This study aims to understand the mechanism and dynamism of tourism-related labor, which is required to flexibly adjust to the fluctuation of the demands in a global tourism market. In order to achieve this purpose, it will focus on Phuket, a bustling global tourism site of Thailand, as an ethnographic case. Particularly, it discusses various aspects of formality and informality in tourism-related labor. While informality is usually identified with negative characteristics such as instability, unpredictability, and illegality, this study maintains that informality is a necessary component of global tourism such as that developing in Phuket today. Hence, an understanding of the various aspects of interaction and negotiation between formality and informality bears tremendous significance to a better appreciation of the cultural logic of dynamism of contemporary tourism and globalization as a whole. Formality and informality are not separate processes. Rather, both simultaneously occur within a particular single legal system (Alsayyad and Roy, 2004). While formality is simply considered as activities which comply with regulations and laws, people often tend to violate such laws and subsequently engage in activities which are then considered informal. What should be understood is that the boundary between formality and informality is rather blurred and porous, and both processes, quite often than not, proceed simultaneously or interchangeably. Further, the motivation of actors who engage in the informal activities is not only to maximize their profit but also to alleviate their circumstances in the economic, cultural, and political domains.

This research studies the formality and informality occurring in a specific tourism-related occupation: the tour guides and their work system, especially the social networks that they maintain. Tourism-related labor in Phuket is not limited to the employees under a formal contract with the legal business entities; rather, it includes a substantial number of self-employed and freelance workers who work independently and flexibly in the context of a mass-tourism business. In this regard, they are the tourism-related labors in Phuket who have to adjust to both the demands of market and government requirement. Moreover, the significant challenge to government is to manage the freelancers and to closely monitor their working process, dynamic activities, financial status, and social network. It is argued that without a thorough understanding of their work dynamics, the Thai government has frequently ended up with changes in tourism-related policies, laws, and regulations, in an attempt to organize the unceasing flexibility in the working condition of these freelancers. Therefore, the focus on freelance tour
guides, who play a substantial role in terms of economic contribution to the tourism sector in Phuket, can illustrate the often hidden aspect of flexible labor characterized by the continuous shift between formality and informality.

There are two main research questions in this study. First, under what conditions necessitate the practices of both formality and informality to appear at the same time, or interchangeably, in specific business transactions? Further, how is formality articulated with, and penetrated by, informality in concrete practices of tourism labor, such as the freelance tour guides in Phuket? This research was conducted for three phases in three consecutive years; the first phase was spent for preliminary fieldwork for four months in February – March 2015 and August – September 2015. The second phase aimed to collect the core data for six months from April to September 2016. The third phase was to gather the remaining data conducted for four months in February – March 2017 and August – September 2017. The fieldwork was conducted in Phuket province, its two neighboring provinces (Phangnga and Krabi), and surrounding islands (for example, Phi Phi Island and Coral Island). All interviews were conducted through the use of Thai language by the researcher without any interpreter.

The results illustrate how Phuket tourism, since the 1980s until the present, has largely depended on the direction of the global free market, yet has created an open platform where various actors can strive for accumulation of profits. The government has found it crucial to promote tourism and encourage wider business exchange and more activities in order to increase the number of visitors and accelerate economic growth in every year. Apart from tourism promotions and campaigns, the Ministry of Tourism and Sports has also enacted laws and regulations to formalize and enhance the tourism-related businesses, particularly the frontline businesses and profession that deal directly with tourists, namely, the tour operators, tour guides, and taxi drivers. However, it was found that while the formalization process allows individuals to work independently in the free market, it has given rise to adverse consequences in the form of illegal proxies in the registration of tour operator businesses and in the setting of the “sitting guides” where exploitation of their license by illegal foreign tour guides seems to have become acceptable. Moreover, freelancing among licensed tour guides, the main informant group in this study, has become a significant strategy. Before being authorized to enter into the sector, tour guides are required to take training courses and examinations through the assistance of educational institutions. Upon receiving their license, every tour guide would decide on their work strategy differently. It was found in this study that freelance tour guides compose the majority in the Phuket tourism sector. This freelancing pattern allows tour guides to work with more than one tour operator and have freedom to pursue other tourism-related jobs. The main reason for being a freelancer is to secure their future through accumulating as much wealth possible afforded them by the flexible employment strategy.

Further, in order to maintain their working position in the hierarchical structure, tour guides utilize the strategy of exchange of financial resources. The giving and receiving of commissions was found to be the main resource used in negotiations among tourism-related business owners, although it is clearly prohibited by the law. However, in practice, commissions do not merely refer to an extra payment received from business owners, but also implies the creation of trust, customer’s reliability, and value added service. This exchange of financial resource gives an opportunity for tour guides to extend their network and to strengthen the tie between them and other stakeholders. Tour guides who can locate themselves in the center of a network can earn a good reputation and the chance to be accepted into a high position in the tour guide community. As a consequence, they can rise to the role of the group leader with know-how in regard to sourcing a high paying job and distributing job opportunities to other tour guides. This circumstance, however, can negatively affect the tourism industry, as the result would lead to a disruption of the mechanism of a free market. Instead of having equal chance to compete
for profit in the free market, most tour guides would be forced to comply with the requirements or activities of
tour operators and prominent tour guides (who have strong connection with tour operators) in order to land a job.

This research argues that informality occurs when freelanced tour guides implement strategies, which
do not conform to the rules of a free market and contradict the regulatory system. The cases have revealed how
tour guides have found and exploited the loopholes in laws and regulations, and manipulated them by utilizing
their network to their advantage. The government, despite its efforts in the formal sphere to regulate the industry,
has found it difficult to control informal practices since the exchange of commissions and the role of prominent
tour guides in associations are almost imperceptible. Tour guides have proficiently concealed their informal
activities, carrying them out only in a particular space-time. This has effectively obscured the domains of
informality and formality in tourism-related businesses. It is worth noting that the informal activities may indeed
cause negative impacts such as market intervention and violation of laws, but on the other hand, they can also
serve as lubricant in transactions in the tourism industry. Informal exchanges not only maximize profits for
productive tour guides, but also contributes to the financial resource of tourism-related businesses. Therefore,
both formal and informal practices support the growth of the economy in the Phuket tourism industry. The
management of formal practices can eventually affect the practices of informality. However, this study does not
aim to suggest any policy recommendation for a better solution or more effective regulation. It rather intends for
investigating the theoretical issue of formality and informality. Therefore, it is crucial for the local government
to understand the existence of these two conditions. The use of informal practices is inevitable, when tour guides
are required to negotiate within a system changed by the government, and can subsequently increase the
dynamism of the business system in the tourism industry.

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Japanese characters. When written in English, it should not exceed 1,500 words.