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ACCOMMODATION EMPLOYMENT PATTERNS AND OPPORTUNITIES

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Abstract: International tourism forms an integral part of many Third World development strategies. The economic benefits associated with tourism are especially pronounced. This article examines economic change related to tourism, particularly employment within the accommodation sector. By assessing the local economic patterns and opportunities associated with accommodation sector employment on the islands of Samui and Phuket, Thailand, the article indicates that different historical, demographic, and economic conditions have greatly affected the structure and operation of the sector. Thus future planning of tourism development in Samui and Phuket must take into account how particular local conditions foster different types of accommodation sector leakages, linkages, and economic opportunities. **Keywords:** employment, economic linkages, foreign exchange leakages, Third World, accommodation sector, community participation. © 1998 Elsevier Science Ltd. All rights reserved.

Résumé: L'emploi dans l'hôtellerie: tendances et opportunités. Le tourisme international fait partie intégrante des stratégies de développement au Tiers-Monde. Les avantages économiques associés au tourisme sont particulièrement prononcés. Cet article examine les changements économiques reliés au tourisme, surtout à l'emploi dans le secteur de l'hôtellerie. En étudiant les courants économiques locaux ainsi que les opportunités d'emploi dans ce secteur aux îles de Samui et Phuket en Thaïlande, l'article souligne que différentes conditions historiques, démographiques et économiques ont beaucoup affecté la structure et le mode d'opération du secteur. Ainsi, la planification future du développement touristique à Samui et Phuket devront tenir compte de comment les conditions locales favorisent différents types de fuites, associations et opportunités économiques dans le secteur de l'hôtellerie. **Mots-clés:** emploi, associations économiques, fuites d'échanges internationaux, Tiers-Monde, secteur de l'hôtellerie, participation communautaire. © 1998 Elsevier Science Ltd. All rights reserved.

INTRODUCTION

Stemming originally from post-war economic, social, political, and technological conditions, international tourism has developed into a worldwide industry that continues to grow at rates far exceeding those of most other economic sectors. Tourism constitutes the world's largest industry, providing employment for 212 million people, and accounting in 1995 for \$3.4 trillion of global consumer spending (WTTC 1995). Government and business planners in Third World countries have heavily encouraged the development of tourism since immediate and significant foreign exchange gains serve to strengthen structurally their inferior trading positions. Besides fostering seem-

ingly obvious economic changes, host-guest encounters have also engendered fundamental structural changes in the social and physical fabric of tourism destinations (de Kadt 1992). Despite a noticeable shift in tourism analyses toward social and environmental issues, however, the economic impacts, in the form of both benefits and costs, still dominate the literature since they represent the most visible and easily documented manifestations of tourism-induced change. Foreign exchange accumulation offers the greatest opportunity associated with this industry, but the generation of income, employment, and entrepreneurial activity also make international tourism a financially attractive policy option for Third World governments pursuing outward-orientated development strategies (Brohman 1996).

Enhanced capacity for foreign exchange accumulation surely benefits many cash-starved regions of the Third World. These gains, however, are often invisible at the individual level due to inequitable income distribution. Further, the outflow of revenues due to tourism-related import requirements and growing outbound tourism often minimizes foreign exchange gains (Pleumarom 1994; Rodenburg 1980). Tourism-related employment, on the other hand, usually serves to immediately compensate for the unemployment and underemployment typical to many Third World tourism destinations (Wilkinson and Pratiwi 1995). Low-skilled, service-orientated employment, for better or worse, generally lacks serious socio-economic restrictions on entry and participation. This industry creates three types of employment (Lea 1988). *Direct* employment refers to those occupations directly derived from and dependent upon tourism and includes employment in accommodation establishments, shops, restaurants, night clubs, bars, government tourism administration, and transport and tour companies. Secondary, or *indirect*, employment occurs in sectors supplying the industry and results from increased demand for souvenirs, food products and other such items affected by tourism demand. Increases in the demand for goods and services consequently translate to increased employment in the agricultural, food processing, handicrafts, light manufacturing, construction, and capital goods industries (de Kadt 1979). Finally the spending and circulation of local tourism income creates *induced* employment in the local economy.

The number of jobs per accommodation room represents a clear and easily determined measurement of tourism's ability to create direct employment opportunities (Lockwood and Guerrier 1990). Several such ratios have been compiled in an attempt to quantify the employment effect of accommodation sector growth (Table 1). In addition to studies examining the beneficial impacts of tourism on employment, several studies have also criticized tourism-related jobs, stating that they perpetuate servile relationships (Matthews 1978), but that they also suffer from seasonality, low pay, and low levels of skills (Farver 1984; Rajotte 1987; Turner and Ash 1975). Furthermore, tourism is often blamed for exacerbating regional inequalities in a manner similar to colonial plantation economies (Weaver 1988). Whether it signifies beneficial economic development or neocolonial relationships, the creation of employment nonetheless testifies to the

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Table 1. Accommodation Jobs in Various Regions

Region	Full-Time Employees (per 100 rooms)
Africa	131.9
Asia	158
Australasia	87.9
Caribbean	140.2
Europe	68.4
Middle East	93.5
North America	59.9
South America	115

Source : Horwath and Horwath (1989).

enormous power of tourism to alter the range of local economic possibilities. The purpose of this article is to make a contribution to this important theme in tourism studies.

ACCOMMODATION SECTOR EMPLOYMENT

This study is based on 126 interviews conducted with accommodation owners and managers on the islands of Samui and Phuket in Thailand from May until August 1993. The sample design for this research was conceived and executed in two stages. The first stage consisted of compiling a complete list of all accommodation establishments in Samui and Phuket. The research design strove to ensure that samples were drawn from the best possible list since the degree to which non-sampling error and bias occurred depended heavily on the quality of the original list from which the samples were chosen. The internal directory of the Tourism Authority of Thailand (TAT 1991) in Bangkok provided information on every accommodation establishment in Thailand by *changwat* (province) and *amphoe* (district). This directory was published in late-1991, however, so it became necessary to update the master list for both islands. In Samui, this took some time since the fairly recent origin of tourism development on the island has meant a high turnover of businesses. A more recently published map (Hongsombud 1993) showing the names and locations of every establishment in Samui greatly assisted in compiling an accurate and updated list: establishments listed on the 1993 map, but not in the TAT directly, were simply added to the master list. Furthermore, several weeks were spent comparing and cross-listing establishments listed on tourism directories but not on the master list. In addition, local residents and establishment owners provided the names of some establishments that, to their knowledge, were built within the last year or two; these were also added to the master list. In Phuket, compiling an accurate and comprehensive list proved much easier due to the presence of a regional TAT office on the island. In particular, this office provided information concerning all new accommodation establishments that had been built on the island

since 1991, thus making the accommodation list for Phuket both comprehensive and up-to-date.

The second stage of the sample design consisted of placing all establishments into three size categories of small (1 to 14 rooms), medium (15 to 39), and large (40 or more). After examination of the master lists for both islands, these size categories seemed to be fairly even, appropriate, and convenient divisions. According to this comprehensive compilation, Samui had 355 establishments in total while the figure for Phuket was 272. Official sources, however, listed the *actual* number of establishments in both islands in 1993 as 310 and 261, respectively (TAT 1994). This discrepancy is easily explained since the TAT master list contained establishments that had gone out of business or changed names since well before 1991. Twenty-one establishments were chosen in each size category for a total of 63 interviews in Samui and 63 in Phuket. This figure (63) was established by calculating 20% of all establishments in Samui (310); conducting 63 interviews in Phuket would surpass the 20% figure since the island possessed only 261 establishments. The samples chosen from this research, therefore, were chosen from the master list, but the *number* of samples chosen was determined according to the actual count of establishments on the islands, rather than that shown on the TAT master list.

The use of the master list as a sampling frame with blanks representing establishments no longer in operation did not affect the Equal Probability Selection Method (EPSEM) design of this research, since all establishments within each size category still in operation had the same statistical chance of being selected by random sampling. Using sample random sampling (SRS), all establishments were placed into aforementioned three size categories, after which 21 samples from each were randomly selected. The sampling protocol for the research was simple and straightforward. Each chosen establishment was visited, and an interview request was made with the owner or manager. If unavailable for an interview, two return visits were made. If still an interview could not be conducted, the next establishment in the same size category (that had not been chosen in the original sampling) was selected from the master list. This process continued until an interview was conducted. The same protocol also applied to the replacement of establishments no longer in existence as well as to those which could not be located. The survey instrument used for this study was a standardized, structured, and confidential interview schedule. It dealt with several issues including regular employment, managerial employment, establishment ownership, land ownership, staff turnover, and food purchases. Specifically, owners and managers were asked to give information concerning the number and origin of staff; the size, room rates, and age of their establishments; and the *relative* amounts of money spent locally and regionally on food and other purchases. Following the interviews, informal discussions produced additional qualitative data concerning linkages, leakages, and employment.

Although tourism in both islands comprise many components including entertainment, transportation, and shopping, this study examines only the accommodation sector and concentrates on two

themes. First, survey data are broken down by size and location in order to decipher employment *patterns* and, most importantly, differences related to island- and size-specific circumstances. Second, it assesses economic *opportunities* associated with accommodation sector growth and development in Samui and Phuket for local labor and for migrant workers from the rest of Thailand. The concepts of foreign exchange *leakages* and backward *linkages*, though not central to this study, are also discussed. This provides a convenient framework around which the various impacts of tourism may be studied. In particular, "leakages" refers to foreign exchange earnings that leak from Samui and Phuket as a result of the structure and operation of the tourism infrastructure (of which the accommodation sector forms a major part). Backward "linkages", on the other hand, refers to the structural links between the accommodation sector and local, regional, and national industries not directly related to tourism. Aside from promoting regional and national economic integration, backward linkages also prove crucial in linking the formal and informal sectors of many Third World economies (Timothy and Wall 1997). Although this study only touches upon this issue from a qualitative perspective, it nonetheless supplements the data concerning patterns and opportunities by highlighting the significant role played by foreign exchange leakages and backward linkages in Third World tourism development.

Tourism in Samui and Phuket

Since becoming Thailand's top foreign exchange earner for the first time in 1982, tourism has increasingly outpaced all other export items, earning 30% more in 1989 than textile products, the next leading export (TAT 1994). Thailand earned \$7.6 billion (190 billion Baht) in tourism revenues in 1995 (TAT 1996). The garnering of foreign exchange becomes especially crucial in assuaging the balance of payment deficits found in most developing countries. Nowhere do the economic benefits of tourism appear so evident as when examining industry's contribution to alleviating Thailand's trade deficit (total value of exports minus total value of imports) which in 1994 was approximately \$9.4 billion (Thailand in Figures 1995:430). The balance of tourism trade, however, has weighed considerably in Thailand's favor. In particular, a surplus of \$4.3 billion was recorded for 1995, thus allowing a reduction of the overall balance-of-trade deficit by 29.8% (TAT 1996). In just ten years, tourist arrivals increased by nearly 200% from 2.4 million in 1985 to 6.9 million in 1995 (TAT 1996).

The southern region of Thailand occupies the northern half of the Malay Peninsula and derives a major proportion of its economic revenues from the tin, rubber, palm oil, and fishing industries. The share of tourism in southern Thailand is significant. In particular, while accounting for only 14 of Thailand's 76 *changwat* (provinces) and approximately 13% of the total population, this southern region possesses 13% of all accommodation establishments in the country

(Government of Thailand 1995; TAT 1995). By comparison, the north-eastern region, with over 30% of land area and population, possesses only 9.1% of all establishments. Although the southern region features many beach locations, the two most prominent are the islands of Samui and Phuket located off the east and west coasts, respectively.

With a population of over 32,000, and a total area of 240 km², Samui is the third largest island in Thailand. It is located 28 km from the mainland and has traditionally relied heavily on coconut plantations and fishing for its economic survival. Politically, Samui forms an *ampoe* (district) within Surat Thani province and its seat is located in Samui's principal town, Nathon. Aside from Nathon, which contains approximately 20% of Samui's population, various communities dot the island's coast including Lamai, Maenam, and Bo Phut (Figure 1). The development of tourism in Samui came late compared to other regions of Thailand. The isolation of the island from the mainland has also traditionally made integration with the rest of Thailand difficult. Despite the presence of individual tourists, the first beach resort was not built until 1976 (Cohen 1982). As tourists continued to arrive

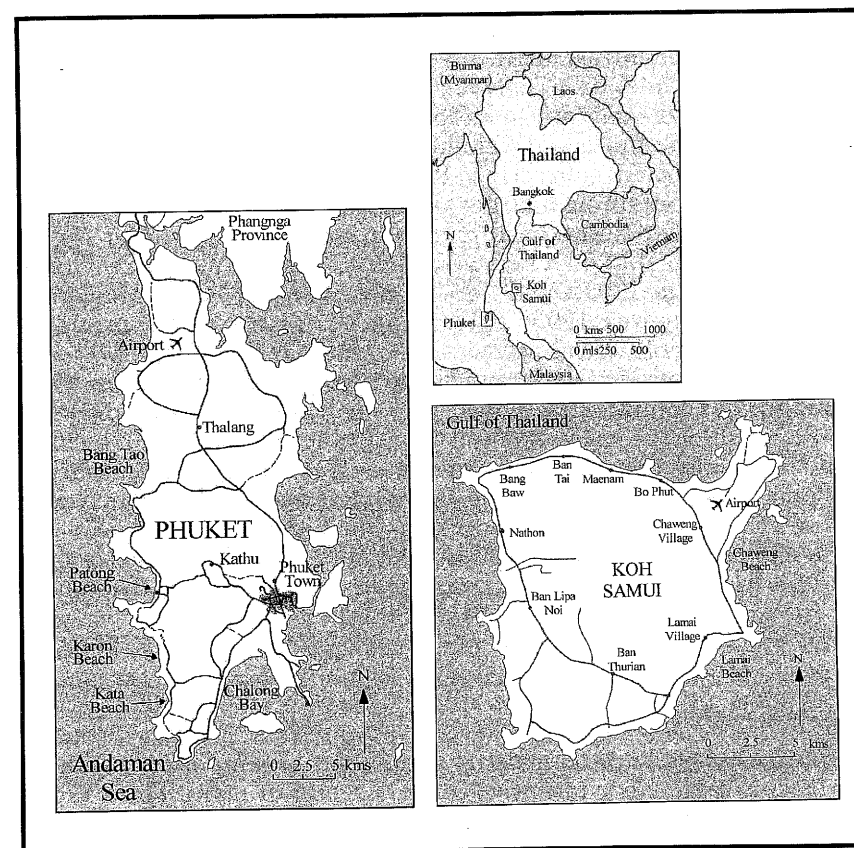


Figure 1. Koh Samui and Phuket

during the 80s, however, ferry transportation service to the island improved, as did the general infrastructure in terms of roads, electricity, and sanitation. The final stage in the tourism integration of Samui came with the construction of a domestic airport in 1988. Medium-sized plans (seating 56 passengers) now bring tourists from Bangkok to the island six times per day during the off-season and nine times during the high season. The current impact of tourism in Samui is considerable, as demonstrated by the large number of establishments (312 by 1993) and the 595,000 (Thai and foreign) tourists who visited Samui in 1993. The latter figure is especially significant since it indicates a sizable tourist to resident ratio of over 18:1 (TAT 1994:58). Tourism development in Samui has created enormous economic changes, but has not remained free of problems. In particular, the island faces severe annual water shortages and generally suffers from the escalating environmental damage and economic isolation common to many island-based destinations (Wilkinson 1989).

Unlike Samui, Phuket has experienced commercial tourism since the early 70s, and was specifically earmarked for large-scale resort development by government planners (Government of Thailand 1978). Phuket forms a *changwat* by itself, and is further divided into three *amphoe*. A bridge connects the island to adjoining Phangnga province, and the infrastructure is much better developed than most regions in Thailand. The construction of an international airport in 1979 provided convenient access for international tourists to Phuket fairly early in the tourism development of Thailand, and has allowed charter flights to arrive directly in Phuket from anywhere in the world. In addition to containing a larger population (188,000) and land area (543 km²), Phuket is also wealthier than Samui, or any other region (other than Bangkok) on a per capita basis. Phuket's Gross Provincial Product (GPP) in 1993 was 72.6% higher than the national average (Thailand in Figures 1995: 281). Phuket's wealth stems primarily from its exports of tin, rubber, coconuts, and fish. The large presence of an urban ethnic Chinese population also boosts the economy due to this group's commercial wealth. This wealth and economic diversity has diminished the overwhelming importance of tourism typical to many destinations in developing countries, thereby making tourism just one of several profitable economic activities in Phuket. Nevertheless, the high number of tourists, which reached 1.8 million in 1995, and the high economic profits possible from this industry have resulted in large government and private investment in the tourist infrastructure of Phuket (Doosadee 1994).

Patterns of Regular Employment

Tourism plays an integral part in generating employment within the often sizable labor-intensive tertiary sector of many Third World economies. Bolstered employment opportunities are evident in Samui and Phuket, where surveyed establishments contain, on average, 27 staff in Samui and 57 in Phuket. Patterns of regular, as opposed to

managerial, employment provide interesting indications of the nature of this employment in both islands. Reflecting the different labor market in both islands, local staff accounts for one-fifth (18%) of all staff in Samui, but just under half (46%) in Phuket (Tables 2 and 3). When examining differences among size categories, this becomes even clearer. Whereas local population make up over three-quarters (76%) of staff in small-sized establishments in Samui, this proportion plummets to 27% and 15% for medium and large-sized establishments, respectively. Since many small-scale establishments in Samui are, in fact, family run businesses, the high local representation is easily explained. Furthermore, the absence of a large local labor pool helps to explain the inability of locals to meet the requirements of large hotels and resorts. Conversely, a more plentiful labor supply in Phuket allows for a fairly even distribution of locals across the three size categories. It should, nevertheless, be noted that the small-sized establishments in Phuket also feature higher rates of local participation than the other size categories. In addition to local labor, job-seeking

Table 2. Staff Composition on Samui

Origin of Staff	Small ^a	Medium ^a	Large ^a	Total
Samui	38 (76%)	70 (27%)	227 (14.7%)	335 (18.1%)
Surat Thani	3 (6%)	52 (20.1%)	479 (31.1%)	534 (28.9%)
Surat Province	41 (82%)	122 (47.1%)	706 (45.9%)	869 (47%)
Total				
Southern Thai	3 (6%)	20 (7.7%)	318 (20.7%)	341 (18.5%)
Central Thai	1 (2%)	21 (8.1%)	153 (9.9%)	175 (9.5%)
Northern Thailand	1 (2%)	28 (10.8%)	81 (5.3%)	110 (6.0%)
Northeast Thailand	4 (8%)	68 (26.3%)	278 (18.1%)	350 (18.9%)
Foreign	0	0	2 (0.1%)	2 (0.1%)
Total	50 (100%)	259 (100%)	1,538 (100%)	1,847 (100%)

^a Property size.

Table 3. Staff Composition on Phuket

Origin of Staff	Small ^a	Medium ^a	Large ^a	Total
Phuket	28 (66.7%)	168 (34.7%)	1437 (47%)	1633 (45.5%)
Southern Thai	5 (11.9%)	181 (37.4%)	521 (17%)	707 (19.7%)
Central Thai	0	13 (2.7%)	316 (10.3%)	329 (9.2%)
Northern Thailand	3 (7.1%)	57 (11.8%)	184 (6%)	244 (6.8%)
Northeast Thailand	6 (14.3%)	65 (13.4%)	602 (19.7%)	673 (19.8%)
Foreign	0	0	0	0
Total	42 (100%)	484 (100%)	3,060 (100%)	3,586 (100%)

^a Property size.

migrants from other areas in southern Thailand continue to play an important role in hotel and guest-house employment in Samui (Williamson and Hirsch 1996). These alone, workers from the rest of Surat province (on the mainland) represent 30% of all staff, and combined with those from other nearby southern Thai provinces, account for half of all accommodation-related employment in Samui.

Workers that have migrated to southern Thailand account for a significant share of the labor needed in the accommodation sector in Samui and Phuket. In particular, Thais from the central, northern, and northeastern regions of Thailand collectively account for 34% and 35% of all regular staff in Samui and Phuket, respectively. The proportion that central Thai employees occupy in both islands increases from the small to large size categories (discussed later) and under-represented in small-sized locally-owned establishments. Workers from northern Thailand make up a fairly small share of staff in both islands and are most strongly represented in the medium size category. Northern Thais find the enormous distance (more than 1000 km) from their region to the southern parts too great to migrate to Samui or Phuket to find employment. The shorter distance to Bangkok and other central destinations might help to explain why northern residents make up a larger proportion of tourism-related employment in central Thailand (particularly in prostitution establishments) than is the case in the south. Further, while the distance for northeastern Thais is also great, population pressure and relative poverty in Isaan (in the northeast) "push" large numbers of migrants to anywhere in the country where employment exists (Phongpaichit 1981). The result in Samui and Phuket translates to a proportion close to 20% for migrant labor from Isaan in both islands, despite the vast distance that these migrants must travel.

Using continuous data for establishment size (number of rooms), property age (number of years), average yearly room rates (in Baht), and proportion of rooms with air conditioning, Spearman coefficients are able to assess the direction and strength of relationships between the aforementioned variables and composition of staff (proportion of local, central, southern, and northeastern Thai staff—Table 4). The size of an establishment, as measured in number of rooms, and the composition of staff are closely correlated in both Samui and Phuket. Looking at four sources of labor (namely, local, southern, central, and northeastern Thais) the correlations in Table 4 indicate not only a clear connection between size and employment, but an interesting *distinction* between local non-local staff patterns. In particular, although all types of staff are positively correlated with establishment size in Samui, a strong *negative* relationship emerges between local composition and size. As establishment size increases in Samui, therefore, the staff proportion made up by central, southern, and northeastern Thais increases while the local proportion decreases. While this indeed warrants attention, the prevalence of family-run establishments in the small (and small end of the medium) size category helps to explain high rates of local labor participation.

In Phuket, all regional types of staff are positively correlated with establishment size. But interestingly enough, there is no clear

Table 4. Spearman Correlation Coefficients for Staff Composition^a

Staff	Size	Age	Room Rates	% of rooms with air con.
Both Islands				
% Local Staff	-0.2049 (0.021)	-0.0961 (0.288)	-0.1506 (0.092)	-0.0627 (0.488)
% Southern Thai Staff	0.3554 (0.000)	-0.2076 (0.021)	0.1716 (0.055)	0.2159 (0.016)
% Central Staff	0.4607 (0.000)	-0.1742 (0.053)	0.4651 (0.000)	0.3834 (0.000)
% Northeast Thai Staff	0.2771 (0.002)	0.0393 (0.664)	0.3241 (0.000)	0.1980 (0.027)
Samui				
% Local Staff	-0.4356 (0.000)	0.2747 (0.029)	-0.4525 (0.000)	-0.2601 (0.039)
% Southern Thai Staff	0.4022 (0.001)	-0.2621 (0.038)	0.3756 (0.002)	0.3866 (0.002)
% Central Staff	0.3871 (0.002)	-0.3415 (0.006)	0.5634 (0.000)	0.4500 (0.000)
% Northeast Thai Staff	0.2830 (0.025)	-0.1864 (0.144)	0.4889 (0.000)	0.2660 (0.035)
Phuket				
% Local Staff	0.0212 (0.869)	-0.0734 (0.574)	0.090 (0.445)	0.0439 (0.735)
% Southern Thai Staff	0.5799 (0.000)	-0.1649 (0.204)	-0.504 (0.695)	0.0994 (0.422)
% Central Staff	0.5365 (0.000)	-0.0241 (0.854)	0.4100 (0.001)	0.3530 (0.005)
% Northeast Thai Staff	0.2860 (0.023)	0.2359 (0.067)	0.2642 (0.036)	0.2103 (0.101)

^a The correlation (*r*) is given, followed by the significance in parentheses. The values shown in bold indicate a statistically significant relationship at the 95% confidence level.

relationship between local staff representation and size. Thus, just as the frequency tables indicate, local staff in Phuket seem to experience fairly even distribution regardless of size and, as a result, clear relationships between local staff composition and size in Phuket remain elusive. Unlike establishment size, which statistically relates to staff composition in almost all cases and in both islands, property age relates to staff composition only in certain cases, and only in Samui. No statistically significant relationship exists between age and staff composition in Phuket, but age and local staff in Samui are positively correlated, indicating that older properties tend to contain a higher proportion of local staff. While one should not necessarily conclude that younger establishments tend to hire external staff, it is clear that local staff are more involved in older ones than their central and southern Thai counterparts who, according to the data, experience greater representation as property age decreases (as is the case with young and newly-built establishments).

After examining the relationship between size and staff composition, the issue of accommodation "class" or level of luxury arises. In particular, how do higher rates of air conditioning and higher room rates affect staff composition? Although important in their own right,

increased room rates and air conditioning go almost hand in hand in both islands since the more air conditioning an establishment has, the higher its average room rates are likely to be. Air conditioning also largely remains a feature of only the newer establishments, which tend to charge higher rates than older, less "modern" hotels. Thus, room rates and air conditioning should be viewed as part of the same variable called, for the sake of this discussion, "luxury". As to its effect on staff composition in Samui, locals relate to luxury negatively while all other types of staff relate positively. All relationships, furthermore, are statistically significant, showing the strong effect that luxury has on staff composition. The situation in Phuket, however, differs substantially. Only staff from central Thailand, or at least their share of the total, were statistically related to luxury. Room rates, specifically, relate in strong positive ways to central Thai staff composition, showing perhaps a tendency for them to work in higher class establishments. Despite these significant findings related to luxury, however, one must note the presence of an important statistical trap. For example, from the correlations discussed above, it would appear that local employment decreases as the luxury status increases in Samui. Rather than claiming that air conditioning and high room rates (level of luxury) cause low rates of local labor participation, however, it is more accurate to state that large size diminishes the role of local labor in Samui (as demonstrated earlier), and since size and luxury are so closely linked, local labor is also weakened in establishments featuring expensive room rates and high rates of air conditioning. Size, therefore, forms a third confounding variable, and helps to explain the connection between luxury and staff composition.

In addition to the Spearman coefficients, the point biserial coefficient allows one to test how local involvement in ownership relates to staff composition. Since this type of coefficient can be used and interpreted in the same way as a Pearson product-moment coefficient, the strength and direction of relationships are easily obtained (Table 5). The data indicate that there exists a statistically significant and positive relationship between local ownership and local staff composition in both islands. However, when the two sets of data are separated, only Samui continues displaying any sort of positive relationship. Once again, the fact that many local owners employ

Table 5. Point Biserial Coefficients for Local Ownership Involvement and Staff Composition^a

Involvement	Composition of Staff			
	Local	Central	Southern Thai	Northeast Thai
Both Islands	0.3880 (0.000)	-0.2588 (0.003)	-0.1117 (0.213)	-0.3185 (0.000)
Samui	0.5373 (0.000)	-0.3954 (0.001)	-0.3535 (0.004)	-0.2464 (0.052)
Phuket	0.1974 (0.121)	-0.0968 (0.450)	0.2235 (0.078)	-0.3901 (0.002)

^aThe correlation (r) is given, followed by the significance in parentheses. The figures shown in bold indicate a statistically significant relationship at the 95% confidence level.

friends and relatives goes a long way in explaining this relationship in Samui. Furthermore, considering that local ownership rates decrease as one moves from the small to large size categories, and that local staff participation also decreases in a similar fashion, the positive relationship displayed in Table 5 is likely confounded by a third variable (size). Nevertheless, it is significant that local ownership relates quite strongly and positively with local employment. This positive relationship is corroborated by Williamson and Hirsch (1996:193) who point out that local workers account for 60.3% of labor in locally-owned establishments in Samui, but only 26.8% in non-local cases. The correlations in Table 5 also show strong negative relationships between local ownership and central and southern Thai staff in Samui. Thus, it can safely be stated that strong relationships exist in Samui between local ownership and staff composition, but aside from northeastern Thai staff, not in Phuket.

As already noted, tourism is often criticized for providing mostly low-skilled, low-paying and, above all, insecure, employment. One measure of job insecurity is labor turnover (employment lasting less than one full calendar year). Although the concept of job security (employment lasting more than one year) differs among destinations, one year has been chosen to represent fairly stable employment. More specifically, figures given for job security refer to the percentage of an establishment's staff employed for one year or more. Tables 6 and 7 show that a positive relationship is evident in both islands between

Table 6. Spearman Correlation Coefficients for Job Security and Composition of Staff^a

Job security	% Local staff	% Southern Thai staff	% Central staff	% Northeast Thai staff
Both Islands	0.3151 (0.000)	-0.2160 (0.016)	-0.1641 (0.069)	-0.3339 (0.000)
Samui	0.3267 (0.009)	-0.1511 (0.237)	-0.3154 (0.012)	-0.4109 (0.001)
Phuket	0.3091 (0.015)	-0.2803 (0.029)	0.0226 (0.863)	-0.2289 (0.76)

^aThe correlation (r) is given, followed by the significance in parentheses. The figures shown in bold indicate a statistically significant relationship at the 95% confidence level.

Table 7. Spearman Correlation Coefficients for Job Security and Other Variables^a

Job security	Size	Age	% Rooms with air con.	Room rates
Both Islands	-0.1328 (0.141)	-0.0219 (0.811)	-0.2264 (0.012)	-0.2578 (0.004)
Samui	-0.2744 (0.030)	0.1501 (0.240)	-0.3095 (0.014)	-0.3885 (0.002)
Phuket	-0.0167 (0.899)	-0.1517 (0.252)	-0.2033 (0.119)	-0.1685 (0.194)

^aThe correlation (r) is given, followed by the significance in parentheses. The figures shown in bold indicate a statistically significant relationship at the 95% confidence level.

job security and local staff composition. Thus, as the share of the total staff made up by local labor increases, relative job security also increases. Conversely, central and northeastern Thai staff in Samui are negatively correlated with job security, and in the case of staff from the northeast, these results are quite understandable considering the prevalence of seasonal migrants from Isaan who come to the south to find employment during the non-harvest season. Local staff, on the other hand, lack the compulsion faced by external staff to return home, and thus are probably more inclined to work in Samui and Phuket for longer periods of time than their non-local counterparts. Job security in Samui also appears to correlate with property size, but this time in a negative manner.

This result, however, should be interpreted with caution. Although size alone may well affect job security, the negative correlation is probably a product, or result, of the relationship between size and staff composition. Put simply, high local staff representation means high job security, and since high local representation also means smaller establishment size (Table 4), job security thereby becomes *negatively* correlated with size. Thus, statistically significant relationships between job security and staff composition (in Samui) largely determine those between job security and size, and in contrast to previous correlations where size served as the confounding factor, staff composition serves as the confounding factor in this case. Regardless of these clarifications, the strong relationship between job security and local staff composition (and, by extension, size) in both islands nevertheless remains statistically relevant.

Managerial Employment

While "regular" employment refers to primarily menial labor that possesses no direct decision-making authority, "managerial" employment implies some degree of decision-making power and operational responsibility. The latter in Samui and Phuket ranges from the owner/manager, to the family member who handles the primary operating responsibilities, to the foreigner who is hired by a five-star establishment. Although the implications of managerial employment vary in all the above cases, assessing the level of local (and other) participation in it allows one to evaluate a level of employment that represents more stability and better financial returns than regular, often menial, employment. The data, despite providing too few numbers to run meaningful statistical tests, form interesting patterns when placed in simple frequency tables (Tables 8 and 9). Local participation in managerial employment follows similar patterns to those for staff composition. In particular, local managers make up a fairly large share of managerial employment in small-sized establishments in Samui but find their proportions fall to 50% and only 13% in medium and large-sized establishments, respectively.

Local managers in Phuket, however, experience fairly equal participation among the various size categories. As explained earlier, small establishments in both islands (and especially in Samui) exist

Table 8. Managerial Composition on Samui

Origin of Manager	Small ^a	Medium ^a	Large ^a	Total
Samui	11 (64.7%)	15 (50%)	10 (13.5%)	36 (29.8%)
Surat Thani	1 (5.9%)	7 (23.3%)	3 (4.1%)	11 (9.1%)
Surat Province Total	12 (70.6%)	22 (73.3%)	13 (17.6%)	47 (38.8%)
Southern Thai	0	2 (6.7%)	20 (27%)	22 (18.2%)
Central Thai	2 (11.8%)	4 (13.3%)	25 (32.5%)	31 (25.6%)
Northern Thailand	0	0	4 (5.2%)	4 (3.3%)
Northeast Thailand	0	2 (6.7%)	4 (5.2%)	6 (5%)
Foreign	3 (17.6%)	0	8 (10.4%)	11 (9.1%)
Total	17 (100%)	30 (100%)	74 (100%)	121 (100%)

^aProperty size.

Table 9. Managerial Composition on Phuket

Origin of Manager	Small ^a	Medium ^a	Large ^a	Total
Phuket	6 (54.5%)	18 (46.2%)	59 (43.1%)	83 (44.4%)
Southern Thai	0	14 (35.9%)	27 (19.7%)	41 (21.9%)
Central Thai	3 (27.3%)	3 (7.7%)	31 (22.6%)	37 (19.8%)
Northern Thailand	0	0	2 (1.5%)	2 (1.1%)
Northeast Thailand	1 (9.1%)	0	6 (4.4%)	7 (3.7%)
Foreign	1 (9.1%)	4 (10.3%)	12 (8.8%)	17 (9.1%)
Total	11 (100%)	39 (100%)	137 (100%)	187 (100%)

^aProperty size.

often as family-run business ventures. Since these businesses tend naturally to use a relative as their manager (or the owner acting as one), high local managerial participation becomes more likely among smaller establishments. Further, the high level of training and experience needed in large-sized properties shuts out local residents from managerial opportunities due to the lack of training facilities or opportunities for Samui residents. Unlike Samui, where isolation from provincial and national educational institutions exacerbates economic and educational shortages, Phuket enjoys provincial privileges and impressive resource-based wealth. As a consequence, its residents enjoy educational opportunities unavailable, for the most part, to Samui residents, while some even possess the money necessary to send their children for education and training in Bangkok. Local managerial participation is thus evident in all size categories in Phuket, whereas a lack of training and education reduces local managerial participation considerably within Samui's large-sized establishments. Despite enjoying greater local management participation rates than Samui, Phuket's rate nevertheless remains low (under 45%) and reflects the acute shortage of skilled managers found throughout Thailand (Lockwood and Guerrier 1990).

Considering the educational and training requirements, the pro-

portion of all managers accounted for by central Thais increases in Samui from the small to large size categories. Additionally, poor educational backgrounds and a lack of managerial skills among northern and northeastern Thais makes managers from these regions a rarity, as they serve as 3% and 5%, respectively, of all managers in Samui, and only 1% and 4% in Phuket. Moreover, patterns of foreign managerial employment indicate two levels of employment according to establishment size and development. Specifically, foreign managers in small sized properties are typically individual tourists who settle in Thailand and survive by operating a small tourism-related business. Virtually always male, they usually enter into a business partnership with a Thai girlfriend or wife and remain marginal to both local Thai expatriate societies (Williamson 1992).

In every single case, this study found that foreign managers working in or operating a small-sized establishment belonged to this small but long-established class of marginal expatriates. Overall, they account for 18% of all managers in small-sized establishments in Samui, and under 10% in Phuket. The second type of foreign manager is often recruited from overseas with the specific purpose of running a large-scale resort. Although not as high as would be expected in certain other destinations (such as those in the Caribbean), the share of foreign managerial positions in large-size establishments remains fairly low at 10% and 9% for Samui and Phuket, respectively. It should also be noted that their dichotomous classification is less applicable in Phuket where they are spread out (in terms of percentages) among the three size categories.

Employment Opportunities

Tourism in southern Thailand has created vast employment opportunities for not only local residents of Samui and Phuket, but also for migrants from across Thailand. Where locals are concerned, the financial rewards of tourism-related employment exceed those in other sectors of the local economy by a wide margin. Tourism jobs (in the accommodation sector), while once being frowned upon, are now viewed favorably in the eyes of Thais (Lockwood and Guerrier 1990). Both the attractive pay and the fairly glamorous nature of tourism employment make traditional job opportunities in fishing or plantation agriculture appear dull and unrewarding. Further, although Phuket already enjoys economic diversification, tourism contributes considerably to Samui's economic situation since fishing and coconut plantation agriculture remain the only other significant economic activities. In addition to diversifying local economies, tourism opportunities help to keep the local youth from emigrating to other regions of Thailand, particularly to Bangkok, in search of more exciting or profitable alternatives to farming and fishing.

The impact of tourism on employment in Samui and Phuket has significantly, and irreversibly, changed the structure and composition of the local labor market. Its economic significance, as well as its ability to create employment, becomes clear when survey data are

extrapolated to arrive at estimated totals for number of rooms, number of staff, and staff per room ratios (Table 10). As expected, the number of both staff and rooms in Phuket exceeds those for Samui by a large margin. The *relative* importance of accommodation employment, however, remains greater in Samui, where just under 15% of the island's total population works in this sector. Despite much greater economic diversification and a much larger population in Phuket, the sector employment also accounts for a significant proportion (8%) of Phuket's total population. These figures, although significant on their own, become even more impressive when considering that the total, rather than *working*, population was used in the tabulations (due to insufficient statistical data). Thus, although accommodation sector staff represent a significant proportion of Samui and Phuket's total population, the importance and impact of this type of employment within just the working population becomes even more obvious. Further, since it represents only one *direct* type of tourism-related employment, the figures for the accommodation sector alone corroborate the overall importance of tourism in creating jobs.

In both Samui and Phuket, the number of employees per room increases with establishment size. Although the increased labor demand of large establishments (which, due to the close connection between size and luxury, require more labor) partially explains this trend, the implications are nevertheless significant: larger establishments create more job openings in absolute *and* relative (i.e., per room) terms in both Samui and Phuket. Employment opportunities for local residents, in particular, also follows a similar pattern in which large properties create, on average, more jobs per room than their small and medium-sized counterparts. The effect of increased labor requirements for large, and consequently luxurious, establishments again appears in the form of higher employee/room ratios in Phuket, where hotels happen to be larger and higher class than in Samui. Thus, for every 100 rooms, 61.4 jobs are created in Samui and 100.7

Table 10. Estimated Totals for Number of Rooms, Number of Staff, and Staff to Room Ratios

Island	Total Rooms	Total Staff	Total Local Staff	Number of Staff per 100 Rooms	Number of Local Staff per 100 Rooms
Samui:					
Small	1218	403	53	33.1	4.4
Medium	3310	1588	429	48	13
Large	3208	2759	436	86	13.6
Total	7736	4750	918	61.4	11.9
Phuket:					
Small	363	141	94	38.8	25.9
Medium	3075	2061	716	67	23.3
Large	11999	13342	6265	111.2	52.2
Total	15437	15544	7075	100.7	45.8

in Phuket. For local staff, on the other hand, the figure drops to 11.9 in Samui and 45.8 in Phuket. It should be noted that the minimal increase in staff to room ratio for locals in Samui in the large size category reflects, as did the data for staff composition, its inability to adequately meet the labor demands of large establishments. While the staff per room ratios may be unduly low since the research was conducted during the low-season, the ratios for Samui are lower than similar figures for other regions of the world (Table 1).

The *source* of benefits associated with tourism's accommodation sector tend to vary by group in Samui and Phuket. In particular, when compared to one another, ownership, staff composition, and managerial composition produce patterns suggesting differential levels of involvement for each group (Table 11). In relative terms, locals in Samui account for a much larger share of ownership and managerial employment than they do of regulars. In Phuket, locals participate in all types of accommodation sector jobs and ownership, and make up nearly the same percentage of total owners, employees, and managers. Aside from local trends, however, the discrepancy between ownership and management, on the one hand, and regular employment, on the other, is emphatic in the case of central, northern, and northeastern Thai staff. The data show that central Thais involved in tourism in Samui and Phuket participate more readily and frequently in ownership and managerial employment than in regular, menial labor. Thus, in Samui, central Thais represent 1/5 and 1/4 of all owners and managers, respectively, but form only 1/10 of all regular staff. The corresponding figures in Phuket also indicate a similar trend: 1/5 of all owners and managers and 1/10 of all employees are from central

Thailand. Along with foreigners, most central Thais seeking entry in Samui or Phuket's tourism businesses come equipped with financial resources, backed with education and training, and thus enjoy better representation as owners and managers than as regular employees.

Patterns of ownership versus employment for northern and northeastern Thais reflect those for the central, but in the opposite direction. Migrants from the north and northeast almost solely work as regulars, easily overshadowing their representation in ownership and management. This results, in Samui, in a regular to managerial employment ratio (for northern and northeastern Thais) of over 2:1, and a regular employment to ownership ratio of 14:1. The gap is even larger in Phuket where corresponding ratios of 5:1 and 21:1 clearly demonstrate the lack of capital and training that characterize northern and northeastern Thais seeking employment in the south. Therefore, the greater financial rewards associated with ownership and managerial employment flow in unequal proportions to central Thais and foreigners rather than to migrants from northern and northeastern Thailand.

In addition to the many obvious economic benefits or opportunities associated with tourism development, most destinations also experience certain problems with the nature of employment created by this industry. Indeed, in many destinations, these problems severely temper the visible, and seemingly successful, consequences of tourism-related employment which is generally low-paying, and always risks elimination due to fluctuations in international tourism demand (Poirier 1995). The low-skilled nature of accommodation employment also limits the long-term benefits of labor's involvement in tourism. In the cases of Samui and Phuket, stating that hotel and guest-house employees receive low pay would be incorrect since they earn considerably more than those employed in such traditional sectors as farming and fishing. However, the vulnerability that regular employees (as opposed to managers) face during low tourism seasons continues to taint the financial benefits of working in hotels and guest houses.

While agriculture and fishing also remain vulnerable to global currents, tourism often suffers drastic and immediate damage following natural disasters or domestic political incidents. Following a series of military coups in 1987, for example, tourism arrivals to Fiji dropped by 26% and took over four years to reach their former levels (Hall 1994:43). This vulnerability makes employment in the accommodation sector rather unreliable and easily manipulated by forces beyond local control (Britton 1982). In addition to facing a lack of stability and job security, most employees lack a sense of loyalty to an establishment, and consequently, high rates of turnover appear in certain cases. In particular, the properties with no family connections or staff, and those with a high percentage of central or northeastern Thai staff, experience high rates of turnover. Regardless of ownership, staff composition, or size, most employees commonly seem to view tourism jobs as temporary and unreliable.

Another problem associated with employment in Samui and Phuket comes in the form of reduced local opportunities in managerial

Table 11. Comparison of Ownership, Regular Employment, and Managerial Employment

Percent of Total	Local	Province	Origin		North and Northeast	Foreign
			Entire South	Entire Central		
Samui:						
Establishment Ownership	51.5	61.8	69.1	22.1	1.5	7.4
Managerial Employment	29.8	38.9	57	25.6	8.8	9.1
Regular Employ- ment	19.2	49.8	69.3	10	20.5	0.1
Phuket:						
Establishment Ownership	55.6	55.6	61.7	21	1.2	16
Managerial Employment	44.4	44.4	66.3	19.8	4.8	9.1
Regular Employ- ment	45.5	45.5	65.3	9.2	25.6	0

positions. As establishment size increases, the proportion of local managers decreases by a considerable margin in Samui, and by a small, yet noticeable, margin in Phuket. Due to a lack of educational opportunities beyond the secondary level in Samui, medium and large-sized hotels requiring managers must hire people from outside the island. The implications of these trends become evident when examining the differences between regular and managerial positions. Regulars do low-skilled, menial tasks such as cleaning, cooking, waiting tables, and driving, whereas managers usually require a greater level of training and skills. Most importantly, such positions translate to higher job security, better pay, and, ultimately, greater decision-making control. Thus, increased size and luxury status, especially in Samui, reduces the role played by local residents hoping to capitalize on increased managerial opportunities. The uneven flow of such benefits to outsiders, in turn, suggests that as tourism develops, and as a consequence demands greater skill levels, the benefits associated with managerial employment begin to slip away from local control.

Although local staff enjoy higher than average rates of job security, local control of employment erodes as southern Thailand's accommodation sector grows and develops. In Samui, in particular, larger size translates to lower rates of local ownership. Not only does this indicate diminished local control over ownership, but it extends to employment patterns as well. Family-run establishments, found principally among small properties, usually allow for greater control by staff since job security and profit distribution obviously remain the highest when one's own family is in charge. Further, since local owners possess family and community contacts, their inclination to hire local staff surpasses that for non-local owners. Therefore, with increased size, the share of local staff decreases. In both Samui and Phuket, managerial employment data indicate similar trends, so that with larger size comes a diminished role for local residents. Despite the important extenuating factor of low population and poor educational and training facilities, the fact remains that local participation in an increasingly larger and upscale tourism industry declines markedly. Hence, although increased size produces more actual jobs in both absolute and relative terms, it also engenders less local control over regular and managerial employment opportunities.

Leakages and Linkages

As mentioned earlier, this study also examines leakages and linkages associated with accommodation sector employment. Leakages often severely limit initial economic gains, and as Smith and Jenner point out, "the real economic benefit of tourism to any country or community is not revealed by gross foreign exchange earnings but by the proportion retained after deducting the foreign exchange costs of tourism" (1992:52). Foreign exchange leakage represents a serious problem for many Third World destinations, and in some cases, over 2/3 of the money spent by tourists leaks back to foreign-owned tour operators, hotels, and airlines (Prosser 1992). Foreign exchange leak-

ages remain low in Thailand in comparison to other developing countries. Due to its large agricultural population and a growing industrial base, most of the products specifically needed to support tourism are produced domestically, unlike in other destinations which lack requisite industrial infrastructure or agricultural hinterlands. Net revenues from tourism in Thailand have been shown to average 25% less than actual gross revenues (Truong 1990:166). This percentage, which covers expenditures related to material imports, promotional campaigns, the repatriated income of foreign staff, maintenance of the tourism police force, and administration agencies compares quite favorably to most developing countries in which 35% to 90% of gross tourism earnings usually leak out (Cleverdon and Edwards 1982). Hence, Thailand's broad agricultural base and expanding industrial potential, particularly in light manufacturing, have reduced the negative economic impact of income leakages caused by imports of tourism-oriented goods and services.

Intense industry competition and anxiety over revealing and confidential information greatly hindered the collection of detailed financial data concerning leakages and linkages from owners and managers in Phuket and Samui. Consequently, this study examines the topic of leakages and linkages from a strictly qualitative approach which focuses more on relative amounts than concrete absolute financial figures. Informal, open-ended discussions with owners and managers in Samui and Phuket proved very appropriate as a research method and revealed interesting patterns. Leakages associated with employment in the accommodation sector involve wages that, through repatriation to other locations, leave the local economy. Earnings that are sent to employees' families elsewhere represent money made, but not being spent, locally. In such a way, accommodation expenditures in to the local economy by tourists find their way to recipients who spend the money in external locations.

It is fairly safe to assume that most Thais who come to Samui or Phuket looking for employment leave their original location to earn money for families back home. The author was frequently informed that any earnings that non-locals make in excess of amounts spent locally to purchase food, transportation, or other daily items almost always find their way outside the islands. Further, the fact that many regular employees are Thais in their teens or early 20s increases the proportion of earnings being sent to parents residing elsewhere. Since Thai culture places great importance on respect for the elderly and, in particular, for one's parents, most Thais thus place the financial security of their parents above most other things, including, in many cases, education and other opportunities (Mulder 1990). It is worth noting, however, that many workers, both local and non-local, complained that the inflated food and rent prices which have produced a relatively high cost of living in Samui have also largely precluded any substantial savings of wages.

Remunerations paid to external managers also influence the scope and degree of foreign exchange leakages from the islands. This is particularly true for non-local managers in large establishments, since small establishments rarely need to hire managers from outside the

island; owners of small and medium hotels and guest houses usually serve as the managers as well. In small foreign-owned properties, the owner is almost always the manager. In large, corporate foreign-owned establishments, however, foreign managers serve only as managers but in small and medium establishments were, in 11 out of 12 cases surveyed, owners as well, and since they live and spend all their money on the islands, the leakages in these cases are minimized. Foreign managers in large resort hotels, on the other hand, carry less of an interest in investing their money locally and could, on a moment's notice, leave the island, taking sizable savings with them. Even in the early stages of tourism development in Phuket, foreign managers earned over four times more than local staff (Cohen 1982). While the survey avoided asking detailed personal financial questions, it is well known among locals that foreign managers continue to command enormous salaries compared to Thai employees. Considering the relatively low cost of living for foreigners in Samui and Phuket, large surplus savings could potentially be sent back home. This situation, whereby enormous management fees and expatriate salaries leak out of the local economy, represents a problem for all regions of Thailand, as well as for other developing countries (Ankomah 1991).

Family involvement in ownership and employment greatly minimizes foreign exchange leakages from Samui and Phuket. Since staff working in family-run establishments do not need to send money to family members living elsewhere, leakages are reduced. Owners of family-run properties, furthermore, run their businesses using family labor, and thus can hire lower proportions of external, non-family staff who send portions of their earnings off the islands. The low leakages that result from family involvement hint at another significant factor affecting leakages among accommodation sector employees. In particular, *size* influences leakages in a similar way to how it influences staff composition. Increasing size in Samui reduces the role of local labor, and thus contributes to the employment share made up by external staff. Since wage earning leakages increase substantially among external staff, large establishment size subsequently leads to higher rates of leakage. Further, since employees of large establishments generally enjoy higher rates of pay than those working in smaller businesses, the amount of employment-related leakage becomes high not only in proportional terms, but perhaps also in terms of the sheer monetary amounts leaving the islands.

On the national scale, accommodation employment provides strong linkages to plentiful and, in many cases, underutilized sources of labor across Thailand whose large population ensures a steady pool of labor for the tourism industry. The northeastern region of the country, or Isaan, is a particularly noteworthy example. The agricultural crisis in Isaan has driven many residents of the region to flock primarily to Bangkok, but to other regions of Thailand as well (Hirsch 1990). In addition to regular migrants, a whole group of seasonal migrants travels from Isaan to other regions during the off-season (after harvest) hoping to supplement their increasingly meager agricultural earnings. Isaan migrants to southern Thailand come to work as plan-

tation laborers, or in the specific cases of destinations like Samui and Phuket, as employees in tourism-related businesses of which hotel sector employment forms just one example. Migrants from Isaan accounted for over one-quarter (27%) of all migrants to Surat Thani province between 1987 and 1989 (Government of Thailand 1989:25). Further, migrants to Phuket (of all origins) accounted, in 1990, for a larger percentage of the total population (2.4%) than in any other southern Thai province (Government of Thailand 1990:45-46). Unemployed and underemployed Thais from the southern region also constitute a large source of untapped labor for the tourism industry.

In Phuket, labor demands are fairly easily met by a large population, but in Samui, where a low population opens up employment opportunities for Thais from other regions, many migrants from mainland Surat Thani province migrate to nearby Samui for employment (Williamson and Hirsch 1996). The heavily populated *amphoe* district of Kanchanadit in Surat Thani province faces Samui on the mainland and represents an especially important source of migrant labor. The accommodation sector in Samui and Phuket tap into available pools of labor and thereby provide visible and economically significant linkages to local and national labor markets. Aside from creating direct linkages, job creation by the sector creates *indirect* linkages to local industry and agriculture. Earnings gained through accommodation sector employment increase the demand for local products and services; this, in turn, leads to enhanced opportunities for economic sectors not directly linked to tourism. Whether members of staff purchase fresh produce from the local market, or packaged goods at the local "mini-market", enhanced income allows one to purchase more than ordinarily would be the case. Even when establishments provide room and board to their employees, food purchases made by the properties increase to meet their excess demand. According to many locals interviewed for this study, purchases of personal consumer goods and services also increase as earning levels grow.

Despite its potential to heighten demand in other industries, however, tourism likely affects local demand in limited ways. The argument that tourism heightens local demand for products and services rests on the likely, yet ultimately untenable, assumption that the islands' populations would decrease in the absence of tourism. Increases in earnings also do not necessarily translate to greater demands for food since the diets of most islanders would probably remain similar, albeit slightly more lavish and plentiful in certain cases. Furthermore, Thai society has yet to reach the excessive level of consumerism that characterizes much of the developed economies. Thus, although currently changing rapidly, the low (in Western terms) desire for over-abundant material possessions in Thailand renders the impact of increased earnings on consumer purchases less significant. One should also note that, despite being higher than in other economic activities, wages in the accommodation sector still remain close to subsistence levels for many employees, thereby attenuating the impact of income on local demand. In spite of these limiting factors, accommodation sector wage earnings still provide both potential and actual linkages to local industry and agriculture. Once again, however,

concrete financial figures would have proven highly valuable in corroborating some of this study's preliminary qualitative findings concerning leakages and linkages.

CONCLUSION

Samui and Phuket provide excellent sources of comparison since different historical, geographical, demographic, and economic circumstances have produced dissimilar tourism cases particular to each island. Both islands serve as clearly delineated geographical and economic units, and by representing the tourism industry in Thailand at different levels of development and scale, Samui and Phuket offer useful insight into how different conditions foster different patterns of tourism development. The industry serves a vital function in the local economies of Samui and Phuket. Its accommodation sector, in particular, has provided great opportunities in the form of employment. Further, the experiences of Samui and Phuket show an increasing role for tourism in the lives of most residents. This paper demonstrates that Samui and Phuket differ in significant ways despite displaying some similar *general* trends. More specifically, examination of employment patterns and opportunities by establishment size produces divergent results on each island.

Tourism development in Samui and Phuket has substantially strengthened their economic bases. Taken together, Samui and Phuket reflect the experiences of other tourism regions of Thailand, particularly as they relate to economic diversification. In particular, Samui's coconut economy has entered into steady decline since the mid-80s due to a fall in global copra prices, drought, declining yields, substitution of palm oil for coconut oil in many foods, and the smuggling of cheap palm oil from Malaysia into Thailand (Williamson and Hirsch 1996). Tourism development has thus proven extremely timely in providing alternative employment avenues for local coconut plantation workers. Similarly, the estimated \$360,000 (9 million Baht) in annual accommodation income that hill-tribes derive from trekking in northern Thailand goes a long way in improving the chronic poverty of these communities (Dearden 1991:406). Although Samui, and especially Phuket, have traditionally fared better than other parts of Thailand, they have all benefitted from the economic diversification and employment opportunities that tourism has created.

While tourism in Samui and Phuket has generally been economically beneficial, distinctions according to size reveal crucial differences in the nature of tourism-related impacts on employment. Samui forms a relatively small geographical unit (240 km²), populated by only 32,000 people. With total tourist arrivals reaching over half a million in 1993, the potential impact of tourism in Samui is great. The data presented in this paper clearly show that local labor participation in large establishments falls dramatically from corresponding levels in small and medium establishments. This is partially explained by family versus non-family patterns of ownership. In particular, the likelihood that an establishment is family-run

increases as its size decreases. Since family-run properties contain high proportions of family staff, and since most of them are locally-based, local labor remains high in small and medium establishments in Samui. Larger establishments, on the other hand, not only feature higher rates of non-family ownership, but also require larger numbers of employees. Considering Samui's small population, all eligible workers (i.e., residents willing and able to work in accommodation establishments) are absorbed by existing establishments. Local labor's inability to meet the requirements of increased size is reflected in the minimal difference between staff to room ratios in the medium and large property categories (Table 10). Hence, a low population, poor training, and inadequate educational skills limit regular and managerial employment opportunities for Samui residents to primarily small and medium-sized establishments only.

A larger local labor pool, greater training facilities, and more advanced educational resources allow local residents in Phuket to fill employment positions in small and large establishments alike. Large hotels require more labor per room since larger-size almost always implies luxury operation which in turn translates to higher employment inputs in such areas as gardening, cleaning, transportation, and maintenance. They also tend to pay higher wages than smaller accommodations. As the potential for employment in relative and absolute monetary terms increases among larger establishments, therefore, Phuket residents enjoy opportunities just as plentiful as those available in small and medium-sized establishments. Local residents also fill managerial positions in large establishments in fairly equal proportions across the three size categories. Most importantly, accommodation sector employment provides those Phuket residents not involved with ownership an opportunity to somehow benefit from tourism development on the island. In other words, Phuket residents who lack capital resources are not necessarily excluded from the economic opportunities created by tourism. While the benefits of ownership surely outweigh those of employment alone, job opportunities created for the poorest among Phuket's residents (required experience and level of skills notwithstanding) still contribute to the overall economic health of residents not belonging to the established, wealthy elite of Phuket. □ □

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