

Sustainable Recovery and Resilience Building Strategies in the Tourism Industry of Khao Lak, Patong Beach and Phi Phi Don

Tourism is important to the Andaman Coast and to Thailand as a whole, accounting for 6.4 per cent of Thailand's GDP and 10.6 per cent of total employment. Consequently, damage from the 2004 Indian Ocean tsunami necessitated a strong and immediate response not only for humanitarian reasons but also economic ones. It was crucial to try to restore consumer confidence, tourist flows and livelihoods.

This work sought to try to analyse the commonalities and differences in recovery patterns in three tsunami-affected tourism destinations, and to explain the differences in destination vulnerability and their levels of resilience levels. By identifying and understanding the factors that contribute to tourism destination vulnerability provides policy makers and community-based organizations building more robust and resilient destination communities responding to risks.

Issues

Khao Lak, Phi Phi Don and Patong have different histories and characteristics that led to differences in their exposure levels to the 2004 Asian tsunami, which meant that their capacities to withstand, cope and recover from the natural event varied. Damage sustained to tourism infrastructure was lowest in Patong where less than 20 per cent of built structures were damaged, compared with 70 per cent in Phi Phi Don and 90 per cent in Khao Lak.

Phi Phi and Khao Lak sustained substantial damage due largely to the shallowness of the offshore ocean shelves (ocean bathymetry) in both locations, very low on-shore elevations, and the prevalence of wooden and non-reinforced concrete structures that lined the beachfront. The deeper offshore shelf in Patong Bay along with the higher onshore elevation together helped reduce the size of the waves that reached Patong, whilst the tightly packed onshore development, mostly built from reinforced concrete, acted as a strong barrier to the water resulting in minimal damage past the first row of beachside development.

Patong was also best able to withstand the shock of the tsunami, from an economic perspective. Its long tourism development history and varied market base put it in a strong position financially and in terms of the market for a swift recovery. Underpinning Patong's financial success and prominent international branding is an active, powerful and well-connected tourism association that used its political and business connections at the local, provincial, and national levels to quickly access the financial, marketing, and technical support needed to recover.

Phi Phi too benefited from established markets and profitable businesses that have grown over 20 years. The concentration of wealth and power in the hands of five dominant landowner families and the strong family ties that underpin business networks have created a highly effective and robust support system that guides island development, promotes business expansion, and improves infrastructural standards. The mobilisation of the resources by the dominant families after the tsunami was instrumental in the rebuilding of much of the built environment and lessened the financial burden on tenants.



Khao Lak's newly founded businesses did not have such a strong financial base. Financial reserves and insurance levels were low, and credit histories not well established. Many businesses experienced difficulties in accessing financial capital, which slowed the recovery process, stifled earning capacities, and deepened financial uncertainties. That said, its recovery was aided by the loyalty of its large repeat-client base, while strong family networks, industry representative bodies and resourceful community members also provided support.

Effectiveness of aid from government and NGOs

The Royal Thai Government (RTG) took decisive action after the tsunami event, providing short-term emergency aid and financial assistance. This was followed by medium- and longer-term adjustments and adaptation responses that fell under two overarching initiatives: the Andaman Tourism Recovery Plan (ATRP) and the Andaman Sub-Regional Development Plan (SRDP).

Key strategies identified through these plans included national marketing initiatives to attract tourists back, the provision of credit to facilitate tourism business recovery, the redrafting of coastal tourism development plans, the development of Thailand's Tsunami Early Warning System, the establishment of a National Tourism Intelligence Unit and Crisis Management Centre, and multiple endeavours to promote good governance. These strategies were supplemented by industry-led actions and NGO activity that ranged from immediate emergency support and financial and marketing assistance to skills and leadership training, environmental rehabilitation, and disaster preparedness, and addressing human rights issues for migrant workers. Since the tsunami, conditions for the Burmese have improved considerably with the support of NGOs alerted by the disaster to their plight. NGOs have helped the Burmese

gain and maintain access to migrant ID cards, work permits, health care, education and legal support. There has also been attempts to redress routine illegal exploitation by some employers and local officials. Actions undertaken by NGOs and community-based organisation (CBOs) were greatest in Phi Phi Don and Khao Lak where the destruction was greatest.

The success of many of the government initiatives, however, were compromised across all three destinations largely due to funding shortages, government preferences and the persistence of pre-existing weaknesses in governance structures and processes. Emergency aid relief did not reach all eligible recipients; funding was insufficient and available funds were often misappropriated due to corruption and nepotism operating at the local level. The effectiveness of post-tsunami business loan schemes for smaller businesses was limited by complex credit applications. Tourism marketing support favoured Patong at the expense of Khao Lak and Phi Phi, both of which continued to be classified as disaster zones by the government long after the immediate clean-up was completed and rebuilding was well under way. This classification prolonged supply country travel warnings released by foreign governments, which helped to deter tourists from returning when these affected destination communities needed business the most. Pre-existing weaknesses in governance structures and processes also undermined the implementation of new planning and development strategies and limited the functionality of new Early Warning Systems in all three destinations. In Khao Lak, initial support from NGOs and community-based organisations (CBOs) was marred by offers of conditional assistance by some religious organisations, and by support that favoured 'traditional villages and livelihoods' in the greater Takuapa area, both of which left the tourism community frustrated and disillusioned.





Strategies for building resilient tourism destination communities

Factors that were found to reduce vulnerability included location, appropriate building construction such as reinforced concrete structures, strong destination market identity branding, loyal clientele, diversified livelihood portfolios (multiple tourism businesses), low dependency on seasonal trade, access to financial assets, and established credit history. Also important are strong family and social networks providing personal support and help in accessing financial, human and social capital, open and responsive governmental bodies, and well-connected industry representative bodies and community leaders that help build community cohesion.

Key challenges in building resilience in tourism destination communities

The assessment also revealed barriers to resilience. Community vulnerability levels were created, maintained or increased by factors and conditions that included limited savings, poor credit histories, limited financial reserves and credit options, especially for micro and small business enterprises, and low insurance coverage. Vulnerability levels are further increased by a reliance on seasonal tourism-related employment, a dependency on national marketing organisations and international tour operators to bring in customers, and low skill levels in the tourism workforce resulting in limited financial benefits. Social exclusion of new destination residents and minorities from localised social networks (based around extended family and traditional community networks) has left these sub-groups with few support options in times of stress, which further increases their vulnerability levels.

The findings also indicate a lack of political engagement between local governance bodies and community members, leav-

ing the populace with little support and no platform for discussing and resolving community challenges and needs. There is a poor level of risk knowledge in the community, people mistrust disaster preparedness strategies, early warning systems (EWS) technology is not monitored regularly, and disaster preparedness training is sporadic. This, plus limited monitoring by government of planning and development codes, a failure to act against planning violations, land encroachment on public lands, and misuse of natural resources, as well as inadequate infrastructure and wastewater management facilities, have lead to environmental degradation.

This policy brief is based on the following papers:

- Calgaro, Pongponrat and Naruchaikusol (2009) *Destination Vulnerability Assessment Kaho Lak*, Stockholm Environment Institute.
- Naruchaikusol, Calgaro, and Pongponrat (2009) *Destination Vulnerability Assessment Patong*, Stockholm Environment Institute.
- Pongponrat, Calgaro and Naruchaikusol (In preparation) *Destination Vulnerability Assessment Phi Phi*, Stockholm Environment Institute.
- Calgaro, Naruchaikusol and Pongponrat (2009) *Comparative Destination Vulnerability Assessment for Khao Lak, Patong Beach and Phi Phi Don*, Stockholm Environment Institute.

**All these papers are available at:
www.sei-international.org.**

Recommendations

Create more accessible funding sources for micro and small businesses

Alternate financial credit options and solutions for national and foreign business owners that have flexible terms and repayments options are needed. Microcredit schemes like the Swedish Micro-Credit Foundation's initiative used in Phi Phi are one option

Improve environmental awareness and provide adequate infrastructure

Improvements to infrastructure, waste management and resource conservation are needed. These include improving community awareness of the importance of environmental management for long-term tourism returns, training on best practice with regard to the management of waste and the sustainable use of natural resources, appropriate infrastructure to effectively process waste, as well as vigorous environmental monitoring systems that monitor, enforce and evaluate environmental standards and procedures.

Strengthen institutional coordination and support to advance public-private interaction and engagement

Mutually accountable partnerships between governmental authorities, tourism communities, representative groups and civil collectives need to be developed to alleviate social exclusion and mistrust and enable informed participation in decision-making processes and tourism development.

Improve equity and downward accountability

Strong multi-scaled government mechanisms are needed to monitor long-term tourism development, oversee and enforce development regulations and zoning consistent with strategic long-term sustainability goals, and chart the capacity and effectiveness of local government.

Build government capacity at the local level

Improving tourism planning knowledge and skills among local government departments enables a deeper understanding of tourism needs and facilitates effective engagement with tourism communities on wider development priorities and complementary planning strategies.

Improve skill levels and diversify livelihoods

The diversification of livelihood portfolios would boost income flows throughout the low season and in times of tourist flow disruptions. Improvements in language and hospitality skills would enable greater local participation in tourism related livelihoods and access to greater financial benefit

Strengthen business associations and increase micro and small enterprise membership

Strengthened public-private linkages need to be complemented by stronger and more inclusive community networks and tourism representative bodies headed by active, visionary leaders that foster social and corporate responsibility and action.

Provide disaster and risk preparedness training at the local level

The execution of a robust monitoring and maintenance strategy requires additional financial and technical support for the local authorities. Increased awareness and preparedness instils community and investment confidence in livelihood resilience.

Published by:

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2010

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