



Community-based Tourism and Community Economic Development: The Case of the Lower Northern Region, Thailand

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Abstract

Thailand has witnessed strategic transformation and development of tourism over the past three decades. In 1987, the campaign “Visiting Thailand Year”, which solely focused on raising revenue through mass tourism, was increasingly observed to impact the economy, society, and environment negatively. Thailand’s tourism paradigm thus shifted for more sustainable development. One of the concepts promoted following this direction is Community-based Tourism (CBT). For CBT, the community is central in creating its tourism goods and services: its natural resources, social, cultural, and environmental capitals. Besides generating value and revenue, several touring activities promoted their villages’ unique ways of life and culture. Data from four CBT communities of Na Ton Chan, Mai Rong Kla, Lablae, and Nam Khek, revealed successful yields. This profitable model prompted several CBT business groups to establish themselves in their community as economic stabilizers. However, CBT promotion requires each community to understand its essence by preserving identity and maintaining authenticity. CBT business groups must be careful not to overinvest in tour-related services such as homestays or transportation. They must also consider the destination’s unique cycle and trends to avoid overhead expectations and conflicts, which could negatively affect the community’s social capital.

Keywords: Community-based Tourism (CBT), Community Economic Development, Lower Northern Region

Introduction

Thailand’s tourism sector is unquestionably growing in both the number of tourists and the number of revenue. Recent statistics from UNWTO show that in 2017, the kingdom ranked 10th globally, yielding 35.4 million tourist arrivals (8.6% increase from the previous year). For generating a total revenue of US\$ 57.5 billion from its tourists, Thailand ranked fourth after the USA, Spain, and France (World Tourism Organization, 2018). Despite these impressive numbers, the country only settled 34th of 136 countries on the tourism competitiveness index. Looking back on the development of its tourism sector and the initial stage of opening the country, the campaign “Visit Thailand Year” was launched in 1987 to boost its revenue through tourism. This kind of mass tourism, despite its advantages, however, had also brought adverse effects on the country’s economy, society, and environment. Thus, the tourism development paradigm shifted towards a more sustainable orientation. This new concept heavily emphasized various tourism styles, e.g., ecotourism, adventure, historical, cultural, creative, and Community-based Tourism.

The paradigm shift has been reflected in the country’s policy-making bodies and focused more on promoting community participation in managing its tourism resources. The design of its tourism strategy was to generate income distribution and create jobs for the people in each community by encouraging tourists to visit rural areas. One of the government’s policies was promoting Community-based Tourism (CBT); the local community manages and takes care of its resources for its benefit. The locals have developed goods and services reflecting their lifestyle, including their social, cultural, and natural capitals. Besides creating both worth and value for the villagers, their participation in several tourism activities exhibited their authentic local identity. Hence, managing the tourism sector and considering the community’s capability and participation became a trend. Subsequently, in 2015,



Thailand received the best country in family tourism and recreation tourism from the World Travel Awards – making homestay and community-based style tourism even more famous (Ministry of Tourism and Sports, 2017).

In response to the global awareness of sustainable tourism and other alternatives during the last decade of the 20th century the Tourism Authority of Thailand (TTT) promoted ecotourism as a major move and new approach to Thailand's tourism landscape. Along with the rise of ecotourism, Community-based Tourism (CBT) developed and proliferated (Kaosa-ard et al., 2019). According to the Ministry of Tourism and Sports (MOTS), In 2021, there were 247 registered homestays with a total 1,725 rooms available nationwide (Thailand Plus, 2021). The Economics Tourism and Sports Division of MOTS report also noted that in 2020 there were 264 operating CBTs in Thailand, of which the majority were in the North (82 communities, serving 25% domestic and 75% international tourists), followed by the South (63 communities, serving 82% domestic and 18% international tourists), Central (62 communities, serving 78% domestic tourists and 18% international tourists), and the Northeast (57 communities, serving 82% domestic and 18% international tourists) (Suansri, 2017, p. 13 as cited in Yimprasert, 2020).

This paper aims to present the results of the 4 CBT case studies in the lower Northern region in Thailand, their economic development, and the cost-benefit analysis of this model. This project's 4 case study communities were the 1) Na Ton Chan village in Sukhothai province, 2) Mai Rong Kla village in Phitsanulok province, 3) Lablae community in Uttaradit province, and 4) Nam Khek community in Phitsanulok province. These 4 study areas were all popular tourist attractions with unique characters, landmarks, and activities. These communities are also well-acknowledged for their best practices in tourism management and income generation by applying local wisdom in creating value-add on goods and services and conserving and restoring the natural resources and environment.

Concept and Theory

This paper's study framework and analysis utilized the concepts of Community-based Tourism (CBT) and Community Economic Development (CED).

1. Community-based Tourism (CBT) Heavily Focuses on Environmental, Societal and Cultural Sustainability, whereby the community is both the owner and beneficiary of its local resources. It also plays a central role in managing the tourism direction and helping design programs and activities for its visitors' experience (World Tourism Organization, 1997; Kaosa-ard et al., 2019). For communities that inevitably avoid the tourism trend or desire to promote their neighborhood, CBT empowers locals by engaging them in the planning processes and management of their environment and natural resources, utilizing tourism to develop their communities (Burgos & Mertens, 2017). Besides, while managing the tourism resources, CBT helps strengthen the communities since it requires full participation in preserving the community's culture, environment, and sharing income (Hamzah & Khalifah, 2009). Consistently, the study by Denman (2001) also found that CBT demands participation in the development and management of the communities. Sustaining this practice must benefit the community. Hence, CBT results from community participation, owned by and for the benefit of the community. Despite its myriad positive impacts such as cultivating the consciousness of self-development, self-reliance, and inheriting and applying the local wisdom, each community must have the foresight and anticipate the adverse effects of CBT (Mansuri & Rao, 2004).

In summary, CBT is a type of tourism where the community plays the role of an owner in managing the natural resources and environment, economy, society, and culture. It participates from the very beginning of the



planning processes, decision-making, and operations of community-centric concept tourism activities. CBT aims to have the community and visitors learn from each other, raise awareness on nurturing the community heritage, empowerment, and build local pride. More inspiring facets of CBT are its fair distribution of benefits to all stakeholders and the keen eye toward avoiding negative impacts on its natural resources and the environment. Therefore, with the collaboration between the locals and external organizations to sustain the development of CBT, this type of tourism encompasses all 5 aspects of politics, economy, society, culture and environment (Kokkhangplu, 2021).

2. Community Economic Development (CED) is the system of relationships between a community's resource base and its production, consumption, and capital management system. This concept hopes to relieve the community's fundamental economic problems through effective and efficient sustainable resources management. The communal decision of produce and distribution allows villagers to share ideas, workload, ownership, and benefits – exchanging, trading, or processing production surplus. Hence, CED helps community households to rely sufficiently on themselves (Romrattanapan, 2008). Consistently, Chaiyaphum (2016) found CED's relationship to the systems of community-based resources, production, consumption, and capital management as it allows the people to participate in finding solutions to the fundamental problems of their community based on their capacity and the concept of sustainability. Since the community members decide what and how to produce according to their existing capital and distribution of production benefits sufficient to their household, maximizing the surplus for trading or processing is under the community's disposal. Therefore, as proprietors, the residents participate in thinking, implementing, and benefiting from this collective enterprise.

Research Methodology

This study applied the mixed methods of questionnaire interviews, participant observations, and field notes. The 1) community leaders, 2) private sector, and 3) chairperson and community group members of tourism-related enterprise such as homestay, goods and services, tour and transportation, food and beverage, etc., were the project participants. Table 1 shows the number of participants for each study area.

Table 1 Participants for Each Group or Study Area

Study Areas	Community Leaders	Private Sector	Chairperson and Community Group Members
<i>Na Ton Chan</i> Village	1	14	35
<i>Rong Kla</i> Village	1	5	21
<i>Lablae</i> Community	1	9	5
<i>Nam Khek</i> Community (Rafting Activity)	1	4	8

1. Study Areas and the Community's Capability in Tourism

– *Na Ton Chan* village in *Sukhothai* province is an outstanding CBT with a distinctive local culture, wisdom, and environment. It is an old community with a sustained tradition of the *Tai Yuan* ethnic group. This community received several government recognitions. The Tourism Authority of Thailand awarded the *Golden Kinaree*, selected 1 of 5 “rural villages for the tourism industry” of the Industry Department, and the Ministry of Tourism and Sports’ guarantee of its homestay standard. Tourists’ activities organized in this community include homestay, E-tak truck riding, local food tasting (such as *Khao Perp*), etc.



– *Rong Kla* village in Phitsanulok province owes its identity and culture to the Hmong ethnic group. Although its vast cabbage plantation fields are the community's leading source for trade, they also grow rice for consumption. Villagers maintain a modest lifestyle in this beautiful environment with ideal weather conditions all year round, thanks to its proximity to the Phu Hin Rong Kla National Park. The community collaborated to preserve and restore the forest by growing the Wild Himalayan Cherry or "Thai Sakura", which later became a tourist attraction.

– *Lablae* community offers cultural and agricultural tours. This CBT promotes the people's lifestyle and culture originating from the merging of both the *Sukhothai* era, 700 years ago, and the *Tai Yuan* ethnic group of *Yonok Nark Nakhon Chiang Saen*. Its topographical composition of alternating valleys, hills, lowlands, and a moist tropical climate makes it an ideal farm for tropical fruit-bearing trees. Today, it is the largest durian orchard in Thailand's Northern region. This specific breed of durian has a unique taste and is popular among local and international tourists, generating impressive revenue.

– *Nam Khek* community organizes adventure rafting along the *Nam Khek* river for tourists. It is a one-day trip activity which could be held only during the rainy season when the water level and the stream speed are sufficient for rafting. The white-water rafting at *Nam Khek* river ranges from difficulty levels 1–5, with several rough and rock areas from the lowest to the highest stream speed and adventure. Additionally, tourists enjoy scenic waterfalls, coffee shops, resorts, and fruit orchards along the river.

2. Data Analysis

2.1 The technique for qualitative analysis used both the event and content analysis.

2.2 As for the financial analysis, we applied the Cost-Benefit Technique before utilizing the Project Analysis concept to consider the value of its investment. Operating with this method evaluates whether CBT-related activities are worth the investment. A return value of more than 1 from a 1-unit investment implies its worth and profitability. If the return equals 1, it merely breaks even, and less than 1 means a loss (Suwannan, 1981 as cited in Phaokrueng, Untong, & Poonoi, 2020). The study period was 10 years.

– Net Present Value (NPV) is the summation of the net return over the entire period of the project discounted to the present by the opportunity cost suited to the project's nature (Changarwuth, 2000 as cited in Phaokrueng et al., 2020). The calculation formula is as follows (Thapphan, 2000 as cited in Phaokrueng et al., 2020; Boardman, Greenberg, Vining, & Weimer, 2017; Meenapan, 2007).

$$NPV = \sum_{t=0}^n \frac{B_t - C_t}{(1 + r)^t}$$

Where	NPV	=	Project's Net Present Value
	B_t	=	Project Benefit in Year t
	C_t	=	Project Expense (Cost) in Year t
	t	=	Project Period (from 0 to 10 Years)
	r	=	Interest Rate or Opportunity Cost for Investment

The criteria for consideration are as follows,

If	NPV > 0 or Positive	it implies the project is profitable.
If	NPV = 0	it implies the activity is break even.
If	NPV < 0 or Negative	it implies the project is losing.

– Benefit and Cost Ratio (B/C Ratio) is the ratio between the sum of the present value benefits and the sum of the present value expenses over the whole project period. Projects with a B/C ratio equal to or more than 1 are reasonable investments. A $B/C > 1$ implies that the total benefit is more than the total cost. In contrast, $B/C = 1$ signifies that the total benefit and total cost are equal (Phaokrueng et al., 2020 ; Boardman et al., 2017; Chutiwong, 2005).

$$B/C \text{ ratio} = \frac{\sum_{t=0}^n \frac{B_t}{(1+r)^t}}{\sum_{t=0}^n \frac{C_t}{(1+r)^t}}$$

Where	Bt	=	Project Benefit in Year t
	Ct	=	Project Expense (Cost) in Year t
	n	=	Total Number of Periods
	r	=	Discount Rate or Interest Rate
	\sum	=	Summation

The criteria for consideration are as follows,

If	$B/C \text{ ratio} > 1$	it implies the project is profitable.
If	$B/C \text{ ratio} = 1$	it implies the project is break even.
If	$B/C \text{ ratio} < 1$	it implies the project is losing.

– Internal Rate of Return (IRR) is a discount rate that makes the present value of the benefit equal to the net present value of expenses, or a rate of the capital capability to generate profit from this investment.

$$NPV = \sum_{t=0}^n \frac{B_t - C_t}{(1+r)^t} = 0$$

Where	i	=	Internal Rate of Return (IRR)
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The criteria for consideration are as follows,

If	$IRR > \text{Interest Rate of Investment Capital}$	it implies the project is profitable.
If	$IRR = \text{Interest Rate of Investment Capital}$	it implies the project is break even.
If	$IRR < \text{Interest Rate of Investment Capital}$	it implies the project is losing.

– Payback Period considers the duration the net benefit from operation equals the initial expense on the project's investment. This criterion is essential to identify the ideal payback period of each project.

Where

$$\text{Payback Period} = \frac{\text{Initial Amount of Investment}}{\text{Average Net Benefit per Year}}$$

The criteria for each index are interrelated, as shown in Table (Tongyingsiri, 2001 as cited in Phaokrueng et al., 2020).

**Table 2** The Relationship among NPV, B/C Ratio and IRR

NPV	B/C Ratio	IRR
If > 0	> 1	IRR > 1
If < 0	< 1	IRR < 1
If = 0	= 1	IRR = 1

Source: Tongyingsiri, 2001 as cited in Phaokrueng et al., 2020

As shown in our 4 case studies, we analyzed the cost and benefit of various types of businesses, such as homestay, mud-dyed fabric, E-tan trucks, E-tak trucks, restaurants, cars for rent, and rafts. The business formats organized in each area vary from place to place due to their distinct context and activity. In Table 3 below, we utilized the homestay business, one of the popular activities among CBT communities, as an example to illustrate how to consider its cost and benefit.

Table 3 Items for Considering the Benefit and Cost of Homestay Business

Cost	Benefit	<ul style="list-style-type: none"> Income from providing room and breakfast per head per night
	Fixed Cost	<ul style="list-style-type: none"> Investment on building and decoration Expense on renovation Expense on bedding, electric appliances, and some personal items etc.
	Variable Cost	<ul style="list-style-type: none"> Expense on maintenance Expense on toiletry and disposable items (drinking water, soap, shampoo, etc.) Expense on laundry (bedding, towel etc.) Expense on breakfast & beverage Expense on cleaning equipment Expense on internet provision, electric & water Expense on workers etc.

Result

1. Community-based Tourism and Community Economic Development

CBT provides residents additional income by offering tourism services. This alternative revenue supplements their meager resources as rice paddy fields farmers. This increased household cashflow also brought the emergence of more business groups such as homestay, tour, and transportation services, inflatable boat rafting rides, community products, and souvenir shops, food and beverage restaurant, etc. These four-community case study revealed that the total value of tourism depends on the number of business groups. A substantial number of tourism-related business groups bring more economic returns to that community. As for *Na Ton Chan* village, its CBT generated economic returns of about 30.9 million baht and shared to about 528 households. In *Rong Kla* village, its CBT projects allowed approximately 183 households to share the total benefit of 10.35 million baht. Furthermore, in the *Lablae* community, its tourism's economic returns accounted for not less than 10 million baht per year, calculated only from food and coffee, souvenir, and homestay business. In the *Nam Khek* community's rafting business, this study found that its 13 entrepreneurs' economic returns were worth 2.5 million baht. However, the community income is not limited only to rafting activities, but also hotels, restaurants, coffee shops, souvenir shops, etc. (Table 4).

**Table 4** Approximated Numbers of Community Members Sharing the Benefit from Community-based Tourism, Business Groups, and the Value of the Tourism Business in 2017

Study Areas	Community Members Sharing Benefit from CBT (Household)	CBT Business Groups (Type)	Value of the Tourism Business (Million Baht)	Tourists
<i>Na Ton Chan</i> Village	528	14	30.90	22,630
<i>Rong Kla</i> Village	183	5	10.35	32,500
<i>Lablae</i> Community	50	6	10.00	26,607
<i>Nam Khek</i> Community (Rafting Activity)	13	1	2.50	4,000

Note: 1 USD = 31.5 THB, as of April 2021

2. Financial Analysis for Community-based Tourism

Typically, occupational groups or community enterprises managed the community's tourism-related businesses. This study found that the interplay of tourism-related occupational groups and their activities generate income for the locals. In *Na Ton Chan* village, homestay accommodation rates come with tour activities packages such as the E-Tak truck riding for sightseeing or tracking in the forest. Thus, the community as a whole could benefit. CBT's advantage over other touring formats is in its relatively low investment capital. The government's policy to promote CBT because of its job creation aspect led several government agencies to support the communities by constructing tourist service centers, road improvement, direction signages, electricity and waterworks, public toilets, community markets, etc. Furthermore, this government policy allowed communities much easier access to capital investment via various sources such as the Bank of Agriculture and Agricultural Cooperatives (BAAC), community funds, cooperatives, etc.

The 4 CBT case study areas financial analysis classified tourism-related businesses into four groups: 1) homestay, 2) tour and transportation, 3) local products, and 4) food. The analysis results in detail are as follows.

2.1 Homestay business groups are present in *Na Ton Chan* village, *Rong Kla* village, and *Lablae* community. Detailed considerations found that *Na Ton Chan* village's homestay services operated efficiently at full scale and relied on its robust internal operation. Its impressive performance revealed in the number of members sharing its total benefit. Compared to that of *Rong Kla* village and the *Lablae* community, their homestay services were deficient and are not to the standard yet. They were more like what should be called a resort or guesthouse. Since their operational scale is quite small and unsustainable, government agencies' support might be necessary.

The three types of homestay businesses are the original home, renovated home, and a new home. Investment return depends on the number of customers and the initial amount of investment. Homestays utilizing the original building would require a shorter investment return period than those renovating or creating new homes. The average payback period for homestay businesses is one year, and the net operating profit of each 100-baht revenue is about 40–50 baht (Table 6).

The high demand for homestays in *Na Ton Chan* village and *Rong Kla* village appeals to investors. Those utilizing their original residence to provide this service earned additional cash for their daily expenses and 'new friends' who wished to learn their community's way of life. Moreover, residents with initial renovation plans opt to use this business platform for additional income, which could also help pay for their house loan used for renovation.



2.2 Tour and transportation is another popular activity for CBT's income generation by providing tourist services. The three case study areas, *Na Ton Chan* village, *Rong Kla* village, and *Nam Khek* community, used different transportation modes, such as the E-tak trucks, automobiles, inflatable boats, etc. The study results revealed that tour and transportation services could generate an excellent return to the community. The payback period for this kind of business was about 3–5 years, depending on the amount of investment capital and tourists serviced. Households providing this service profit more than those hiring someone else for its operation. During the offseason, vehicle owners used their automobiles and E-tak trucks in their daily lives (ex. working in the field, transporting agricultural products to the market, etc.). They operate tours and offer transportation services as an alternative during peak seasons. Besides additional income, the tour and transportation services help them pay for some households' transportation loans. In this study, we classified three forms of tour and transportation services. These are:

Automobile Tour: Purchasing a new vehicle to solely provide tour services is not a sound financial investment. However, each household's purchase of an automobile is for its use in various functions in everyday lives. This ability to raise a household's income interest many to join this service group. Some families used this extra cash to pay for automobile loans for up to 2–3 months in one year. In the *Rong Kla* village, 130 households provide tours and transportation services during the two months of Wild Himalayan Cherry Blossom season. This subsequently generates approximately 6–7 million baht per year of economic returns.

E-tak Truck or E-tan Truck Tour: In *Na Ton Chan* village, there are two tour service packages for E-tak or E-tan trucks. The first package costs 800 baht with a loading capacity of eight persons per trip, and tour package two costs 1,100 baht with 15 persons per trip. Each trip from either package deducts 100 baht to the group for community service activities. This study found that E-tak trucks generate high returns with low investment costs after appraising the driver's daily wage and the truck's depreciation over the tour season. The payback periods of a new E-tak truck (cost about 80,000 baht) and a new E-tan truck (cost about 200,000 baht) were one year and one year and a half, respectively. Each household could make approximately 200,000–300,000 baht per year; after deducting all expenses, the net return estimate is about 120,000–150,000 baht per year. Besides, both trucks provide touring services and the community's agricultural work. Presently, *Na Ton Chan* village has 11 households operating E-tak trucks and nine households with E-tan trucks. Approximately the economic return to the community per year from this business is 3.5 million baht.

Inflatable Boat Rafting: For the *Nam Khek* community's financial analysis, the authors used its rafting services. Package tours for each boat are between 4,000–6,000 baht. The price offered to tourists varies depending on additional services provided, such as breaks (snack and drink), lunch, photos, overnight stay (ex. a rafting package with 1-night accommodation and three meals cost about 1,500–1,700 baht per person), etc. Despite collaborating in volunteer jobs for public service and advertising via the *Nam Khek Rafting Club*, each business owner independently operates. Thus, the rafting activity at *Nam Khek* community is highly competitive with unpredictable prices. Unlike previously mentioned CBTs, no business group is responsible for managing and overlooking the community's total benefit.

There are five different rafting business models in this area: 1) raft owners' direct customers, 2) raft owners' direct and hotel customers, 3) raft renters' direct customers, 4) raft renters' direct and hotel customers, and 5) full-package hotel customers. With a price previously agreed with a rafting operator, 500–750 baht per person, the full-package model offers the highest return. A 1-baht investment on a 1-night stay with three meals



rafting package returns 1.72 baht, and a 42-baht net profit for every 100-baht revenue (Table 6). Despite having spent the sunk cost for hotel construction and amenities, hotel operators need no further investment in inflatable boats and other equipment. This system translates into a higher economic return.

However, the average net profit of 30–40 baht per 100-baht revenue in other business models suggests not much difference. Instead, net profit generates depending on the number of customers catered. Because of the rafting business's low investment requirement, it would take only two years to pay back its investors. An inflatable boat and the additional equipment for rafting will approximately cost 60,000 baht and 10,000 baht, respectively. Moreover, the boat's usable lifespan of no more than five years will approximately provide an income of about 150,000 baht per year with a net profit of roughly 50,000–60,000 baht per year. The Nam Kek village rafting business operates for about 2–3 months only, depending on the water level. Hence, an alternative job for restaurant and coffee shop owners, farmers, and entrepreneurs in the community. During this study, there were 13 operators with approximately 30 inflatable boats in the community. This business generates a total economic worth to the community of about 7–8 million baht a year.

2.3 This study's financial analysis for community products utilized Na Ton Chan village's fermented mud cloth. This village's occupational group consisted of 308 household members. Approximately 260 active members continuously supply woven fabrics while the rest stopped due to their aging condition. Eligible group members pay 100 baht per share with an individual limit of ten shares. Each member initially invests loom, and the group supports its members' materials and equipment. Moreover, members must regularly weave and supply authentically woven fabric to the group. The fermented mud cloth of Na Ton Chan village is a case in point where the application of local intellectuality generated income for the community. Presently, the business generates approximately 16 million baht per year and an expected year-on-year increase. Last year, the group gave 16 baht per share dividend to its members.

For this group's cost and benefit ratio, the researchers found that for every 1-baht investment, the return was 1.31 baht. Thus, a 100-baht revenue generated 18.33 baht in just a one-month payback period (Table 6). With an initial loom investment worth 1,200 baht and working at home, this low-cost investment venture is profitable. The group's distribution channels and sales are in an outlet at a well-known Chatuchak Market in Bangkok, an online platform, and a community shop for visiting tourists. Moreover, some entrepreneurs also carry this product for reselling in different government offices for souvenirs on several occasions.

2.4 The financial analysis for this study's food business group used the restaurant group (*Khao Perp*) at Na Ton Chan village. This newly set up group caters to tourists visiting the village to try their locally unique dish called "Khoa Perp" (mixed veggie wrapped with rice noodle). Expectedly, this special dish received a warm welcome from the tourists and quickly became a selling point. This food providing service financial analysis showed that for every 1-baht investment, the expected return was 1.37 baht. Thus, for every 100 baht of revenue, the net profit was 26.29 baht and a two-month payback period (Table 6). From the same community, the woven fabric group initially invested in this venture to purchase the kitchen equipment such as bowls, dishes, glasses, etc.

In general, CBTs do not require large investment capital since communities rely on each household's income generation asset. Hence, its operating cost takes up the majority of the capital. In a homestay business, investing in a new building requires high initial capital. However, some homeowners might consider it a worthy investment serving both purposes as their residence and homestay business. Additionally, profits from the new business would help pay back the home loans acquired for renovation. The E-tak truck investment is another



example of a worthy investment for CBT. These trucks provide both transportations for tourists during peak seasons. During the off-season for tourists, these trucks also provide transport for local agricultural products. Although CBT income is not comparably high in some communities, such as in *Rong Kla* village, its income could pay for a car loan amortization. Furthermore, CBT's financial analysis revealed a profit from investment (low investment cost with high return), and its payback period was shorter than other ventures. Since CBT's goods and services are what each community already possessed, it applies the community's social, cultural, and resources capital to generate income for its people.

Table 5 Benefit and Cost of Each Business

Category of Community-based Tourism Business	Benefit (Bath)	Cost (Bath)
Case Study: Na Ton Chan Village		
Homestay (Original Building)	1,261,408	642,509
Homestay (Renovated Building)	985,475	619,993
Homestay (New Building)	3,941,900	2,596,624
Mud-dyed Fabric	166,435,759	127,139,866
E-tan Truck	2,168,045	893,332
E-tak Truck	2,189,944	1,039,501
Restaurant	9,991,620	7,248,514
Case Study: Rong Kla Village		
Car for Rent (New)	547,486	546,324
Car for Rent (Used)	547,486	371,128
Homestay (Original Building)	437,989	135,454
Homestay (New Building)	547,486	211,542
Case Study: Lablao Community		
Homestay (Original Building)	225,564	196,568
Homestay (Renovated Building)	350,391	436,494
Case Study: Nam Khok Community		
Rafting (Raft Owner/ Direct Customers)	656,983	238,756
Rafting (Raft Owner/ Direct Customers + Hotel Customers)	832,179	238,756
Rafting (Raft Renter/ Direct Customers)	437,989	238,756
Rafting (Raft Renter/ Direct Customers + Hotel Customers)	613,184	238,756
Rafting (Hotel Customers with Full-Package)	328,492	238,756

Note: The duration of the project is 10 years.


Table 6 Summary of Cost and Benefit Analysis of Community-based Tourism Business

Category of Community-based Tourism Business	Net Present Value (NPV)	Benefit and Cost Ratio (B/C)	Internal Rate of Return (IRR)	Payback Period (PB)	Net Profit Ratio (For Revenue 100 Baht)*
Case Study: Na Ton Chan Village					
Homestay (Original Building)	420,686	1.92	172	0.7	50.81
Homestay (Renovated Building)	163,399	1.31	18	5	36.94
Homestay (New Building)	468,524	1.21	14	6.5	34.03
Mud-dyed Fabric	27,200,959	1.31	1142	0.1	18.33
E-tan Truck	823,378	2.21	68	1.6	48.99
E-tak Truck	774,331	2.04	140	0.9	39.75
Restaurant	1,891,588	1.37	558	0.2	26.29
Case Study: Rong Kla Village					
Car for Rent (New)	-3,853	0.99	1	9.4	-10.00
Car for Rent (Used)	117,851	1.45	117	0.10	22.00
Homestay (Original Building)	202,576	2.99	116	0.11	41.5
Homestay (New Building)	145,431	1.62	17	5.2	60.38
Case Study: Lablao Community					
Homestay (Original Building)	18,441	1.13	49	1.11	14.42
Homestay (Renovated Building)	-213,125	0.53	-3	-	-39.08
Case Study: Nam Khek Community					
Rafting (Raft Owner/ Direct Customers)	140,497	1.44	45	2	32.93
Rafting (Raft Owner/ Direct Customers + Hotel Customers)	211,390	1.58	61	1.7	38.26
Rafting (Raft Renter/ Direct Customers)	105,274	1.53	-	-	34.60
Rafting (Raft Renter/ Direct Customers + Hotel Customers)	138,134	1.48	-	-	32.43
Rafting (Hotel Customers with Full-Package)	95,842	1.72	-	-	42.0

*The net profit ratio implies profit-making capacity, reflecting the project's capability to generate income and control expenses in service provision and administration.

Discussion

The 4 case studies on CBT and community economic development in the Lower Northern Region of Thailand clearly show that CBT supported their growth and local economies. CBT enabled the communities and residents to bring their livelihood assets in creating tourism activities following their community's context. Study results identified CBT's role in generating economic concessions allocated among professional groups and community enterprises such as homestays, guided tours with rental car service, rafting, local products, souvenir shops, and food and beverages. With these, households generated extra income doing part-time jobs, and family members accumulated additional cash flow, which expanded their community's economy. Furthermore, the cost-benefit analysis revealed CBT's advantages in terms of investment capital since government agencies provide tourist facilities such as tourist service centers, signages, road improvement, electricity, water, public restroom, community market, and others. CBT investment requires minimum capital because it simply utilizes the



community's natural resources, culture, and people's way of life. Since CBT engages residents' collaboration to manage the project, it helps build stronger communities while boosting business relationships with professional groups in conceiving income-generating activities for tourists. For example, homestay tourists in Na Ton Chan village would be offered a special package of E-tak trucks for village sightseeing or forest tracking. Through these healthy networks of businesses, seamless upselling of products and services are more straightforward, generating income for the people in the community. The study by Denman (2001) pointed out that CBT demands participation in the development and management of the communities. To help sustain this practice, it must benefit the community. In short, CBT results from community participation by its residents, which benefits themselves and their community. Furthermore, Chaiyaphum (2016) also established CED's relationship to the systems of community-based resources, production, consumption, and capital management as it allowed people to participate in finding solutions for the fundamental problem of their community based on their capacity and the concept of sustainability. The community members decide what and how to produce based on the existing capital and its profit distribution. As stakeholders, the people in the community participate in the planning and implementation stages, benefitting whatever successes this model brings to their community.

Conclusion and Remarks

The three key elements in Community-based Tourism (CBT) are the community's 1) resources, 2) resources management, and 3) the benefits they take from tourism. CBT practice derives each community's livelihood base, including its social, cultural, natural, physical capital, and financial capitals in developing goods and services reflecting their way of life and culture. These community's tourism products would also show the local identity and authenticity, especially when tourists participate in various learning activities and add value to these tourist destinations. Thus, if communities have a good management plan, their practice will lead to a sustainable livelihood concept.

This paper presented a case study from 4 locations in Thailand to reflect on how CBT's promotion affected the Community Economic Development (CED). The study's results revealed that CBT generated additional income sources for the residents on top of their agricultural earnings. Furthermore, CBT has become some of the households' main source of income. Communities attract more tourists by providing various tourism activities and presenting its distinctive identity. For example, Rong Kla village offers its natural scenic forest location and pleasant climate. Na Ton Chan village's homestay services provide tourists to experience its people's way of life and culture.

The advantage of Community-based Tourism is its low-cost investment. It utilizes what the community already has as its tourism products, i.e. natural resources, ways of life, culture, and local intellectuality. With the public sector's participation in providing infrastructure, CBT's operating cost is minimal. Moreover, it also received both know-how and financial support from the government via occupational groups and community enterprises. CBT thus boosted income distribution in the community by maximizing its local resources to generate additional income and employment and add value to its agricultural and local products.

CBT reinforces its community's economic value and ability to generate financial capacity. Na Ton Chan village's CBT value of 30.0 million baht benefited around 528 households. Rong Kla village's CBT, valued at approximately 10.35 million baht, assisted roughly 183 households. For the Laplae community, focusing specifically on restaurants, coffee shops, souvenir shops, and homestay businesses, their total annual economic

value is more than 10 million baht. Finally, the Nam Khaek CBT value is 2.5 million baht among 13 local entrepreneurs, excluding other CBT-related businesses such as lodging, restaurants, coffee, and souvenir shops.

Furthermore, each community's unique characteristics could not be replicated and thus is not in direct competition with each other. At Nam Khek, rafting activity demands a certain stream of a river's current and specific geographical formations. In contrast, tourists at Rong Kla village engage in activities based on the Wild Himalayan Cherry trees grown in highland areas. The uniqueness of resources for tourism in each community is critical in supporting its economic sustainability operation. This practice would later become the long-term economic base of the country.

Suggestions

The author's exploration and study recognize the following suggestions in maximizing Thailand's CBT model.

1. As revealed in all four case studies, CBT created jobs and local business collaboration through professional groups and local enterprises. This helped generate additional income for members and provided alternative tourism-related jobs for fresh graduates returning to their communities. This new generation of entrepreneurs operates shops for local products, restaurants, coffee and beverages, homestay, tour and transportation services, traditional Thai massage, etc. Thus, supporting them with modern and appropriate knowledge to strengthen the community's identity is vital, especially in developing higher standard products such as textile, food, and agricultural products. As the study results revealed, high demand jobs for CBT are in textile designing, sewing, leather crafting, wood crafting, product and packaging design, music and art, food design, tourism, media and communication, online marketing, accounting, management, computer for business, etc.

2. The promotion for CBT required the communities to correctly understand that they must not forsake their traditional way of life. Locals should only view the income from tourism as an additional resource. Over investment occurs when expected tourism revenue has become the main income source. Since each tourist destinations' life cycle depends on trends and various factors, securing long term goals is vital in making investment loans such as building a homestay, purchasing a new car for tour and transportation business, etc. Thus, communities should explore various sources of income. In a declining tourist arrival situation, fierce competition among community members and chaos might reach the point affecting the relationship and tarnish the community's social capital.

3. In promoting its local tourism-related businesses, to save cost on rental and construction, community members should be encouraged to use their place to provide and display goods (ex. handicraft, textile) and services (ex. homestay). When local products are already popular beyond its boundary, the community may create tourist's learning activities related to those products. This program will help generate more income and lessen the risk of that product going obsolete. According to survey results on tourists' behavior, those selecting CBT as their choice of destinations are likely to learn the ways of life and culture of each community they visit. Thus, immersing in the community's ways of life and their local products are an essential part of the tourists' activities.

4. Some tourist destinations relying solely on their natural capital are recently affected by external and uncontrollable factors, such as global warming. Such a phenomenon has shortened the rainy season period and led to a decrease in rafting activity days in the Nam Khek community. Facing this situation, the community then has to reconsider its tourism business plan by considering seasonal factors and its optimal carrying capacity. These communities' tourism business strategy is needed to address their alternative plans to lower their community business risk.



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