regional and International tourists annually, the Luang Prabang citizens are trying to set up and run guesthouses businesses. Many of them have utilized their own estates to provide for the accommodation services, and many of them have their estates such as land and building lent to the others businessman who are capable to run business in tourism industry at Luang Prabang.

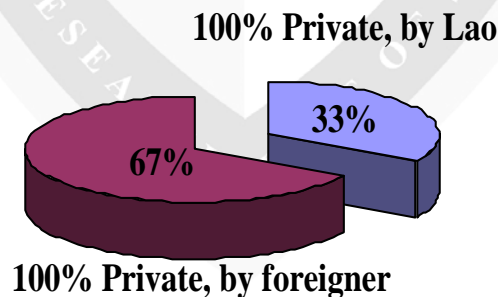
#### 4.4.3 Restaurants.

Figure 4.2 shows that from the year 2002 to 2005, the growth rate of restaurant services was dramatically increased from 58 units to 102 enterprises, 44 units were increasingly established over 4 years. Some of them were just recently started for about 4 to 5 months and run by new entrepreneurs; some were enlarged into many branches by the existing entrepreneurs. For example, the Indo-China restaurant, Pizza restaurant and the other new branch of small Pizza restaurant; these 3 restaurants are currently the same branches, completely managed by the Thai entrepreneur whom has been living in Luang Prabang for many years.

##### *Restaurants markets shares*

Basing on the latest statistic prepared by the Provincial Tourism Office in Luang Prabang by August 2006, it was uncovered that within total number of restaurants in Luang Prabang for the moment, there are now 12 restaurants have legitimately registered. Basically, there were categorized into 2 simple types of private ownership such as 100% private business owned by Lao and 100% private business invested by foreigners.

The largest portion of the registered restaurants found on August 2006, it was 67% purely owned by International investors, with minimum capital from 10,000 to 50,000 \$USD as well as minimum turnover from 3,000 to 20,000 \$USD. At the same time, it represented that the restaurant businesses owned by local magnates was merely 33%, with either the lowest capital starting from 2,500 \$USD to 5,000 \$USD or the lowest turnover beginning from 500 to 1,000 \$USD. Thereafter, it was obviously that Luang Prabang could attract many International foreigners to Luang Prabang as well as motivating more local entrepreneurs in the SME, explicitly in terms of restaurant entrepreneurs.



**Figure 4.5** Market Shares of Registered Restaurants in Luang Prabang, 2006

*Source:* Combined by the Author (2006)

#### **4.4.4 Tour operators.**

The number of the tourism operator was highly increased in 2003 comparing to the year 2002. As being displayed in Figure 4.2 above, 8 units or 38% of the tourism operators grew up in 2003. Then, it started decreasing to 17 units in 2004 and remained steadily in the year of 2004. However, with the secondary information provided by the Official Tourism Office located in Luang Prabang on August 2006, the amount of travel agencies again went up to 24 agencies. This business operation certainly related to classical tourism, ecotourism, ticketing, and etc. In this sector, of course they were actually already registered and presently are the properties of both local and International investors. Nevertheless, there was not accurate record of existing market shares despite the gross amount of them were completely registered.

In addition to those 4 main categories of businesses mentioned above, tourism industry still has direct influences on the increment of the *local entertainment establishment* too. Entertainment business entities were increased from 3 entities in 2004 up to 7 entities in 2005, recorded in the Statistical Report on Tourism in Luang Prabang, 2005. This meant that 40% of the entertainment was additionally established over the year of 2005.

As a consequence, it can absolutely be summarized that more and more local resident are motivated and enthusiastic to take the advantages from the immediate growth of tourism industry. Thus, the interpretation of the effect of tourism on labor market in Luang Prabang is unquestionably pushing on the creation of new entrepreneurs in SMEs. It does not only contribute to the growth of local income generation, yet also driving on strengthening the capacity of the local workforce structure in Luang Prabang, Lao PDR.

#### **4.5 Tourism and Employment**

As the rapid increase in visitors to Luang Prabang, Luang Prabang residents quickly take advantages by finding jobs in many existing and new tourism-related enterprises, remarkably in hotels, guesthouses, restaurants and tour agencies; explained by UNESCO, 2004. Similarly to the employment findings obtained from Luang Prabang Labor Union, there tourism labors are concurrently working for and get a certain salary from those service units. Furthermore, many labors who are employing and earning in another sectors for instance: internet cafés to serve tourist's requirement, constructions due to the expansion of accommodation services, food and



production, handicrafts, transportation so on and so forth; they are indirectly defined as another tourism labor indicators.

Both direct and indirect tourism labors are normally determined in the tourism employment. Subsequently, it exhibited in the latest statistics of employment in the private tourism-related business operation that there was 5,389 people of which 1,310 were women, reported in the yearly report of 2005. The growth rate of employment in tourism-related business was at 1.5 % per annum comparing to the number of people working in the private sector. The minimum wage of employee was defined at 27 \$USD per month in respect to the wage policy found in the Labor Union Department of Luang Prabang by August 2006.

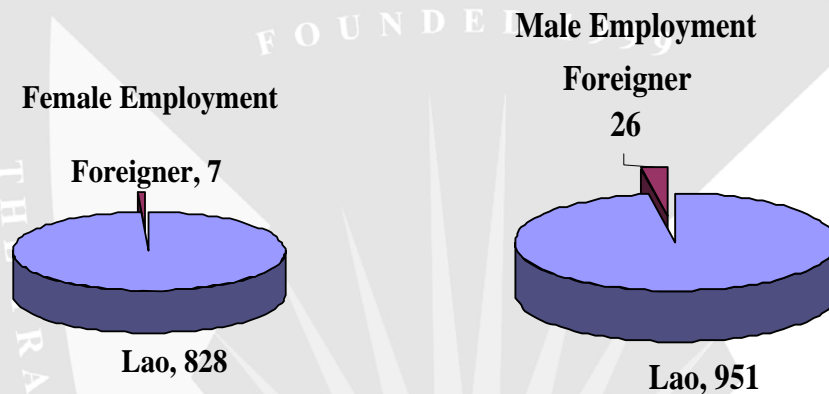
In direct tourism labor market, the most outstanding size of employment was showing in hotel sector. The hotel sector roughly employs 685 local people with 376 are females, 309 are males and also 30 foreigners of which 7 are females and 23 are males. The foreign employees are from different countries for instance: French, Myanmar, Indonesian, Thai, British, German, Vietnamese, and so on. Guesthouse is



*Handmade handicraft products available along the street at the night market*

the second sector hiring 676 local employees with 302 females, 374 males and other 3 masculine foreigners. Next, restaurant sector occupies the third relative number of 233 workers, showing as 95 females and 135 males.

And lastly, tour guiding sector employs 55 females and 130 males. To sum up the total employees in these 4 sectors are concurrently 1,812 people out of the total number of employment in private sector. The number of male represents a higher number rather than female figure the same as local residents are more employed than the expatriates are. To make it easy to understandable, the existing number of local employees and expatriates are briefly concluded in Figure 4.6 as bellows.



**Figure 4.6** Comparison of Local and Expatriate Employment in Tourism Labors Market in Luang Prabang, 2006

*Source:* Combined by the Author (2006)

Additionally, it is assumed that there are no employee records available in at least 12 guesthouses. On the one hand, the 91 restaurants are presumed to not have staff reports yet. It is believable that these 2 enterprises are consisting of numerous employees there. So, the rest proportion of employment 5,389 people is supposed to be involved in the rest of inaccessible guesthouses, restaurants and other indirect tourism-related entities.

#### 4.5.1 Local tourism labors.

Tourism labor in Luang Prabang is seen as the seasoning labor. More people are employed during high season starting from September to May due to a drastic increase of tourists. Either Luang Prabang residents or residents from other provinces (Vientiane, Champasak, Xayaboury, Luang Namtha, Phonsaly, Oudomsay and etc) are typically determined in the local tourism labors. With a large number of local



people have been employed in the tourism-related entities, it shows that several of them are simply hired regardless to the certain knowledge is needed. Especially, for those who are working in the hotels, guesthouses and restaurant services. A significant volume of employees working in these sectors, they chiefly finished high schools, and following with vocational schools at Luang Prabang in the fields of business administration, accounting and mainly English major. Many of them are still studying, but they would preferably like to work at the same time.

Many General Managers of the private businesses in Luang Prabang said that, every one who expected to work in such service organization, he or she was supposed to at least know and understand English and more importantly should be honest; the specific education background is not taken into account. They can possibly be trained and get more improved by learning during their works. While majority of tourism business organizations anticipated hiring the employees who are motivated and have service-mindset, high responsibility, clever, good biography, good appearance, obtaining specific knowledge of tourism management, and experienced in related business, some of them hire an uneducated and experienced labors. Likewise, the applicants whom have historical and cultural knowledge, good at swimming, healthy, know ethnic languages and English ability; are other promising criterions of expected employees for tour agencies.

Nevertheless, even the employment rate of Luang Prabang has increased due to an effect of tourism market; there is an argument from several employees of their low payment. They do not have adequate power to bargain for a considerable wages. Some employees are hourly paid without sick leave compensation, but they can borrow. Some employees obtain monthly salary with a certain ceiling sick leave compensation of 20-30\$ USD. Only a few private businesses give permission of annual leaves, bonuses to their employees on the occasion of International New Year, Lao New Year for instances. Moreover, it appeared that some employees had to lose their jobs during the low season and working hours were reduced and salary got deducted while the living cost was expensive. As a consequence, they are less encouraged and motivated to fulfill their jobs whereas many of them do not even want to develop their own skills due to less chance of getting progressed to work in this sector unless having running their own businesses.

On the one side, the manager of the Labor Department in Luang Prabang said that a high increase of local tourism labors in Luang Prabang is considerably resulted

by immigration. Several people from the countryside are moving to Luang Prabang city in order to find a job. Around 2% of immigration increases every year, estimated by Labor Department on 2006. These immigrants are less educated and mainly defined as the raw labors with a little basic salary. Since many businesses in Luang Prabang are SMEs, it seemed to be family businesses.

Thus it created constraints for finding a job in tourism-related enterprises. Most employees in an enterprise are family members, relatives, neighborhoods and friends. While many are suggested and recommended by the seniors, it was observed that there are many walk-in job seekers everyday. The Personnel Department a hotels reported that “There are around 2 or 3 young people coming to apply for a job every day. According to their personal resumes, many of them are holding student status and have just graduated from vocational schools; in particular English major”. Thus, it is simple to not have many vacancies advertisement unless the managerial position is needed. This can therefore be concluded that it is very competitive to get jobs now-a-day as well as to bargain the salary and self-benefit compensation despite there is a high increase of job opportunities available every year.

In fact, tourism does not only result on an increase of immigration, but it also causes other challenges on stimulating the local people to generate income by utilizing their competitive skills and existing resources. Several people with a diverse ethnic groups, governmental officials or other private employees, regardless to the young or old, man or woman; they use their potential talents to produce different beautiful products in which represent a unique Lao culture and traditional living life styles of the Luang Prabang to sell to the visitors, especially at the night market.

The night market normally starts opening everyday from 16:00 pm up to 20:00 pm. The night market every day is crowded of various unique and charming products, visitors and selling labors. Several handmade products available at the night market are very attractive to the tourists such as handmade bed covers, scarf, pillow cases, handmade aprons, silks, lamps and etc which made of recycle papers, photos frames made of silks, silvers products and so on. Most of the tourist would love buying scarf, handmade bed cover, pillow cases, photo frame made of silks and etc even some of them said that they used to find some similar products like in some where else. Many tourists said that it was definitely worth to get handmade products with such best finished and reasonable price.

Generally speaking, majority local residents are enjoyably working and earning in the tourism-related businesses. However, according to the information found at the Labor Union Department in Luang Prabang, some of the local labors are presently sold to the international market such as Malaysia, Thailand, especially in Khonekaen, Songkha and Bangkok branches. Most of the sold labors work in the factories. This project is legally implemented and managed under the cooperation between the local job-seeking companies and Ministry of Labor as the main coordinator with other countries.

#### **4.5.2 Challenges.**

It is commonly known that it is impossible to avoid the existence of challenges in running business. The constraints can exist at any time. The same as in the tourism industry of Luang Prabang, the common complication which most of the managers found; they have limited knowledge and do not have enough empowerment in decision making. Because some entrepreneurs have some business entities in either Luang Prabang or other provinces, mainly in Vientiane; they have to always travel around and delegate the responsibilities and accountability to the general managers or supervisors. Some general managers however are partially allowed to make decision alone, for instance: they can not decide of employing new employees, meanwhile some of the other managers at the hotels and restaurants, they could come with a decision of employing new employees for whose base salary do not exceed 50 \$USD. This kind of partial delegation had delayed the enterprise's development when there are potential and skillful job seekers during the absence of the employers. In employees' point of views, many employees on the other hand preferred to work with foreign employers if possible because it was more systematic and they can learn more from them, and get more progress. Some employee shared the experiences of working with Lao employers were much pressured. There is additionally no clear job description, many job duties at the same time.

Another challenge is the lack of good coordination and cooperation among the employers, managers and 2 groups of employees, morning and afternoon session. While employers are not presented and managers have many tasks, employees do not have responsibilities and accountabilities. Employees' work contributions are not monitored and evaluated. Finally, it results insufficient productivity and increases more costs on the other hand. For example, instead of having only one staff to take

care of a group of 7-8 guests, but they need to hire 2 staffs to take care that group guests in order to ensure the effective services, reported by some of the restaurants and hotels employer. The employers are then required to spend more money on the employees' contingency cost.

Another problem happened because of the employees' carelessness. They very often handle their responsibilities without careful consideration and ignore to follow up the guest's requests. Additionally, most of the employees are young and single; they were usually absent without informing in advance or getting permission from the managers. Repeatedly happened, many of the employees were very much reluctant of helping each other. As a consequence, the team work is not fruitfully enhanced. The same as in the tourism operators, some guides had changed the tour program without notifying their bosses while leading a group of tourists to tour sites. These made some tourists completely unsatisfied and complain the manager at the end.

In addition, according to some tourists' experiences; most of the local labor seemed to not be punctual and have late responses. Many of the tourists had to waste their times and reschedule their plans of the other trip sometimes. Moreover, even a maturity of visitors had agreed that Luang Prabang citizens were very friendly and helpful; some local people sometimes were hesitant and unwillingly to assist or give information if the comers were not customers, observed by the author. Language is another crucial challenge. Even English is an International language; many local workers and tourists can not speak English well. This causes a communication bias between local and guests, and results misunderstanding eventually. Briefly speaking, these challenges were absolute bias mostly found and obstructed the development of tourism labor market in Laung Prabang.

#### **4.5.3 Tourism labors development.**

Beyond the labor background situation and challenges mentioned above, the employers and managers of the enterprises have recognized that human resource is the success factor required to develop if they would like to maintain their business success. To enhance the high performance and productivity of the employees as well as to ensure satisfying the customers' need, the employees are taken into to get trained some skills related to their jobs. The training development programs are generally provided at both inside and outside of the organization where possible. These are going to be discussed in the following paragraphs.

### ***1) Inside training***

As a majority of tourism-services businesses of Luang Prabang is SMEs and belong to the family businesses, it is therefore not surprising that there rarely have the Personnel Department (Human Resources Division) in this business model. Most of the employees' developments and planning and other the business activities are solely undertaken by the employers or managers. Several of these employers and managers in these tourism-related businesses fundamentally have education background related to the finance, marketing and business administration from the National University of Laos (NUOL) and vocational colleges in Vientiane. A few of them graduated from German, America and Soviet. Meantime, a majority of them have working experiences, training and running their own businesses at these services sector for many years despite of not majoring in the hotel and tourism hospitalities management.

As a result, they preferred training their own employees rather than to send them to get trained outsides. This kind of inside training is more often offered to the new employees. The entire job related to the individual responsibilities was always advised and suggested to the new employees before starting a job. For example: services manner, welcoming the guests, serving menu, interacting to the guests and so on. Most of the accommodations and restaurants commonly trained their employees by initially letting them to observe the real situations acted by the seniors, and then get practices. After that their skills and work contributions would be evaluated and recommended by the seniors or managers time by time. Each employee would simply get feedback from the seniors or managers immediately during the monthly meeting or whenever their inappropriate behaviors were absorbed.

The operation managers or owners of these businesses hardly ever hire the external professional trainer to implement the training program for their employees. Some managers of the hotels operation reported that "We used to invite the trainer from the Luang Prabang Tourism Office to train our employees at our own hotel for one or 2 weeks courses since last few years ago". Since then, all the internal training programs were continuously supervised by employers, managers or seniors. The training courses were mainly related to the housekeeping, front office, restaurants services and etc. within one month period of time. During the training, they were very enthusiastic and motivated to learn. English was another training program that some tourism-related enterprises had invested to hire the teacher to develop employees'

English speaking and listening skills. Anyhow, various accommodation and restaurant stakeholders considered that it was not worth enough to pay high cost for those outsider trainers since the employers could not finally maintain the talented employees in hands after the training completion. This is an unsystematic training program. Most of the enterprises in this sector had offered this training not more than one since launching the businesses.

Neither assessment of problems identification nor employees participation was taken into account by the employer when the internal training programs were organized. Most of the internal training programs were fundamentally developed according to the observation of the employers solely. Only a minor number of tour operators tended to get participation from the employees by basing on the number of their high votes. Every employee was persuaded to share opinion in terms of what kind of training courses are going to be delivered. Then the external trainer with specific expertise knowledge would be invited according to the maximum requirement checklists shared by employees within the same organization.

## **2) *Outside training***

Besides employees training program is internally organized within the individual organization, there is high recognition of enhancing the employee productivity by sending them to get trained in the other areas. Absolutely, the likely appropriate organizational representatives were commonly identified and chosen by the managers themselves. The potential employees were generally required to have a sufficient ability to understand the whole training courses. After the training completed, the trainees were certainly subjected to be able to contribute and teach other employees in the same organization.

Very often, many stakeholders from distinctive organizations had jointly involved in the training program organized by the provincial tourism office and NGOs in Luang Prabang as if the training programs were officially arranged during the low seasons. The general managers or the employers of the SMEs often joined the training program by themselves if the tourism management training courses were offered. However, in spite of at least 2 training programs organized yearly by Luang Prabang Tourism Office and NGOs cooperation, many of the business entities have never participated due to the lack of uninformed and inaccessible information. Likewise, many of some service enterprises do not have adequate budget to support for the

employee grounding. What they attempt to do is to send their labor to get inspection in other similar businesses with an aim of knowledge and experiences exchange.

Another couple of business entities decided to send their workers to get trained at the famous restaurants and hotel in Vientiane Capital city and Thailand for one and a half months whereas some of them do not because they can not ensure if the staff would permanently work with them or not. Most of the incentive training offered to the staff members was normally related to the individual job responsibilities, for example, serving techniques, decorating food, persuading guests and so on. Apart from these, many of them are also instructed regarding to the accounting, computer skills, English and French at both Luang Prabang and Vientiane colleagues. The same as in the tour operator sector, there is no long-term planning for employee development provided. Most of them offered only a short-term training program for new employees; for example, the ecotourism operator offered the first aid and maintenance training courses, cross-culture, guide services, culture and environmental preservation and so on.

#### **4.5.4 Other cooperation.**

To strengthen the tourism industry as well as the tourism labor market in Luang Prabang, it needs to get cooperation from different stakeholders even government agencies, NGOs and private sectors. With the central objective of poverty reduction, Luang Prabang Tourism Office, the representative of the central government of the Lao PDR has cooperated with Asian Development Bank (ADB) and SNV with an aim to support and enhance the tourism labor development. This cooperated program has main tasks of managing the tourism-related business entities, enhancing the local human development and stimulating the community-based development.

Tourism business entities management is normally implemented in the areas of accommodation, restaurants and tourism agencies. Managing human development in the tourism-related enterprises is normally carried out by providing the training program for instance: tourism management, services administration, cultural preservation, decorating, cooking or providing information of how to start up a small business by using the existing resources, presentation of gender roles and so on. Both short and long-term planning for tourism labor development is systematically developed by the relevant stakeholders. This program strategically focuses on developing the managerial and departmental supervisor levels in the tourism-related



enterprises. The 8 to 15 days training are offered with only 2-3 times per year at Luang Prang as a result of limited budget. Interestingly, this is a non-profit program of which the participant required to pay only for the registration fee. Nevertheless, even the participants are not required to pay for the training fee, most participants from the accommodation and restaurants were not highly motivated and interested in such program. In opposite, the highest interest in the training program is mostly attended by the tour operators.

For the community-based development program, it aims to get more involvement from the rural residents. This program has an attempt to promote other potential tourists cites in the countryside, offer more exciting options to the visitors and motivate those rural people to participate in tourism development. The program has been launched by initially started at 4 targeted potential districts such as: Xiengngeune, Chomephet, Ngoy and Luang Prabang district. The rural local people are encouraged to share labor, competency talent and existing equipments while the cooperative program is supposed to support in terms of developing strategic planning, setting up rules, regulation, counseling and infrastructure budget support. The role and impact of tourism were explained to them. The basic infrastructures like toilets, roads, stairs, and bridge are installed for example.

However, launching human being development by utilizing the rural community-based development strategy was more challenging rather than dealing with the human development in the direct tourism-related business, said by the committee member of the cooperative program. By the way, such community-based development program was basically begun by firstly emphasizing with the groups who were interested with the expectation of attracting more and more participation from those local people. In addition, the members of the cooperative programs do not have specific knowledge regarding the tourism and human resources development background. As a result, it challenged an inappropriate development plan. For unclear responsibility and accountabilities, imprecise information and no specific outputs were determined; it is difficult to monitor and evaluate the expected outcome. Therefore, the strategic goal achievement is delayed.

## **4.6 Strengths and Weaknesses of Tourism Labors Development**

### **4.6.1 Strengths.**

Job training is value to both the employees and employers. According to the trainees' standpoints, the training programs organized by Luang Prabang Tourism Office were greatly evaluated rather than the internal training program. Most of the training programs were lectured and led by experts who have specific knowledge and obtain analytical experiences. Some experts were the Lao professional experts from the National Tourism Office, Vientiane and some were invited from abroad, for instance: Netherlands, Australia, America, Canada and Japan. With the concurrent worldwide information presented by the tourism management experts, the general managers and employers of the tourism-related business could recognize the world trend of the tourism growth. And then, they could innovate their services responding to the trend of tourism destination globally.

The training programs were well arranged by the cooperation of Luang Prabang Tourism Office and NGOs. The theoretical parts were firstly initiated and followed with the practical session. The training equipments such as LCD, visual aid, videos, case study, role playing and so on were applied wherever possible depending on the situation of the situation and place. As a result, most of the trainees were very interesting, and highly participated. Many trainees were able to apply with their jobs after the training. Some managers of the restaurants pointed that almost 70% to 80% of their employees' working skills get improved especially in terms of services manner and have more confidences to communicate to guests after the training.

### **4.6.2 Weaknesses.**

As being described earlier, most of the tourism business entities at Luang Prabang seemed to have low awareness of human development. With the fact of improper tourism labor development planning together with the manager who has many responsibilities at the same time, it notably showed that internal training was irregularly carried out. Alternatively, some organizations could not send their representatives to attend at the Provincial Tourism Training programs as a result of time apparel whereas many other units said that the duration of training programs were too short, and seldom organized (only 2 times per year). Because the limited number of trainees were allowed to join at Luang Prabang Tourism Office, although the some employees were very enthusiastic and would like to improve their skills,

they run out of opportunities to participate in such program. On the one hand, most of the trainers were invited whereas there were not regional tourism experts available in the Provincial Tourism Office in Luang Prabang.

During the training programs, there is no new technical knowledge and unsystematic plan. In particular the internal labor development program; it is thus less attractive and less persuaded. Language is another barrier blocking the achievement of the training. Not only the international language barrier, but regional accents also become an additional constraint of the training success. As within a business organization it consists of various ethnic groups and some of them are from different provinces; misunderstandings were sometimes created.

After the training, even their skills were much improved; some employees are still reluctant on their jobs. The manager or supervisor usually keep reminding and following up with them. Most of the time, problems happened due to the individual personality. They very often do not implement as recommended by the managers. Simply speaking, many of them do not have responsibilities on their own jobs whenever out off the supervisor's eyes sights. Most of the complaints found in the accommodation and restaurants in Luang Prabang were slow services, for example. On the other hand, the bias occurred because of what were trained, especially the external training program, it sometimes too standardized, the trainees can not apply with their job, remarked by some employees working in the tourism businesses during the interview on August 2006.

Tourism management courses were just offered as the required course at the National University of Laos based in Vientiane (the capital city of Lao PDR) last few years. Thereby, it is not surprising that NUOL in Luang Prabang (which just officially open in the academic year of 2003-2004) do not offer the tourism management yet. By and large, the tourism management, hotels and restaurants hospitality courses have never been offered at any colleges, vocational schools and universities at Luang Prabang before. However, the curriculum of tourism field study was already developed and proposed to the Ministry of Education of Laos. Currently, it is under the consideration for an official approval and it is expected to be offered in the year of 2007.

## **Chapter 5**

### **Conclusions and Recommendations**

This chapter includes two major parts. The first part is the conclusions which summarize the results and discussions that mentioned in chapter 4. The second part is about the recommendations for the study. All these are demonstrated in detail in the following parts.

#### **5.1 Conclusions**

After studying the effect of tourism on labor market in Luang Prabang, it is precise that the tourism industry has a strong influence on reducing the unemployment rate of Luang Prabang Province as well as the national unemployment reduction rate of the country. Tourism industry growth straightly makes Luang Prabang residents even men, women, old or young become more enthusiastic and enjoy to generate income in tourism sectors. More and more new entrepreneurs in accommodation, restaurants and tour operators dramatically increase and several local residents get jobs in the tourism service entities. A plenty of Luang Prabang citizens are widely stimulated and motivated on producing the agricultural supplies for food markets the same as producing a diversity products, souvenirs that represent as the traditional culture and customs of the Luang Prabang ancestors and competitively selling to the visitors.

Moreover, it was found that a various organizations have an attempt to enhance the tourism labor market of Luang Prabang. Also, many private business entities are trying to commit themselves to strengthening their own employee capacity with their own internal training techniques. However, even the tourism labor training courses were carried out and implemented at the private enterprises, they have not had a proper plan for labor development yet. Hence, both governmental agency and NGOs have cooperated with each other in terms of supporting, planning and organizing the training program for the labor development of tourism industry whereas the tourism management courses were not yet offered at any schools or universities of Luang Prabang. The community-based development is another essential commitment of which cooperated organization is attempted to achieve. Additionally, the fact showed that there is no appropriate information, reports, statistics and researches regarding the

tourism labor development available. In conclusion, even the number of tourism labor in Luang Prabang has a high increase; it needs more attentions from the relevant authorities to take the issues of wage compensation and labor development into account.

## **5.2 Recommendations**

After the discussions, interviews and observations relating to this study by the author, the following recommendations are drawn by different stakeholders in the tourism-related business and development organization.

### **5.2.1 Employees.**

- The minimum wage of the local employees should be adapted as it is too low comparing to the living cost. Monthly salary, sickness compensation, and other considerable benefits should be offered to the employees.
- Employees themselves should obtain a consistent service-mind, and provide good services to every level of guests. They are required to follow up and interact to the guests' requests.
- The employees should be more motivated and learn by themselves. They should have high responsibilities and accountability for their jobs. So that they would be able to bargain their wages.

### **5.2.2 Employers.**

- The employers or managers should better get participation from their employees when organizing a training and development. Their proposal should be identified and taken into consideration
- Tourism operators should have services innovation to attract more and more tourists and increase a variety of choices for them by use the natural potential of Luang Prabang.
- All the employers and managers of the relevant enterprises should have a proper planning of HR training and development (both short and long term planning).

### 5.2.3 Others

- It should have a particular association to get in charge of the tourism business operation among the accommodations, restaurants tour operators. Then, such association would be responsible for organizing the systematic development program, and also easily implementing the monitoring and evaluation of the services in such tourism sectors.

- The training programs arranged by the cooperated project between Luang Prabang Tourism Office and NGOs should be more often provided. And more importantly, the training courses should be organized during low season.

- The tourism management, hotels and restaurants hospitalities courses should be offered at the universities, governmental and private colleges, vocational schools, in particular in Luang Prabang which is the cultural and tourism province. The teaching curriculum should be updated an innovated. The teacher should have specific relevant knowledge whereas the useful equipments should be adequately available for facilitating the training for example: cooking equipments, first aid tools and so on. Then, instead of sending their employees to train in Vientiane or other countries, the employers could save their costs and follow up the employees' performance if their employees were possibly trained in Luang Prabang area.

- Some of other employers recommended that it would be better if the tourism courses were offered since at the high schools because schools are the fundamental place that educate the people.

- The competition of education should be encouraged in both private and state in order to ensure the quality of HR development.

- Avoid unregistered tourism company to operate the business; otherwise the tourist would lose a certain confidence in case if there was an unexpected accident.

- The tourism-services units are supposed to close too early (23:30 pm) while several of guests are enjoyed and coming more. Some of the employers therefore recommended that the closing time should be extended up to 24:00 night to 01:00 am.

- The tourism information office should be set up with a target of facilitating comprehensive information to the visitors such as: giving direction, suggestions of tour sites and cultural shows, providing Luang Prabang map and so on. Additionally, a specific regulation for the tourism services such as: maximum fee of taxi for a specific journey, guesthouse fee, internet services charge and others services fee

should be available in Luang Prabang. This aims to make tourists feel more confident and secure to what they have paid for.

- The young streets vendors should be well organized and followed a specific rule. They should better have a leader and be allowed to sell along the roads or in a particular place in stead of getting disturb the guests during their meals or conversations at the restaurants.

- The provincial and central government should emphasize on HR development by firstly focusing on developing the governmental employees. The regional governmental office should at least have a professional expert in terms of tourism management available in order to give recommendation and suggestions of the local entrepreneurs. This aims to ensure the sustainable tourism development.

- And more interestingly, the cultural department at Luang Prabang should promote the local cultures and traditions by organizing the particular activity that represents the specific culture of each period of time in order to attract tourists to stay in Luang Prabang longer.



## References

- Aas, C., Ladkin, A., & Fletcher, J. (n.d). *Stakeholder collaboration and heritage management*. Retrieved July 24, 2006, from <http://www.asbconsult.no/download/Artikkel%20CA.doc>
- Bohlander, G., & Snell, S. (Eds.). (2004). *Managing human resources: Training and development*. Mason, OH : Thomson/South-Western.
- Christensen, N. A., & Nikerson, N. P. (1995). *Jobs and wages: The tourism industry dilemmas*. Retrieved July 20, 2006, from <http://bibemp2.us.es/turismo/turismoonet1/economia%20del%20turismo/turismo%20y%20antropologia%20social/jobs%20and%20wages%20,%20tourism%20industry%20dilemma.pdf>
- Internal Monetary Fund. (n.d). *Economy of Lao PDR*. Retrieved July 20, 2006, from ABI/INFORM database.
- Mekong Tourism Organization. (n.d). *Luang Prabang: A delightful little town*. Retrieved July 3, 2006, from <http://www.mekongtourism.org/site/index.php?id=13>
- Mongkhonvilay, S. (2005). *2005 Statistic report on tourism in Lao PDR*. Vientiane: The National Statistic Center.
- National Center for Human Resource Development. (2005). *Assessment of trends of demand on labor through job advertisement in AI Rai Newspaper*. Retrieved July 22, 2006, from <http://www.almanar.jo/AlManarWeb/Portals/0/PDF/1384.pdf>
- National Tourism Authority of Lao PDR. (n.d). *2005 Statistical report on tourism in Laung Prabang*. Vientiane: The National Statistic Center.
- Organization for Economic Co-operation and Development. (n.d). *Measuring the role of tourism in OECD economies: The OECD manual of tourism satellite accounts and employment, enterprises, industries and services, the rational for an employment role module*. Retrieved July 13, 2006, from <http://www.oecd.org/dataoecd/31/15/2401928.pdf>
- Pearce, P. L., Morrison, A. M., & Rutledge, J. L. (1998). *Tourism: Bridges across continent*. Australi: McGaw-Hill
- Provincial Tourism Office of Luang Prabang. (2006). *Statistical report on tourism in Luang Prabang*.

- Saphakdy, T. (2005). *Mainstreaming gender into governance and public administration organizations: A case study of governance and public administration reform Luang Prabang provincial pilot project, Lao PDR*. Unpublished master's thesis, Asian Institute of Technology, Bangkok, Thailand.
- Summary Labor Market Assessment. (n.d). Retrieved July 22, 2006, from [http://www.adb.org/SocialProtection/appendix9\\_1.pdf](http://www.adb.org/SocialProtection/appendix9_1.pdf)
- The New Orleans Jobs Initiative. (2003). *Making connections: A regional workforce labour audit*. Retrieved July 22, 2006, from <http://www.doleta.gov/USWORKFORCE/communityaudits/docs/Files%20for%20CA%20Website/LA-New%20Orleans/LA-New%20Orleans-ProductFinal%20Report/Part%20II%20Supply%20Side.pdf>
- United Nations Education, Scientific and Cultural Organization. (2004). *The effects of tourism on culture and the environment in Asia and the Pacific: Tourism and heritage site management in the world heritage town of Luang Prabang, Lao PDR*. Bangkok: UNESCO.
- World Tourism Organization. (n.d.a). *About the world tourism organization (UNWTO-OMT)*. Retrieved July 14, 2006, from <http://www.world-tourism.org/aboutwto/eng/menu.html>
- World Tourism Organization. (n.d.b). *Tourism labor market observatory: A new initiative of the WTO education council*. Retrieved July 13, 2006, from <http://www.world-tourism.org/education/PDF/observatory.pdf>
- Yamauchi, S., & Lee, D. (1999). *Tourism development in the Lao People's Democratic Republic*. Retrieved July 25, 2006, from <http://www.adb.org/Documents/Books/ADO/2007/LAO.pdf>

**Appendix**  
**Number of Tourists Arrivals to Luang Prabang by**  
**Nationalities, 2002-2005**

Country of Origin	2002		2003		2004		2005	
	No	%	No	%	No	%	No	%
<b>Total</b>							<b>261,950</b>	
<b>Laos</b>							<b>128,381</b>	
<b>Foreigners</b>	<b>65,872</b>	<b>100%</b>	<b>99,150</b>	<b>100%</b>	<b>105,513</b>	<b>100%</b>	<b>133,569</b>	<b>100%</b>
<b>Asia &amp; Pacific</b>	<b>18,669</b>	<b>28.34</b>	<b>27,154</b>	<b>41.22</b>	<b>31,982</b>	<b>30.31</b>	<b>45,292</b>	<b>42.93</b>
<b>Asian</b>	<b>5,435</b>	<b>8.25</b>	<b>7,823</b>	<b>11.88</b>	<b>10,825</b>	<b>10.26</b>	<b>25,744</b>	<b>24.40</b>
Brunei	101	0.15	145	0.22	185	0.18	375	0.36
Indonesia	100	0.15	143	0.22	267	0.25	670	0.63
Malaysia	221	0.34	318	0.48	650	0.62	2,779	2.63
Myanmar	54	0.08	76	0.12	106	0.10	672	0.64
Philippines	95	0.14	136	0.21	358	0.34	716	0.68
Singapore	260	0.39	374	0.57	824	0.78	1,749	1.66
Thailand	3,411	5.18	4,913	7.46	7,115	6.74	16,017	15.18
Vietnam	1,193	1.81	1,718	2.61	1,320	1.25	2,766	2.62
<b>Non-Asian</b>	<b>13,234</b>	<b>20.09</b>	<b>19,331</b>	<b>29.35</b>	<b>21,157</b>	<b>20.05</b>	<b>19,548</b>	<b>18.53</b>
Australia	3,210	4.87	4,623	7.02	5,628	5.33	6,805	6.45
Cambodia	100	0.15	143	0.22	364	0.34	706	0.67
China	2,169	3.29	3,124	4.74	4,198	3.98	2,651	2.51
India	131	0.20	198	0.3	237	0.22	140	0.13
Japan	4,748	7.21	6,839	10.38	7,126	6.75	4,633	4.39
Korea	755	1.15	1,086	1.65	1,277	1.21	1,241	1.18
New Zealand	1,314	1.99	1,892	2.87	1,136	1.08	1,018	0.96
Taiwan	54	0.08	75	0.11	185	0.18	292	0.28
Others	753	1.14	1,351	2.05	1,006	0.95	2,062	1.95
<b>Europe</b>	<b>34,919</b>	<b>53.01</b>	<b>50,264</b>	<b>76.31</b>	<b>54,614</b>	<b>51.76</b>	<b>62,638</b>	<b>59.37</b>
Austria	960	1.46	1,382	2.1	1,286	1.22	3,424	3.25
Belgium	1,038	1.58	1,494	2.27	1,291	1.22	4,473	4.24
Denmark	2,178	3.31	3,136	4.76	1,276	1.21	2,963	2.81
Finland	325	0.49	467	0.71	1,254	1.19	2,681	2.54
France	7,417	11.26	10,682	16.22	15,984	15.15	8,135	7.71
Germany	4,561	6.92	6,569	9.97	6,369	6.04	6,891	6.53

Greece	366	0.56	526	0.8	926	0.88	471	0.45
Italy	1,603	2.43	2,308	3.5	2,188	2.07	1,410	1.34
Netherlands	2,073	3.15	2,986	4.53	2,180	2.07	1,675	1.59
Norway	600	0.91	863	1.31	918	0.87	770	0.73
Russia	81	0.12	116	0.18	345	0.33	449	0.43
Spain	824	1.25	1,186	1.8	1,281	1.21	1,476	1.40
Sweden	1,650	2.50	2,376	3.61	2,173	2.06	2,112	2.00
Switzerland	1,640	2.49	2,361	3.58	2,282	2.16	1,089	1.03
United Kingdom	7,514	11.41	10,823	16.43	12,395	11.75	17,307	16.40
Others	2,089	3.17	2,989	4.54	2,466	2.34	7,312	6.93
<b>The Americas</b>	<b>8,711</b>	<b>13.22</b>	<b>12,166</b>	<b>18.47</b>	<b>11,568</b>	<b>10.96</b>	<b>17,786</b>	<b>16.86</b>
Canada	2,678	4.07	3,856	5.85	3,448	3.27	7,455	7.07
USA	5,463	8.29	7,870	11.95	7,570	7.17	6,300	5.97
Others	570	0.87	440	0.67	550	0.52	4,031	3.82
<b>Africa and Middle East</b>	<b>3,573</b>	<b>5.42</b>	<b>9,566</b>	<b>14.52</b>	<b>7,349</b>	<b>6.97</b>	<b>7,853</b>	<b>7.44</b>
Israel	3,091	4.69	4,452	6.76	3,148	2.98	1,444	1.37
Others	482	0.73	5,114	7.76	4,201	3.98	6,409	6.07

## Biography

**Name:** Nittana Southiseng

**Date of Birth:** 13 July 1978

**Place of Birth:** Savannakhet, Laos

**Institutions Attended:**

**2006 to present:** PhD in Management  
Shinawatra University, Thailand

**2003 to 2005:** MBA in Business Administration  
The National Organization of the Studies of Policy & Administration, Vientiane, Laos  
MBA in Public Management  
Asian Institute of Technology, Bangkok, Thailand

**1997 to 2003:** Bachelor of Art in General English  
The National University of Laos, Vientiane, Laos

**Scholarships:** Full scholarship for PhD study funded by Shinawatra University  
Full scholarship for MBA at AIT funded by French Government  
Full scholarship for Bachelor degree funded by Lao Government

**Telephone:** (+66) 89-209-6633

**E-mail:** nittana.southiseng@gmail.com