

# Sustainable Tourism or Sustainable Development? Financial Crisis, Ecotourism, and the 'Amazing Thailand' Campaign

**Nick Kontogeorgopoulos**

*University of Puget Sound, 1500 North Warner, Tacoma, Washington 98416, USA*

Although the issues of sustainable tourism and sustainable development are receiving increasing attention from tourists, government planners and scholars, few studies have examined their overlap, tensions and complex linkages in practice. In southern Thailand, the sustainability of tourism, defined as the ongoing growth and survival of the tourism industry, has compromised the *ecological* sustainability of key tourism destinations sites. The recent financial crisis has forced the Thai government to sacrifice long-term sustainability for the sake of quick, and desperately needed foreign exchange. The 'Amazing Thailand' promotional campaign, which aims to attract 17 million tourists over 1998 and 1999, promises to exacerbate further the environmental degradation of tourism destinations in southern Thailand by pushing for enhanced tourist numbers. Ironically, by changing the composition of tourist arrivals (and in particular, attracting more European and North American tourists) the currency devaluations associated with the Asian financial crisis may simultaneously boost demand for nature-based tourist activities in southern Thailand while also adding stress to ecologically deteriorating destinations.

## Introduction

As several recent studies (Hall & Lew, 1998; Honey, 1998; Mowforth & Munt, 1998; Stabler, 1997; Wahab & Pilgram, 1997) have indicated, the goals and consequences of sustainable tourism and sustainable development not only differ, but often lead to conflict and contradiction in both policy and practice. While sustainable tourism can be defined as the sustained growth of tourist arrivals and the ongoing development of tourism infrastructure, sustainable development refers to development which 'meets the needs of the present without compromising the ability of future generations to meet their own needs' (WCED, 1987: 43). The discrepancy between sustainable tourism and tourism's place in sustainable development is clearly evident in Thailand, where a growing emphasis on ecotourism, in principle, clashes with the everyday practices of tourism operators and government agencies. Despite the heavy rhetorical emphasis being currently placed in Thailand on ecotourism, and other forms of 'alternative' tourism, the currency devaluations of July 1997 and beyond have not only forced the Thai government to scale back ecotourism funding, but have also at the same time encouraged Thai tourism planners to contradict stated policies of controlled growth by pushing for heightened tourism numbers.

This paper deals with the effect of the recent financial crisis in Thailand on prospects for ecotourism, and will argue that by promoting even greater tourism numbers to offset foreign exchange losses, the Thai government has contradicted

its policy of fostering ecotourism, and sustainable development in general. The recently-launched 'Amazing Thailand' campaign firmly evinces Thailand's lack of commitment to sustainable development. The Amazing Thailand campaign began on 1 January 1998 and will continue until 31 December 1999, emphasising an array of cultural and recreational attractions. By setting a target of 17 million tourists between 1997 and 1998, the Amazing Thailand campaign seeks to magnify the size and scope of the tourism industry, while at the same time, the Thai government continues to argue paradoxically for the need for carefully monitored, small-scale, and sustainable tourism development. In addition to drawing links to broader debates concerning sustainable tourism and sustainable development, this paper will demonstrate that sustainable development in Thailand has been compromised for the sake of sustainable tourism, and that, coupled with the impacts of the recent financial crisis in Asia, this insistence on sustaining tourism's growth and expansion will ultimately both exacerbate existing problems and hinder the development of ecotourism and other purportedly sustainable forms of tourism.

### **The Rhetoric of Ecotourism in Thailand**

Despite underpinning recent public policy, the rhetorical use of such euphemistic concepts as sustainability and equity betrays the actual practice of tourism development in Thailand, which has with rare exceptions emphasised growth, productivity, and expansion at the expense of the altruistic goals currently espoused by Thai officials. Among the various facets of Thailand's export-oriented development strategy, tourism remains among the most aggressively pursued and financially rewarding. The particular histories of capitalist, growth-oriented development and mass tourism in Thailand share many parallels. Both were introduced at roughly the same time, both experienced rapid rates of growth, and most importantly, both have recently caused tremendous problems, the consequences of which threaten their viability.<sup>1</sup> Tourism was originally seen by the Thai government as merely a way to generate scarce foreign exchange. However, the recent integration of tourism into Thailand's development plans has centred around more broadly defined facets of economic development. Beginning in the Sixth Development Plan (1987–91) tourism was identified as a source of employment, as well as a means of economic decentralisation, environmental conservation, and infrastructural investment (NESDB, 1987: 248). Similarly, the Eighth Plan (1997–2001) interweaves tourism with other aspects of development rather than treating it as a separate entity. Due to the export-oriented nature of Thailand's development programme, tourism has always proved highly compatible with national development goals and targets.

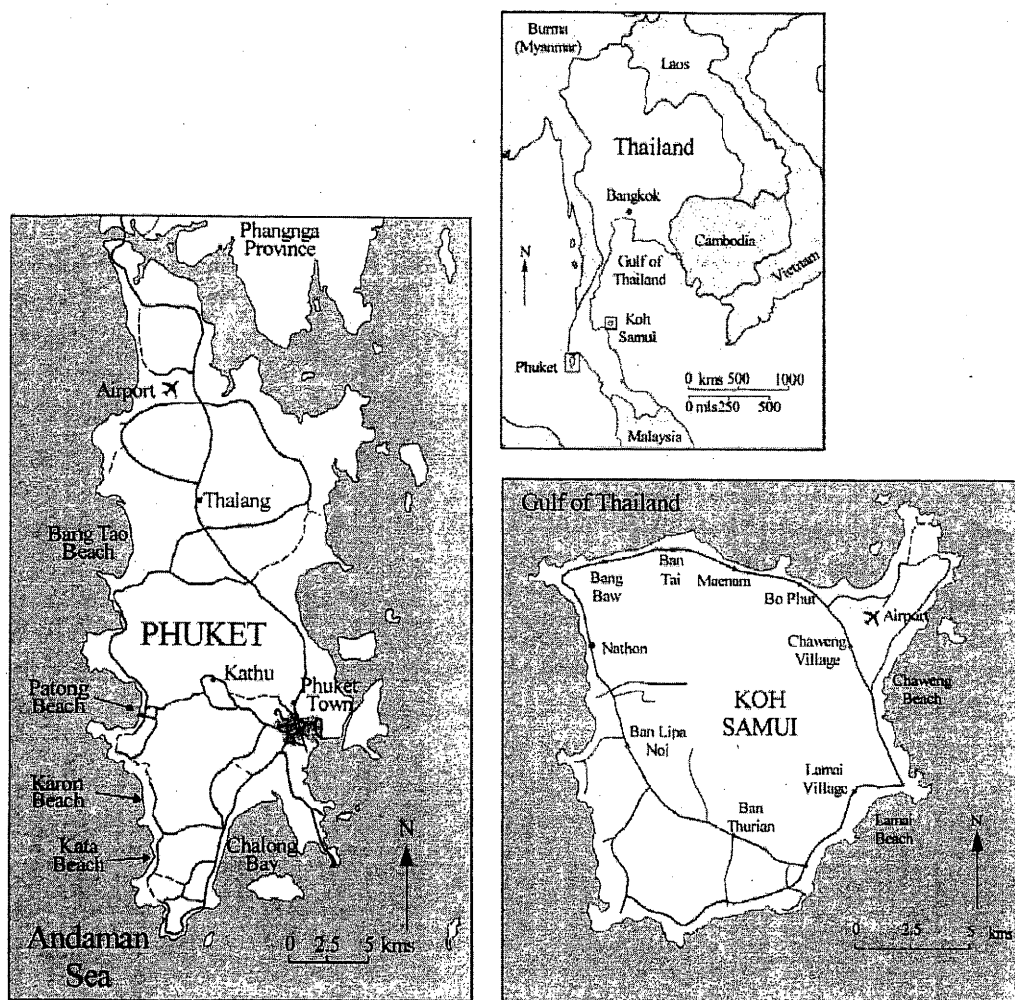
Recognising the social and environmental limitations of past tourism development, the government of Thailand has in recent years embarked on an extensive and ambitious programme of sustainable tourism development and environmental preservation. Despite the heavy emphasis being currently placed in Thailand on ecotourism, the concept has only recently entered the national tourism vocabulary. A comprehensive tourism plan produced in the late-1980s by the Japan International Cooperation Agency (JICA) on behalf of the Thai government makes no mention of ecotourism or nature-based activities.

Although one of the four recommendations made in the report centres around a long-term environmental management program for Phuket, the concept of environmentally oriented tourist activities is not addressed in the report. The theme of environmental degradation is incorporated into the tourism component of the wide-ranging Southern Seaboard Development Program (SSDP). The SSDP is a broad development project aimed at building a 'landbridge' across the isthmus of Thailand in southern Thailand, from Krabi on the Andaman coast to Khanom in Nakhon Sri Thammarat on the Gulf of Thailand. The basic components of the SSDP include two deep-sea ports at Krabi and Khanom, a new east-west highway connecting the two coasts, industrial estates for refineries, agro-industries, oil- and gas-related industries, and urban development. Tourism is also considered a key component of the program, and the SSDP conceptual master plan recommends the integration of industrial infrastructure with existing tourism resources. The master plan calls for the protection of tourism from heavy industry and shipping activities, but again makes no specific recommendations for ecotourism. In 1993, the Tourism Authority of Thailand (TAT) commissioned the Thailand Development Research Institute (TDRI) to produce a national tourism master plan, but as with earlier assessments and reports, the TDRI plan highlights the need to stem the environmental destruction of key tourism destinations without making any connection to ecotourism, *per se*. Thus, aside from suggesting that the costs and benefits of 'green' or 'nature' tourism be studied, the 1993 national plan ignores the issue of ecotourism as a distinct strategy or activity.

The turning point for the development of ecotourism in Thailand came in 1995, when Paradech Phayakvichien, Deputy Governor for Planning and Development at the TAT, commissioned several reports dealing specifically with ecotourism. The interest demonstrated by Paradech in developing a national ecotourism strategy played itself out in numerous ways. First, the TAT commissioned a team of academics from Kasetsart University in Bangkok to identify sites in southern Thailand which feature high potential for ecotourism development. The second avenue pursued by Paradech and the TAT in the pivotal year of 1995 was inviting a team of ecotourism researchers from Griffith University and Central Queensland University in Australia to identify key issues and objectives in the development of a national ecotourism strategy. The authors offer a definition of ecotourism that resembles the broad yet stringent nature of many other definitions:<sup>2</sup>

Ecotourism involves travel to relatively undisturbed areas with a view to studying, admiring and enjoying the landscape, its natural environment and the culture/lifestyle of the resident population in a manner which is sensitive to the long-term sustainability of these features' (Coll *et al.*, 1995: 2).

Having spent only two weeks in Thailand researching the topic, the authors could put forward only very general recommendations, with specific comments reserved for individual ecotourism sites. Contrary to many analyses of ecotourism, the Australian report indicated that, in Thailand at least, ecotourism coexists with and often feeds off mass tourism destinations such as Koh Samui and Phuket (Figure 1). Beyond the statement that mass tourists can also possess



**Figure 1** Koh Samui and Phuket

environmental curiosity, however, the report focuses on the development of new, remote ecotourism sites, thereby implicitly confirming the supposed separation of mass tourism from all other forms of travel, including ecotourism.

Drawing on these reports, the TAT published a 39-page booklet entitled *Policies and Guidelines: Development of Ecotourism (1995–1996) of the Tourism Authority of Thailand* (TAT, 1995). Its several sections cover definitions, policies, conservation projects, and management guidelines. In addition, the booklet outlines the broad future direction of ecotourism development in Thailand. Rather than including a detailed inventory of Thailand's natural resources, or a list of concrete environmental measures, the booklet focuses instead on very general – critics would say weak, vague, and meaningless – objectives and guidelines. Its definition of ecotourism, for example, shares many elements common to other approaches, but steers away from geographical remoteness or exclusivity. Ecotourism, according to the booklet, can be defined as a visit to any particular tourism area with the purpose to study, enjoy, and appreciate the scenery – natu-

ral and social – as well as the life style of the local people, based on the knowledge about and responsibility for the ecological system of the area. (TAT, 1995: 11). The objectives and policy guidelines listed throughout the document reflect the TAT's desire to incorporate ecotourism into existing networks and national objectives. For example, promotion of attractions, co-ordination among various government agencies, and administration of national tourism programs are highlighted as key objectives, the majority of which overlap with general tourism policy in Thailand. Initial TAT prescriptions for ecotourism were therefore essentially 'greening' mechanisms for the existing tourism industry. By calling for continued overseas marketing and the maintenance of popular destinations, the TAT in its early stages of ecotourism promotion chose to pursue ecotourism not as an entirely new approach or form of travel, but rather as a means of both improving existing sites and conserving the natural and cultural resources upon which tourism to these sites depends.

In light of the sudden interest shown in 1995 by the TAT, and Paradech in particular, to ecotourism, momentum quickly gathered for the concept, leading to further institutional and policy support.<sup>3</sup> By the end of 1995, an Institute of Ecotourism was established at Srinakharinwirot University in Bangkok. In addition to offering a Diploma in Ecotourism Management, the Institute has organised international ecotourism conferences since 1995. National development and tourism planning have also in recent years jumped on the ecotourism bandwagon. The degradation of over-developed destinations such as Pattaya and Phuket received considerable attention in the Seventh National Development Plan (1992–96), and the Eighth Plan (1997–2001) calls for the establishment of a 'system for the management of natural resources and the environment by setting strict guidelines in promoting development of tourist destinations in the Krabi Bay, Phang-Nga, Phuket areas and the seas around Samui island' (NESDB, 1996: 68). The growth of interest in ecotourism among Thai government planners is clearly evident in the most recent national tourism master plan, released in March 1997. Produced by Mingsarn Kaosa-ard of the Thailand Development Research Institute (TDRI) on behalf of the Tourism Authority of Thailand (TAT), the plan features an ecotourism budget of over 3 billion baht. In addition to allocating funds for the expansion of ecotourism infrastructure, the budget seeks to address issues of environmental rehabilitation and protection by setting aside 20 million baht for each tourist site in crisis. Further, the plan establishes a 400 million baht fund to increase tourist-related income in small communities while also allocating 600 million baht to 'increasing the potential' of (i.e., marketing and developing) high priority tourism sites. In addition to this financial support, the government has set up an ecotourism training centre in the northeastern province of Nakhon Ratchasima worth 120 million baht. This training facility comprises several components, including a study centre, 'eco-lodges', and recreational space, and aims at providing Thai citizens and tourism industry personnel with a multifaceted education centred around conservation and ecotourism training.

Along with budgetary support, the TAT has in recent years actively promoted ecotourism through such measures as ecotourism guide certification and the granting in 1996 of its first annual Thailand Tourism Awards awards to environmentally friendly tourism operators that promote natural and cultural conserva-

tion through sustainable tourism projects. With close to one hundred applications in six areas of competition, the Thailand Tourism Awards demonstrated both the swelling popularity of the ecotourism catchword and the tourism industry's enthusiasm over the profit potential of the green label.<sup>4</sup>

This section's examination of Thailand's recent move towards ecotourism suggests that national tourism planning is shifting away from the emphasis on growth-oriented 'mass' tourism promotion. However, current TAT policy aims not to foster new forms of travel or development, but rather to rehabilitate popular tourism destinations damaged by a decade of reckless growth. As the TAT Governor, Seree Wangpaichit, stated in late 1997, the TAT's short-term target for 1998-2003 is to achieve the 'greening of Thai tourism' by facilitating a fundamental re-engineering of the existing industry to emphasise respect for the environment, culture, heritage, and traditions. Hence, contrary to many academics and environmental activists who define ecotourism in novel, stringent, or highly specific terms, the Thai government considers ecotourism a mechanism for spurring environmental improvements to established sites, ultimately in order to both boost overall tourism growth and maintain Thailand's competitiveness on the international tourism market.<sup>5</sup>

### **Financial Crisis, Ecotourism, and the 'Amazing Thailand' Campaign**

Defining ecotourism in broad and regenerative terms has allowed the Thai government to promote the 'greening' of Thai tourism while simultaneously attempting to maintain, and if possible boost, existing tourist markets. The Asian financial crisis, which began in Thailand in mid-1997, has further strengthened Thailand's commitment to this seemingly contradictory policy. Even as Thailand was recording double-digit rates of growth during the late-1980s and early-1990s, several observers offered pessimistic forecasts of future development (Hewison, 1987). Pasuk and Baker (1996: 234-35) indicated that 'some see Thailand's growth as superficial, based on borrowed cash and technology, with no inner dynamism generated by indigenous technological capacity'. Bell (1996) pointed out that the export-oriented growth model pursued by Thailand features a built-in need for imported capital and technology which promotes external debt and balance of payments deficits. He further stated that the International Monetary Fund (IMF) pointed to Thailand as 'one of several danger spots for capital flight following the collapse of the Mexican economy in 1994' (Bell, 1996: 55).

In mid-1997, the Thai economy, specifically the banking and financial sectors, finally paid the price for a decade of breakneck economic growth and heavy foreign investment. On 2 July, the Thai Finance Ministry decided that market forces would henceforth determine the value of the baht, which had previously depended on a basket of currencies dominated by the American dollar. With GDP growth slowing from 8.6% in 1995 to 6.4% in 1996, the Bank of Thailand was left with diminishing reserves with which to bail out failing finance firms and counter intense international baht speculation (Vasikiotis, 1997a: 74). After severely depleting central bank reserves in order to prop up the value of the baht, the government of Thailand finally decided on a 'managed float', but immedi-

ately saw the precipitous depreciation of the baht from 24.45 to 28 baht per dollar (Vasikiotis, 1997b: 70). The exchange rate would eventually skyrocket to nearly 60 baht per dollar, and stabilise only six months later at around 40 baht per dollar, where it remains today. The fallout from the baht devaluation in July 1997 has proved severe. By mid-August 1997 the government had suspended 58 (among a total of 91) finance companies, and the high dollar-dominated debt loads of most Thai companies continue to hinder the expeditious recovery of the Thai economy (Tasker, 1997: 52).

The financial crisis in Thailand immediately affected the scope and scale of tourism in Thailand, but perhaps more importantly, the changing financial circumstances of the region have begun to alter the structural characteristics of the tourism market. In particular, due to a rapid decline in tourist arrivals from East Asian countries, especially Japan and Korea, overall tourism growth for 1997 registered a relatively low rate of 0.7%, far below the projected 7% forecast earlier in the year by the TAT (Tasker, 1998). Between January and June 1998, arrivals from East Asia had fallen by 5% compared to the same period in 1997 (Peerawat, 1998). Since tourists from East Asia represent roughly 60% of all arrivals in Thailand, this drop in numbers at a regional level, and the speed with which it occurred, meant an immediate drop in *overall* arrivals to Thailand in 1997. However, the impact of the financial crisis was not limited to arrivals from East Asia. As Thailand's largest single source of tourists, Malaysia plays a significant role in the tourism industry of Thailand, particularly among destinations in the deep southern provinces of Thailand. Due to restrictions placed by the Malaysian government on the amount of currency allowed to be taken by tourists outside the country, Malaysian tourists stayed home in increasing numbers, causing a 6% decline in the crucial Malaysian market during the first half of 1998.

In addition to forcing a drop in inbound traffic from Asian tourism markets, the financial crisis compounded difficulties already occurring in the travel trade of Southeast Asia. At the beginning of the high season in late 1997, the burning of rainforests on the Indonesian islands of Sumatra and Borneo created an enormous cloud of smog known regionally as 'the haze' (Spencer, 1997). Global news coverage of the haze caused fear among travellers, not only about the obvious recreational and health implications of dense smog, but also about the safety of travelling in the region after an Indonesian airplane crashed in north Sumatra killing all 234 people on board. The cause of the crash was linked directly to the haze, which was blamed for significantly reducing visibility. Although the haze only affected tourism destinations in southern Thailand for less than a week, the global media coverage of the environmental disaster implied that the haze was a *region-wide*, rather than localised, problem, thereby causing a drop in tour business among southern Thai operators (Shepherd, 1998).

Months after the beginning of the financial crisis, Thailand began to rebound from the initial drops in tourist arrivals. Word of mouth among tourists, coupled with the launch of the Amazing Thailand promotional campaign (discussed below), spread awareness of the inexpensive and safe (compared to other Southeast Asian destinations) nature of travel to Thailand. Initially, Thai tourism officials feared strong competition from regional rivals Malaysia and Indonesia, both of which could, after the currency devaluations, offer cheap package deals to Japanese and other potential customers. Political and social events in Malaysia

and Indonesia, however, would eventually cancel out any comparative advantages possessed by the two countries. The forced resignation of Suharto, Indonesia's long-time president, and the student protests which spurred this resignation along, led to violent confrontations and the deaths of hundreds of people in Jakarta and elsewhere following riots in May 1998. The ongoing social upheavals and dislocations occurring to this day in Indonesia have, for obvious reasons, scared away fickle international tourists, allowing resort destinations in southern Thailand such as Phuket and Koh Samui to absorb the traffic headed previously to the island of Bali in Indonesia. Similarly, recent demonstrations against Prime Minister Mahathir Mohammed of Malaysia over his handling of the treason and sexual misconduct charges against former deputy prime minister, Anwar Ibrahim, have produced a harmful image of Malaysia as a dangerous place to visit. Given that global tourism marketing institutions often fail to make distinctions between similar countries or destinations in the same region, the chaos found throughout Indonesia has probably also exacerbated negative touristic images of Malaysia. Considering the relative social peace of Thailand, the stability of Thailand's post-crisis government headed by Chuan Leekpai, and Thailand's level of cooperation with IMF lenders, it is no surprise that Thailand has benefited from the deterioration of tourism in certain neighbouring countries.<sup>6</sup>

Insofar as ecotourism and the prospects of tourism-related contributions to sustainable development are concerned, this increase in Thailand's tourist arrivals due to regional political and social circumstances points to the first of two major trends, which despite contradicting one another, are clear and distinct consequences of the recent financial setbacks faced by Thailand and other Asian countries. The recent strain on central bank reserves caused by both defending the baht against currency speculators prior to the July-1997 float, and by the increased value of private dollar-denominated debt, has enhanced tourism's profile even further as the Thai government scrambles to shore up dwindling supplies of foreign exchange. An obvious attempt at building momentum and magnifying the number of tourist arrivals is the launch of the Amazing Thailand campaign. This promotional campaign began officially on 1 January 1998 and will run through until 31 December 1999.

In addition to aiming for 17 million foreign visitors and 600 billion baht in tourist spending, the Amazing Thailand campaign emphasises shopping, adventure tours, the 'Thai Food for the World' exhibition, sporting events, conventions, and cultural demonstrations. The Amazing Thailand campaign reflects a desire among Thai tourism planners to maintain the momentum gained by the tourism industry during the past several decades, when both arrivals and revenues from tourism soared. Since becoming Thailand's top foreign exchange earner for the first time in 1982, tourism revenues have continued to surpass earnings from all other export items, earning 32.8% more in 1996 than computers and computer parts, the next leading export (TAT, 1997: 8). Revenues from international tourism in Thailand have grown from US\$8 million in 1960 to US\$8.7 billion in 1996, while arrivals have increased from 81,000 to 7,192,145 (TAT, 1997: 1). More recently, between 1985 and 1995, international tourist arrivals to Thailand increased by 185% compared to 72% for the world as a whole, with revenues growing by 503% (a rate of increase that is more than double the world rate of

234% over the same period (WTO, 1997: 3)). Despite the ambitious targets set for the Amazing Thailand campaign, the Thai government remained hampered in its efforts to launch the campaign with full financial support. In particular, budget cuts mandated by the IMF depleted the TAT promotional budget from 2.5 to 1.5 million baht, and forced the TAT to promote its Amazing Thailand campaign in only London, Tokyo, and Sydney rather than the twelve cities originally planned prior to the crisis.<sup>7</sup> Nevertheless, the aggressive marketing of the Amazing Thailand campaign has joined forces with 'convenient' regional circumstances to boost the number of overall tourist arrivals by over 5% in the first half of 1998 (Bacani, 1998).

Rather than go into details concerning the particular features of the Amazing Thailand campaign, this paper is more interested in the consequences of the campaign, as well as the principles of expansion and growth which serve as its foundations.<sup>8</sup> In other words, the Amazing Thailand campaign is in itself an interesting and pertinent example of effective tourism marketing, but its true analytical value emerges when one examines the surge in tourist arrivals in certain areas of Thailand such as the beach-oriented south, since this surge carries certain implications for ecotourism, and therefore for sustainable development. As mentioned previously, the east and Southeast Asian tourist markets have declined considerably due to the financial crisis, but this has not meant an *overall* decrease in tourist arrivals. Rather, the beach resort destinations of Phuket and Koh Samui have enjoyed (if that is the right word) a resurgence of arrivals in 1998 and 1999. During the high season of 1998–99 (the high season in Thailand lasts from November until March), hotels in Phuket were reporting near-full rates of capacity, and other beach destinations, such as Rayong, Trat, Cha-am, Hua Hin, and Chumphon have also started to receive greater numbers of tourists (Peerawat, 1998). In light of the financial difficulties faced by Thailand, this increase in arrivals has come at just the right moment, providing crucial foreign exchange at a time when public credit and financial resources remain extremely limited.

Notwithstanding the obvious economic benefits of increased tourist traffic, however, the continued environmental degradation of tourism sites throughout Thailand has caused some observers to question the long-term value of the Amazing Thailand campaign (Bacani, 1998; Nok, 1998). By advocating, and succeeding in achieving, higher numbers of tourist arrivals, the Thai government has by design placed additional strain on crowded or polluted tourism destinations. Prior to the launch of the Amazing Thailand campaign, the TAT warned the government that 142 tourism destinations throughout the country would require environmental upgrading. Due to budget restraints, the environmental problems faced by these 142 sites have gone unresolved and have deteriorated even further in some cases (Peerawat, 1997). In areas such as Phuket, which have long received many tourists and have paid the environmental price from doing so, the heightened arrivals produced by the Amazing Thailand campaign promise to further strain the resources that serve as the basis for tourism in the area.<sup>9</sup> On the whole, therefore, the trend of promoting quantity over quality, as typified by the Amazing Thailand campaign, will almost certainly, by virtue of bringing larger numbers of visitors, threaten prospects for environmentally sustainable forms of development and tourism.

On the other hand, a second tourism-related trend associated with the Asian financial crisis may actually, and ironically, *improve* prospects for environmental awareness among the Thai tourism industry. While the first trend discussed above relates to the increased quantity of tourists, the second relates to the changing *quality* (or nature) of tourist markets following the crisis and subsequent Amazing Thailand promotional effort. In particular, due to both the unanticipated success of the Amazing Thailand campaign in Western Europe, and the comparative strength of the latter's currencies compared to the Thai baht, the number of arrivals from western Europe has recently exploded. As arrivals from other Asian countries have continued to decline or stagnate, Thailand received over 350,000 additional European tourists between January and September 1998; this represents an increase of over 23% from the same period in 1997 (Peerawat, 1998). In part, this is a result of the Amazing Thailand campaign which aims to bring long-haul tourists from Europe and elsewhere to Thailand with the promise of an inexpensive holiday. Additionally, events such as the recent publicity surrounding the filming in southern Thailand of Alex Garland's novel *The Beach* – the film stars Leonardo DiCaprio and has led to a much-publicised confrontation between the filmmakers and local environmentalists – have also contributed to Thailand's international marketing profile.<sup>10</sup>

Shifts in the source of tourists do not always necessarily carry implications for various types of tourism, but in this case, a resurgent European market could perhaps provide a much-needed boost to ecotourism operators located in popular areas like Phuket. The Phuket tourism industry is best described as 'mass' insofar as scale, orientation, and international connections are concerned. However, beginning in the early 1990s, and particularly in the past four years, the structure of Phuket's industry, while remaining typically oriented towards 'mass' forms of tourism, has featured an accelerated move towards more 'alternative' patterns of travel, such as ecotourism and 'adventure' travel. Aside from the recent efforts of Phuket hotels and resorts to present a more eco-friendly marketing face, scores of small environmentally oriented companies have emerged in Phuket. As one of Thailand's principal tourism destinations, Phuket currently possesses a huge number and variety of accommodation establishments, tour operators, travel agents, and entertainment facilities, but importantly where this paper is concerned, Phuket is home to over twenty major ecotourism companies (Kontogeorgopoulos, 1998b).

Increasing the number of European tourists in Phuket helps the development of ecotourism for two reasons. First, as Cohen (1996) points out, Phuket has seen the development of both natural and 'contrived' attractions, and the balance between the two will depend chiefly on how quickly the tourist market shifts from Europe, which currently provides over 60% of all tourists in Phuket, to Asia, whose tourists generally prefer 'contrived' attractions such as shopping, theme parks, open zoos, and entertainment facilities (*Phuket Gazette*, 1996: 3).<sup>11</sup> Since the financial crisis has begun to tip the balance in favour of European tourists, which in Phuket's case maintain the dominant position the momentum for nature-based tourism will remain steady, if not increase further. Second, as Shepherd (1998) indicates in a recent study, ecotourism operators in Thailand with foreign connections, language skills, and knowledge of the desires and outlooks of ecotourism customers (the vast majority of whom are 'Westerners') have the

greatest chances of surviving the Asian financial crisis since these skills and connections allow operators to deal directly with customers abroad who expect, and are thus more willing to pay in dollars rather than in baht.

Third, and related to the first two points, a growth in 'mass' tourism in Phuket often translates to an increase in the number of nature-oriented daytrips taken in general. If one assumes that an increase in such trips fosters heightened environmental appreciation, then the growth in tourist arrivals due in part to the Amazing Thailand campaign could also be viewed as a potentially positive force in promoting sustainability.<sup>12</sup> Recent figures indicate that ecotourism operators based in and around Phuket have seen a 30–40% increase in profits (Shepherd, 1998). Further, an increase in nature-based tourism means greater business for foreign-owned and foreign-oriented ecotourism companies due to the high amount of foreign ownership in Phuket's ecotourism industry. Although foreigners represent fewer than half a per cent of Phuket's total population, they completely dominate the local ecotourism industry. The foreigners driving ecotourism in Phuket are a particular subset of foreigners known in Thai as *farang*. *Farangs* are foreigners from Europe, North America, Australia, and New Zealand; generally speaking, any foreigner with 'Caucasian' features is considered a *farang* in Thailand.<sup>13</sup> In 1990, Phuket was officially home to 309 *farangs*, the majority of whom came originally from the United States, England, Italy, and Germany (Government of Thailand, 1991: 33–43).<sup>14</sup>

Due to Thai laws which limit foreign ownership to a maximum of 49%, determining the ownership of companies often proves difficult, but based on this author's dissertation research (Kontogeorgopoulos, 1998b), at least 15 of the 20 land- and sea-based ecotourism companies in Phuket were founded, are co-owned, and/or are currently managed by *farangs*. With links to international conservation and environmental organisations, *farang* ecotourism owners often enjoy access and influence in Thai government agencies and non-governmental organisations. This access and influence – combined with the fact that European customers willing to pay in dollars and hoping to participate in nature-based tours make up the majority of ecotourists in Phuket – perhaps mitigate the physical costs of enhanced tourist arrivals. Tourism based on the traditional 'sun, sea and sand' formula remains, and *will* remain into the near future, Phuket's top priority, but growing diversity and complexity will inevitably change the context of local tourism development. Curiously, therefore, as recent financial crises and promotional campaigns such as Amazing Thailand have led to bolstered arrivals which potentially threaten the carrying capacity of many tourism destinations, they have also simultaneously changed the *nature* of tourist arrivals in important spots such as Phuket, thereby offering new life to ecotourism operators – the majority of whom are European-owned and operated – interested in the principles of sustainability.<sup>15</sup>

## Conclusion: Sustainable Tourism and the Discourse of Sustainable Development

Thai tourism planners and industry representatives seem well positioned, and well intentioned, to stem the tide of environmental degradation found in tourism destinations throughout Thailand, but in practice, the tourism industry

in Thailand continues to develop in a highly unsustainable manner. When the policies and practices of the Thai government and tourism industry are scrutinised, the recent fascination with sustainable tourism development reveals more the operation of a marketing tool and euphemistic rhetorical device than any serious adherence to the principles of sustainability. During the mid-1980s, the TAT attempted to open up Thailand's national parks to tourism, but retreated in the face of widespread opposition. Despite this controversy, the TAT currently plans to develop ecotourism sites within protected areas, including national parks, by selecting areas with touristic potential and granting tourist licences to such groups as the Forest Industry Organisation, which due to the 1989 logging ban, find itself with shrinking sources of revenue (Pennapa and Nantiya, 1997).

The contradictions in Thailand's approach to tourism where, on the one hand, promotional campaigns such as Amazing Thailand attempt to sustain tourism's growth (sustainable tourism, in a literal sense), but on the other, call for ecologically sound tourism strategies on the other (sustainable development) relate directly to general issues of sustainability, and tie in especially well to the debate over differences between sustainable tourism and sustainable development (Butcher, 1997; Butler, 1991; France, 1997; Middleton, 1998). Although many tourism industry representatives and researchers consider sustainable tourism an offshoot of sustainable development, the two are often incompatible. As Butler (1993) points out, sustainable tourism exists in a form which is able to maintain its viability indefinitely without consideration necessarily of the sustainability of other activities or processes. Sustainable development, by contrast, requires tourism to coexist with other activities and achieve a balance whereby the preservation of those human and physical environments supporting tourism enable sustainable development in multiple sectors. Sustainable tourism thus remains a unidimensional concept which, more often than not, actually hinders sustainable development:

While it [sustainable tourism] has drawn attention to the need to achieve a balance between commercial and environmental interests, and has even spawned several successful examples of energy efficiency and recycling among tourist operations, as a single-sector concept it fails to acknowledge the intersectoral competition for resources, the resolution of which is crucial to the achievement of sustainable development. (Wall, 1997: 47)

By promoting ecotourism while simultaneously leaving the industry status quo largely intact, the Thai government has encouraged the appropriation of the ecotourism label by private operators keen on cashing in on the green label. Other than occasionally rewarding (with Thailand Tourism Awards) large resorts for environmental efforts such as enhanced sewerage or recycling facilities, the TAT has for the most part condoned, through its silence, the continual degradation of key tourism sites, including Pattaya, the Phi Phi islands, and Phuket. Thus, in spite of numerous claims made recently hinting at a change in environmental direction for national tourism policy in Thailand, the TAT and the vast majority of private operators continue to take a 'business as usual' approach in their everyday practices. Further, the crucial financial support needed for conservation and rehabilitation projects has diminished due to recent IMF-imposed austerity measures. As part of the 59 billion baht cut in govern-

ment spending demanded by the IMF, the TAT has seen its budget for conservation and development of sites cut by over 10% (Piyanart and Somroutai, 1997: A3). Aside from the push to increase tourist numbers rapidly and substantially in order to acquire desperately needed foreign exchange, the financial pressures currently faced by the TAT are likely only to serve to compromise further the efforts at 'greening' the tourism industry. Thus, while public rhetoric concerning ecotourism and environmental responsibility perhaps raises, and in some cases reflects,<sup>16</sup> overall environmental awareness in Thai society, the lack of concrete measures on the part of the Thai government and the TAT in particular, raises serious doubts about the future 'greening' of tourism in Thailand.

Nonetheless, in the midst of such limitations in public policy, as well as post-crisis weaknesses in financial capabilities, certain trends may actually produce ways of promoting sustainable development in the context of sustainable tourism, defined in this case as the perpetuation or expansion of existing tourist numbers. In short, due to the particular characteristics of the ecotourism industry in southern Thailand, an increase in tourist arrivals, particularly from Western Europe, may in the end help boost the prospects for sustainable development in Thailand through more ecologically oriented forms of travel. However, the contradictions between growth and equity in Thai tourism policy and practice will probably, in the short term at least, exacerbate the environmental deterioration of popular sites while also making it impossible for the Thai government to make the painful sacrifices and compromises necessary to achieve sustainable development. As Hall and Lew (1998: 199) indicate, sustainable forms of tourism represent a 'value orientation in which the management of tourism impacts takes precedence over market economics'. Despite the potential benefits of the changing nature of tourist markets brought on by the recent financial crisis, this paper illustrates that the Amazing Thailand campaign and the growth-at-any-cost philosophy which lies behind such promotional efforts bode poorly for the ecological sustainability of development in Thailand. The future health, viability, and sustainability of Thailand's tourism industry will therefore depend largely on how the discrepancy between perpetual growth and sustainability plays itself out in both policy and practice.

## Correspondence

Any correspondence should be directed to Professor Nick Kontogeorgopoulos, University of Puget Sound, 1500 North Warner, Tacoma Washington 98416, USA (konto@ups.edu).

## Notes

1. The nature and frenzied tempo of economic development from the mid-1980s onwards has fundamentally transformed the nature of Thai society (Suntaree, 1989). Despite generally reducing poverty levels and increasing per capita incomes, Thailand's post-war development programme has also exacerbated interpersonal and interregional income inequality, has created enormous environmental problems, and has fostered dependence on borrowed capital and foreign investment (see Grit, 1982; Hewison, 1996; Muscat, 1994; Pernia, 1991; Phanu *et al.*, 1990; Warr, 1993).
2. See, for example, Ashton and Ashton (1993), Botrill and Pearce (1995), and Honey (1998).
3. One clear indication of this growing emphasis on ecotourism is the prominence given

- to environmentally related articles in the monthly TAT travel magazine, which boasts over 50,000 readers.
4. The six Thailand Tourism Awards categories include ecotourism accommodation, tour program, travel agent, tourism development project, tourism development agency, and tourism promotion documentary or article (*Bangkok Post*, 1996).
  5. In recent years, researchers have provided several good case studies of the relationship between ecotourists, conservation, and sustainable development in various regions of Thailand (see, in particular, Brockelman & Dearden, 1990; Cohen, 1996; Dearden, 1997; Hvenegaard & Dearden, 1998; Michaud, 1997).
  6. While the decline in tourist arrivals in Malaysia and Indonesia has helped Thailand, the recent *growth* in tourism in Laos and Cambodia has probably boosted tourism in Thailand due to the latter's role as gateway to the Mekong region (Kurlantzick, 1999).
  7. In addition to initial budget-related problems facing the Amazing Thailand Campaign, the very name caused controversy when a Canadian public relations worker demanded US\$2.3 million from the TAT in August 1997 for copyright infringements related to the uncredited use of the campaign title (which the Canadian claimed to have coined back in 1996) (Bhanravee, 1997).
  8. The range of special events and marketing strategies associated with the Amazing Thailand campaign are laid out in a special website devoted to the campaign: <http://www.amazingthailand.th/main.htm>.
  9. Environmental damage in Phuket either caused or exacerbated by tourism includes water pollution, coral destruction, and seasonal water shortages (see DuPont, 1992 and Kontogeorgopoulos, 1998a for a detailed discussion).
  10. Interestingly, however, Thailand decided to forbid filming of another high-profile and controversial film, the re-make of *The King and I*, due to the film's unflattering and inaccurate (to Thai authorities at least) portrayal of King Mongkut's relationship to Anna Leonowens, the film's principal character.
  11. 'Contrived' attractions are those which are 'specifically established for touristic consumption' and which 'were established without much regard for "placeness", namely the natural, cultural, or historical characteristics of the context of their site' (Cohen, 1996: 11–12). Although a strict dichotomisation of 'contrived' versus 'authentic' experiences is inaccurate in practice, the term is used here only to distinguish it from 'natural' activities based in remote or 'untouched' natural environments.
  12. However, it should be noted again that an increase in tourism in Phuket not only translates to higher densities of tourists, which (as discussed already) hurts prospects for environmental preservation, but also, due to the breakdown of tourist 'types' in Thailand, will probably lead to an increase in the number of mass tourism developments.
  13. The etymological origin of *farang* is *Farangset*, the Thai word for 'French'.
  14. The actual number of *farangs* living in Phuket on a permanent or semi-permanent basis is much higher, perhaps as high as ten thousand. However, since the vast majority of Phuket's long-term *farang* expatriates remain legally in Thailand by leaving and re-entering Thailand every three months to renew their tourist visas, official government figures for the number of legal permanent residents is misleadingly low.
  15. A belief in the principles of sustainability, of course, does not always lead to successful environmental preservation or protection of natural resources in Thailand (see Dearden, 1993; Dearden & Harron, 1994).
  16. Environmental awareness has grown substantially in the past decade among Thailand's new middle classes, three-quarters of whom, according to a 1995 environmental poll, demonstrated considerable concern for the environment (*The Nation*, 1995: A1, A3). See also Hirsch (1996) for a good discussion of environmentalism in Thailand.

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