

Doctoral Dissertation

**Reconsidering Formality and Informality in the Mass-tourism
Business: A Case of Phuket, Thailand**

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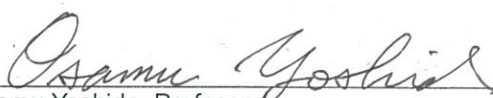
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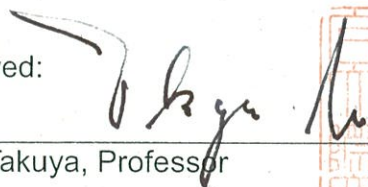
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CHAPTER 1: Introduction

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.

1-1 Background of the Study

In the 21st century, there has been a trend of global-city regions emerging all over the world, especially in the context of developing countries, as has been seen in Africa, South America, and Asia. The idea of global-city regions started from the expansion of global economies to many potential geographical nodes in which political function also plays a key

role in undertaking the blueprints in the world-stage (Scott et. al., 2001). Apparently, technological advancement creates tremendous mobilization, migration, cultural diffusion, information transmission, economic circulation within cities and connection among cities. Such ‘flows’ of social activity permit the appearance of many urban cities (McDonogh, 2014). Thus, the target for a globalizing city is not always limited to world cities such as Tokyo or New York, or capital cities such as Manila or New Delhi, but rather it can be further extended to significant peripheral areas.

A case in point is Phuket, a small provincial island in Thailand, where the government first promoted global tourism with the expectation of boosting the national economy and alleviating the plight of locals in earning a living (Kontogeorgopoulos, 1998). Progressive city development can be seen from the shift in the historical images of economic exchange among its various ethnic groups into its current position as a tourist site. Notably, in Phuket, the tourism industry and global economy have been integrated into local life and have continuously ignited the acceleration of urban growth.

Phuket, located in southwestern Thailand, is an island situated along the coastal line of Andaman Sea, connecting to the Indian Ocean. Historically, the social economy in Phuket began as an international hub for commodity exchange. There is evidence of tin trading since the Hindu times until the 1980s (Khoo, 2009). In the mid 1850s, Siam (the old name of Thailand) also faced colonial influences. The British commissioner required Siam to follow the agreement under the Bowring Treaty by allowing liberal trade between British subjects and individual Siamese without state interference in all seaports. The benefits derived from this free trade facilitated the growth of tin trading. It was the era when dominant Chinese migrants seized the opportunity to monopolize the tin mining industry and strengthen business networks among their countrymen in Singapore, Penang, and Myanmar (Collahan, 2002).

The Chinese community stood out as the most prominent group, leading in all economic transactions as well as sitting in high-ranking administrative positions in Phuket for many generations. Owing to their contribution to the city, the maturation of an endowed economy expedited the incipient stage of urban planning and city formation, as can be observed from the spatial transformation after the Western models appeared in the Old Phuket Town during the mid-1860s. There were massive constructions of supplementary infrastructures, modern architecture of Chinese shop houses, and newfangled mansions of noblemen. The vision of a growing city, initiated by Phuket Commissioner *Phraya Rusada*, was finally achieved, and propelled the small community into becoming the most developed zone in the southern region, with the support of and cooperation among Chinese businessmen.



Figure 1-1. Location of Phuket, Thailand

(a) Historical Significance of the Tourism Industry in Phuket

Beginning the global economic shift in 1970, Phuket got caught in the transitional collapse of its tin mining industry. Interestingly, at about the same time, the first hippie group came to Phuket and discovered its pristine beaches as their private spots, which resulted in a group of more than thousands of tourists, predominantly from Europe and the United States, visiting Phuket a decade later (Kontogeorgopoulos, 1998). The promotion of the tourism industry in Phuket was inspired by the geographic advantage of the island in the Andaman Sea and the richness of its natural resources. In 1979, the Tourist Authority of Thailand (TAT) initiated a development plan of 'high-quality tourist enterprises' to promote the growth of tourism in Phuket (Tourism Authority of Thailand, 1979). The plan encouraged massive investments from both Thais and foreigners to launch businesses in Patong beach, Kata beach, and Karon beach. Evidence of the emerging tourism district in Patong during the 1990s, described by Cohen (1996), could be seen in the increased number of high-rise hotels, shopping malls, bank offices, money changing booths, franchise food restaurants, nightclubs, and a transvestite cabaret located at Bangla Road (see Figures 1-3 and 1-4), which is known as the most vibrant street in Phuket. Patong rapidly transformed from a close-knit village to an urban site. The impact on the local population led to a shift in their traditional way of living (Lauzon, 2009). Farmers and fishermen, who were particularly affected, changed professions to work in the service sectors.

The urbanization in Phuket occurred not only because of the expansion of infrastructure and physical amenities provided by the government, but also by reason of the widespread investment from the private sector in the form of an entertainment complex, luxurious department stores, and so on. Moreover, the tourism industry in Phuket further flourished after numerous international airlines offered many direct-routed flights to Phuket in an effort to promote a larger scale mass tourism¹. Noticeably, Phuket was able to generate revenues of up to 260.4 billion baht², the highest in the tourism industry of Thailand when compared to other provincial tourist destinations in the country. To increase the number of facilities and improve amenities in support of massive tourist arrivals and accelerated urban growth, the governor disclosed a provincial budget for the year 2016 that allocates an amount of more than 3.5 billion baht for Phuket's investment in infrastructure, transportation, waste management, and flood control (ASTV Manager Online, 2015).

Along this line, a new reality appears when the attributes of tourist attractions are transformed into becoming more ostentatious, which then results in the loss of its unique image. For instance, most domestic and international tourists who travel to Phuket imagine experiencing sceneries of beautiful beaches and its surrounding heavenly islets as can be seen on mainstream media. However, every year, the proliferation of newly established tourist sites in Phuket has rapidly occurred with the aim of creating a more touristic ambience and city

¹ According to the report of the Department of Tourism (2015), the numbers of both domestic and foreign tourist arrivals in Phuket have been increasing each year, starting from the year 2010 with 5,471,218 tourists, which significantly ballooned to 220% by the year 2013 revealing the number of tourists to be as many as 11,960,044. In 2013, the average length of stay of one tourist is approximately 4.02 days with an average expenditure of 5,639 baht/day/person.

² 1 baht is equivalent to 3 yen.

lifestyle. Many accommodations, restaurants, shops, and entertainment places, found along the known beaches, are offering ready-made packages for tourists all day and night. Despite the charm of natural and cultural attractions in drawing in tourists, there was significant growth in domestic and foreign investments for establishing tourist sites and activities, which were not only limited to beach areas but also scattered all over the island. One tremendous transformation that can be easily observed pertains to adventure themed activities set up in the forest, such as doing the zipline, elephant riding, ATV riding, and hill tribe viewing. Further, other extravagant activities, such as animal shows featuring a snake, crocodile, and dolphin, can be found. These new attractions are proof of the fact that, currently, Phuket has been changed from its original context of an oceanic way of life into one that can fill the more commercialized value of tourist-oriented productions (Cohen, 1989). Moreover, this situation has provided an opportunity for foreign investors to operate tourism-related businesses since they have a better cultural understanding of the preference of tourists coming from their own countries. A case in point would be the large number of Chinese tourists that have arrived in Phuket since 2010, and the rapid growth of Chinese-oriented productions as a result. A tour-related company has been established operating an integrated business of tourist agency, hotel, ship and bus transport, latex shops, souvenir shops, jewelry shops, and restaurants (Chinese Nominees Seize, 2016). To some extent, such phenomenon has created more problems because it has fostered the transformation of the touristic image. Moreover, as discussed in the following chapters, the tour-related company operates the tour and allows customers to purchase products and services within their closed circle of business networks, which results in an obstacle for revenues to be shared widely in local society as a whole.

Aeawsriwong (2012) criticizes the massive influence of tourist demand and behavior on the transformation of tourist destinations in Thailand. First, it should be noted that the service sector is tagged as a big boost to the Thai national economy from the Second Oil Crisis in 1981, along with the success of natural gas development in the Gulf of Thailand and the energy sector (Krutwaysho and Bill, 2010). Hence, while national development and economic policies focus on stimulating investments in many sectors, tourism is acknowledged as one of the most efficient and internationally recognized sector. Since the revenue of tourism-related investments is a direct result of market demand, it can be said that the main factor that determines the characteristics of a tourism city, like Phuket, would be the preferences of tourism-related businesses and the tourists themselves, rather than the vision of the government.

(b) The Boom in Tourism-related Occupations

Owing to the shift of dominant economic activity from the mining to the service sector from 1980 to 1990, there were concomitant social and cultural changes that had an immense impact on Phuket locals. Basically, the jobs available in Phuket varied within the sectors of agricultural, manufacturing, and service. Many hotels and restaurants started to grow their operations in the 1990s and emerged to be the most significant sources of local income. Some wealthy families, who have accumulated land and financial capital, shifted their businesses from operating in the tin mining industry into owning five-star hotels. Others were involved in the industry as hotel employees or as entrepreneurs within the large-scale service sector, for

example, supplying flowers or foodstuff for hotels, providing traditional performances and fruit carvings for decorating dinner tables at luxurious restaurants, and so on. Many interesting occupations that existed in the beginning of the Phuket tourism industry tended to bolster the local and national economy, for example, the local suppliers³, tour guides, taxi drivers, and souvenir shop owners. Apparently, the Phuket residents were inclined to depend on themselves for tourism-related employment and integrated their local life to the global economy (Kontogeorgopoulos, 1998).

The concept of the tourism industry has shaped Phuket society to become an economically driven city where working opportunity is available for any newcomer who wishes to pursue career advancement. The government vision has been to lead Phuket into becoming a city of MICE⁴, a hub of medical services and center of maritime sport, such as yachting and cruise, with tourism policies that have encouraged foreign and domestic investors. With the aim of generating income for every sector, city planning has included many developmental projects supporting small to large scale tourism-related businesses, such as building infrastructure, renovating and improving tourist destinations, promoting tourism to overseas visitors, providing access to financial markets, and advocating for local products and a tourism-based community. From the 1980s until the 2010s, such developmental methods had conveyed a message of abundant and diverse employment opportunities, which encouraged the labor sector all over Thailand to support the tourism industry (Koonnathamdee, 2013).

As evidenced in the Plan of National Tourism Development 2012-2016 (Ministry of Tourism and Sports, n.d.), one of the major strategies in developing the quality of the tourism sector is to increase the potential of human resources in terms of language proficiency, Thai cultural knowledge, and standard of hospitality. Under such strategy, it is critical whether or not the government can grasp the on-the-ground reality of the work process and employment conditions of labor in tourism-related jobs. In the Plan of National Tourism Development 2012-2017, tour guides are cited as the major human resource of the tourism industry. Hence, this study has chosen tour guides as its main target of inquiry. As to type of employment, most tour guides work freelance and some have limited access to job opportunities in the highly competitive tourism market. Therefore, many of them attempt to utilize strategically their human resources and networks to remain in gainful employment in the Phuket tourism industry.

The Department of Tourism (DoT) regulates the tour guides' work status through a license⁵ that allows them to work freely in the tourism industry. Basically, the licensed tour guides are permitted to accompany tourists and be in charge of managing the trip. Their jobs mostly consist of escorting customers from the airport, explaining history and culture, entertaining customers, scheduling a flexible touring program, and dealing with unexpected incidents. From this point of view, tour guides play a significant role in ensuring reliability of services and security for tourists. These duties, akin to those of a national representative and

³ It implies a group of local business that provides services or products to hotels and restaurants, namely, the local supplier of fruit. Other terms used are 'middlemen' and 'service agents'.

⁴ MICE is the acronym of Meetings, Incentives, Conferences, and Exhibitions.

⁵ Following the Tourist Business and Tour Guide Act (2nd edition), 2016.

security provider, compose the ideological appearance of the tour guide, which is in line with the expectations of the government and tourists, respectively.

As abovementioned, majority of Phuket residents are dependent on the tourism sector with a market that has a tendency to change every two to five years, as can be seen from the trend of Japanese tourists shifted to European tourists, and further shifted to, presently, the influx of Korean, Russian, and Chinese tourists. Thus, it is indispensable for the government to understand this dynamic structure and improve methods to manage the system of tours. This also results in changes in the employment of tourism-related labor. After 2004, most tour companies cut off the financially burdensome employment contracts for tour guides and, instead, started to hire freelance tour guides paid by jobs. This has created both a positive and a negative impact on the tourism industry in Phuket. In terms of the macro-structure, the number of licenses issued for tour guides merely reflects the quantitative data of registered tour guides; but in reality it does not show the quality of guides who are working in the sector, especially the freelancers mobilized in the system. Thus, there is no accurate data that can be used for discussions, in cooperation with tour companies, regarding plans for producing a suitable number of qualified tour guides to serve the market. Instead, the DoT promoted the de-regularization of tourism business through reducing all the barriers to produce more tour guides in order to serve the mass tourism in Phuket. Some of the negative consequences of such de-regularization include a lower level of educational attainment of tour guides, shorter training period, reduced content of required information and knowledge, and leniency in passing the examination. In this regard, it can be said that such “mass production” of tour guides indicates a lower quality of training and degrades the standards of the Phuket service sector as a whole.

Additionally, the structural transformation of temporary employment creates many challenges to the substantial number of freelance tour guides in terms of establishing their career paths, expanding their work connections, and securing their retirement. The DoT suggests that, in such a highly competitive environment, it is a good opportunity for tour guides to increase their language potential and knowledge in order to land a job with higher qualifications and higher pay. However, the DoT’s perception seems to only partially reflect the reality of the rapid changes in employment and the global economic structure. Despite being licensed, many tour guides find the initial stage of job hunting difficult without support from their tourism-related networks and personal contacts, or otherwise struggle with undesirable work conditions. On the other hand, some who are able to secure jobs from many tour companies can enjoy their working life but only for as long as their names are kept in the companies’ call list. Thus, designing strategies for improving the quality of tour guides requires policy makers to have a better understanding of the changes in the economic structure that results in the flexible characteristic of labor in the tourism sector.

In terms of the economic system, the tour guides are counted as freelance workers who become more self-reliant in managing their own finances. Compared to other occupations, especially to permanent employees, the income of freelance tour guides is relatively unstable as it depends largely on their work potential, degree of relationship with companies, and the fluctuation of the situations in the tourism industry. Payments to tour guides are made, more often than not, in cash rather than through banking transactions. Thus, for purposes of a tax declaration, some guides may illicitly conceal their actual income, which in turn may mislead

the estimates on overall GDP for the country's financial planning. Concerning the personal income tax payment of freelancers⁶ in Thailand, there were only 11.7 million out of the 26.5 million freelancers in 2011 who decided to declare their income for tax payment purposes to the Revenue Department (Thaipublica, 2012). It should be noted that tour guides are freelancers who can sometimes produce and accumulate more income than contract employees, yet they tend to contribute less revenue to the government.

1-2 Statement of the Problem

As described in the above section, the government of Thailand has paid much attention to the tourism development of Phuket since the 1980s until the present. One of the big challenges in managing the urban city as a going concern is to understand the microeconomics of labor, and its on-the-ground reality, in which individuals appear to have more opportunities to access the free market of tourism-related jobs. In the process of de-regularization of the tourism business, various methods of tourism-oriented licensing have been implemented that seem to have created a gap between theory and reality. This research, consequently, aims to identify the labor strategies made possible by the articulation of formality and informality occurring in the tourism setting.

1-3 Research Question

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?

1-4 Objectives of the Study

The objectives of this study as follows:

- 1) to explore the socio-economic issues in Phuket since the period of mining industrialization to the current mass-tourism business and their effects on the working patterns of the residents;
- 2) to investigate the concept of freelance labor through studying the characteristics of tour guides and their working system in the tourism context;
- 3) to examine how actors from different tourism-related sectors and organizations conceive and perceive the flexibility and dynamism of labor in the contemporary tourism industry; and
- 4) to discuss the different forms of labor strategies that have been effective for survival in the tourism sector and then reconcile the contradictory situations between the state's laws and the growth of a liberal economy.

⁶ Freelancers, in the context of Thailand, refer to occupations that are not permanently employed in large-scale sectors. They include doctors, engineers, architects, constructors, agriculturists, farmers, taxi-drivers, peddlers, hawkers, and so on.

1-5 Theoretical Framework: Neoliberalism, Flexible Labor, and Informal Economy

As discussed so far, the focus of this study is how labor practices bestride the boundary between formality and informality. In order to understand the emergence of those practices, it is important to understand the cultural logic of contemporary globalization and neoliberalism, which necessitate the labor practices to be increasingly flexible. Hence, as key analytical concepts of this study, this section tries to define neoliberalism, flexible labor, and informal economy.

(a) Neoliberalism and Flexible Labor

People are induced to comply with the neoliberal market under the belief that they could have more freedom than when living under another market system. But, in practices, people possibly fail to receive a profit if they lack the ability to compete with the others. Since the beginning of the neoliberal era in the 1980s, the concept of “freedom” has given a broader opportunity for individuals in society to initiate their economic activities and has allowed a number of possible patterns of entrepreneurship while the state had steadily withdrew from intervening into the various areas of economy. Under this view, the core principle of neoliberalism, as described by Campbell and Pedersen (2001), is the attempt, by enacting social and economic policies, to establish a system in which various ideas of people in society can be liberally expressed through organizing political and economic activities. The primary belief of “human freedom” in Western Europe has prevailed all over the world and has occurred in different aspects of human living. Historically, the state institution was significant in managing the activities of the people in society while also seeking ways to adjust its position therein. Therefore, it can be said that the neoliberal economic system has attempted to connect the state institution, the market, and individuals in almost every manner.

The concept of neoliberalism has been developed from the three connected fields of an institution (Mudge 2008). First, the intellectual field has provided the model of welfare capitalism with emphasis on the market as the source and arbiter of rights, rewards, and freedoms. Second, the political field has ideally been influenced by liberal ideology with economic principles. Lastly, the bureaucratic field has been reformed to promote the reduction of an authority-centric system by giving priority to competition among public firms. The combination of these three fields leads to the representation of neoliberal politics focused on the market-centric concept of the role, authority, and constituencies of the state. Within the neoliberal project, there is emphasis on free-market economics and monetarists, and the state policies tend to shed light on the concepts of privatization of public organizations, deregulation of the social and economic activities, liberalization of private sectors, depoliticization of the public activities, and monetarism (Mudge, 2008).

Harvey (2005, p. 2) explains that “neoliberalism is in the first stance a theory of political economic practices that proposes that human well-being can best be advanced by liberating individual entrepreneurial freedoms and skills within an institutional framework characterized by strong private property rights, free markets, and free trade.” The meaning of “liberalism,” from conception, does not signify that individuals can have total freedom in committing their economic activities in the field. Such freedom is related to what Foucault implies as a specific condition of “liberation” (Rabinow, 1997, p. 283). To some extent, it is a process of setting

someone free from an undesired relationship to a new kind of relationship. Within the new relationship also emerges limitations, obligations, and stipulations that need to be followed. Taking the study of a motorcycle-taxi driver in Thailand as an example, Sopranzetti (2014) explains that the drivers have chosen a life free from an agricultural or factory-employment relationship to become self-employed, working anytime and anywhere in the urban setting. However, their freedom comes at the cost of shouldering the various risks deriving from their work by themselves without social protection by the employers or the state.

Under the regime of neoliberal governance, the state shifts its role from an authority that completely intervenes to one that enacts policies to support the notion of citizen's entrepreneurship (Munck, 2005). In so doing, it does not take direct control, but rather raises the actors' awareness of how their self-discipline in working independently is significant to the state and other related parties in the society. Since the way society is being created predominantly leads to the realm of market-governed mechanism, the flexible-type of state management is believed to allow and encourage potential individuals to be involved in free-trade agreements and to increase the quality of economic agency.

Heintz and Pollin (2003) also explain the relationship between informalization and economic growth in a neoliberal policy regime. Through an analysis of the macroeconomic policies, emphasizing the disregard of fiscal and monetary intervention by government, it can be seen how said policies can increase economic growth and expand job opportunities. The idea of sharing the profits from economic growth broadly among the people involved has also been an impact of neoliberal policies in anticipation of improving the working conditions of the informal sector. In fact, an increase in the number of informal businesses in many developing nations emerged during the 1980s – 1990s. A practical reform of neoliberal policy is the deregulation of the labor market (Gorter & Poot, 1998), which mainly assists many large-scale firms in releasing the economic burden of contract or formal employment relationships by otherwise employing flexible, sub-contracted, or informal labor. Many previous studies have described the concept of economic flexibility in different aspects. However, in order to grasp the working characteristics of a tour guide, a study by Atkinson (1984) discussing four forms of flexibility – functional, numerical, temporal and financial - can possibly provide answers.

To support the idea of a market-oriented system in the transitional period of economic individualism, Fourcade and Healy (2007) explain that the idea of “market is a necessary condition for freedom in other aspects of life” (p.287). In order to prioritize the free will of individualism in the neoliberal era, the informal sector is considered as one of the symbols of individualism in the market. On the other hand, the state's role in stimulating economic growth remains significant in promoting the informal economy. Harvey (2005) describes the characteristics of the state, following neoliberal patterns, as one that “should favor strong individual rights, the rule of law, and the institution of freely functioning markets and free trade” (p.64). Such expression is not only perceived as the regulation of society but has also become part of the social consensus in most of the developed countries. However, the major concern of the neoliberal state, in the context of developing nations, remains as to how to authorize or control the market system, which tends to be dynamic, flexible, unstable, and non-standard. Examples can be noted in the informal economic cases that bring to fore one of the most difficult jobs of the state, which is to address the unexpected and uncontrollable

forms of working strategies to which, sometimes, the application of a single policy would be inappropriate.

(b) Informal Economy

Sassen (1994), to begin with, explains the relationship between the ‘informal economy’ and ‘formal economy’ in the context of economic activities in the “global cities”. The former refers to any income-generating actions or activities that conspicuously emerge beyond what the government, as a regulatory agency, anticipated. On the other hand, the latter implies a defined and regulated income-generating activity. The presence of both economic systems, despite government efforts to formalize the economic activities, necessitates an analysis of the reality of different economic activities in society.

Chen (2012) introduces three approaches in studying the concept of informal economy; namely economic dualism, structuralist approach, and legalist approach. Firstly, economic dualism considers the informal economy as comprising the marginal or peripheral type of economic activities that completely contradict the formal economy. Basically, it also conveys the collapse of a national labor management in many developing countries where the government was unable to bear a huge unemployment problem. According to the International Labour Organization (ILO, 2002), in the early 1950s in developing countries, there was a first attempt to shift the traditional sector, which included the street hawkers, the petty traders, small-business producers, and all unofficial jobs, into the modern capitalist sector. Another meaning for such transformation was to economically formalize all the casual commercial activities so that these informal activities will disappear from the labor market. Many developed countries successfully reduced the number of traditional jobs, especially after World War II, due to the emergence of mass employment in the industrial sector, which resulted in a tendency of economic growth and better quality of life for those working in the formal sector.

However, the opposite happened in developing countries. Studies on the traditional sector in Ghana by Hart (1973) and in Kenya by the Kenya Mission (ILO, 1972) show that casual jobs were necessary to enable the unemployed to survive in an urban setting, where the government was (and still is) not capable of managing the employment of its population in the industrial sector. The traditional sector was later officially termed the ‘informal sector’ and was objectified as an undesirable and harmful job. In contrast, Hart and the Kenya Mission were the first groups to portray a positive image showing the informal business becoming extensively a profitable type of business sector, which facilitated better living conditions for many non-working people. According to preliminary studies during the 1970s on the informal sector, there had only been scant academic focus on the negative aspects of informal business; instead, the characteristics thereof, the relationships among people in the sector, and their contribution to socio-economic production tended to be the subjects for investigation (Hart, 2000).

Secondly, the structuralist approach views the informal economy as a supportive economic unit to the formal sectors. This approach, proposed by Moser (1978), suggests that the concept of economic dualism only considers the relationship between the capitalist sectors and petty commodities as domination and subordination, judging from the levels of average

income, as in the case of the working poor. However, if the informal economy is seen as bearing productive activities which play an active role in the urban economy, then it can be further discussed in terms of other aspects, for instance, its rationalities and working conditions, and potential for being an autonomous economy for proper policy recommendation to the state. The way these two economic systems are connected has been observed from the contribution of the informal businesses and informal wage labor to the formal firm, in providing cheap capital and unlimited numbers of labor.

Additionally, the studies analyzing the boundaries of the formal and informal economy after the transformation of economic situations in 1980 due to technological advancement and competition maintain that many firms, and formal employment under them, failed to keep their stability in the market place (Castell and Portes 1989, Thomson and McHugh, 2002). This situation resulted in tremendous change from salaried employment to self-employment, and the shift of the employment system from a union contract to subcontract (or temporary employment). In this regard, the informal economy is redefined as “the economic dynamism of unregulated income-generating activities and the relatively high level of informal entrepreneurs, sometimes above the level of workers in the formal economy” (Thomson and McHugh, 2002, p. 21). Consequently, the term “informal sector” was restructured as a process of portraying the form of relationship of income-generating production, instead of viewing it as just an object or another word for “poverty.”

Castell and Portes (1989) further discuss the criteria of determining the dynamics of informality from the status of labor, the working conditions (under which labor is employed), and the particular form of management of some firms. Practically, if any labor in the industry tends to fall into at least one criterion, he/she can be considered as “informal”. First, the status of labor refers to those who are undeclared and unregistered for their working position, paid below the minimum wage, and employed outside of what is permissible under society’s norms. Next, the working conditions are characterized by work done under unsafe, unhealthy or insecure or life-threatening conditions. Lastly, informality can be found in a particular form of management of some firms where transactions are undertaken through unrecorded banking transactions and unreported cash payments. Thus, all aforementioned informality criteria contribute to an expanded definition of labor involved in the informal sector. They give a clue as to the dynamics of labor from different contexts, and historical occurrences represent a composition of the informal economy with various features and dimensions.

Finally, the last in the three approaches discussed by Chen (2012) to the concept of informal economy is the legal approach. It refers to the intentional practices of the informal sector that encourage access to a wider market and argue against the unfavorable legal system. To illustrate, the International Labor Organization (ILO, 2012), in giving a definition related to the legal approach, interprets ‘informal business’ as alternative commercial activities that are not in the process of formal management, and technically create abundant obstacles for the state to undertake tax collection and national economic planning. In its point of view, the exposition of the informal economy needs to be studied in order to distinguish between formalization and informalization, and their consequences.

To study the concept of ‘formalization’ and ‘informalization’ is to grasp the two different processes of establishing the position of an informal business for recognition as one of the significant economic sectors in the global labor force. The differentiation between these

two terms has a purpose to focus on the shift in the business position. Formalization aims to elevate the working status in order to seek more opportunities for the business in a wider channel; for example, participation in the cluster of small and medium-sized businesses may entail financial support from and aid for product distribution by the local government and the Ministry of Commerce. On the other hand, informalization of employment relations can be seen in the need for non-standard forms of jobs operating in the economic system. Heintz and Pollin (2003) explains that informal activities do not merely show the negative side of regression in the economy, but also give support to informal production processes that help in the expansion of many large-scale firms or global production network. Such employment relationship starts with firms which need low-cost and flexible labor in their operations. In this scenario, instead of hiring full-time or contract laborers, which would entail employer responsibility for the employee's work security and social protection, the informalization of flexible employment was introduced as an integral element of the firm's production process in the era of advanced capitalism.

Furthermore, it should be noted that such processes tend to allow the ambiguous status and dynamic feature of informal businesses occurring in many developing countries. In the 1980s, at the juncture of the immense transformation from industrial policies to neoliberalism, an even more complicated characteristic of informal business resulted. According to Amin (2002), the informal sector was not a single group in the economic system, but it was segregated in diverse entities. As he further states, this can easily be noticed from a wide range of working status between enterprises/works with a growing market demand that reflects high-income elasticity of demand (e.g., tourism services) and those with low-income elasticity of demand (e.g., rickshaw services). Although they are profoundly considered as different types of businesses, they are still indicated under similar categories of the modern informal sector, which are officially listed in the survivalist cluster. The more dynamic the image of the informal sector, the more difficult it is for the state to issue the appropriate policy to cover all differences among informal businesses within such a dramatic period of change. In addition, the process of formalization through the grant of informal-business privileges may enhance political power. For example, giving the right to small-scale enterprise owners to create business associations can further extend the empowerment of their financial and social status without state awareness (Brown, 2006).

In many developing countries, where the low and middle-income population is the majority, the informal sector tends to occur in large scale. De Soto (1989), referring to his study in Peru, discusses that the government creates a barrier to and costs for formalization with respect to businesses by raising tax collection. The government plays a significant role of planning for national production and manipulating economic mechanisms to spur the growth of the country. However, the method, which the government uses to administer its national plan for employment, remains weak. It lacks strategies to encourage businesses to accept a formal status (Levy, 2008). Apparently, as a consequence of the government's efforts to increase the national revenue, the business sector tends to establish small-scale businesses in the informal sector in order to escape the burden of tax payment.

In his study of the informal sector in Sri Lanka, Woodruff (2013) explains that the informal business is recognized as an economic way of life as portrayed in historical pictures of mobile hawkers and street vendors. He also concludes differently from the two studies

earlier mentioned as regards the relationship between the informal sector and the government concerning the tax policy. In a contrary view, he states that there is an advantage of promoting formalization to small-scale firms by collecting tax. When the state is able to obtain a certain amount of substantial revenue, such revenue will be partially rebated to the firm and improve its quality of administration. Once the firm enters into a formal status, it will tend to have a positive attitude toward the state. It is interesting to point out that the process of transforming an informal business to one that is legalized can in fact boost the favorable relationship between small-scale firms and the state.

Other than the most discussed topic concerning the risk of unsafe working conditions and uncertainty of income, the topic of intervention by the local authority has also been one of the critical disputes discussed in many studies. The relationship between the government and informal business is often depicted as negative and conflictive. Pratt (2006) explains that most street-based occupations are in a position of vulnerability in making a living and negotiating with the state. It has become necessary for them to find their own mechanism in order to secure their position starting from the formal method (using vendor organizations), the informal method (using a network of colleagues and kin), and the extra-legal (clientelism and bribery of officials).

The transformation of global economies, which support the formalization and informalization processes as a matter of policy, creates the existence or even extends the growth of informal business to a broader area. Moreover, the processes of formalization and informalization have produced a large sector of small-scale businesses that contributes to capital accumulation, social networks, and business empowerment. The outcome would be the transformation of informal businesses into something more dynamic but sometimes less predictable. Along such processes, the vertical relationship between the government and informal business can be found and can evolve into either an origin of conflict that gradually becomes severe, or cooperation that poses a positive impact on national economic development (Daniels, 2004).

While substantial research on informal labor has been accumulated as reviewed above, it can be argued that previous studies have assumed the concept of informality to be a highly static notion, which is based on the rigid dichotomy between “formality” and “informality.” Such conventional approaches to informality have failed to grasp the conspicuous feature of its paradoxical operations and practices that have emerged in many cities led by free market capitalism. At some point, the free market system is developed from the notion of “flexible accumulation to the benefit of particular fractions of the capitalist class” (Maskovsky & Brash, 2014, p. 260; see also Harvey, 1989; Sassen, 2001), which allows all capable individuals to be involved in ‘urban entrepreneurialism’ for capitalist development at the macro-economic level. It gives more opportunities for decision-making in regard to risk-taking among individuals who work in a competitive market with an uncertain fluctuation of economic activities.

The tourism industry represents an economic sphere of the free market system, which is characterized by flexible human mobility and financial flow, which result in an almost unregulated business environment, where trade, exchanging resources, and distributing goods and services are conducted. Labor that operates in tourism-related services comprises free market driven networks and, thereby, has the chance for broader career paths, connections, and sources of income. In addition, it is worthy to note how free market tourism stimulates the

economy, serves as a catalyst creating income opportunities, and shapes the personality of tourism-related labor as they perform their jobs by adopting various strategies. In order to study the dynamism of economic activities in the free market system, the role and significance of the informality should be dealt with while avoiding the dichotomous and static approach to the formality/informality.

In order to conceptualize an alternative approach to formality and informality, Mcfarlane's discussion is worth looking into (Mcfarlane 2012). In an article titled "Rethinking Informality: Politics, Crisis, and the City," he argues that the formality and informality should be considered "a set of practices" (p.106) that are carried out to manage, govern, and construct a regime of economic sphere. In this regard, informality is not confined to the static image mentioned above; on the contrary, it involves the practices of stakeholders in the field that, in order to remain in operation, seek politics to form, circulate, and reproduce certain attributes. In other words, the way to study informality is not limited to posing questions on its nature, characteristics, and existence, but rather, what should be examined is a process of "the *politicization of practices*" (p.105), which have been embodied from historical disputes, social structure, cultural background, and variant discourses. In a sense, the authority of government plays a significant role in certifying what can be called "formality" and what, particularly in reference to cases that are not asserted under powers of government, can be labeled as "informality." Furthermore, informality is not counted as a status, but rather a political process of ideological contestation between different groups, especially between the state and civil society.

1-6 Literature Review

(a) *The Socio-cultural Analysis of Tourism in Thailand*

Tourism is not only an industry or a service, but it is a way to perceive culture of particular locality. Then, the culture will be commoditized. Economic value of tourism industry is created through the interaction between tourists and hosts. There is a process of commodification in tourism setting and local cultures generally serve as the principal example of such commoditization (Greenwood, 1977). In particular, 'colorful' local costumes and customs, rituals and feasts, and folk and ethnic arts become touristic services or commodities, as they come to be performed or produced for touristic consumption. Moreover, the point is that such economic value has been generated through the interaction among tourists and hosts (Higgins-Desbiolles, 2004). The practices of hosts in local context are different from place to place and may initiate some strategies to produce profits in the setting of tourism industry.

In Thailand, many cultural elements have been transformed into products for tourism purposes. Porananond (2015) examines the transformation of *lanna*⁷ cuisine in Chiang Mai⁸ by analyzing the forms and functions of *khun tok*, a wooden table for serving meal in the northern Thai style, in different timelines. It is noted that *khun tok* is an utensil used for ritual

⁷ Lanna is the name of a former kingdom located in present-day northern Thailand. Nowadays, *lanna* has become a term to represent the culture of northern people, for example, *lanna* food, *lanna* costume, and *lanna* house.

⁸ Chiang Mai is the biggest city of the Northern Thailand. It is the city where different hill tribes reside in the mountainous areas and bordering zones.

activities in house and temple and it has different sizes for serving people from ruling class to ordinary group. Since host may exhibit their culture to tourist depending on space, time, and events, this shows various levels of “staged authenticity”, or the authenticity of cultural practices that hosts design and create to demonstrate to tourists (MacCannell, 1973, p. 594). In this regard, the ordinary *khun tok* utensil has been brought out to represent tourists in a more elaborate and decorative cuisine of the well-known *khun tok* dinner. Such dinner is served in *lanna* housing style and is comprised of *lanna* food on *khun tok* with the show of traditional *lanna* performances. In order to serve a mass tourism, the *khun tok* dinner has been reduced its form of variety and the creation of performance has not been authentic. Therefore, only some groups of tourists have opportunity to experience a real authentic culture while many hosts tend to perform their culture (Cohen, 1989). Such performance brings falsification of history and identities to the tourists (Machlis and Burch, 1983). To some extent, the stage *khun tok* dinner, influenced by the mass tourism, has also changed the eating style of northern people to be more modern and different from the traditional ways of eating. The cultural activities become economic activities through the process of commodification.

In this regard, the growth of tourism has accelerated the commoditization of culture, which affects the meaning changes of cultural product and of human relations. Soontayatron (2010) investigates the impacts of tourism in *Koh Samui*, an island located in southern Thailand, on the ways of local life. *Koh Samui* was promoted by the TAT and was highly developed since 1990 and has become one of the must-visit sites in Thailand. The tourism has influenced the socio-cultural changes in different aspects. For examples, the transformation of value system can be observed from changing of mutual aid among local people to a cash system and material-based relationship. The main careers of people in farming and planting are shifted to increasingly rely on the tourism industry. Women are more financially independent, compared to the women in old generation, which gain economic strength to family and community. In this way, there were job opportunity and huge transformation occurring in the emerging tourist attraction in various manners.

In order to understand tourism industry through socio-cultural aspects, the role of government should also be analyzed as it influences the practices of people in a specific area. Elliott (1987) examines how the Thai government contributes the effective tourism management to conform to the challenges and changes occurred from the external factors. He firstly points out the main obstacle of improving the relationship between tourism industry and government. The tourism industry is conditioned by competitive market forces and dynamic with profits and growth, meanwhile the working pattern of Thai bureaucracy is quite static. To some extent, the problems with public sector administrative can be observed that civil servants are permanent in their position, prioritize their own connection and relationship, concern on the current problem rather than long-term, lack of effective central body to implement to the policy of tourism (Elliott, 1983). It illustrates the Thai economic culture of informal process, even in public sphere. Such the informality has been considered as an effective ways of developing the tourism in Thailand.

Furthermore, the touristic development in Thailand has not been just conducted by the

government. Lauzon (2010) explains that marketing agencies⁹ have played a role of influencing the cultural representation of hill tribes in Chiang Mai through the tourism process. Apparently, the groups of hill tribe are not included in the tourism planning and, to some extent, are less potential in operating their own cultural tour. Therefore, tour operators would take part of commercializing the hill tribe traditions and transform them into a cultural product for sale in the touristic setting. The hill tribes are demonstrated as a living subject with traditional costumes in an anthropological museum, while tour guides are given license and authority to disseminate the information and meanings of hill tribe's traditions and cultures to tourists.

The similar situation also happened with a group of three hill tribes in Chiang Mai when they opened accommodation in their village for trekking tourists (Kesmanee and Charoensri, 1995). The tour gave an impression that the tourists would be able to learn and exchange their cultures with the local people and the tour could help generating income to the hill tribe people and communities. However, the negative effects on the local culture occurred when the mediator between locals and tourists was not the local tour guide. All information and interpretation of the hill tribe tradition given to the tourists were misled, which harmed the cultural values and community identities. Therefore, both tour operator and tour guide have ability to steer the local culture to what tourists are supposed to anticipate and feel through the process of cultural commodification for tourism.

1-7 Significance of the Study

1) This study will provide new insights on the informal economy and on the negotiation between the formal and informal labor practices, without an understanding of which the government policy will hamper the potential of informal labor, which is actually indispensable for the further development of the tourism industry.

2) While this study deals with the macro and structural aspects of tourism; namely, the simultaneous processes of localization and globalization as well as the negotiations between the authority and the individual informal worker, it is ethnographically grounded on the communities in Phuket. Through such ethnographic understanding of the structural transformation of the tourism in Phuket, an alternative understanding on the tourism labor would be possible.

1-8 Methodology of Data Gathering

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 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

⁹ Marketing agencies include tour operator, tour agency, and tour guide.

interpreter. This research mainly used the following ethnographic methodology.

1) *Case studies*. Approximately 25 cases involving tourism-related businesses, social organization, institution, situations, and others have been sought.

2) *Casual conversation*. It is important to have personal talks with tour guides, van and taxi drivers, tour manager, and travel agents. Moreover, a deeper understanding of the characteristics of the tour guides in different situations was achieved by collecting data on relevant social networks and the relationships within the network and with other stakeholders.

3) *Participant observation*. Participant observation was conducted through actually having enrolled in the short-course training for tour guides; specifically for 5 types of tour programs (i.e., 3 days/ 2 nights package tour; 2 times of one-day island tours, one-day city tour, half-day city tour, and nightlife tour), and attended several meetings.

4) *In-depth interview*. Open-ended interviews were conducted in order to gain general information from selected informants, who are staff of 3 tour operators and travel agencies, staff of 2 training institutions, lecturers and scholars, officials of the Tourist Business and Tour Guide Office, and the president and members of Phuket Tourist Guide Association of Thailand. Casual conversations were used with tour guides, van/taxi driver, and tourists. The interviews were aimed at understanding the interviewees' background, community association, relationship among relatives, friends, and other stakeholders, and their perceptions of working conditions in the contemporary period of tourism growth. Information related to changes in policies were collected from the local government. The predominant data from key informants concentrate on their personal experience of working strategies.

1-9 Organization of Chapters

The succeeding chapters are organized and summarized below.

Chapter 2 explains the historical background of Phuket society focusing on the economic activities of the first generation of Chinese migrants and the transmission of their culture to the next generations. Focusing on a series of Chinese migrants' struggle with the regulations of government, it describes how the social networks among their ethnicity are significant for them to survive in the new environment and maintain their social positions of entrepreneurship. The most significant historical trend described in this chapter will show how the Chinese descendants transformed the landscape of mining, entrepot, and agricultural fields into a tourist destination and become successful owners of tourism-related businesses. To some degree, Phuket society since the 1990s, after the emergence of tourism, has clearly illustrated shifts in the patterns of social networks from those mainly based on ethnicity (as Chinese) into those that depend more on diffused social aspects such as career similarity, mutual benefit, and cooperative relationship. Considering the transition from mining to tourism, a discussion will be made on the existence of different positions of residents, their roles, and actions taken in the tourism industry. Lastly, the chapter will also give an introduction of the mass tourism situation in Phuket.

Chapter 3 illustrates the government's role of formalizing tourism-related occupations and businesses, and examines how such formalization process can help boost the quality of labor and the tourism sector as a whole. Practically, the government has attempted to present Phuket as a safe destination for international travel through a policy prescribing standards regulating

tour companies and tour guides and controlling the quality of service of labor in tourism sectors via a training and licensing system. However, there is criticism among stakeholders, namely from the president of the Phuket Professional Guide Association and the registrar of the Bureau of Tourism Business and Guide Registration, on the perceived ineffective enforcement of regulations by the government.

Chapter 4 examines how the actors, who have worked under the tourism industry during different periods, started in their tourism-related jobs and began their endeavors to extend their career in the sector. Yet, a significant change transpired from 1990 onward, during which a drastic restructuring of employment in the tourism sector has been observed. Under such restructuring, employees in the tourism sector, such as the tour guide and taxi driver who used to work under formal contract with some company, began to work under temporary employment or by job order type. Meanwhile, many travel agencies have been established and experienced substantial growth in Phuket. As a consequence, there tended to be an oversupply in the tourism sector of the new generation of tour guides, taxi drivers, and owners of small-size tour agencies who have been compelled to display their competence to other companies in order to develop job connections. To illustrate the life of a worker in the tourism industry, various reflections of informants concerning the possibility of landing a well-paying job will be presented in this chapter. There are also cases of informal, and quite often illegal, labor which presents a growing threat to the tourism system. The chapter particularly focuses on the cases of the “sitting tour guides” who have the illegal foreign tour guide as their important clientele. In light of the difficulty posed by the competitive jobs market, this chapter also explains in detail the experiences of the workers in reaction to the policy of formalization which is supposedly intended to bring out job stability and security.

Chapter 5 deals with the high mobility of freelance tour guides working in the tourism industry. High mobility of domestic tour guide, presented in this chapter, results from various factors, such as the action taken by the government, the increase of the number of training institutions, and more job opportunities. Although such high mobility gives a positive result in serving the demands of market-based tourism, it also creates serious concerns among the Phuket locals as to whether or not the migrants would exploit their resources and take all benefits.

Chapter 6 focuses on the significance of social networks that can elevate tourism-related occupations and businesses into being more effective in the mass tourism sector. Ethnographic attention to the “backstage” of tourism practices reveals various informal practices, such as competitive self-marketing, networks of commissions, and the actors’ adaptive strategies aimed at gaining benefits, which are all carried out in a gray zone of legality and illegality. .

Chapter 7 examines the tour guide associations and clubs in Phuket, which have been established in accordance with the boom of the market-oriented mass tourism, and discusses their significance for securing the employment of licensed tour guides. Furthermore, the association while representing the formal organization endorsed by the government, has played various informal roles such as protecting the informal practices of the tour guide as a profession, contributing a space for individual freelancers to gain access to political power, construct their social networks, and accumulate capitals through illegal activities.

Chapter 8, as a conclusion, discusses the significance of all case studies presented in the previous chapters for analyzing the characteristics of the Phuket tourism industry. Especially,

it utilizes three concepts: *market-oriented mass tourism*, *freelancer*, and *in/formality*. Basically, this research posits that the state can have a positive projection of the tourism industry in the future but may gloss over the importance of social networks, flexible labor, and the tendency of socio-economic changes.



Figure 1-2. Map of Phuket and Its Beach Resorts (retrieved from <http://www.orangsmile.com>)

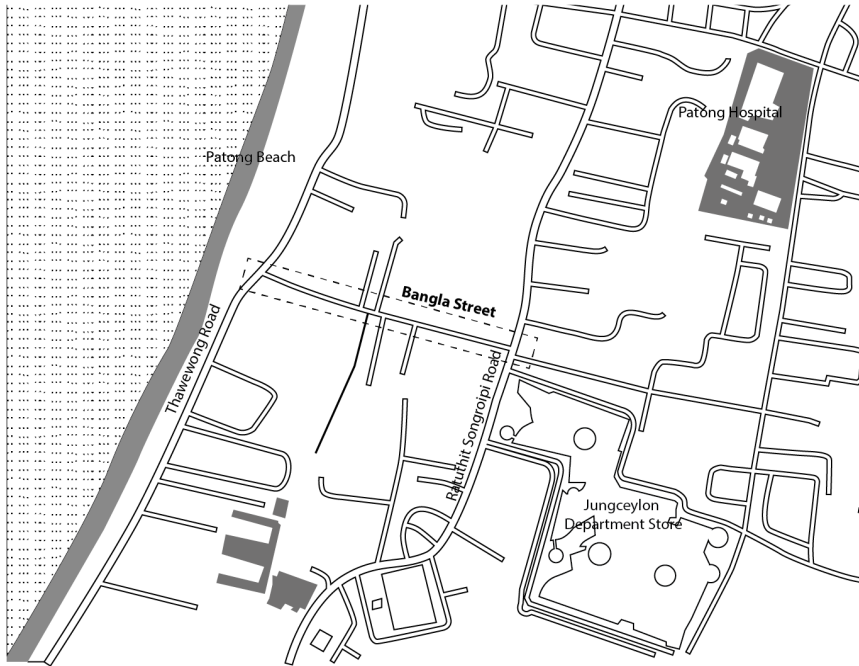


Figure 1-3. Map of Bangla Street, Patong Beach



Figure 1-4. Bangla Street night scene

CHAPTER 2: From a Chinese Tin-mining Community into a Multi-ethnic Tourist Community: the Setting of Phuket as a Field

This chapter explains the historical background of Phuket society as a setting. It delineates the historical period of tin-mining industry through focusing particularly on the relationship between the local practices of tin-miners and their external links with the outside world. This historical setting of Phuket as a bustling tin-mining community is crucial to understand its transition into the world-renowned tourist destination it is today. Such transition had necessitated a tremendous transformation of social networks and social structure of the locality, caused drastic social mobility of locals, and enticed a huge influx of migrants.

2-1 Legacy of Social Networks and Economic Cultures in Phuket

According to Nasution (2004), since the 13th century, Phuket has been known as the island of multi-ethnicities as evidenced by how it has been called by various names by different groups. For example, the Indians have referred to Phuket as “*Bukit*” (hill) and Thalang, the name of a city in the Northern part of Phuket as “*Jang Ceylon*” (Thalang Peninsula) while the Malays have named it “*Ujang Salang*” (Thalang Peninsula). Among diverse ethnic groups, the Chinese stood as the major population with 10,000 to 40,000 migrants residing in different parts of the island in communities near the mining sites and town center (recognized as the former estuary and the trading center). Currently, their settlements have been located in the Kathu district and Old Phuket Town. Every Chinese community in Phuket was modeled after their original hometown in China including the relationship among their clans (Morita, 2007). Apparently, the community of Hokkien Chinese has become the major migrant followed by those from Hainan and Gwangtung. China, during the Qing Dynasty in 1910, faced threats of Western sanctions, internal political conflicts, population control, and various incidences of natural disasters (Rowe, 2009). Under such dire circumstances, many inhabitants along the coastal line sought out new and better places as settlements by evading arrest for illegal emigration by the Chinese government. Different routes and directions were taken by the migrants as indicated by the current settlements found in Taiwan, Hong Kong, the Philippines, Indonesia, Singapore, Malaysia, Thailand, and up north to Burma.

In the 13th century, compared to Chinese communities, other ethnic communities, like Muslim and Indian, were relatively fewer and were scattered all over the islands bearing less information as to their significance in economic activities. Muslim groups lived near the shore and made their living by fishing while most Indians were at the mining sites working as laborers and some were at the trading areas. Unfortunately, there is very little information concerning these minorities in the history of Phuket. One reason behind this is that most of the historical accounts about Phuket glorify the success of Chinese businessmen and their endeavor of developing Phuket society into becoming the economic center of Andaman (Nasution, 2004).

Around the 19th century, with the increase in European demand for tin for the production of cans and automobile parts, Phuket became one of the main tin-mining areas in Southeast Asia, aside from Ipoh in Malaysia. The Chinese were the pioneers possessing mining

knowledge from Fujian. Later, they attempted to develop their mining skill by embracing all technology and innovation from Europe following the pattern of British industrialization (Mackay, 2012). Although Phuket was geographically located in the territory of Siam (the former name of Thailand) and was under the sovereignty of the Siamese king, the influences of the British Empire expanded to pressure and transform the economic activities of the Siamese state, especially at the neighboring borders and the distant merchandized areas. The Bowring Treaty, through which Siam agreed to liberate foreign trade by reducing taxes for export goods to British citizens in 1855, was the precursor to the immense economic access to Siam by other nations following the same practice (Terwiel, 1989). Trading growth was evidenced by the increase in the number of merchant ships from different nations and higher revenues (Mackay, 2012). Until 1860, Phuket and its neighboring provinces also gained benefits from the treaty in producing and exporting massive tons of tin. Trading growth was spurred further by the accessibility of commerce between Phuket and other states under British territories; namely, Penang (an island in Northwestern Malaysia) and Singapore. This emergence opened an opportunity for major Chinese migrant merchants to further employ their ethnic networks in different locations in order to construct a large business and empower the powerful economic base in their community (Collahan, 2003). Since then, Phuket's position as the hub of import and export of all overseas products from Europe, via the neighboring British colonies, has been recognized.

During the economic development in Phuket from 1820 to 1900, many Chinese migrants and their descendants attempted to raise their status from mining coolies to owners of small tin-mining businesses. Technically, the Siamese government authorized these Chinese descendants to hold land concessions for mining operations, which became the financial capital for the next generations. However, such concessions also permitted them to launch other kinds of businesses; namely, rubber and palm plantations, soap factories, and the maritime commerce. In 1937, the further expansion of capitalistic mode of production swept through the regional areas and created an array of local investors. They successfully accumulated assets from their businesses and became known in the national level. As widely known among Phuket residents, the clans that have succeeded their ancestor's businesses are the Aekwanich, Wanich, Hongyok, Tantiwit, Ngantavee, Upatisingha, and Thavonvongwong (Mackay, 2012).

The year 1938 was the period that Siam was confronted with the threat of World War II (hereafter, WWII). Field Marshal Plaek Phibunsongkhram, (locally known as *Chompon Por*)¹⁰ became the prime minister and his aim in governing the country was to transform Siam into a modern nation-state through the process of nation building. He worked in cooperation with the Ministry of Propaganda to construct many campaigns related to nationalism and the anti-minority policy (Kasetsiri, 1971). Chinese migrants in Phuket also had to make adjustments in many ways. For instance, they were forced to alter their names into Thai names and change their ways of life. Nevertheless, the Chinese businessmen tended to know strategies in dealing with the military government. MacKay (2012) explains, “[T]he other way

¹⁰ The word *Chompon* translates to Field Marshal in English, and his name was shortened using his first name's initial, the Thai letter *จ* /p/, which sounds like *Por*.

for the Chinese to buy economic shelter from this storm [the anti-minority policy] was by inviting high-ranking Thai members of the government and armed forces to take a share in their businesses” (p. 369).

The businesses of mining, rubber plantations, and other production had transformed the physical and social appearances in Phuket. By the 1940s, particularly during WWII, the number of businessmen had increased due to the demand for tin and rubber to produce weapons for the war. It was an opportunity for the wealthy Chinese to find new areas for establishing tin-mining and other manufacturing businesses to serve the global demand (Nasution, 2004). Land for sale tended to be cheap and plenty, which reasonably attracted the wealthy people to accumulate assets at very little cost (Mackay, 2012). A descendant of Aekwanich, one of the richest Chinese families, in explaining the situation from the time of their ancestor states, “the reason behind our sizeable land capital is that after WWII, we could not be sure about cash savings. It was difficult to estimate the interest we could receive from the bank. So, we decided to invest in tin mining and land. Since plenty of land were not occupied, we could benefit from planting rubber trees and coconut” (Aekwanich Occupy Hotel, 1999).

In this regard, the land occupation by Chinese businessmen became a serious concern for the Field Marshal Plaek Phibunsongkhram. In 1954, the government attempted to proceed with enacting a law restricting the wealthy from possessing large areas of land and preventing aliens (mostly, Chinese) from owning land. To ensure enforcement of the law, the officials, especially in the regional areas, were required to investigate all procedures that might facilitate the process in favor of aliens. Apparently, the strict laws on real property tended to threaten the wealthy Chinese in maintaining their assets while struggling to expand their businesses in confrontation with the policy of reserving important occupations solely for Thais (Songprasert, 1985). The population of Chinese migrants in Phuket appeared to decrease partly due to the government’s prohibition on immigration. In order to deal with all the anti-minority policies, some Chinese businessmen used the strategy of inviting military members to become shareholders in their businesses in order to mislead the ethnic disputes (Mackay, 2012). However, most of them just followed the assimilation process to become Thais, which appeared to meet the government’s intention. This means that the path to success among Chinese descendants, during the economic boom from 1960 to 1970, was to speak the Thai language, have Thai surnames, enroll in the Thai education system, and ultimately marry into Thai families. Wyatt states, “this benefitted the better Thai families who got access to wealth, and the Chinese who got access to political acceptance” (cited from Mackay, 2012, p. 405). Intermarriage paved the way to elevating the social position of Chinese on one hand, and economic position of Thai families in Phuket society on the other hand.

Under the assimilation process conducted by the Thai-nationalist government, the Chinese migrants tended to conform to rules and adjust to cultures more easily compared to the Chinese migrants in other Southeast Asian countries. Aside from the strategy of exchanging social status with wealth through intermarriage, they also integrated their Chinese customs and practices into the dominant Thai cultures or central Thai. In the religious context, those of Chinese descent shifted or incorporated their ways of practicing Chinese ancestor worship to/with the Buddhism belief in making merit for themselves and their ancestors (Morita, n.d.). Another example can be shown especially in the Phuket context. Since most of

Chinese men were married to half-blood or full-blood Thai women, the arrangements at home included child rearing as the duty of the wife (Bao, 2001). Thus, in a Phuket family, it has been the mother who would introduce Thai cultures to their children or familiarize them with the Thai social environment. The role of the Thai wife, mother, or *taoke nia* (the wife of the boss or Chinese businessman) in the Chinese family is to take care of everyone in the house. Associate Professor Pranee, speaking from her experience of being a daughter in a Chinese family, states, “the *tauke nia* is consigned to hold a bunch of keys by her Chinese husband (in this case, the interviewee’s father). It implies that my mother is the only one who can manage everyone and control everything in the house” (S. Pranee, interview, December 2, 2014).

Apart from the assimilation of Chinese and other minorities into the dominant Thai cultures, every ethnicity under the Thai kingdom had to follow the nationalist policy in transforming their traditional practices into more civilized and modern ways of life. In other words, all Thai civilians were forced to wear western costumes and hats in pursuit of education, and schedule their everyday life properly. The social context in Phuket seemed to match with what the government expected the civilized Thai citizen to be. In fact, the Chinese descendants in Phuket were a kind of ethnic group who easily exposed themselves to the Western cultures via the connection with colonial Malaysia and Singapore (Collahan, 2003). The influences of British colonialism mixed with the Chinese ideology in Phuket can still be observed from the Sino-European architecture, the old photos of Western-styled weddings and costume fashion, and the original Hokkien-Chinese cuisines. The rationale for such influences is that the strong connections among the Chinese, both migrants and their descendants, in neighboring countries constructed a particular culture of hybridity. Such hybrid cultures could be utilized flexibly in wider social settings. For instance, the language used by people of Chinese descent appears to be borrowed from the Hokkien-Chinese and Malay words used in the local Southern Thai dialects. To some degree, the flexibility of the sociocultural context in Phuket shapes the characteristics of the Chinese majority, as well as other ethnic groups, in becoming more adaptable to the new challenges of economic structuring, social transformation, and political reformation.

2-2 Social Network of Chinese People

The rise of Communism in Mainland China in 1949 tended to be the threat to the Thai state in governing and managing the Chinese in Thailand. Their clubs or associations, feared as capable of destabilizing government power and control, were subjected to investigation for posing a risk to national security. In the government’s perspective, the Chinese were a strong ethnic minority with ample manpower who had taken control of the economic positions in the nation (Kasetsiri, 1971). Thus, attempts were made to settle ethnic disputes through the assimilation process and ethnic-based policy of obliterating the attribute of Chinese and other minority groups under Thai territory in order for them to become Thai citizens. Meanwhile, the gatherings among the Chinese were significant to bolster their ethnic cohesion and economic security, thereby protecting themselves and their families, in confronting government intimidation. This Chinese association was originally known as the “secret society.”

Historically, the term secret society was influenced by “the idealized Confucian view of

the operation of society” (Rowe, 2009, p. 175). It indicates how people of some groups in society brought the concepts of family system and ritual performance into their practices through creating large networks of secret society in order to survive in a world of losing per capita resources. Such society became the legacy of the current concept of groups known as fraternal associations. One of the most legendary associations in the Qing dynasty, around 1761, was named Heaven and Earth Society (天地会), or the Triads (三合会). Zheng Kai was the founder of the society. He and other members of the society emigrated from Fujian’s Zhangpu County to Taiwan and re-exported smuggling activities to the mainland (Rowe, 2009, p. 181). Later in the 19th century, the Triads had maintained their secret society in Taiwan and found the institution of Chinese imperialism ineffective in negotiating with the British Empire and in governing and serving people in the country. Thus, they started to spread the ideas of overthrowing the Qing and restoring the Ming dynasty (the second dynasty of China that portrayed the most prosperous and peaceful period in Chinese imperialism). Their strategy was to assemble people from different parts of the country and form associations of Triads to battle against the Qing dynasty. Before 1911, there were many uprisings and Chinese revolutionaries, some of whom were from the association of Triads. Further, their association was expanded from Taiwan to Hong Kong, Malaya (now Malaysia and Singapore), Thailand, and other countries in the world. They also worked cooperatively with Sun Yat Sen in connecting the overseas Chinese men for fund raising to support the revolution. Although their purpose of ousting the Qing dynasty had been accomplished, the concept of the triad society continued and became the legacy of overseas Chinese associations in gathering and empowering their ethnic group in the new settlement (Foon, 2003). A similar form of triad society was also applied in Phuket in strengthening their social relationship for economic and political construction. In this context, the Hokkien-Chinese association was founded. It was launched by the wealthy with the aim to alleviate the plight of Chinese newcomers and contribute to a productive export market, which ultimately resulted in the emergence of a prominent business group in Phuket. In this regard, the Chinese association can be flexibly shifted from one context to another and can be reconstructed to serve different purposes from time to time.

It is clearly shown in the aforementioned historical review that the culture of social network is significant to the Chinese migrants and their descendants. Thus, the way in which they develop their association in a particular context can imply the process of cultural transmission to the next generation. This means that the collective attribute of the Chinese community becomes the legacy of their descendants, who live in a new context as the second generation who have assimilated to the new culture and social milieu.

In some respects, the Chinese businessmen did not limit their concentration on commerce and accumulation of wealth but also played significant roles in noble positions helping to facilitate efficient flows of other Chinese residents into Phuket. A host of social work was necessitated for Chinese newcomers who basically were financially insufficient and socially disadvantaged. For example, Tan Kekew, the first generation of Tantiwit, initiated the foundation of ‘*kid jia eia*’ by collecting money from other rich businessmen and constructing a big house for the poor and homeless Chinese in Phuket.

Shinakarn (2002) narrated a Phuket folktale named ‘*Sin Kae Muang Tung Kha*’ (“The

Newcomer of Tung Kha Town”) based on the true story of the lives of Chinese migrant workers in Phuket. The story depicts the situation of a *tao kae* (Chinese businessman) who recruited a *sin kae* (Chinese newcomer) named Tabee to work in his mining factory. Following Chinese belief, the businessman’s oldest son should be the successor who would carry on the family business and manage all financial matters. Unfortunately, in the story, the *tao kae* only had three daughters and they were not expected to be able to manage the company, as women at that time were oriented to be good housewives and not be business managers. However, recognizing Tabee to be a fast learner and a hard worker, the *tao kae* entrusted his daughter and the mining factory to Tabee, who then succeeded the family business. The tale portrays the key to success for a Chinese descendant in Phuket and reflects the great characteristics of ethnic harmony, assiduousness of the newcomer, and the opportunity given to capable people.

Phuket, in the first decade of the 20th century, experienced the golden period of economic boom from tin export. At that time, there were enormous imports of Western product and culture into Phuket which resulted in changes in lifestyle – the Phuket people had become more Westernized, socialized, and sophisticated (Mackay, 2012). Providing a clear image of the community of Chinese descent and its social interaction in the context of Phuket is an activity that takes place in small cafes which mining workers habitually visit before going to work. Basically, drinking coffee and having sweetmeat (a snack that contains sweet rice and starch) in a cafe is considered a quick and cheap way to have heavy breakfast good for the long working hours of labor. Interestingly, when the local café becomes a meeting place apt for casual conversation among coffee drinkers like business owners and laborers, a space is created for community gathering composed of people from different economic classes (Potjanalawan, 2014). This interaction becomes a culture of assembling, exchanging information about local and national political situations, negotiating business deals, updating each other about one another’s life, and maintaining a cluster of relationships. Even now, this picture of people in morning gatherings drinking coffee can be observed in many small old cafes located in the market or the center of the business district. Although the economic classes can be observed in the Phuket context, practically, the wealthy people still project themselves as ordinary men who can mingle with people from other classes.

Providing a good education for descendants was considered as an important mechanism for advancement and to move forward the clan business. Some wealthy families sent their children to study in boarding schools in Penang, Singapore, Hong Kong, or Taiwan, receiving assistance from their families who lived in those areas (Narution, 2009). The boarding schools were based on the fundamental principle of Western ideology, but still upheld the Chinese tradition in leading students to achieve ethnic unity. Parents expected their children abroad to learn about the first step to entering the business networks in the transnational context since most of the students were from the aristocratic Chinese families. On the other hand, Chinese descendants who had a limited chance to study abroad were able to receive instructions on Chinese language and literature in a shrine or scholar’s house called ‘*xue xok*’. The educational institutions (including the informal ones) tended to play a significant role in stimulating a sense of Chinese patriarchy among the Chinese descendants who lived far away from their motherland (Kesmanee, 2013). In 1917, an array of Chinese businessmen raised funds for building an official Chinese school in Phuket named the Hua Bun School, which

became the first Chinese school established in Siam. Although the school had to be shut down and reopened many times due to political situations, owing to influences of communism in Southeast Asia, a foundation of Chinese and transfer of knowledge through the schooling system helped strengthen the networks of new Chinese generations.

2-3 Emergence of Pre-tourism

The schooling system plays a significant role of connecting people from various economic classes and ethnic backgrounds. Around the 1960s, among the families of Chinese descent, the social value of sending their children to study abroad or to the Chinese school was inclined to decrease. The third generation of Thai-Chinese descents in Phuket tended to have a less strong sense of Chinese collectivity due to the effect of the assimilation policy. However, the close-knit community of Phuket has constructed a new association from the school alumni. According to the educational system from 1960 to 1978, students were required to accomplish 5 years of elementary studies to high school level. The best provincial schools had limited slots for qualified students each year while other regional schools were available for the rest of the students. There were two provincial schools with gender-based separation: the Phuket Wittayalai School for boys and the Satee Phuket School for girls. In the past 50 years, the modern community of Phuket natives had been formed mainly by institutional or school basis rather than on an ethnic basis. In this regard, those who graduated from these two provincial schools tended to have more opportunities to find better connections, especially in the local business networks.

The meaning of local people emerges in such context, where the sense of community is depended less on the decent and ethnicity, and more on the generation's choice faced with the contingency of the time. One of the researcher's interviews concerning business connections among locals was conducted with a businessman, Wasu, whose family name is Koysiripong. His grandfather, an owner of a tin mining business and land, is considered as one of the successful Chinese businessmen in Phuket. Following the footsteps of his grandfather, Wasu currently owns a four-star hotel and other real estate. He states, "My schoolmates come from various families of Chinese and non-Chinese descent. Many of them are doctors, engineers, architects, or hotel business owners working in Phuket. When I launched my hotel business, it was really convenient that I could rely on my old friends' businesses for work on the building construction, marketing, or IT networking" (K. Wasu, interview, September 10, 2015).

To examine the socio-economic culture and the characteristics of pre-tourism in Phuket, it is significant to understand the actors or a dominant group who succeeded the legacy of economic influences of their Chinese ancestors. Apparently, they compose the group who possessed the highest value of asset in Phuket, especially the land and real estate inherited from their ancestors, and they are noted as the group most accessible for financial capital in Phuket. A family of Chinese descent named 'Thavornvongwong', known as the pioneer of tourism-related business in Phuket town, opened the first 200-room hotel called Thavorn around the 1960s (Manager Magazine, 1999). Although there was little sign of tourist visitors at that time because of the lack of infrastructure and basic amenities, the owner still continued to manage the hotel with the anticipation of the governmental projects in urbanizing Phuket. Their main customers in the first 5 years of the hotel establishment were just government

officials who usually came to work in Phuket in the period of urban development.

Later on, after the fall of the mining industry around 1985, many families of Chinese descent sought new businesses using their available capital. The first period of the tourism sector demanded large-scale businesses in construction equipment, palm oil, rubber industry, automobile sales, and gas stations. Another emerging business was the investment in real estate development, namely, developed housing and commercial buildings for retail shops (Aekwanich Occupies Hotel, 1999). Thus, the Chinese descendants found the opportunity to gain benefits from the beginning of the tourism sector before the highly competitive market occurred. From this point, the history of Phuket has only emphasized on the working life of wealthy Chinese people or the aristocracy because they were in the position that brought economic growth and urbanization to Phuket. However, other actors appearing both Chinese and non-Chinese descendants, namely, the small-scale business owners, mining labor, technicians, and office clerks, who were involved in the process of economic and urban development, have been dismissed in the historical text. A 65-year-old man with Chinese descendant named Nui, who worked closely with an old mining businessman from 1965 to 1980, is one such actor. Currently, even though his family and working life in the end was not successful, he can still use the land given by his old boss and survive day by day by being a land broker. He states, “I know a lot of friends because I followed *nai hua* (boss) wherever he went. When someone wants to buy or sell their land, I just help them find the customer. It is not an easy job unless you have a lot of good old friends” (P. Suphon, personal communication, October 23, 2015).

To some extent, after the economic boom around the 1990s, employment in the large-scale tourism business sector in Phuket also increased because of the high demand for labor. Some natives of Phuket, who worked in large-scale sectors as employees or retail suppliers for up to ten or twenty years, eventually became a second emerging group of business owners who possessed smaller tracts of land in the tourism-developing areas. The land value tended to rise year on year and successors to the land started to accumulate wealth and expand businesses in different parts of Phuket. Recently, however, this second wave of business owners is on the verge of growing and diffusing, with the affluent families of Chinese descent inclined to occupy most of the high-valued areas and be economically positioned above the other groups.

Most of the prosperous Chinese descendants carry on the family business and some of them even expand their business in other lines, such as shifting from the hotel business to travel agency and marine transport business. In this way, their social position in the economic sphere extends more to different groups, hence, introducing them to a wider network. Some of the wealthy Chinese descendants play important roles in local government, cooperatively support social services and community activities, and participate in the associations for commerce and tourism.

2-4 Rise of the Tourism Industry in Phuket

The tourism industry has been recognized as the most significant sector in uplifting the conditions of national economy and the source of income for many residents in Phuket for almost thirty years since 1980 (Kontogeorgopoulos, 1998). Tourism in Phuket has been

proved to be growing due to the promotion of the central government, local government, enterprises, labor-intensive industries, and residents. The tourism-related actors are comprised of foreigners, domestic migrants, and locals. McKinnon (1964) states that international tourism would bring in foreign exchange that can be used to import intermediate and capital goods to produce goods and services, which in turn leads to economic growth. However, the tourism sector in Phuket in the past fifteen years has largely fluctuated and been unstable due mainly to the crisis of a global economy, the risk of currency fluctuations, and changes in the internal political situation. Such fluctuations are indicated in the statistics of tourist arrivals, which have a tendency to increase and decrease every other year.

Another indicator of the fluctuations is the change in the tourist market. According to a Japanese-speaking tour guide called Guide Noi, “from 1995 to 2006 was the period of boom of Japanese tourists, especially groups of Japanese businessmen or executive managers who worked in Japanese-based companies in Thailand.” Although only 3 Japanese tourist agencies opened in the pre-tsunami period (before 2006), a vast number of Japanese-speaking tour guides was needed to serve visits of up to 150,000 Japanese tourists annually in Phuket (Srimalee, 2007). Moreover, since the Japanese were considered as one of the economically high-standard tourists, many Thai souvenir shops and tour packages were customized for the demand or preferences of Japanese tourists. However, the major tourist market from 2010 to 2015 shifted to the Chinese, then Koreans, and then Russians. Thereafter, the Japanese-speaking tour guides had difficulty in finding customers, while the owners of souvenir shops meant for Japanese tourists had to study the new market and seek better opportunities. Some shops even have had to close and start over to find other jobs or businesses. Consequently, these fluctuations had an impact on the tourism planning in both macro and micro business perspectives.

Table 1
Number of Inbound Tourists in Phuket and Total Income

Year	Number of Tourist Visitors	Revenue Income (million baht ¹¹)
2012	10,211,885	228,984.88
2013	11,339,885	241,927.00
2014	11,312,037	259,290.50

Source: Department of Tourism, (n.d.)

In general, tourism can be categorized into two types. First, “outbound tourism” indicates the departure of tourists from their home country to another country. In another sense, it is counted as import tourism since the monetary process will be spent in other countries. Conversely, “inbound tourism” means the arrival of tourists from their home country to another country. It would lead to export tourism for a particular country in providing products and services for the tourists. In this context, inbound tourism is significant to the tourism sector in accelerating the national income and boosting the regional economy. The purposes of inbound tourism varies from typical leisure, pre-wedding photo shooting, honeymoon trip, medical services and rehabilitation, to MICE (meeting, incentive, conference, and exhibition).

One category of inbound tourism in Phuket involves tourists who opt to come by a self-managed visit through online booking and backpacking. The other category refers to travel arranged via a prepaid tour package, which is managed by a tour operator and covers all relevant traveling costs. Normally, there are two types of tour packages: 1) Semi-touring package includes plane ticket, accommodation, and taxi transfer; and 2) Full-touring package provides the same products as the semi one, but also includes a tour guide, meals, sightseeing, and shopping.

In terms of financial benefits, the tourism industry is considered as one of the major sectors providing substantial economic contribution to the nation and becoming the main source of living and job opportunity for people in the country. It can be simply stated that the tourism industry is the group of people, business, activities, and organizations that are involved in contributing services and hospitalities for people (customers or tourists) during holidays, such as hotels, restaurants, and tour guides. Apparently, the main source of income among Phuket people come from both direct and indirect forms of tourism-related occupations, which support the job of services and hospitality to the tourists, such as the marine-sport providers, street vendors, and masseurs. Such services are accounted for as the ‘invisible export’ in which the local investment of communicative and hospitality skill in producing goods and services could expect foreign income in return.

According to the Department of National Statistics, the tourism industry in Phuket has been producing sizeable benefits for the government and because of this, Phuket is considered to have the second largest amount of revenue following Bangkok (the capital city). As shown in Table 2, the Gross Provincial Product (GPP) of Phuket in 2012 and 2013 is 121,565 million

¹¹ The rate of 1 baht is approximately equal to 3 yen

baht and 133,283 million baht, respectively. In the GPP per category of occupation, the hotel and restaurant sector produced the largest income, having generated up to 43,119 and 50,341 million baht in 2012 and 2013. The trend of tourism-related occupation in Phuket appeared to be increasing, as reflected in the rising income from 2012 to 2013.

Table 2
Gross Provincial Product (GPP) of Phuket from 2012 to 2013 Per Occupation

Category of occupation	2012 (million baht)	2013 (million baht)
Wholesale and retail	7,591 (6.24%)	7,694 (5.77%)
Hotel and restaurant	43,119 (35.47%)	50,341 (37.77%)
Logistics and transportation	29,698 (24.43%)	31,534 (23.66%)
Financial intermediaries	6,271 (5.16%)	7,512 (5.64%)
Real estate and rentals	5,341 (4.39%)	5,438 (4.08%)
Other occupations regardless of tourism (e.g., agriculture, construction, health, and education)	29,545 (24.31%)	30,764 (23.08%)
Gross Provincial Product (GPP) of Phuket	121,565 (100%)	133,283 (100%)

Source: Department of National Statistics, 2015

Occupations found within the tourism industry in Phuket are quite varied. According to the Tourism Authority, however, they can be divided into seven sectors: accommodation, tour and travel agency, transport, restaurants, souvenir business, rental companies, and entertainment. Given this range, the people involved in the tourism industry tend to be flexible in shifting jobs from one sector to another. For instance, a freelance tour guide temporarily works with the different tour agencies on a non-contract commitment. When some hotel owners face financial problems, they would ask the staff to do three-month shifts or even lay them off.

In general, the actors working in the tourism industry are faced with uncertain working conditions. Apparently, tourism depends on the seasonality of the tour business operations and the competition of accessible tourism-related business. Peak and low seasons of tourism depends on the yearly weather of tourist destinations and the visitors' hometown (Chancharat 2011). For example, peak season (approximately October - February) indicates the high number of tourist visitors in the dry season in Phuket which corresponds to winter in Europe, while low season (approximately March - September) implies the low number of tourist visitors in the rainy season in Phuket which is summer in Europe. This seasonal uncertainty leads to the idea of benefit accumulation in the peak season for survival (money spending) during the low season when profits may not be sufficient for daily life or for maintaining a business.

The Tourism Authority Thailand (TAT) has attempted to decrease this seasonality by promoting an all-year-round tourism through the launch of roadshows abroad and creation of

events and campaigns to maintain a steady inflow of benefits (World Travel and Tourism Council 2015). Thus, it is consequent the year-round visitors of mass tourism from different nations (mainly from China, Korea, and Russia) which, as will be discussed later, unfortunately creates a lot of problems.

The initial feature of mass tourism focused on the quality of managing the trip for a large number of tourists from the emergence of technological revolution. It means the incessant progress of online communication and transportation gives rise to the growth of tourism-related businesses. In the 1980s, the middle class, who earned adequately and had capacity to spend for traveling, had become the world majority and the main group of traveler. Additionally, the advancements in air travel, promotion of tourist attractions on various media, and the availability of numerous tour packages have stimulated the image of tourism-related activities in larger areas and transformed the tourism model to one that is “sale oriented”. Tour operators have been one of the key components of such emerging model. They have become the new agent for organizing the tour package and have contributed the concept of mass tourism for the service sector.

The results of mass tourism in many emerging tour promoting countries have been found to be both negative and positive (see discussion in Chapter 3). Mowforth and Munt (2003) criticize mass tourism as a kind of negative development with growth that can lead to the overexploitation of natural and cultural resources resulting in tremendous adverse consequences to the environment, society, and culture. Its foremost impact is caused by rapid development, without clear planning, in order to meet the aim of attracting more tourists and long-term investments from private enterprises (Cameron and Gatewood, 2008). However, it is noted that the degree of controversy concerning mass tourism depends on the effective implementation of government policies, the state’s tourism management capability, and the residents’ perceptions toward such phenomena. Therefore, a range of alternative tourism, such as eco-tourism and sustainable tourism, has brought into reform the disorder of the contemporary proliferation of mass tourism in many tourist-dominated areas.

Phuket has delved into mass tourism with a lack of effective national scheme on facilities preparation and long-term management, hence, has brought on a plethora of negative public discussion. Largely, it has attracted “low-quality tourists” as a major effect of its mass tourism and the primary reason why many local governmental conferences seek to uplift the quality of Phuket tourism. There are two definitions of “low-quality tourists” found: First, they are the tourists who have no respect to the Thai culture and religious places, including those who harm the nature while exploring the forest or experiencing the sea trip (Mangsang, 2016). Second, there has been a discourse among tourist-related actors that the low-quality tourists also refer to those who buy poor-quality and cut-price tour package from low-budget tour agencies. Additionally, most agencies do not provide insurance or security assurance to the tourists, therefore there is a high frequency of accident occurred due to the preference in the cheap price, rather than the safety concern. In terms of finances, it has generated less benefit to the local people and government (Phuket News, 2017). When the mass tourism led by the low-quality tourists increases, it exploits a large amount of natural resources and causes the environmental destruction. Given the low-quality or low-budget tourists as its major market, the local government will have to spend more on environmental maintenance and restoration. On the other hand, an upgrade of services in Phuket such as better public transportation and

proper support facilities can attract better quality or high-spending tourists.

Seen in another light, the tourism business has contributed large profits to the state revenue and local income. Nevertheless, many problems have occurred in regard to the investment of foreign business owners who have taken advantage of the mass tourism in Phuket. This involves the cases of foreign businessmen who, in an effort to monopolize the mass tourism business, use Thai nationals as their proxy for their business registration. In this case, the Thai national, although listed as the shareholder, merely acts as a proxy of the foreigner in order for the latter to legally establish his business in Thailand. Practically, this is accomplished by the foreigners either employing Thai nationals or marrying Thai women for the purpose of business registration in order to comply with Thailand's law (Section 17, Tourist Business and Tour Guide Act of 1999) which requires a ratio of 51% Thai and 49% foreign ownership.

Compounding the problem, it has been found that these foreign owners have created business networks in different sectors in order to control the market and unfairly reap benefits. For instance, Phuket Tourism has been dealing with the problem of the monopoly of Russian tourism-related businesses all over the tourist sites since 2007 (Manager Online, 2013). The circuit of such monopoly begins with the Russian tour operators selling tour packages to Russian tourists. Once the tourists arrive in Phuket, the tour operators would only use services from the network of Russian business owners, which encompass a restaurant, hotel, resort, pub and bar, souvenir shop, and entertainment business. Thus, benefits from tourism that were supposed to be generated for national and local coffers have been purposefully retained by the Russian business owners. Although the number of Russian visitors has increased and they have become the 2nd major tourist group (after Chinese tourists) in the past five years, there is no indication that the growth has contributed to the Phuket tourism industry as a whole. Currently, this twin issue of Thai nationals working as proxy for foreigners in tourism-related businesses and the accompanying foreign business monopoly has been a matter of deep government concern, as can be noted from the recently mandated closure of many transgressing Chinese tour companies that have Thai proxies (Phuket News, 2016B). Yet, such problems cannot be completely solved and rooted out from Phuket tourism since many Thais still accept working as proxy for foreigners thereby assisting the continuity of the monopoly circuit for the interest of personal benefits.

From tin-mining industry to tourism industry, the socio-economic structure in Phuket has been changed in many ways. Firstly, Hokkien-Chinese descendants, who have historically been engaged with the transnational community, eventually succeed to construct social networks and economic culture through the transformation of their land assets and social capitals into different forms of business and enterprise. The fact that the Hokkien-Chinese descendants have become the major land and business owners among Phuket locals does not, however, limit the economic opportunity for new risk-takers to strive in any business field. The tourism industry boom and the rise of foreign business occurring in later centuries illustrate the way that economic monopoly has still existed in the groups of old and new migrants (Hokkien-Chinese descendants and Russian or Chinese group, respectively). In this regard, Phuket pertains to a space where different interest groups of tourism-related business owners operate. Regardless of the locality issue, a space with various business clusters can give a wider range of job opportunity thereby allowing different people to partake in the sector.

For example, workers will have more options to seek better jobs in hotels operated by owners who can be either local people, Russian, Chinese, or Korean. This would mean that jobs in the tourism sector would seem to be always available for newcomers, although they can be of the high-risk type for long-term work. Given this uncertainty in working conditions in the tourism industry, labor can find ways for employment or business and maintain work security by using social networks that extend their connections to people in related fields.

2-5 Summary

The historical review of economic cultures in Phuket portrays how the social network has been employed in different situations from the first stage of urban development until the current tourism growth. The following summarizes some important points of this chapter.

1) The different kinds of capital could be transformed within the network. For example, land acquisition was made possible for the mining workers who had a close relationship with their *nai hua* (the boss or tin mining owner), and this land can become a business resource for the next generation. In this sense, social capital can be transformed to financial capital.

2) In the emerging tourism industry, it is interesting that the newcomers (domestic migrants) can become a part of the network. They employ different strategies to pursue a certain position in the social structure of Phuket society. In some cases, migrants from other provinces of Thailand moved to Phuket since the 1990s and they have fostered a close relationship with the Phuket natives.

3) When the newcomers could be involved in the network as insiders and attempt to construct their social status, they might find difficulty to climb to the same position as the Phuket natives who are on top of the hierarchy. Considering this difficulty and the close-knit community of Phuket, they would still need to connect with dominant people in order to avail of more opportunity in the network and to sustain their working life.

4) Owing to the high competitiveness in the tourism industry in Phuket, networks are considered as a tool for facilitating the practices of people in the field lacking specific rules or law or transparency thereof. In Chapter Three, the statement of government in restructuring and managing tourism-related careers will be further revealed. The social network can be somehow categorized as an informal practice or activity from the viewpoint of the government. On the other hand, such activity could be considered as common practice in the workflow of the tourism industry. Taking this into account, it is worth examining what informal activities exist in this social network and how such informal activities provide profits to participants involved in the network. The boundaries of formal and informal activities have overlapped because of the ambiguity of the state's formalization. Thus, the terms "informal activities" and "formal activities" should be closely analyzed.

CHAPTER 3: State Management of the Tourism Sector through National Policy

This chapter deals with the roles of state in formalizing the working status of tour operator, travel agency, tour guide, and local taxi through the implementation of laws and regulations. In most emerging tourism settings occurring around the world, especially in developing countries, the main task of the central government is to establish the organization responsible for supporting tourism activities, so that these activities will provide an essential source of national income. In this regard, the way in which the Thai government has attempted to formalize tourism-related activities is considered as a method of setting up a new service-providing system and categorizing labor into different tourism segmentations. However, this study argues that such formalization and categorization of labor do not always reflect the reality of overlapping tasks or duties, which later brings to the fore a dispute of informality resulting in the frequent adjustment of laws and regulations.

3-1 Concept of Formalization of Tourism-related Occupations

Focusing on the tourism-related actors, it should be recalled that, in the past, a tour guide need not go through a licensing process but simply worked directly for the customer with hospitality and truthfulness. Even for taxi drivers in the past, it was not illegal to do business without first having registered his automobile for commercial use. As clearly indicated by Chen (2012), “formalization” is a process of transforming the informal status of people involved in economic activities into a formal status; for instance, an informal worker shifting to a formal wage-earning job. Through registration with and taxation by the government, people who used to be informal self-employed labors are now considered to be formally employed workers.

Most of the previous studies on formalization put emphasis on giving better economic opportunity to an informal business or to groups who are financially disadvantaged, namely, the street vendors, by reducing the tax barrier or giving property rights (Bacchetta, 2009), and by formulating law or policy that promote micro to medium-sized enterprises (Regional Office for Latin America and Caribbean, 2014). In the area of tourism, the operating occupations are mostly related to service-providing activities, which customers can only enjoy during their moment of travel. Hence, the major concerns of tourism-related occupations are service quality, security of service being used, and standard of the service provider.

The formalization of tourism-related occupations is processed through enacting law and policy with the aim of determining the roles and the job descriptions to pursue. The tour guide was once just a job catering to a small group in the tourist sites. However, as the tourism sector grew larger and the demand for tour guides also quantitatively increased coupled with a higher rate of earning, many domestic, and sometimes international, migrants became attracted to the job thus triggering high competition in the labor supply. The formalization of tourism-related business has proved its significance in the field in terms of securing the people’s jobs or working space from otherwise illegal ones. For instance, from the perspective of government, the licensed tour guide is worth more than one without a license because the former has been trained to be a specialist able to pass on correct knowledge about Thailand

and represent the Thai people as a whole. Similar to other hospitality laborers, his job characteristic is akin to a host who takes care of guests in the best way and meets all expectations of the customers.

3-2 Beginning of the Organization of the Tourism Industry

(a) Organizing the National Tourism Industry

Before 2010, all the developmental projects of the tourism industry were under the management of the Tourism Authority Thailand (TAT), which is under the Ministry of Tourism and Sports. This included the development of the curriculum for tour guides and the enactment of policy and regulations for managing tour agencies and tour guides. Since the duties of TAT were overloaded and the tourism industry tended to become a large and important sector, which needed to be overseen by a specific governmental organization, the Ministry of Tourism established a new organization named the Department of Tourism (DoT). The purpose of this organization was mainly to develop a tourist service system and tourism sites, and to create sustainable tourism by initiating a national tourism plan, developing plans for tourism services, promoting and implementing the regulation of tour guides and the tourist business, and evaluating the results of tourism development. To emphasize micro-level development, the organization aims to support the tour guide businesses in boosting their economic and social status. Thus, currently the two organizations operating and developing the tourism sector under the Ministry of Tourism and Sports are the DoT and TAT.

More specifically, the Department of Tourism is the governmental sector that develops the standard of national tourism, human resources, tourist destination, and tourism-related businesses. The Tourism Authority Thailand, after transferring all tasks of internal development to the DoT, has become a state enterprise working as an independent entity under the supervision of the Ministry of Tourism and Sports. Its principal roles are to advocate the tourism of Thailand to both domestic and international market and to connect with other tourism-related stakeholders outside the governmental domain for stimulating the national tourism.

The Department of Tourism comprises ten sectors, yet there are four significant sectors operating the department, namely, the General Affairs Division, Bureau of Tourism Attraction Development, Bureau of Tourism Service Development, and Bureau of Tourist Business and Guide Registration. Each sector is in charge of different duties and works cooperatively in supporting the tourism industry. The organization that directly assists the tourism-related occupations in the form of regional administration is the Office of Tourist Business and Guide Registration. These regional offices are located at the twelve main tourist sites and Phuket had been chosen to operate as the principal office, the authority of which would cover the other two provinces of Phangnga and Krabi.

The promotional events toward tourism started with the first campaign, “Visit Thailand Year 1980 – 1987” which attracted 2 million tourist arrivals and generated a great amount of revenue for the Thai government. The second period of the campaign, “Visit Thailand Year 1987” intended to also celebrate the fifth cycle 60th birthday of His Majesty the King Bhumibhol Adulyadej which contributed to the successful growth of 24% in tourist arrivals compared with the first period. The third promotional event emerged in 1998-1999, which was

known as “Amazing Thailand.” It was the first tourism campaign in Thailand that attempted cooperation between public and private sectors in launching promotions including that of unique Thai tourism products, namely, accommodations, entertainment, souvenirs, and discovering new tourist destinations. The cooperation among different sectors in tourism promotion helped in national economic recovery from the 1997 Asian Crisis and boosted the regional economic activities in some tourist emerging areas including Phuket.

In 2003, the campaign “Unseen Thailand” aimed to introduce many undiscovered places to both domestic and international tourists. The TAT collaborated with several tourism-related associations, for instance, the Association of Thai Travel Agencies and the Association of Hotel Business, in establishing the tourism management committee to help support the rapid growth of the tourism industry. It was considered as a way of expanding employment opportunities to meet the demands of both employers and employees, and to strengthen the networks of tourism-related careers in Thailand through the connection of associations. This campaign used the strategies of offering special promotions to attract international visitors and boost domestic travel, which, based on statistics, resulted in a significant increase in the number of tourist arrivals.

Ten years after several campaigns of Thailand Grand Invitation 2006, Thailand Talk to the World 2007, and TAT’s 50th Anniversary in 2010 were promoted, one of the important tourism promotional events that had been released was the “Amazing Thailand in 2013-2014”. To increase the number of tourist visits, TAT joined hands with the Consular Bureau to facilitate the issue of several pro-tourism policies; for example, the three-month tourist visa fee waiver for holders of Chinese and Chinese Taipei passports, 30-day extension of stay for visitors from 48 countries; and the Thailand Travel Shield insurance coverage policy for visitors. Additionally, the most recent campaign in 2015 presented the theme of Discover Thainess with the aim of renovating the traditional Thai cultures to promote tourism.

(b) National Tourism Policy in Thailand

Thailand established the Department of Tourism, under the Ministry of Tourism and Sports, to undertake the mission of developing standards for national tourism in Thailand. Apparently, the main roles of the department are to contribute to the hospitality and services for tourists; to boost the standards of tourist sites and other significant tourist destinations; and to uplift the service quality of tourism-related occupations. The policy target is to have quality yet sustainable development in the tourism industry. The national tourism policy of the years 2012 – 2016 (Tourism Council of Thailand, 2011) is described as follows:

1. It is important to develop tourism to serve different tourist categories and classes by systematically planning for resource management and by balancing the needs of economy, society, politics, and the environment.

2. The role of tourism is to support the quality life of all Thai citizens who are residing in either regional or metropolitan areas of Thailand in order to foster job opportunities for locals and improve the national economy for better living conditions of all citizens.

3. The promotion of tourism to a higher quality tourist market can stimulate the growth of sustainable tourism especially when promoting new tourist sites for a niche market. To strengthen the domestic tourism industry, it is also significant to support Thai brand products

and services.

4. It is important to present the image of tourism as a part of the modern Thai way of life by introducing the concept to locals in order to create a traveling lifestyle. Consequently, imbibing such experience of being a guest can help the locals to perceive and better understand the quality services required from tourism-related businesses.

5. It is significant to expand tourist sites to other provincial areas to spur socio-economic activities between provincial and regional districts by tourism.

6. It is necessary to stimulate the tourism industry across neighboring countries by creating mutual cooperation in the market for encouraging tourists to travel domestically and internationally, which can lead to the development of a standard and systematic tourism and contribute to the competition of global markets in Southeast Asia and other related countries.

7. The development of any tourism-related organization should put emphasis on the system of tourism management, potential of human resources, strategies of tourism market, and awareness of fair global competition. In a practical sense, the organization should strengthen the role of academy and knowledge of marketing.

8. It is essential to develop the technology for tourism (e-tourism) to effectively promote tourism in Thailand and support the potential of an online market through communication.

9. In order to create a positive sphere in the tourist areas, it is important to promote the convenience and safety of the tourist by cooperating and solving problems with tourism organizations, the state, and the private sector.

(c) Advocacy of Regional Tourism

Since many tourism-related activities are associated with service provided to guests, the organization that supports the management of national tourism was established in 1924 under the Ministry of Commerce and Ministry of Transport with the task of tourism promotion. However, the development of tourism was not limited to Bangkok. According to the plan of commercial and service development in the National Economic and Social Development Plan No.2 (years 1967-1971), the state attempted to promote domestic tourism and to stimulate the tourism sector all over the nation. It was also the starting point of promoting the regional tourist sites and one of the significant projects was the setting up of the caravan in 1968 which offered travels in different provinces in the Southern part, including to Phuket (Tourist Organization of Thailand, 2008). Since then, every national tourism policy has put an emphasis on planning for promoting new tourist sites and providing a budget for infrastructure. Thus, it has provided the opportunity for the development of regional destinations for tourism purposes. The annual increase in the number of tourists is an outcome of the long-term market planning for both domestic and international markets with the purpose of Thailand becoming a standard in the industry, having better quality, safer, sustainable, and more competitive tourism, and finally becoming the “Tourism Capital of Asia.”

(d) Developing Phuket through Infrastructure and Transportation

Phuket is an island separated from the mainland. Since the time of the growth of exporting tin and rubber and importing western products, the only transportation that has been

available for delivering goods and carrying people from place to place was the ship operated by a private transport company. A railway was constructed in 1921 from Bangkok to the Southern part of Thailand; however, Phuket and its two neighboring provinces (Phangnga and Krabi) were not included in the railway construction region (Charernpanyaying, 2004). The local way of moving people and products from the mainland (Phangnga, the neighboring province) to Phuket Island depended solely on a small ferry that could also transport vehicles.

Later in 1967, the first bridge named Sarasin was built connecting Phuket Island to public road 402 of the mainland, which resulted in the increase in subsequent infrastructure projects (Phuket Bulletin, 2010). The main road connected the north to the south and was linked with many new roads providing access to different towns and districts. Additionally, buses and vans also began to operate thereby making public transportation from Bangkok and other parts of Southern Thailand available to outsiders and the Phuket people. Such accessible public transport and convenient infrastructure brought about the development of various settlements of administrative districts, economic zones, historical towns, agricultural areas, and residential areas, such as the economic zones and the historical town that later on became tourist destinations. Furthermore, Phuket was poised to rapidly become a developed city because of the establishment of the first airport in 1951 under a new transport development policy. The first international flight from Phuket to Singapore started to operate in 1980 although public transportation within the province was not conveniently available (Sakunboonpanich, 2011).

What has been transpiring in the current Phuket can be observed from the government projects for mass infrastructure, namely, the construction of many tunnels and bridges for connecting towns, the proposal for building light rails projects, the plan to make Phuket Smart City, and the blueprint for the development of a five-star harbor that will support international cruises and yachts from around the world (Phuket News, 2016A: Pornsawan, 2015).

(e) Role of Educational Institutions in the Training System

To increase the labor force in the tourism sector, many educational institutions began to include the course of Tourism and Hospitality in their curriculum. In 1977, Phuket Community College, Prince of Songkla University, opened as the first community college in Thailand and is considered as one of the first institutions that initiated a 2-year certificate program in Hotel and Tourism and a 3-year diploma program in the same field from 1996 to 1998 (Phuket Community College, 2014). In line with the focus of the National Economic and Social Development No.7 (1992-1996) in producing capable labor for the coming global market, Prince of Songkla University began an international program in 1994 offering a degree for Bachelor of Business Administration in Hotel Management. This was later changed to a degree program granting a Bachelor of Hospitality and Tourism, which included courses on setting-up a business or providing professional services for hotel-specialized practices and tourism-related sites. To further widen the scope of skills or type of labor to be developed, the program also aimed to produce managerial workers for executive positions while shaping the characteristics of global labor that would have the ability to work internationally.

Another institution, Phuket Vocational College, in cooperation with Phuket Community

College, gave academic support to the government's plan of preparing the labor force for the first period of the tourism industry in Phuket. In 1981, it was the first to have offered technical certificate programs in Hotel Business, Food and Nutrition, and Applied Art. Aside from the opportunity provided the youth in the local community, the said programs were significant for different classes of hotels and restaurants with demands for specialized and skilled labor. The cooperation between Phuket Vocational College and the private sector was fruitful in terms of creating job availability in the tourism industry for the locals. Absent the training programs offered by the academic institutions, hotels and restaurants would have had to undergo the tedious process of setting up their own training courses for specialized jobs, namely, kitchen operations and catering (cooking, flower decoration, fruit and ice carving), front office work (reception, telephone clerk, and cashier), and housekeeping (house keeper, room attendant, and linen room supervisor). Due to the growth of the hotel and restaurant industry, it became guaranteed that all graduate students would find a job in a five-star hotel or become owners of tourism-related businesses.

Later in 1983, Phuket Vocational College extended its scope of tourism education to focus on a vocational program for the tourism industry. Mr. Apinan, a retired lecturer who was the director of the mentioned program explains that, after a year or two, it offered a 6-month course for housekeeping operations and food and nutrition to increase the tourism labor force in Phuket. The short course was aimed at helping those who graduated from high school to directly join the labor pool for the tourism market by receiving training from professional hotel managers as job trainees in the actual workplace. Since tourism-related labor has long been in demand, the curriculum for the Tourism and Hotel course has been developed to cover all updated disciplines associated with the tourism industry.

Afterwards, many institutions in Phuket followed in establishing tourism-related programs to support the labor force. Phuket Rajabhat University is one of the successful institutions that drew up a curriculum for a Bachelor of Business Administration degree, with specializations in the business of hotel, restaurant, aviation, and travel agency, as well as a new program for the International Tourism College. The high level of student enrollment, which fact is indicative of an ample supply of labor for the tourism industry as aimed for by government policies, is a measure of the achievement of the academic institutions.

3-3 Formalization of Tourism-related Occupations

In the tourism sector, various businesses are significant in supporting the economic activities of the service sector and serving the demands of tourists in experiencing different cultural activities and appreciating natural sceneries. In general, tourism businesses would include all enterprises that are specialized in providing accommodation, food and beverage, transportation, local products, entertainment, and tour operation.

However, this study brings to the fore a particular group, among the tourism-related occupations, that tend to be the main actors in organizing the tour program to tourists. These include the tour operators, travel agencies, tour guides, and local taxi operators. These four occupations are explained in detail in this section, particularly delineating the definition of every occupation, the process of formalizing their professional status, and the procedure of cooperatives.

The formalization involving the said main actors in this research mainly pertains to the “Act of Tourist Business and Tour Guide 2008” and its implementing regulations under which the Bureau of Tourist Business and Guide Registration has been made responsible for maintaining peace and order in activities involving tourism. Since August 1, 2014, Phuket has been one of the main regional districts included in the Office of Tourist Business and Guide Registration Zone 2 and has been granted similar authority with the central bureau. Basically, the duties of the Office of Tourist Business and Guide Registration Zone 2 are to issue, extend, dissolve, and cancel tourism business permits and tour guide licenses; to be informed about the problems, suggestions, and to encourage public agreement on regulations; to collect information and update statistics of tour guides operating in Phuket; and to address the issues and concerns raised by tourists on violence in the tourism business and in relation to tour guides, and cooperate with the Tourism Police in investigating any threats.

(a) Formalization of the Tour Operator, Travel Agency, Tour Guide, and Local Taxi

Tour Operator and Travel Agency

As earlier explained, there are specialized tourism businesses in accommodation, food and beverage, local products, and even entertainment. Acting as a bridge between these various tourism businesses and the tourists, the tour operator plays the important role of being at the center of the tourism sector in operating the tour for customers, establishing contact with players in different components of the tour (such as hotels, restaurants, shops and sometimes airlines), contributing jobs and careers to different actors (for example, the tour guides, taxi drivers, and so on), and working in collaboration with the government to promote national tourism.

The term “tour operator” is sometimes thought of as being similar to “travel agency,” but in fact, both have very different roles in tourism management. *The tour operator* is directly in charge of operating the tour and focuses more on the part of planning the tour program and assuring the safety of traveling once the tourists have arrived at their destination. Aside from this, the tour operator also hires support service providers or freelancers, such as tour guides, bus or van drivers, and boat, ship, or cruise business owners, to lead the tour and move tourists from place to place. In turn, the role of the *travel agency* is to sell the package directly to the tourist. In cooperation, the travel agency would collect all the tour programs from the tour operator and offer the appropriate tour program to clients based on their requirements. The large-scale travel agency would tend to know the market for trips for different groups of customers. Since most tour operators do not sell tour packages directly to customers, they cooperate with the travel agency to do the marketing for them.

However, the Department of Tourism considered using the term “tour business” (*turakit namteaw*, in Thai) to indicate “the business that operates the touring services or other purposes of traveling for tourists. The facilitation of tour business can include one or all of the services, namely lodging, food, tour guide, or other services mentioned in the Act.” (Section 4, Tourism Business and Guide Act of 2008) Therefore, *tour business* generally refers to both tour operator and travel agency under the Phuket regulations on the tourism industry.

Concerns for the standard and quality of a tour have come to the consideration of the Department of Tourism. Three successive memoranda from the Tourist Business and Tour

Guide Act 2008 were enacted in the form of Ministerial Regulations on the subject with regard to the procedure of registering a tour business in 2012, the stipulated amount of collateral to the department in 2012, and the authorization of a tour business in 2013. Emphasis has been made on the registration of the tour business, which requires securing a permit and guaranteeing accountability for unexpected circumstances that may take place involving customers and staff. The size of tour businesses operating in Phuket differs based on the scope of area, types of tourists, and degrees of undertaking responsibility. In this regard, the permit for a tour business can be classified into four categories (Department of Tourism, 1992) as explained below.

1) *International Outbound and Inbound Tour* refers to a permit for operating tours for both Thai and foreign tourists in Thailand and abroad. The insurance payment to the state costs 200,000 baht¹².

2) *International Inbound Tour* refers to a permit for operating tours within the Thai territory starting from contacting foreign tourists directly and facilitating their travel in Thailand. The insurance costs 100,000 baht.

3) *Domestic Tour* refers to a permit operating tours within the boundaries of Thailand. The insurance costs 50,000 baht.

4) *Specific Area Tour* refers to a permit for operating tours in a specific province and neighboring provinces that have registered for the said purpose with the Office of the Registrar of Tourist Business and Tour Guide. The amount of insurance is 10,000 baht.

The system of categorizing the tour programs was made in consideration of the level of security that a company should be responsible for. The higher the insurance deposit, the better the company will be able to guarantee the safety of their customers. Apart from the insurance through the Department of Tourism, the tour business is also required to directly provide additional insurance to their customers and tour guides covering the entire trip.

Table 3
Number of Tour Business Registration in Phuket (September 2015)

Category of tour business	Number of tour business
International outbound tour business	53
International inbound tour business	559
Domestic tour business	168
Specific-area tour business	934
Total	1,714

Source: The Office of Registration of Tour Business and Tour Guide Zone 2, 2015

Different forms of the tour business (*turakit namteaw*) that operates in Phuket and neighboring provinces can be found ranging from the small-scale to large-scale. As illustrated in Table 3, there are 1,714 tour businesses registered with the Office of Registration of Tour

¹² The rate of 1 baht is approximately equal to 3 yen.

Business and Tour Guide Zone 2 in September 2015. Among these, the two major categories of the tour business can be gleaned – international inbound tours and specific-area tours, which numbered considerably at 559 and 934 respectively. Moreover, as observed in this study, these Phuket tour businesses can be further classified into three main types; namely, the inbound tour business, activity-based tour operator, and tour counter. While inbound tours and activity-based tours are registered under the international inbound tour category, the tour counters are registered under the specific-area tour category. A further discussion of these three business types will provide a window into the complex interrelationship between these separate but highly coordinated business entities.

First, the business of inbound tours involves organizing a tour program following regulations imposed on operating tours for foreign tourists. Most of the tour businesses represent themselves as both tour operator and travel agency, as recently most of the tour operators can deal with clients directly and offer their own tour package. It can be noted that many large inbound tour businesses also undertake a transnational business worldwide. For practical reasons, the tour business establishes its tour operator in Phuket for trip planning, and also builds several travel agencies to seek clients in foreign countries. This type of inbound tour business predominantly occurs with multi-national shareholders who have learned about the popularity of Phuket tourism from their fellow nationals. As a result, they have opened travel agencies in their countries to send clients to the tour operator with which they also hold shares¹³.

Further, there are tour operators in Phuket that have contacts with travel agencies in other countries. Such tour operation is known as a “land tour operator,” which can possibly have contacts with more than one travel agency mostly from China, Scandinavia, Australia and Europe, Russia, Japan, South Korea, India, and Middle East, so as to increase the number of tourists from the potential lot of travelers. For example, it can be observed that China-based tour agencies have a tendency of growing exponentially every year (World Travel Online, 2015; Simonelli, 2015; Phuket Gazette, 2014).

The second type is the marine tour operators mostly found in Phuket and its neighboring provinces. The characteristics of a tour operation depend on the context and location; for example, a one-day trip for traveling in Phi Phi Island and its surrounding islets, plus snorkeling and scuba diving. Therefore, tour programs can be created for one or several destinations following organized routes. Every marine tour operator has to at least be registered as an international inbound tour business and consider the safety of tourists and tour guide as a priority, which entails a costly insurance premium payable to the Department of Tourism. To promote their tour programs, most marine tour operators connect with the travel agencies and tour counters offering brochures and some even have company websites presenting tour programs directly to the tourists.

The last business type is constructed as the typical small booth located at tourist spots,

¹³As prescribed under the law, a Thai national should be the largest shareholder in the case of companies having foreign business partners. Therefore, the Office of Tourist Business and Tour Guide Registration only records the number of inbound tour businesses without specifying the nationality of the business partners. However, the increasing number of Chinese-based inbound tour business in Phuket can be roughly noticed from the Chinese names of the agency such as Sinchai, Jintai, etc.

beaches, and hotels called the *tour counter*. It is a form of travel agency. It carries brochures of tour packages from different tour operators. In order to process the registration of this tour business with the Department of Tourism, the tour counter has to be registered in the 4th category, the specific-area tour business, which would permit sales of a tour program pertinent to sites in Phuket and its neighboring provinces. Practically, the tour counter would gain benefits from being a tour agent for walk-in tourists. Its location has to be clearly noticeable among its customers; hence, not be in the form of a home office.

Categories of Tour Guides in Thailand

In the Thai language, the word “*makutet*” is used to refer to tour guides in official documents and formal milieus; however, it is also common to use the word “guide” when interacting with tourists or in other casual situations. Although *makutet* is considered a Thai word, its roots come from a combination of two Pali words, *magga* and *desaka*. The word *magga* means path; while *desaka* means a preacher, one who expounds, pointing out, or teaching. When the two words are combined, it could be translated to “one who points out the way” (Boonmeesrisaga, 2014).

According to the Royal Institute Dictionary of 1982, the term *makutet* can be defined as “a person who leads the way, or a person who informs the way”. However, based on the definition cited from the Royal Institute Dictionary of 2011, the updated meaning of *makutet* has become “tour guide.”

In terms of a legal definition, the Tourist Business and Tour Guide Act of 1992, in Section 3, defines *makutet* as, “a person who leads tourists to different destinations, provides them knowledge about the destination or related figures, and finally receives remuneration.” Later, in the second and more recent version, the 2008 Act of Tourist Business and Tour Guide, a definition of *makutet* is given in Section 4 as “the service providers who escort tourists to their destinations and give them guide services, instructions, and knowledge about those destinations.” The difference in the definitions imply a change in which tour guides are being viewed more with the expectation of and emphasis on being service providers, escorting tourists, and attaching lesser significance to benefits or returns.

Additionally, Boonmeesrisaga (2014) points out that another actor that tends to operate a similar job to a *makutet* is the *phunumteaw* or tour leader. According to the Tourist Business and Tour Guide Act of 2008, the *phunumteaw* is “a person who is responsible for any activities and conveniences of the tourists during journeys overseas.” Consequently, the job description of a *makutet* (*tour guide*) emphasizes the duty of sharing knowledge to domestic tourists while that of the *phunamteaw* (*tour leader*) focuses on the task of facilitating travel for tourists in foreign countries. For example, when Thai tour leaders bring a group of Thai tourists to Japan, their tasks include only accompanying the group and translating information given by Japanese-licensed tour guides. Tour guides and tour leaders are the occupations that have been reserved for Thais in the tourism sector in accordance with The Foreign Workers Act of 2008¹⁴. Eventually, however, they have become a key group who are considered

¹⁴ According to The Foreign Workers Act of 2008, the job of tour guides and tour leaders is one of 43 occupations that have been prescribed as prohibited for foreign workers. The reason for reserving the occupation for Thai citizens is that, as stated in Section 7, it is concerned with issues of national security. Yet, should there


representatives of Thais in projecting a good image of the country to foreign guests. The Tourist Business and Tour Guide Act of 2008 enumerates the attributes of an individual who can qualify for a license for tour guides. He should be:

- 1) more than eighteen years old on the day of application,
- 2) of Thai nationality, and
- 3) a graduate with a bachelor's degree or a diploma in relation to tour guides or tourism-related fields which includes tour guide study in the curriculum. However, regardless of the said bachelor's degree, the certificate received from the tour guide training course under the curriculum approved by the committee of the Tourism Business and Guide qualifies an applicant for a license.

After obtaining the license, tour guides are strictly required to follow the regulations stated in the Tourist Business and Tour Guide Act 2008 that are significant to the security of the tourism industry.


- 1) In section 57, the tour guides, in performing their duties, must be primarily concerned with their work standards, dress code, manner, behavior, and health condition.
- 2) In section 58, the tour guides are not allowed to give any benefits to the tour companies or any tourism-related actors. This includes the prohibition from being responsible for any financing in full or in part for the tour operation in order to make more profits from gaining tourists.¹⁵
- 3) In section 59, the tour guides have to follow the tour program that has been agreed with the tour business and any tour operations has to ensure the safety of the tourists.
- 4) In section 60, the tour guides cannot allow any other non-licensed tour guides to substitute them in their jobs or duties.

The *makutet* is categorized into two types, which are the general *makutet* and the specialized *makutet*. The first type is given the right to share general knowledge about Thailand to the tourists. There are two subtypes of the general *makutet*, which are differentiated by the language used.




	<p>1. The general <i>makutet</i> (foreign language) can operate tours for both Thai and foreign tourists in the entire territory of Thailand. The type identification can be gleaned from the silver-bronzed badge.</p>
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be increased demand for any prohibited occupation to be opened up to foreign workers, the government would be capable of crafting proper regulations in order to conform with national development.

¹⁵ This regulation prevents the case where the tour guides pay some amount of money to the tour operator in order to obtain many tourists and make profit (namely, commissions and tips) on the shopping-based tour program.

	<p>2. The general <i>makutet</i> (Thai language) can operate tours in the territory of Thailand with customers limited to Thai tourists only. The badge is golden-bronze.</p>
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The specialized *makutet* are the tour guides trained to deliver information of a particular context or field of knowledge to the tourists. Hence, this type of tour guide can operate tours in some designated areas or merely give certain knowledge to interested tourists. The specialized *makutet* is categorized into eight subtypes.

	<p>1) The specialized <i>makutet</i> (foreign language-specific area) refers to the tour guide who can lead both Thai and foreign tourists in the province designated on the badge including other geographically connected provinces. Another term used for this type is the “pink badge <i>makutet</i>.”</p>
	<p>2) The specialized <i>makutet</i> (Thai language-specific area) refers to the tour guide who can lead only Thai tourists in the province designated on the badge including other geographically connected provinces. Another term for this is the “blue badge <i>makutet</i>.”</p>
	<p>3) The specialized <i>makutet</i> (forest walking) refers to the tour guide who can lead both Thai and foreign tourists in the forest area. Another term for this is the “green badge <i>makutet</i>.”</p>

 <p>บัตรประจำตัว มัคคุเทศก์ TOURIST GUIDE</p> <p>นาย กษิพัต ศรีสวຍ KASIPAT SRISUAY</p> <p>2014 / 07 / 20 Date of Expiry XX-XXXXX ID No. 0 1234 56789 00 1 Licence No.</p>	<p>4) The specialized <i>makutet</i> (art and culture) refers to the tour guide who can deliver information about Thai history and archeology, Thai arts and cultures, and Thai literature for both Thai and foreign tourists. Another term for this is the “red badge <i>makutet</i>.”</p>
 <p>บัตรประจำตัว มัคคุเทศก์ TOURIST GUIDE</p> <p>นาย กษิพัต ศรีสวຍ KASIPAT SRISUAY</p> <p>2014 / 07 / 20 Date of Expiry XX-XXXXX ID No. 0 1234 56789 00 1 Licence No.</p>	<p>5) The specialized <i>makutet</i> (sea area) refers to the tour guide who can lead both Thai and foreign tourists in the maritime area. Another term for this is the “orange badge <i>makutet</i>.”</p>
 <p>บัตรประจำตัว มัคคุเทศก์ TOURIST GUIDE</p> <p>นาย กษิพัต ศรีสวຍ KASIPAT SRISUAY</p> <p>2014 / 07 / 20 Date of Expiry XX-XXXXX ID No. 0 1234 56789 00 1 Licence No.</p>	<p>6) The specialized <i>makutet</i> (coastal areas) refers to the tour guide who can lead both Thai and foreign tourists in the coastal areas and islands that are less than 40 nautical miles from the coastal areas to the tourist destination. Another term for is the “yellow badge <i>makutet</i>.”</p>
 <p>บัตรประจำตัว มัคคุเทศก์ TOURIST GUIDE</p> <p>นาย กษิพัต ศรีสวຍ KASIPAT SRISUAY</p> <p>2014 / 07 / 20 Date of Expiry XX-XXXXX ID No. 0 1234 56789 00 1 Licence No.</p>	<p>7) The specialized <i>makutet</i> (natural tourist destination) refers to the tour guide who can lead both Thai and foreign tourists in the specific natural tourist destinations designated in the badge. Another term for this is the “purple badge <i>makutet</i>.”</p>
 <p>บัตรประจำตัว มัคคุเทศก์ TOURIST GUIDE</p> <p>นาย กษิพัต ศรีสวຍ KASIPAT SRISUAY</p> <p>2014 / 07 / 20 Date of Expiry XX-XXXXX ID No. 0 1234 56789 00 1 Licence No.</p>	<p>8) The specialized <i>makutet</i> (local culture) refers to the tour guide who can deliver information about local culture, arts and culture, traditions, history, geography, and archeology of a particular cultural tourist destination designated in the badge for both Thai and foreign tourists. Another term for this is the “brown badge <i>makutet</i>.”</p>

The roles and responsibilities of tour guides, as have been observed under this study, can be explained in two aspects. Firstly, the tour guide is the representative of the nation and the presentation of a good image for the nation is imperative. With that, it is the guide’s

responsibility to help tourists understand different national institutions, as well as the local cultures and traditional ways of life. Secondly, their responsibility depends on specific characteristics of the tour business and the job description of the assigned tour.

Table 4

Registration of Tour Guide Licenses in Phuket (September 2015)

Category of Tour Guide License	Number of issued Tour Guide License
General tour guide (foreign language)	2,653
General tour guide (Thai language)	-
Specialized tour guide (foreign language- specific area)	2,051
Specialized tour guide (Thai language-specific area)	11
Specialized tour guide (forest walking)	7
Specialized tour guide (art and culture)	-
Specialized tour guide (sea area)	14
Specialized tour guide (coastal areas)	1,573
Specialized tour guide (natural tourist destination)	6
Specialized tour guide (local culture)	-
Total	6,315

Source: The Office of Registration of Tour Business and Tour Guide Zone 2, 2015

Table 4 shows that the number of tour guide licenses issued in Phuket was 6,315 in September 2015. It can be easily said that there are only three out of ten significant license categories and an analysis of the data would show that out of 6,315 licenses, 42% are general tour guide (foreign language) license, 32% are specialized tour guide (foreign language-specific area) license, and 25% are specialized tour guide (coastal areas) license. However, there can be a case when a person holds several different types of licenses, especially for the specialized tour guide so he can work in both specified areas (Phuket and neighboring provinces) and coastal areas. Meanwhile, the general tour guide usually holds only one license because the scope of his area for touring covers all of Thailand. Therefore, the totality of 6,315 shows the number of tour guide license registered with the department, but it does not actually reflect the exact number of licensed tour guides working in Phuket tourism.

The development of the activities of tour guides has not been limited to merely what has been given under the historical perspective and by legal definition. In reality, when referring to a tour guide, there are further sub-terminologies, which are in accordance with the characteristics of tours in different contexts (Boonmeesrisaga, 2014). A listing of the definitions of these sub-terminologies is shown in Table 5.

Table 5
Definitions of Sub-terminologies for Tour Guides in the Thai Tourism Industry

Sub-terminologies for Tour Guides	Definitions
Tour Escort	A person who can facilitate travel for tourists
Interpreter	A person who can do simultaneous oral translation
Sitting Guide	A tour guide who is duly licensed but has difficulties in language communication and lacks sufficient tour experience. The duty of a sitting guide is to work in cooperation with the tour leader and facilitate the tour activities for the tour leader.
Freelance Guide	A tour guide who has no contract with any tourism businesses; or otherwise, a tour guide who specializes in a particular topic such as plants, biology, animals and who has been hired temporarily for sharing specific knowledge to customers
Museum Guide or Docent	A tour guide who gives a tour in a museum, or in a specific area in different rooms
City Guide	A tour guide who can explain various important spots in the city to tourists on bus tours
Sightseeing Guide	A tour guide who drives while explaining the details of different spots that the tour passes by. This type of tour is popular among countries, which are well known as tourist destinations. However, some countries prohibit such tours for safety concerns. In addition, the information being given may not be as complete as that provided by the regular tour guide.
Local Guide	A tour guide who is able to narrate information specific to a particular city because he/she is a local resident. The local guide is more proficient in giving specific details, such as a good place for parking, shopping, and must visit sites. Further, he/she knows how to avoid crowds at a tourist site while giving a tour.

Table 5 outlines a standard for sub-terminologies used for tour guides in the Phuket tourism industry, which are also otherwise known as freelance guides, sitting guides, city guides, and local guides (*guide tong tin*, in Thai). Moreover, since Phuket is located on a coastal island, the additional term *guide talay* is used, which literally means “sea guide”. Therefore, a *guide talay* is a tour guide who can provide information about the geography of coastal areas and islands in Thailand and can give information as to the safe ways to enjoy marine-related activities.

Transport Services in the Tourism Industry

Phuket has faced poor management and low standards of public transportation. Although the local government has attempted to provide local buses plying routes from the central areas

of Phuket to different highlight spots, namely, the airport and beaches, the quality of transportation services remain problematic, specifically regarding the bus schedule arrangement, changeable bus stops, and the physical condition of buses. Thus, outside of the logistics of tour operators, the best way to travel in Phuket for tourists with international driving licenses is to rent a car or motorbike, or to hire a taxi. The Department of Transport is in charge of issuing driving licenses, managing public transportation, and issuing permits to taxi service.

The legalization of status of local taxis began with the Act of Land Transport in 1979. There are four types of taxi services in Phuket, namely, the metered taxi, the four-wheeled *Tuk Tuk*, the van, and the green-plate car or limousine. Registration of the van and the limousine may be done by the driver with proper documentation showing work for tourism purposes with an endorsement from, for example, a hotel, travel agency, or any entrepreneur of a tourism-related business. The registration is classified into two types: either as a sole proprietor or as a legal entity under a company name or cooperative. The operation of formalizing illegal taxis (known as “black plate taxi”) into legal ones (or “green plate taxi”) was conducted for 2 years (2012 – 2014). Indeed, the government has been attempting to control the number of registered taxis by opening up registration periods for only a limited time. At first, on October 18, 2012, there were 2,882 registered cars. The second round of registration for green plate was in August 2014, and the third round was in September 2014. Currently, approximately 5,000 registered taxis (excluding motorcycle taxis) operate around Phuket.

Table 6
Number of Transport Registration in Phuket (September 2015)

Category of Transport	Number of Transport
Hire car for less than 7 passengers (metered taxi)	336
Four small-wheeled hire car for less than 7 passengers (<i>tuktuk</i> , a type of Thai taxi)	515
Service car for specific route (green plate taxi)	2,321
Service car for multi-route (green plate taxi)	2,180
Rental car	-
Motorcycle taxi	2,144
Total	7,496

Source: Department of Transport, 2015

The Academic Section of the Department of Transport, in a staff interview, explained that their task is not limited to planning and arranging public transportation. Apparently, they also serve as the “call center” for tourists who complain about or have problems with a taxi (for example, dial 1584 for lost and found articles, etc.). An informant, who was the administrator of the said Academic Section at the time of fieldwork for this research, recalled a specific case when she was working as operator of the call center. It involved a customer who left her wallet in a taxi. Asked if the customer could remember anything about the taxi,

she replied that she could only remember that it was gray and blue. From the color of the taxi, which points to a certain area where the taxi company is located, the administrator was able to track down the phone number from their records. However, he hit a dead end to the search as only data for the registered name of the company, and not the driver's name, was shown. This case tends to show the lack of care for the safety and security of the passenger.

According to the Department of Transport, the copious complaints from both domestic and foreign tourists in regard to illegal taxis and disputes on unfair taxi fares have been taken into consideration. Moreover, the problem of influential taxis located in front of hotels and beaches has become a serious agenda for the government. Practically, the gathering of illegal local taxi exists in the form of an association of owners of local taxis to protect their areas from competition from non-local taxis. Sometimes, this can be detrimental to both legal taxi drivers and customers, which leads to a negative image for the tourism industry in Phuket. The Department of Transport started a project to formalize the existence of illegal taxis, which could help provide job opportunities to the local people. Data as of August 2012 show that there are 3,594 taxi drivers who were not formally registered and approved as service providers. The government initiated a "Taxi Management" project that started from August 2012 motivating the taxi driver to register with the Department of Transport. This campaign is aimed at reducing the "taxi mafia" in many tourist destinations in Phuket (Khamlo, 2012). One of the biggest department stores in Phuket, the Central Festival, has been asked to cooperate with the government and the Department of Special Investigation (DSI) to take over the taxi mafia in areas around it.

(b) Some Negative Outcomes of Formalization brought about by Mass Tourism

Mass tourism is characterized by tourism that operates for a large number of tourists and their traveling on a limited budget. The basic idea that actors in tourist destinations bear in mind is "selling as much as produced" (Sezgin and Yolal, 2012) which concerns the tourists' demand. Since large demands are inclined to meet the same interest, a service-oriented product can be served under conditions of mass production (Urry, 1990) and thereby reducing cost of capital for more consumption. In this regard, Phuket has recently experienced this form of tourism, as seen from the statistics of millions of tourists visiting per year. The main factors considered in mass tourism are the low cost of living, convenient accessibility and infrastructure, emergence of low-cost airline, and availability of budget accommodations. To deepen the information on mass tourism in Phuket, the researcher conducted an interview with Dr. Prateep Wetprasit¹⁶, a lecturer who specializes in hospitality management, who gave his insights on a compelling phenomenon related to tourism in Phuket presented below.

The term "mass tourism" as used in the Phuket context implies some negative connotation. The way it has been understood is that we have to cheapen the cost of production in order to gain a lot of customers. But, the tourism development, or the government as a whole, doesn't want to see mass tourism happening because of its negative effects, like the problem on waste disposal, water management, and pollution. We have the potential to increase the value of our services, so that we don't have to

¹⁶ Dr. Prateep Wetprasit is a lecturer from the Faculty of Hospitality and Tourism, Prince of Songkla University, Phuket Campus.

exploit our capitals too much. And behind the Phuket mass tourism, there is the huge market of tour packages from countries like Russia, Korea, and China. And some tour companies even promote their tour packages at a very low price. You see, the number of tour counters or tour business has increased every year. And have you come across the “zero-dollar tour” (*tour soon rien*, in Thai)? It is a kind of tour operation that sells the tour package at a very low price (sometimes lower than its cost) or even zero baht. So, they can recruit many customers to participate in the tour and then make a lot of profit from the purchases that the customers make during the trip courtesy of additional tour packages and commissions from shopping. Such tour package is illegal and causes a big problem to the quality of tourism industry in Phuket, as usually the tour package must have its reasonable cost without extra payments from the customers.

As can be gathered from the interview, there are negative consequences brought about by mass tourism in terms of long-term environmental problems and socio-economic structure that should and can be avoided. In the current setting, because the price of tourism services can be flexibly increased or decreased, many travel agencies or tour counters would usually sell a tour package with the mark-up of 20 to 30 percent of the actual sale price. On the other hand, some tour companies would rather dump cheap tour packages on the market to spike the number of its customers as what has happened in the illegal “zero-dollar tour.”¹⁷ In any case, mass tourism connotes a situation where the power of the tourist (customer) can prevail over the management of the state. In other words, all governmental planning on city development in Phuket, such as the mass transportation by light rail and the infrastructure for massive tunnels, are being undertaken to prioritize the services for tourism instead of for the local residents.

Additionally, every year, TAT and the DoT presents a report on the progress of tourism and illustrates statistics indicating tourism growth through the number of visitors, their length of stay, and their expenditure. It, therefore, gives an impression of how the government perceives tourism development based on quantitative measurements consequent to the growth of mass tourism. Coming from another perspective, however, many tourism-related scholars and large-scale business owners have also been discussing the need to reduce mass tourism and replace it with a high-cost, high-quality tourism, as can be observed from the promotion of tour packages for niche markets.

Another method to understanding mass tourism is the observation of the atmosphere of the airport, the initial venue where tourists encounter their destination. The first thing a traveler notices about Phuket International Airport is its proximity to the ocean. While the size of its 3-story building is relatively small compared to other international airports, each story comprises of different convenient amenities to fulfill tourist needs, such as fast food, luxurious restaurants, duty-free shops, and lounges for the premium-class passenger. An in-between

¹⁷ Rungsrirawat (2013) collected information of tourists’ reflections regarding their scammed experiences in “zero-dollar tour”. It has occurred that some illegal tour guides force tourists to buy optional programs, services, or product. If the tourists do not purchase anything, the illegal tour guides would threaten them by holding their passport, leaving them outside hotel room, or abandon them at some places. Some illegal tour guides even gives negative information to the tourists, for example, Thailand is the land of prostitutions and the free sexual activities. Such situations have caused an immense vandalism on the tourism in Phuket and Thailand as a whole.

space of restricted area and general area is reserved for specific service providers, namely, travel agency, taxi operator, mobile company, and hotel booking. Inside the airport, the usual scenario involves a crowd of tourists lingering around, especially at the departure zone where they are lined up from baggage security check to ticket check-in.

Phuket International Airport is known as one of the busiest airports in Thailand as it operates twenty-four hours a day, seven days a week with numerous flights available all day and night. What seems to be astounding is the operation of 5 to 10 charter flights every night that carry a great number of Chinese tourist groups to Phuket. Their arrival would be greeted by a host of tourism-related personnel, like representatives of hotels, tour guides, or taxi drivers, who show up bearing signs of passengers' names, patiently waiting for their assigned tourists to come. The airport has never been quiet; on the contrary, it is always bustling with activity and the noise of passenger names being called out. Upon meeting and welcoming their guests, the staff would lead all their passengers to a bus or van for transfer services to the city center where touristic activities await them. Aside from the presence of a massive crowd of tourists in the airport, it can also be observed how a multitude of tourism-related labor operates and accomplishes various tasks in order to fulfill the demand of such mass market.

It cannot be gainsaid, in this scenario, how countless tour guides perform a central role in the multitude of service providers in the industry. The following cases, therefore, look into how formalization, which is the process authorizing the work of tour guides, can address the excessive demand for tour guides so as to effectively serve the mass market and lessen the adverse impact of mass tourism. Apparently, one way to fill such high demand is by reducing the barriers to tour guide licensing. The process conveys the idea that the government could accommodate relaxing requirements for tour guide candidates so as to step up recruitment of more tour guides into the sector. The barrier reduction has become imperative in improving the quality of tour guides and started to allow access to the informal working practices of tour guides, which will be discussed in the following chapters.

Case 1: Reduction of Barriers to Tour Guide Licensing

Phuket has experienced the influx of tourists from all over the world, which has resulted in the increasing demand for tour guides employed by tour operators. In fulfilling the requirement of the tourism sector, Phuket Community College plays an essential role in raising the standards of the mainstream tourism-related business. Since 2010, when the TAT has transferred all works in regard to tourism services to the Bureau of Tourist Business and Guide Registration, Phuket Community College had been assigned to work on academic cooperation in arranging short-course training programs for licensing area-specific tour guides (only in Phuket or the Andaman coastal area).

The role of educational institutions is pivotal in enhancing the quality of the labor force entering the market. Specifically, what concerns the president of the Professional Guide Association of Phuket is the quality of post-training for the licensed tour guides. He explained in an interview how, in the past, only two types of licenses for tour guides were available but that this has changed after the Asian Financial Crisis in 1997 when promotions for tourism created a traveling trend. This rapid growth in tourism coupled with the aim of generating income for locals led to the government launching a plan to increase the number of tour

guides.

First, veering away from the formerly complex process of application and licensing, regulations and criteria have been reduced. Further, the process has been revised by increasing the types of tour guide licenses from two to eight depending on the specific areas or purposes of travel; accepting applicants from graduates of secondary education instead of tertiary education; and shortening the period of training from three months to two weeks. The demand from many travel agencies for more tour guides have focused sharply on the large quantity, rather than better quality; thus, the government's response of a more convenient licensing process. The President of Phuket Professional Guide Association, Guide Noi gives his opinion:

It is very unfortunate that some institutions consider the short course training as a business, rather than pure education, with the underlying idea of 'if you can make full payment, then you can graduate.' Thus, the training system run by educational institutions should be more concerned with 'quality control' of producing tour guides, rather than serving the 'quantitative demand' of travel agencies or other tourism-related sectors.

Case 2: Emergence of the Sitting Guide

A sitting guide, as earlier shown in Table 5, is a tour guide who is duly licensed but has difficulties in language communication and lacks sufficient tour experience. The duty of a sitting guide is to work in cooperation with the foreign tour leader (or known as illegal tour guide) and facilitate them the tour activities. As will be explained in the following discussion, the working situation between the Thai sitting guide and the foreign tour leader is a touring system fraught with issues of illegality and informality. In this regard, the emergence of the concept of sitting guides can be argued as an unexpected outcome of the formalization of the tour guide's occupation. It can be argued that the status of a sitting guide is considered informal once he uses the cloak of legality of a license as his tool to operate an informal manner of touring. The focus of this discussion is aimed at understanding the thoughts behind the strategies utilized by Thai licensed tour guides in using the legal status granted, through formalization, to best adapt to difficulties in their working situation.

Mass tourism has given rise to various touring systems from which benefits are derived by tourism-related actors; however, it has become apparent that some systems have pushed beyond legality. In this respect, when the central government enacts a policy or law that go against reality on the ground, it can be a challenging task for the local government to adjust the context in line with state policy. To illustrate, due to the mass tourism trend among Koreans, Russians, and Chinese, a sizeable group of tour leaders from these countries has emerged. When a Korean tour leader, for example, accompanies a group of Korean tourists to Thailand, he is only allowed to facilitate the tour in terms of providing services and language translation. Yet, many tour leaders from the aforementioned nations have worked in similar fashion to Thai tour guides, which is patently illegal under The Foreign Workers Act of 2008. Worse, they have become a group of foreign labor who not only get to exploit local capital and resources but also receives wide-ranging profits from the Phuket tourism industry.

Once the foreign tour leader (in this case known as illegal tour guide) lands in the foreign country (for example, Chinese tourist groups land in Thailand) with their clients, they

should not be able to operate the tour by themselves, but rather, they are required to find Thai-licensed tour guides to run the tour operation. The foreign tour leader should only accompany their customers during the trip and work cooperatively with the tour guides to assist the overall tour program. However, what actually happens in the situation of foreign tour leaders in the context of tourism in Thailand, particularly in Phuket, is that they tend to have control over the licensed tour guides. For instance, tour leaders would give information about tourist attractions and earn much from commissions or additional tour packages, which normally should be received by Thai-licensed tour guides who have authority to manage the whole trip. Sometimes, Chinese tour operators¹⁸ hire Chinese tourists, who have temporarily stayed in Phuket and have no working permit, to be the tour leader and go as far as employing them to work permanently when there are tourist groups. Given this reality, most Thai-licensed tour guides find themselves starting a job as sitting guides for foreign tour leaders and working under an illegal touring system.

The number of foreign tour leaders, who work as illegal tour guides in Phuket, is still unprovable since there is no record of such number in the official document. However, a rough calculation of the illegal Chinese tour guide found in 2017, given by the President of Phuket Professional Guide Association, is not less than a thousand. This number is considered as the highest, compared to the number of Russian and Korean illegal tour guides working in Phuket, which could be found approximately 300 and 200 respectively (Phuket 7 Days Online News, 2017). The existence of illegal tour guides has been discussed among Thai licensed tour guides, especially Chinese-speaking ones, for more than ten years. It affects the Thai licensed tour guides since many of them have not received any work call from Chinese tour operators. They are frightened that the Chinese illegal tour guide would take the jobs away from them and finally it is possible that they would lose the touring jobs (Thai Tour Guides, 2013).

A limitation of the study is to not be able to gather data directly from the foreign tour leader (or illegal tour guide) due to the concern of researcher's safety. Therefore, most information on the issues of illegal tour guide have been gained from the secondary data, namely, newspaper and Thai (licensed) tour guide who have experiences of working with the illegals. Despite this limitation, the main discussion on the thoughts behind strategies utilized by the Thai licensed tour guide is still valid even without the primary data of illegal tour guide.

Guide Jenny is a 23-year-old Thai female and an English-speaking tour guide who has worked in the service sector for one year and a half. The researcher knew her from networks within the university. She is a freelancer who started off with a job as a sitting guide. Her tasks are to work cooperatively with and facilitate the touring activities for the foreign tour leader. She further explains that she has always worked with foreign tour leaders who actually are illegal tour guides. These illegal tour guides conduct the tour and have decision-making power over a group of Thai-licensed tour guides, who in this case are just "sitting guides." Thus, in this scenario, the tour commences and the illegal tour guide would be the one to lead the tour, give information to tourists, and manage all financial matters while, at the same time, the

¹⁸ Chinese tour operators, used in this context, imply tour businesses where one of the shareholders has Chinese citizenship. In the case of using a Thai nominee for Chinese tourism-related business, as discussed in Chapter 2, the Chinese shareholders are actually the major owners, who have power to make decisions on recruiting their fellow nationals to work in the tour operation.

licensed tour guide sits in his presence and serves as “protection” from being apprehended by officials. A casual conversation with Guide Jenny gives a better understanding of such illegal kinds of working patterns. It should be explicitly noted, before reading the quoted conversation below, that it is a delicate matter to address a guide with the term “sitting guide” because of the sensitivities of the nature of the job. Despite the inappropriateness of the term, Guide Jenny personally allowed the researcher to refer to her in such way and permitted her to reveal detailed information for the purpose of research.

Researcher: What are the reasons that made you become a sitting guide?

Guide Jenny: I have no choice but to be hired as a sitting guide and receive 1,000 baht per tour operating day. But if I get lucky in being employed by a party group (a longer-period of tour operation for a tourist group approximately operating for 5 – 6 days), I will be paid much higher at around 5,000 – 10,000 baht per party group depending on the numbers of customers, too.

Researcher: What do you have to do during the trip?

Guide Jenny: My job is to just help the tour leaders operate the tour and contact the places where we will take the customers to. Sometimes, there is no chance to talk with the customers because the tour leaders disallow me to contact their customers. But I have to learn the Chinese language, it is my goal. And what’s even worse when working for many Chinese tour operators is, if you want to be the main guide (meaning the solo tour guide without any Chinese tour leader), you need to make a deposit of 300,000 baht¹⁹ with the tour operator. This is to guarantee that you will keep their customers safe and you will follow the tour schedule planned by the tour operator. In the past, they experienced dishonest tour guides who took their customers shopping or making profit from their customers.

Researcher: Are you going to work like this for the rest of your life?

Guide Jenny: Of course not, I know where and how to pursue my career. I know a lot of people in the tourism sectors. I know tour operators and tour guides from whom I can get jobs.

Such situation has apparently been increasing and has produced tremendous problems to the point of resulting in a reduced employment rate of Thai-licensed tour guides (who are not mere sitting guides). Many sitting guides even accept a lower paid job because they want to be selected from large numbers of Thai-licensed tour guide. In this respect, the Chinese tour operators²⁰ and Chinese tour leaders tend to harness their operation of tourism because they are the group who can reach the foreign markets, not the Thai-licensed tour guide. This is another side of mass tourism that has tremendous impact on labor, the local economy, and the tourism structure as a whole. Regarding the individual perspective from Guide Jenny, her sitting guide job is just a process of her job mobility although it can be said to be

¹⁹ 1 baht is equivalent to 3 yen.

²⁰ Has the same meaning with “Chinese tour operator” explained in the footnote 6.

professionally incorrect.

To some extent, the sitting guide is not a definite working status, but it is considered as temporary. A Thai licensed tour guide is a freelancer who can freely accept any job offer from different tour operators. Thus, it can be noticed that, within a week, some Thai licensed tour guides who specialize in English may work as a legal tour guide to operate a one-day trip for an Indian tourist group through giving them information in English, but by the next day they might receive a job from a Chinese tour operator to work as a sitting guide. The portion in the group of Thai licensed tour guides who look for tour jobs as sitting guide, especially for Chinese tour operators, is the same as the number of foreign tour leaders acting as illegal tour guide. There is approximately more than a thousand Thai licensed tour guides getting in and out the status of sitting guides.

Speaking of the Thai legal system, the abovementioned circumstance is not only in breach of The Foreign Workers Act of 2008, it also goes against the Tourism Business and Tour Guide Act of 2008, section 60. It is clear that tour guides cannot allow anyone without a license to substitute for their touring duty. Among the Thai-licensed tour guides, the sitting guides are perceived to lack professional dignity. However, the jobs of the sitting guide and tour leader are ambiguous, which leads to the difficulty in making a definite judgment. According to Mr. Santi, the registrar of the Office of Tourism Business and Guide Registration Zone 2,

I cannot be such a stringent officer who merely follows the law unmindful of the real context. We have to accept that tour operators need illegal tour guides under the tourism business system because the Thai tour guides have lower levels of language proficiency. However, the illegal tour guides can only perform their jobs inside the bus. If I find them giving information once they are at the tourist sites, I will obviously arrest them. I also expect that, in the future, the sitting guides would be able to improve their language ability and gain more experience, after working with the illegal tour guides.

This statement indicates that, in order to maintain the macro tourism system, it is better to allow some illegal tour operation to work within the system under specific conditions. If the registrar were to strictly enforce the law and arrest all illegal guides hired by most tour operators in Phuket, it would create a negative impact on both the tour guide and the company, and the tourism industry in Phuket would immediately be shut down. Thus, in his position as a government officer, he is faced with the contradictory tasks of protecting jobs for Thais or creating another dysfunction in the tourism business system.

3-4 Summary

The two cases discussed above showing negative outcomes of formalization illustrate the ambiguous practices of formality and informality, which to be understood requires the different perspectives of actors in the sector. However, before justifying the formal and informal state, an explanation is needed to understand the reality when it comes to practices. The state authorizes the working status for each actor to liberally work in the sector and designate certain rules of practice in the field. However, one actor is able to perform various

practices simultaneously which cannot be sharply distinguished through a government survey, a situation that is clearly indicated in the case of sitting guides. The actors see an opportunity from these overlapped fields – in this case, the overlapped fields between the sitting guide and tour leader, yet other fields can also be seen in the careers of bus driver, owner of travel agency, and scholar which will be further discussed in chapter 4 — which can be used to maximize their profits acquired from the tourism industry. The government actually realizes this situation and has tried to shape the new rules, which can be applied to manage all situations, but the practices of actors are too dynamic to be controlled by static rules.

In examining many cases in the industry, it appears that every actor may have been involved in “informal practices” by which some profit could have been gained. It is difficult to simply designate such informal practices as illegal because the actors are able to find a “loophole” in the legal system and utilize it inasmuch as the legal limits allow. The government, in response, has tried to close any legal lacuna by making a new rule; nevertheless, it cannot investigate easily the flexible form of doing business in the tourism industry by using a strict and narrow view.

It could be seen therefore that informality is not the static status used to define the illegal activities of actors, but rather that informality is a dynamic situation which has occurred from two criteria: 1) the actors try to move from one field of regulation to another field in order to avoid the restriction on getting highest benefits; 2) there are external forces created by the government in an effort to appropriately manage regulations by expecting that resources can be equally distributed. By the occurrence of practices in these two axes, the informality can be observed in the field of tourism industry, and becomes the space of negotiation, reconciliation, and contestation among actors.

Chapter 4: Dynamism of the Working System of Tour Guides

This chapter explains the development of a tourism system that has been led by tour guides from the 1970s to the present. The tour guide represents a tourism-related career that can be identified in different ways and can play in complex and multifaceted roles (Cohen, 1985; Robotic, 2010) in the tourism sector, such as of tourism-related labor, service provider, and benefit distributor. Through analyzing the career of a tour guide in the context of labor study, particularly in the situation of market-based tourism, this chapter argues that unlike contracted laborers in tourism sector (e.g., staff of hotel, restaurants and souvenir shops), most licensed tour guides work flexibly as a freelancer with multiple tour operators.

It is true that tour guides can be considered formal labor when they undergo the process of authorization by the government, which allows them further to work in the field of tourism. Interestingly, however, their working situation becomes “unpredictable” and “unplannable” after receiving their license. Such unpredictability in the career of a tour guide exists regardless of their employment status as full-time or freelancing. Moreover, some who possess a tour guide license may never be employed by any tour operators; yet these tour guides may illegally work independently whenever they find tourists on the street or tourist sites.

The significance of tour guides in the tourism sector in Phuket can be considered from its increasing numbers²¹ annually due to the demand of tour operators and the growth of the tourism market. The opportunity to seek sources of income is relatively high, compared to other tourism-related careers²². Among tourism-related actors, the tour guides are well-positioned to receive opportunities to become intermediaries among various groups in Phuket tourism setting. Then, they can utilize strategies, which eventually support the occurrence of informal activities.

The roles of a tour guide as an intermediary can be analyzed in two levels. First, the tour guides are at the center of the services provided by tourism-related businesses – hotels, transportation, sport activities, entertainment, and so on. Since they have the chance to contact tourists primarily, tour guides would suggest to tourists to use specific services and would receive profits in return. The businesses can fail given the competition in the tourism market if the tour guide does not introduce them to clients.

Second, tour guides can create connections with government organizations. Among various types of laborers who are not graduates of higher education, tour guides can receive more privilege due to the fact that they are believed to be representatives of the nation who are able to introduce Thai culture to tourists. The government believes that the quality of the tourism industry can be increased by a development of the tour guide profession²³. Hence, the

²¹ The number of registration of licensed tour guides in the Bureau of Tourism Business and Tour Guide Registration has increased from 3,032 in 2012 to 9,223 in 2018.

²² According to the field data, the monthly income is approximately 25,000 – 60,000 baht (1 baht is equivalent to 3 yen).

²³ The tour guide is one of the important components of the Thai tourism industry as referred to in the strategic scheme of developing products, services, and other tourism-related components in the Plan of National Tourism

Thai government provides various projects and financial support encouraging tour guides to increase their communication skills, service abilities, and cultural knowledge. There is much support from government, and one example can be observed from various workshops conducted by educational institutions. This gives opportunity to tour guides to expand their networks with such institutions and organizations.

The career of tour guide has been defined and conceived of in varying views by governmental sectors and academics, despite such views possibly being in contrast with the reality of the experiences and perceptions of tour guides on the ground. In this regard, the historical context, state laws and regulations, and fieldwork data become essential in order to describe the working patterns of tour guides as key persons in connecting the totality of all tourism-related economic activities. From the formalization of a tour guide's working status to the liberal-oriented nature of jobs in the tourism industry, data can further show how such working patterns are brought about as part of the informal tourism economy.

4-1 Historical Concept of Tour Guides in Thailand

Tour guides were initially introduced in Thailand, and became known among the royal families, around the 18th century. King Rama V was the first king who began to survey and visit other regions of Siam²⁴ at the time of the expansion of colonization. In this regard, he requested Prince Damrong (his title in Thai is *His Royal Highness Damrong Rajanuphab*), his younger brother who was an expert in Thai history and archeology, to escort him and his group to different places. In a literary work written by Prince Damrong himself entitled *'Nitan Boranakadee'*²⁵ (Damrong Rajanuphab, 1960, p. 23-24), he describes that:

...in 1892, King Chulalongkorn had to make a trip to the Southern part of Siam and he appointed me to follow him as his *makutet* (tour guide) because I have been to that area before and I knew roughly about it. Since I have been his *makutet* and served in his command in leading the entire journey, I could fulfill his requirements and, later on, I became his *manager of journey planning*, yet many [government officers] called me *lord program maker*...

It can be gleaned from the excerpt that the term *makutet* refers to a journey guide who can facilitate travel for other voyagers in the context of exploration and discovery of hinterland, or new and unfamiliar areas. Evidently, the concept of traveling in the nineteenth century does not resemble that of contemporary times. The journey to remote areas sometimes experiences passage through savage communities, encounters adventures, and faces dangerous

Development 2012- 2016. It states, "The government has to develop the competitive potential of the private sector in tourism, particularly the tour guide development. Tour guides have to develop language skills and knowledge of history, culture, and touristic areas...."

²⁴ The former-name of Thailand

²⁵ "Nitan Boranakadee" literally means archeological story, or archive. It was considered as Prince Damrong's last literary work, which was publicly released in 1944. However, the main idea of the archive was to record all the situations that he encountered during his official travels in different regions of Siam from 1862 to 1943 while he was Lord of the Ministry of Interior.

situations. Since Prince Damrong can be considered as the first guide in Thailand, he – with his self-taught knowledge in history and expertise in archeology – became the representation of the Thai guide in early times.

Working as a guide, while serving the king and royal families, entailed sophistication in geography, local histories, and cultural understanding. This construed image has been passed on to be the ideological characteristics required of the present-day Thai guide who should be intelligent, knowledgeable, and educated. Aside from being the father of Thai history, Prince Damrong has also become the father of Thai guides, with his birthdate, the 21st of June, having officially become the annual Thai Tour Guide Day.

4-2 Cooperation Among Stakeholders: Government, Tour Business, and Tour Guides

Prior to the promotion of tourism in Thailand, being a tour guide was a career fit for any person who had foreign language ability and communication skills. In 1961, the Thai government promoted different economic-oriented sectors in order to support national development, one of which was tourism. A practical move was to manage the profession of tour guides by starting a training course for tour guides who have had experience working as a former tour guide. Chulalongkorn University, one of the top ten universities in Thailand and located in Bangkok, initiated the curriculum design and began training tour guides (Professional Tourist Guide Association of Thailand, 2011). The aims of the training program were to recognize experienced and potential tour guides in government records, organize relevant information about Thai history and culture that should be disseminated for tourist consumption, and incorporate ethics for tour guides as a work standard.

Although the initiative of a training program for tour guides signified the recognition of tour guides in the Thai tourism industry, the concrete legalization thereof by the state did not happen until 1992. In this year, the government enacted the Tourist Business and Tour Guide Act of 1992 to systematize the work of the tourism business and tour guides, and to protect tourists from any unfair or harmful situations in this regard. The act has been implemented in order to administer both the tourism business (including different levels of travel agencies and tour companies) and the work of tour guides.

Since the tourism industry tends to produce tremendous benefits for the national economy – from the private sector, to the local community, and to individuals – the government attempted to revise the law and its details in order to conform to the rapid changes in modern tourism. The act was updated, and the latest version is the Tourist Business and Tour Guide Act of 2008. It is currently being implemented to manage the present-day tourism business and the work of tour guides.

In this regard, licensed tour guide is a profession that is endorsed by the Department of Tourism to be eligible to work legally in the tourism sector. It should be noted that every licensed tour guide is different from one another and perform the touring career differently. As further detailed below, this variation depends on three criteria: 1) the type of license, 2) the working system, and 3) the working experiences.

1) The types of licenses are explained in Chapter 3. It is the categorization of tour guides issued by the government through which it distinguishes guides using three factors. The first factor is the size of the region served, thus the general license covers tours for the entire

territory of Thailand, while specialized-license covers tours for only designated areas. Another factor is the guide's particular specialization, for example, a license for touring local culture. The last factor is the language used for the tours, for example, a license that allows tour guides to use only Thai language.

2) The type of working system is the categorization that occurs after receiving the license. When joining this business sector, the licensed tour guide can decide to work as a contract tour guide, committed tour guide, or freelance tour guide (further information about these three types of working system is shown in section 4-4: The Flexible Work System of Tour Guides). The main idea of such categorization is to understand the employment relationship of tour guides and tour businesses in the working system. Practically, a licensed tour guide who signs the work contract with a tour business is considered as a contract tour guide, receives salary monthly, and obtain benefits of social security and workforce protection following the Thai labor legislation. Committed and freelance tour guides are considered as the independent tour guides that do not have any work contract with any tour operator. These two types have slight differences as will be explained in section 4-4: The Flexible Work System of Tour Guides. The licensed tour guide is the only actor that can legally operate the tour, therefore, the tour operators cannot employ any guide without a license to work as a tour guide.

3) The type of work experience is classified among the licensed tour guides and there is no rigid way to consider the work experience of a licensed tour guide. Normally, new licensed tour guides who have had less than 5 years of working experience before they passed the tour guide training for the license, are considered as inexperienced tour guides and still need more experience to increase their touring skill. Guides with more than 5 years of experience are basically considered as professional tour guides who are well established in the tour guide job and have adequate networks to build their tour guide position in the tourism sector. This is not regarded as an official category, but more of an unofficial category used customarily among the tour guides. The professional tour guides have enough experience to pursue any kind of tourism job, apart from being a licensed tour guide, such as temporary instructor in tourism studies or owner of tourism-related business.

4-3 Development of the Tour Guide Sector in the Phuket Tourism Industry

The earliest travelers who visited Phuket around 1977 to 1981 were literally called by the locals as "hippy travelers." Universally understood to be a group of backpackers, these travelers wished to be exposed to pristine and adventurous terrains on their own responsibility. Most of the backpackers in the 1970s were interested in experiencing the authentic local ways under a limited budget. Such traveling style created a direct interaction between the backpackers and the Phuket locals in terms of commercial activities, without any intervention from the formal economic system and the conduct of intermediaries.

Later in 1982 to 1987, the Phuket tourism industry was enhanced by the vast number of Asian tourists, particularly the tourist groups from Hong Kong and Taiwan that can be considered as the first Asian visitors to Phuket. Guide Krit is a 50-year old professional English-speaking tour guide who experienced the first batch of tourists and established tour operator and restaurants. Currently, he is the president of the Association of Andaman Guide

helping government officials arrest illegal foreign tour guides in Phuket tourism. For his personal income stream, he owns a private villa hotel but he still works as a tour guide through online contacts (not being employed by any tour operators). Reflecting on the first wave of tourism, he states,

I found the opportunity to work as a tour guide since 1981, and I knew everybody who worked in the touring field. There were around 100 tour guides operating in tourist sites. We were obviously not yet licensed because the government did not recognize our job status under any authority.

In this regard, the government tended to pay less attention to the management of tours during this initial period, which meanwhile gave rise to liberal ways of work patterns in the service industry that people wanted to conduct in the tourism sector.

By 1985, the government started to officially open tour guide training and licensing. The Phuket Community College, which presently has become one of the faculties in the Prince of Songkla University, coordinated with the Department of Tourism and introduced the first three-month training course particularly for tour guides who had already worked in the sector. It could be assumed that they were the professional tour guides who already had real experience touring customers at tourist attractions. Guide Krit shares his experience of being a trainee in the first batch by explaining, “We knew all of us have (touring) experience from real work. What we needed from the training was just the license and more connections.”

The statement suggests that the tour guide as an occupation in Phuket appeared since the early 1980s and training in Phuket occurred 24 years after the tour guide training in Bangkok, which happened beginning 1961. Therefore, the formalization of the tour guide’s working status also began since then and continued until the present.

(a) The Inception of Tour Guides and Tour Operators

Guide Suvit is a 55-year-old man who has been a tour guide for 20 years. He describes the situation of Phuket tourism when he first became part of the sector as an owner of a tour agent booth located in a hotel. He states,

Those who sell the tour package also become guides. For instance, after I finish selling the Coral Island tour, I would have to accompany the tourists to the island, too. In this way, I get to know more customers and they would introduce me to their friends who want to come to Phuket and enjoy good service for their trip.

The tour system then was not complicated and did not include a lot of actors. He explains that, in around 1995, there were no big tour operators. Hence, he could open a tour agent booth and manage a tour program himself without governmental authorization, provided he knew someone from three specific sectors, which were accommodation (resort and hotel), cuisine (restaurant), and transportation (taxi driver or boat driver). A one-day trip to an island would cost 300-400 baht²⁶/customer/day. Since many hotels want their customers to be

²⁶ In 1995, the rate of 1 baht is equivalent to 2.6 yen.

entertained during their stay, they would find tour agents to sell tour packages at their hotels and take good care of their customers. Under this situation, not only was the tour agent/owner not required to rent the space he used, but he also did not need to seek his own customer. This was the beginning of the tour system, which was considered as a kind of barter between the hotel and tour agents involving a trade between offering a source of customers and providing options for good tour services for them.

After eight years of being the owner of a travel agency, Guide Suvit decided to shift jobs and become a full-time tour guide under a tourist operator that sells a tour program for Taiwanese tourists. At that time, the requirement of licenses for tour guides was not yet implemented in Thailand; thus, the tour operator was the sole judge of the quality of tour guide services. Guide Suvit narrated his experience during the first time he led a group of Taiwanese by emphasizing, “Practically, the owner (of the tour operator) would follow me on the bus tour and observe every word that I spoke to the customers and every action that I did during the tour.”

He further stated that the wage depended on the number of customers, which in his case would be 50 baht/customer/night and each month he would receive 12,000 baht for 1 to 2 days of work with 20 customers each group, composing 3 groups a week.

(b) The Financial Boom

In the 1990s, many international tourists recognized Phuket as one of the remarkable travel destinations in the world. Among them, the Japanese tourists tended to be “quality tourists” in terms of their understanding of Thai culture and their extravagant spending. It could also be noted that many Japanese industries, such as auto manufacturing, expanded their business to different major cities in Thailand, which resulted in a large group of Japanese executives or managers coming as tourists to Phuket. These groups of Japanese managers came to Phuket for business purposes and some initiated meetings with Thai business partners.

An interview with Nong, a 38-year-old man who worked as a tour guide for 10 years, gives a picture of how a tour guide, during the 1990s, could accumulate wealth, social connections, and cultural capital under the employment of a Japanese tour operator. Nong, born and raised in the Hong Yok clan, one of the wealthy Chinese clans of the tin-mining industry in Phuket, lived in an inherited Chinese shop house located in the zone of the Old Phuket Town, which he has transformed into a vintage Chinese café.

He started his career as a tour guide when he was 19 years old. At that time, he graduated with a major in Science and Mathematics from the best quality high school in Phuket. Unexpectedly, he failed the university entrance examinations and decided not to retake it a year later as what other students of his time did. Instead, he preferred to take a three-month Japanese course with a professional tour guide and become a trainee for a couple of weeks before finally working for a tour operator. At this point, Nong conveyed how lucky he was that his family, especially his father, supported whatever decisions he made, in contrast to majority of other Phuket families who would expect their child to go to college rather than work in the tourism sector.

After joining the industry, he became one of the first four Japanese-speaking tour guides who worked for the largest Japanese travel agency named JTB, which opened a branch in

Phuket since 1990s. Before the establishment of its branch, JTB employed a Thai tour operator, or what is known in tourism terms as a “land tour operator,” to manage all the tour programs and tour guides for the customer. The land tour operator in Phuket that JTB cooperated with was Hello Tour.

The Japanese-based tour operators would basically follow the principles of the Japanese tour guide system. This meant that the tour operator would be fully responsible for the contracted tour guides in all aspects, including language training, which was conducted by a native Japanese instructor so as to ensure teaching proper communication with customers. Quality control was also an important aspect made possible by monthly training sessions for tour guides in order for them to share experiences and information among themselves and improve their working standards. To institutionalize a better system, the tour operator also hired a professional tour guide from Japan who worked as a leader and instructor of all the Thai tour guides. Speaking about these professionals, Nong states,

Misaka-san (Ms. Misaka) was our trainer at that time. The committees of the tour operator did not like her that much because they felt that she tended to support the rights of tour guides and sometimes even negotiated on their behalf. I think this is very important because tour guides resemble soldiers who bring in benefits to the tour operator, so the owner ought to treat us well in return.

Nong also raised an interesting point when he explained,

Actually, I love being a tour guide. It is kind of a trap where you could gain a lot of money from both service tips and commissions, but you can rarely spend time with your family. I used to earn around 10,000 baht per day. It was really difficult to make a decision to quit this career (tour guide), but thanks to my wife and my daughter, I could establish and set up my own small café.

He also explains that his job mostly entails taking good care of his customers who are mainly executives of manufacturing companies, and he has gained much experience from escorting board members of Isuzu Company who visit Phuket every month.

His ten years (1997 – 2007) of being a Japanese-speaking tour guide did not only train him to become qualified in his profession, but also shaped him to be concerned about others and never cease to learn new things from his customers. Even after his resignation as a tour guide, he volunteered to be a Japanese-speaking interpreter assisting Japanese victims of the tsunami disaster that occurred in Phuket in 2006. On this occasion, he also brought green tea from his house and made Japanese tea to serve to all the victims. He said to them, “I want all the Japanese victims to feel warm as if they were home. I have been given much by the Japanese; it is time that I should give them something back.”

Another thing that should be noted is that his timing as a tour guide was impeccable. From 1999 to 2016, the number of Japanese tourist arrivals to Thailand ranged from 1,059,872 to 1,439,629, which indicates a stable flow. In contrast, the number of Chinese tourist arrivals for the same span of years showed a drastic increase by almost 10 times from 813,872 in 1999 to 8,754,466 in 2016, far exceeding the number of Japanese tourists. Hence, although the

number of Japanese tourist arrivals has not decreased, the massive Chinese market (which is proved from the huge increase in number) affected the significance of Japanese tourists in the setting of mass tourism in Phuket. This also gave rise to the structural changes for tourism-related actors who depend on Japanese tourists in many ways. What were clearly shown in an interview with Guide Noi, a Japanese-speaking tour guide who sits as president of the Phuket Professional Guide Association, are the adaptive strategies to the changes. He further states, “I understand that many Thai guides (who specialize in Japanese) have suffered a lot from the changes. They are unable to gain as much profit these days from giving tours to Japanese tourists compared to the period of boom of Japanese tourists in the 1990s.”

The statement conveys the effect of the changes within the tourism industry in Phuket. Many Japanese-based tour operators in Thailand have shifted from targeting the inbound market to focusing more on the outbound market by taking Thai tourists to travels in Japan. Most of the inbound tour guides decided to become tour leaders, and turned their Japanese language and cultural capital into another form of income generation by facilitating tours for Thais traveling in Japan.

Currently, as has been observed in this study, because most Japanese trust the high standards of travel agencies in their home country, their common recourse is to book their tours through these agencies instead of booking online by themselves. Thus, whenever they reserve a flight ticket, it would normally include other options, such as hotel, transportation, and a tour package. Consequently, many Thai tour guides specializing in Japanese can continue their careers although they cannot seem to gain much profit compared to the boom of Japanese tourists back in the 1990s.

(c) Redefining the Model of Tour Guides

The tour guide sector is considered significant in the economic sphere as one of tourism-related careers that can accumulate a sizeable amount of profit. Nevertheless, the state has attempted not only to formalize their work status but also to determine their roles through instilling its desired norm among tour guides. The traditional definition of *makutat*, or the tour guide under Thai ideology, has turned out to be the main characteristic that the state has hoped to inculcate and administer in the tourism sector.

In 2004, the Office of Tourist Registration publicly defined the attributes of a tour guide as a Thai representative who presents and disseminates the delicacy and exquisiteness of Thai or local cultures to the tourists. From the government’s official point of view, the tour guides should be highly regarded as a cultural ambassador (*tood tang watanatam*, in Thai) who has expertise in information on a national or local context. The way in which this knowledge is distributed tends not to be limited to the correct content of cultures and histories, but rather impart norms and opinions on any issue regarding the nation. This means that the tour guides are given the chance to communicate positive things on whatever topic or news about Thailand that is currently being circulated, especially in terms of the political situation, life security, and travel safety.

Furthermore, schools conducting tour guide training in Phuket have also been designated by the government to inculcate proper ethics into the working standard of tour guides. In the perspective of academics and the instructor, a tour guide is considered as the most

knowledgeable person, imbued with skills in presenting such cultural knowledge to the visitor. Assistant Professor Sommai Pinputasil is a 33-year old experienced instructor for tour guide training. He has never actually experienced working as a tour guide nor engaged in any career in the tourism industry. However, he was employed as a lecturer at Phuket Rajabhat University and his specialization is Phuket history and archeology, Thai and local literature, and the studies of Andaman ethnicities. His students respectfully address him as “Achan Sommai,” meaning Master Sommai.

Achan Sommai has been invited by many schools for tour guide training to give lectures about Phuket history and instructions on how to effectively use communication skills for tour guides. He points out that,

In the classroom, we always study things by separating all the subjects and finally have no idea how to relate them together. A tour guide should know how to link the natural sciences with the local cultures and pass on such substantial knowledge to the tourists. This has something to do with communication skills. The main job of a tour guide is to create a peaceful space by not bringing the conflict of politics or government in the conversation.

Moreover, Achan Sommai emphasizes that the most important criteria of being a tour guide is to have “speaking skills.” For him, this means being a communicator emphasizing what is good per se and what is positive for the kingdom and ensuring quality communication. The process of being a good communicator is achieved when the tour guide is able to explain history that is pertinent to the tour until the tourists (customers) recognize the narrations and form an image of the destinations.

4-4 The Flexible Work System of Tour Guides

The first generation of tour guides in Phuket started their jobs around 1981, when the first batch completed their training course for tour guides and started to be contract employees in the tour companies. The growth of the market with high-spending and quality tourists created a large amount of income for tour guides for almost 10 years. The tour guides who have long worked in the sector became professionals or have shifted in pursuit of other kinds of jobs related to service provision in the tourism industry. The tour guides from the 1980s through the 1990s tended to have more chance to accumulate knowledge, touring experience, wealth, and social networks.

Since the 2000s, the working system of tour guides shifted from being a contract employee under tour operators to being a freelancer or day laborer working with several tour operators for a temporarily assigned job. Under this system, tour operators need not be financially responsible for the long-term employment of guides during periods of economic instability and strong business competition. For the tour guides, the changes in economic structure have helped them to survive the competitive environment and seek better working strategies, greater opportunities, and wider connections. There seemed no need to be responsible for social security.

The overall transformation turned the static working system into a highly active type of

job. Most of the freelance tour guides started to undertake their first trips through referrals from their tour guide colleagues, relatives, or classmates. Some even had their first tour encounter as an assistant of a licensed tour guide and, in the process, learned all the rules of touring based on real experiences prior to taking the tour guide training course. In the contemporary working system of tour guides, this study has observed the emergence of three employment categories; these are, the (a) contract tour guide, (b) committed tour guide, and (c) freelance tour guide. After the licensing process, the government does not have any involvement in the employment process of tour guides. Therefore, there is no official statistic indicating the actual numbers for every tour guide's category. However, based on the field work data, it can be approximated, from interviewing 25 tour-guide informants, that not more than 10% of the total number of the tour guides working in Phuket is contract tour guides, while 20% is considered committed tour guides, and almost 70% is working as freelance tour guides.

(a) Contract Tour Guide

Although many tour operators decided to change their employment system to favor hiring solely freelancers, it was found that some tour operators still employ salaried tour guides. Those operators who prefer permanent tour guides because the contract employment can guarantee the tour guide job for travel safety and security considerations. An interview with Guide Fa, a 31-year old man who has worked for a marine tour operator for 7 months, illustrates how he was able to become a salaried tour guide while most of his friends work as freelance tour guides.

Guide Fa explains that he is from a mountainous ethnic group, who originally were living in Northern Thailand, called the *Akha* ethnic group (prevalence of the immigrants from Northern Thailand among the guides will be discussed in Chapter 5). Unlike other ordinary ethnic people, he was trained in an English language institution and received Dual Certificates in Food and Beverage for three years in Singapore. Later, he studied the Chinese language and culture in Kunming, China for another three years. He also had a job experience as an interpreter in Taisong, Taiwan for 8 months. His language skills, overseas experiences, and know-how in providing services have constructed the way to understanding the varying cultures among tourists and to keep up with massive demands.

To better understand his system of work as a sea tour guide, Guide Fa allowed the researcher of this study to conduct participant observation on a trip to Mai Thon Island, also known as Honeymoon Island. The main characteristic that stood out was the "freestyle" working condition. Before the start of the working day, the tour operator would message him the job order per day, indicating the names and total number of customers, their destinations, and the names of the speedboat. Then, he would commence that job on the next day standing by the pier 30 minutes before starting time in order to prepare the necessary equipment. Once the Chinese customers arrive, Guide Fa would operate the tour himself by greeting them and giving them a brief introduction about the island destinations without clocking into work like in routine office employment.

Since the most significant concern is travel safety, Guide Fa gives a serious instruction about the restrictions during the sea trip and ensures that everyone has their life jackets on.

The estimated time of the trip was approximately 20 minutes by speedboat. Upon arrival at the island, the customers could freely enjoy themselves relaxing on the beach and having lunch buffet. The estimated time that could be spent on the island was around 3 to 4 hours; thus, Guide Fa would try to convince the customers to avail of the services of marine amusement because it would be more enjoyable than simply hanging around the island.

On that day, he was able to sell the scuba diving services to 6 customers and received 3,000 baht worth of commissions (significance of commission for the livelihood of tour guides will be discussed in Chapter 6). However, from a conversation with him, it appeared that Guide Fa felt a little disappointed because he had expected more customers to purchase the services, implying that he might have had a certain quota of purchasing customers per day. Later, he gave an interesting detail about being a contract tour guide.

Compared to the freelance tour guide, I found it is better to be financially secured working as a salaried tour guide these days. You never know how risky it can be, facing life as a freelancer; you may get to work only 4 days a week or may be disappointed from not gaining any commissions. Working here with my tour operator, I can surely earn 30,000 baht per month, plus external income like tips and commissions from the customers' consumption of sports amusement, which totals to more than 60,000 baht. In a week, the tour operator gives me a day off as well as benefits from social security like other ordinary wage laborers. Sometimes, if a big storm is forecasted to hit the ocean, we cannot operate the tour and I can get another day off. I once experienced a week off with pay because of the bad weather. But I still want to work every day. A day spent working means something to me, especially gaining benefits from commission.

The narration implies all the advantages of being employed as a contract tour guide, which ranges from job security, financial safety, and the opportunity to receive additional benefits. Although the characteristics of the job of a contract tour guide may not be considered flexible, because it actually is a routine job with pre-determined schedules issued by the employer, the possibility to accumulate extra income is open for Guide Fa by giving all his time and effort to the routine job while trying his best to convince – not to force – his customers to buy other tourism-related services, through which he can get commissions as informal incomes. Hence, such situation somehow becomes a flexible way of money accumulation from the tour guides' strategies under the formal working system.

(b) Committed Tour Guide

An interview with an English-speaking tour guide named Guide Jig, with a 5-year work experience, gave an insight on how to initiate a touring job and how routine work is under a freelance status. She explains an interesting point about “the working commitment of a freelancer,” which entails another perspective of the employment relationship between the employer and employee. Most of the freelance tour guides in Phuket have committed themselves to work for a tour operator in order to ensure job security, a practice literally called “heart contract employment,” implying a personal commitment to work for a tour operator. In practical terms, the freelance tour guide can freely accept jobs from any tour operator or

manage their own work schedule. However, should they receive a call from the tour operator they have committed to, they would be obliged to accept the job order as priority; otherwise, the tour guide would not be considered for the next job opportunity.

Guide Jig works for a Spain-based tour operator, which also operates as a wholesale-retail travel agency in Spain. She explained that the target customers of this tour operator vary between seasons, as the peak season caters to mostly European and Scandinavian tourists. In the off-season, the main tourists are from Australia and New Zealand, where summertime has come prompting the people to travel abroad. She further described two different types of customers. First is the group of backpackers who buy plane tickets and accommodation via an internet booking and become responsible for their own trip management. Second is the customer who contacts the travel agency to manage the entire tour program, including plane tickets, accommodation, and airport to hotel transfers.

The general work patterns of committed freelance tour guides vary depending on the tour program, amount and nationality of customers, and the employer (tour operator). Guide Jig explains that a Phuket city tour normally includes many tourist destinations and souvenir shops, namely, Three Bays, Chalong Temple, Old Phuket Town, Gems Gallery, and Cashew Nut shop. For the James Bond Island trip in Phangna (Phuket's neighboring province), the trip usually provides the activities of rubber planting, explaining about the spirit house, going to the pier to prepare for James Bond Island, having lunch at Pan Yee island (Muslim island), and going back en route to Suwankuha Temple. She further described her main job in more detail.

If I don't have a three- or five-day tour program, mostly, my job would involve transfer-in job from airport and hotel, transfer-out from hotel to airport, and a one-day city tour guide in Phuket. Normally, I start getting the job order from the tour operator a day before the trip, and then I have to pick up the customers on the following day. On the way to the hotel, the tour guide can offer optional tour programs to the customers. Most of them do not have any specific plans before having come to Phuket, or some may have several free days that are open for suggestions on what to do. The tour guide can sell the short one-day trip program in the island or a city tour and receive some commissions from that. I work like this almost every day, and it is difficult to take a leave or refuse the job from the tour operator in the peak season from November to February.

Speaking about her income, she states that she gets paid around 1,000 to 1,500 baht per day depending on the working period and the difficulties of the job. For every payment from each employment, a 3% deduction for withholding tax is made, thus she does not worry about paying later for personal income tax.

In terms of shopping and the criteria of choosing the souvenir shop for tourists, she explains that it depends on what the customers want, and the relationship between the shop and tour guides or tour operators. Some shops have dealings with a tour guide or tour operator offering them from 10% to 35% commission of the customer's purchases. About receiving such commission, she said, "It is the customers' requirement to purchase souvenirs or go shopping. We, as tour guides, do not force them to buy things." When asked if her customers

knew that she receives commissions, she replied “Yes! Once, I took care of an Indian tourist group. After they went shopping, they asked me in the car how much money I got from their shopping. I did not know what to say. I just smiled at them and answered, ‘Not much.’”

In the case of Thai tourists, she spoke about problems that have always happened to her. “*Pantip* (an internet blog) has always been troublesome for tour guides. Many Thai tourists study about their trip beforehand by *pantip* and believe this blog more than the local tour guides. For example, a group of 7 customers hires a van and a local tour guide. Senior women tourists always like to test the knowledge of tour guides. It is very difficult to talk to them. But the advantage is that they like shopping. I can get benefits from commissions and their tip after the trip.”

(c) Freelance Tour Guide

In the work system of tour guides, the complete freelancer is technically prone to encounter unstable finances and fail in long-term employment. The discussion, in this case, is in terms of how the economic relationship between the employer and employee has been shifted from making a commitment into one of creating flexibility. Following the traditional ways of hiring, the employment contract provided by the employer can guarantee certain amounts of salary and welfare, prolonged job security, and ample work experience for the employee. In essence, many jobs in the industry may not need specific skills that would require considerable practice, while some occupations in fact, necessitate an in-depth foundation that entails ample experience, which would determine the time to be spent under the training system.

In terms of the training system, it is an undeniable fact that the present tour guides have a limited exposure to guiding experiences. Ideally, tour guides are considered to be knowledgeable, sharp-witted and resourceful. In addition, by becoming a service provider, the tour guide is also seen as an unexpected problem solver. However, these expectations as to the characteristics of the tour guide betray the reality on the ground. The flexible way of working means the tour guide has been given the leeway to find for himself his preferred method to practice his profession; however, the flexibility lacks the opportunity for him to undergo the necessary initial training stage for tour guides.

In a conference²⁷ for tour guides, one participant spoke up in a group conversation and talked about her life struggles as a freelance tour guide. She explained, “After the (tour guide) training, I didn’t know how to start working on my own. I have no experience and nobody allowed me to be his or her assistant for the tour.” Following this conference and even later, wherever conferences associated with tour guides were held, she stood out as a participant who actively volunteered in activities. When asked for the reason for her frequent appearance, she began her statement by pointing out that “the more I get to meet professional tour guides, the more job opportunity I can have access to. I have tried to be both an official and unofficial member of many tour guide clubs and associations and even attended the language training for tour guides. But, still, I have not been successful in finding work connections.”

From the narrative, it can be gleaned that there is difficulty for new tour guides to have

²⁷ Given by the Phuket Professional Guide Association

access to the actual work environment and build their connections, such as with a tour operator and a professional tour guide, in order to receive jobs to start on. In the perception of a tour operator, rather than giving jobs to new guides, the hiring of an experienced tour guide is more reliable and secure when dealing with different types of customers. In this case, the tour operator would rather employ a committed tour guide. In addition to the struggles of starting tour guides who need to work in the tourism sector is their lack of personal contact with professional tour guides willing to assist them.

Based on data from interviews and observations, most of the freelance tour guides hold a bronze license, or the general *makutet*, for the specific reason that the boundary where they can work would not be limited to specific areas. With the bronze license, because they can work anywhere in Thailand, the guides are able to source more work opportunities in a much broader market.

Another factor that affects job opportunities would be the number of years of working experience that helps increase the possibility of gaining more work connections. Guide June, a 14-year freelance tour guide, is also one of the key informants whose personality and character as a qualified tour guide has stood out.

Her working experience has not been limited to jobs as a tour guide, but also as an organizer of many conferences and events, manager of a team-building project, and local staff for an international film crew. She gives an idea of the importance for freelancers to experience different types of job and attempt working in various positions. In this regard, she explains more about building connections in the following narrative:

Ten years of being a freelance tour guide have been very challenging. I started working in the field of tourism since I was in university and I assisted professional tour guides. The real work experience opened my vision in understanding the entire tourism process and I got to know more tour operators in every (tour) operation. This is really important; you need to know the key person who really has power to give you a job. Also, I think it is worth working in various kinds of job when those jobs are connected. For example, after working as a staff of a film crew, I could also work as a tour guide touring the film crew around Phuket.

By acknowledging the benefits of working in diverse jobs, more opportunities for building and growing connections could be opened for the tour guide. Guide June is also one of the hubs of tour guides in referring jobs to other freelance tour guides. The vital position of knowing the sources of employment needs to be maintained. In order to do so, Guide June, in cases when several jobs are made available to her, accepts all of them and then passes the opportunities on to her connections – a pool of tour guides – under the name of Guide June's group. It should be noted that it is not fairly common for a person to be in the center of tour guide networks because a majority of tour guides do not get the opportunity to work in various types of job, resulting in a lack of personal job connections. Although this case is quite exceptional, this study has found a similar type of tour guide situated in the center of a network for tour guide employment. In a way, the detail of being in the center is different and relates to the form of clubs and association, which will continue to be discussed in Chapter 7.

4-5 Summary

In this study, the definition of tour guides working in the tourism industry has been referred to in different perspectives. Upon a review of history, it is clear that the tour guide is known to have been perceived as a knowledgeable and educated person due mainly to the model of Prince Damrong. Furthermore, even before the state officially created the standards for the tourism business by the enactment of the Tourist Business and Tour Guide Act of 1992, the tour guide has become significant as the intermediary among the tour company, tourists, and other tourism-related trades or occupations. As such, the tour guide can be considered as one of the tourism careers possessed with much social capital, which helps it become flexible and have high opportunity to accumulate wealth.

In terms of contemporary tourism, tour guides, lying at the center of a social network that connects tourists and local business owners, are also needed because of their potential ability to bring in a high number of tourists and share profits along the network. In contrast, what happened prior to the development of the tourism industry was relatively different. The activity of tourism in the historical model of Prince Damrong had the unique purpose of creating social ties among the upper class of society such as with the Thai governor, elite groups, public officials, and the members of monarchy. At the time, being a tour guide was not a type of monetary-based career, but a social status that maintains the connection among the elite group for purposes of sharing local history and cultural knowledge. Once tourism became industrialized to stimulate the global economy, the purpose of a tour guide for constructing networks is not limited to only cultural sharing. The recent tourism business is aimed at providing monetary profit, which is a basic resource of a modern economy, thus the network is a social capital that can be transformed into economic capital. In this regard, the concept of networks of the tour guide, compared between two periods of history, are considered different due to the influence of the social system, but with the distinct similarity in terms of the significance of the networking culture in the work of a tour guide.

As regards the definition and management of the business of tour guides under the law, it can be said that the law merely expressed the process of becoming one or explained what tour guides are without providing the way to control them. This chapter has elucidated on the different types of employment (contract, committed, and freelance tour guide) and how each type can provide benefits to tour guides. In this sense, the career of a tour guide allows for diverse ways in pursuing jobs and accumulating wealth. Thus, the practices or working strategies of tour guides are not entirely managed by the law. In fact, there are practices of tour guides that cannot be encompassed within the legal frame; yet such practices not only provide for good business for tourism but also simultaneously smoothen the workings of the system of Phuket tourism. For example, the giving and receiving of commission is a personal transaction from the tourist business owner to the tour guide without any official record in the legal system – neither receipts nor tax payments – that has created such a symbiotic relationship. Consequently, it has worked to expand social capital of the main actors – tour guide, hotel owner, shopkeeper, and the like – in the setting of Phuket.

This social capital, which could be converted into economic capital, is also important for public officials, who have the main duty to regulate the practices of key actors under the laws and to establish relationships with local business owners exerting some authority over the local people. Sometimes, the public officials have to permit the main actors to continue their

informal practices in order to maintain reciprocity and strengthen their social ties with them, especially in cases when the main actors are involved with local politics. This is the reason why some practices of the main actors remain in the informal sphere.

In order to accumulate their social capital, the tour guides, who may be considered as the most flexible actors within the setting of the tourism industry, need to move along their social network and strengthen their social ties by exchanging capital resources, expenses and services. The flexibility of a tour guide's working system in gaining benefits and commissions allows the tour guide to expand his network, which then becomes the foundation of the practices of conducting a tourism business.

Tour guides also require language skills and connections with different actors as prime resources for improved social mobility. With these resources, tour guides do not have to be much concerned on following the traditional model of sophistication, but they can be more affluent than many other careers in the tourism industry owing to their status as being freelancers, who freely work for any tour operators and gaining extra benefits from the tips and commissions. In their own minds, most tour guides intend to establish their own businesses like a shop, hotel, or travel agency once they raise the necessary financial and social resources. This means that being a tour guide is also a substantial career for newcomers who want to take root and construct their authority in Phuket in the long term.

Finally, the tour guides choose to be freelancers in order to adjust into the unpredictable tourism market of Phuket. The freelance provides flexibility of the work of tour guides, which is made possible by the maintenance of their social capital. The pattern of flexibility, meanwhile, gives them chance to practice the informality, which is wrapped in ambiguity because the practices remain hidden in the formal setting of Phuket. The power of authority like connections with local politicians, business owners, and public officials, sometimes permit tour guides to continue their informal practices by exchanging benefits. This practice cannot be simply labeled as corruption considering that the law is broad and can be subject to various interpretations. Thus, each actor tries to gain the most benefit possible under the law without committing an obvious violation, which can make this into a serious problem.

The actors become players in the field of the Phuket tourism industry and try to gain a higher social status. The succeeding chapter will discuss the schism among tour guide groups that has resulted in various clubs and associations, where its members could gain high benefits from the social connection among its members and the authorities. While informality is still practiced, the tension among groups has been created in the tourism industry, which would need further studies to understand the whole system of Phuket business and development.

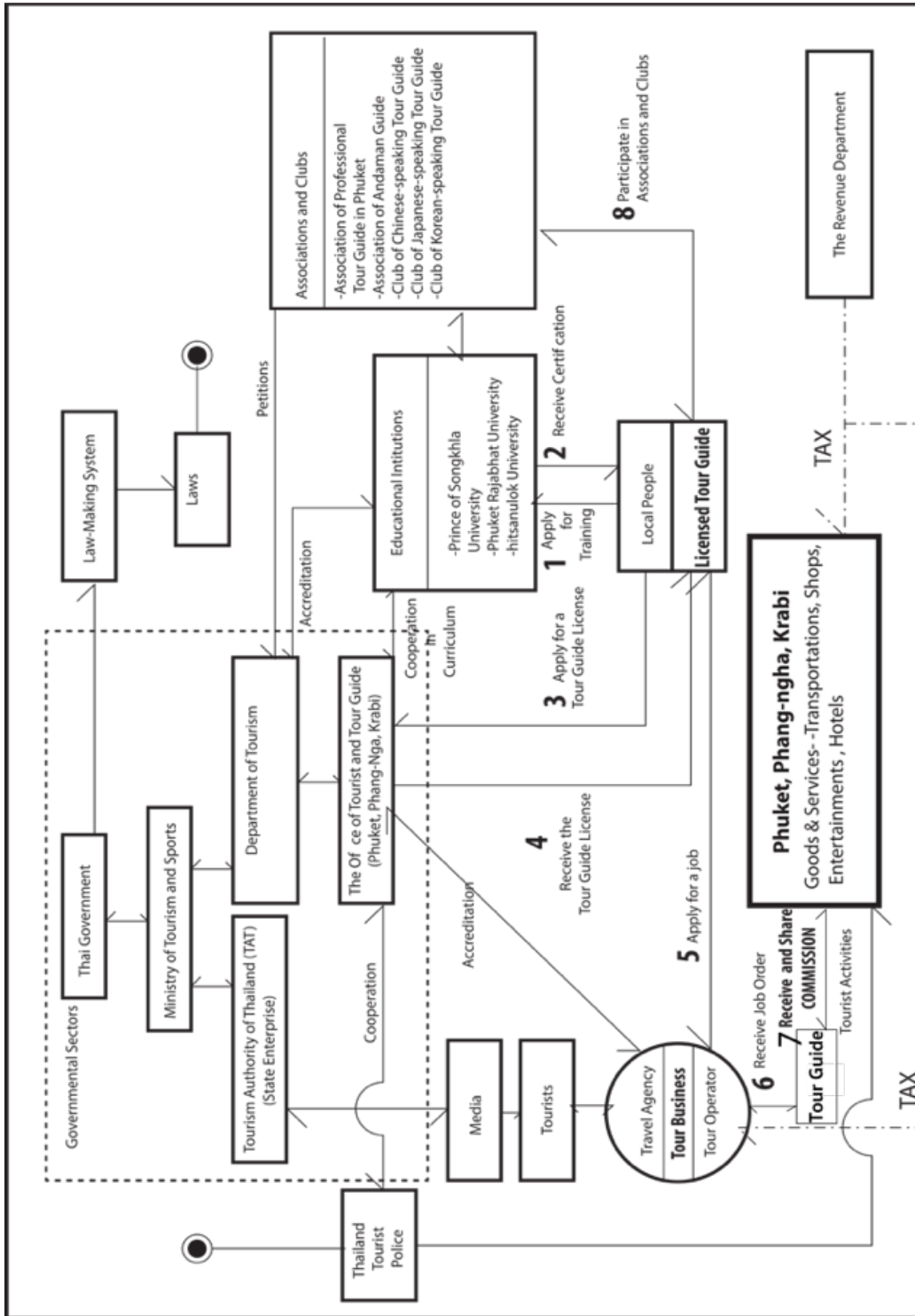


Figure: 4-1 The working system of tour guide



Figure: 4-2 An example of travel agency



Figure: 4-3 An example of tour counter



Figure: 4-4 The situation of conducting a marine tour

Chapter 5: Informal Extension of the Concept of “Localness” among the Freelance Tour Guides

This chapter examines the influx of migrants from Northern and Northeastern Thailand, particularly the Isan and the Yunnanese-Thai people, to Phuket, who are enticed by the opportunity to work as tour guides. It argues that this drastic increase of migrant tour guides can be considered as one aspect of flexible adjustment of tourism labor practice into the fluctuation of the global tourism market. The chapter further describes techniques of tour operation conducted by both Phuket-born and migrant tour guides in order to increase the benefits from demands of the global tourism.

5-1 Increase of the Migrant Tour Guides and Conflicts with the Local Tour Guides

The remarkable growth of tourism in Phuket has attracted the people living in the Northern and Northeastern Thailand, economically marginalized areas in the country, to migrate to Phuket and work as tour guides. As a result of drastic increase of the in-migration from the north, it can be estimated that the majority of the tour guides today is comprised of those migrants. This situation introduce certain dilemma among the tourism-related actors in Phuket, where it is officially believed that the authentic tourism should be carried out by the “locals” who are born and raised in the locality, and familiar with the culture, history, and natural environment of the locality. Such argument leads to another claim that the locals are exclusively entitled to the benefits gained from the tourism in the locality. Indispensability of the migrants for the sustainability of the tourism in Phuket, however, makes this claim by the locals increasingly difficult to maintain. As a result, disputes have been made regarding the issues such as who should be entitled to the benefits from the tourism; how those benefits should be shared among the locals and migrants; and who should be considered a “local”. This chapter deals with the strategies of the tour guides and negotiations between the locals and migrants faced with this complicated situation in Phuket today.

(a) Phuket-born Tour Guide

Pon, 53 years old, has not only been a tour guide for 30 years but has the distinction of being the very first Phuket-born tour guide. In 2016, at the time of preliminary fieldwork for this study, Pon attended a conference²⁸ for tour guides, became acquainted with this research and agreed to be an informant since. She has become one of the key informants of this study, who has shared ideas about the perspective of Phuket-born people towards the tour guide job and her experiences with migrant-licensed tour guides. She was born and raised in a Hokkien-Phuket descendant family and was gradually instilled with Phuket culture from her family, friends, and people in her Chinese descendant community. She was also a member of the first batch of tour guides that was officially trained in Phuket Community College and has worked in Phuket. As one of Phuket-born locals, Pon found it difficult to work as a tour guide back in the 1980s, when the locals were highly conservative and perceived the Western

²⁸ The title of the seminar was “Developing the Potentials of Tour Guides and Tourism-Related Workers in the Phuket Tourism Sector” held in June 2016.

tourists and their culture to be offensive. Pon expressed the challenges of the situation that confronted her back in the initial period of the tourism industry in Phuket, as follows:

Around the 1980s was the time I first worked as a tour guide. At that time, I didn't need any license. My job was just to sell the tour package in a hotel and to take the client on tour afterwards. It was not easy to be a tour guide back then. Many Phuket people looked down on me, especially when I spoke English to my clients or wore a swimsuit to accompany my clients to sea. This affected my parents because our relatives always talked negatively about my job. But, I didn't care because I was the only one who had to be responsible for the family's financial burdens, as I had 6 members to look after – my father, mother, two sisters, and two sons.

Although most Phuket-born locals were in a financial quandary and were dependent on tourism, they were, at the same time, experiencing a culture clash. Yet, it became inevitable for the Phuket-born locals to be involved in the process of adjusting and gradually conforming their culture to the penetrating influence of foreign cultures. Pon, representing the initial batch of tour guides, had experienced, on one hand, such a difficult period of economic transition but, on the other hand, had been able to construct cultural and social capital in the form of knowledge and networks that served as her foundation in order to sustain her working status in the sector.

(b) Isan Tour Guide

Apart from the issue of local conservation, the social value among Phuket-born locals in the 1980s gave preference to working in the government sector for reasons of better benefits for social welfare and job security. Some Phuket-born locals who were at the receiving end of handed-down family capital of assets and properties preferred launching their own tourism-related business or supplying goods and services to larger tourism-related enterprises. Since the career in a service-related employment seemed to be less preferable among the Phuket-born locals, a bulk of recruitment needs for hotel staff remained in demand; consequently, opening up more opportunities in favor of many migrant laborers who were interested to fill this gap in the tourism industry and become new Phuket residents. Such emergence of migrant labor can be explained from the first batch of tour guides in Phuket, which phenomenon Pon asserts as, “A lot of tour guides back then were not (Phuket-born) locals, but *Isan* people.”

*Isan*²⁹ people, from the northeastern region of Thailand, comprised the major migrant labor who earned their living in Phuket since the beginning of the tourism industry. An interview with Nong, a Phuket-born local who worked as a former Japanese-speaking tour guide, supports the information on how migrant tour guides filled the needed labor in the first

²⁹ *Isan* is considered as the largest region of and contains the largest population in Thailand. The term was rooted in Sanskrit, meaning ruler and one of the names of god Shiva. In Thai language, *isan* means north-east and signifies the belief of *isan* people in Hinduism that the god Shiva is the protector of the north-east (Office of the Royal Society, 2009). It is common to use the word *isan* in unofficial context to address the cultures of northeastern people, namely, *isan* cuisine, *isan* music, and *isan* language.

stage of the touring system.

When a Japanese tour operator launched in Phuket around the 1990s, I remember my tour-guide colleagues were mostly non-Phuket locals, and five of them were from *isan*. It has now been more than 20 years that they have worked as a tour guide, and even have had family settling down in Phuket.

The narrative of Nong, stated in Chapter 4, explains the beginning of the Japanese tour operator and its working system. In addition, his information expounds on who mainly comprised the labor force during the period when the tourism market started to determine the economic activities of all Phuket residents in different aspects. The tour guide job took both negative and positive meanings for the locals: it conveys the job that failed to conform to the traditions or norms of Phuket-born locals, while it was the career that contributes a large amount of revenue to stimulate the local economy. The contradictory notions tended to obstruct the boom of the tourism industry and the economic expansion in recruiting a massive amount of labor into the sector. Migrants tended to fill the gap in the tourism-related labor shortage occurring in Phuket; thereby, gradually attaching more connotations to the term *local tour guide*. As a consequence, the term does not merely define a person's localness based on his birthplace, but also on the necessity of being local for the sake of working and valorizing the quality of tourism.

In the current situation, people move from their hometown to work in other provinces. While some migrants have plans to work for several years in order to gain a certain amount of financial resource and then move back to their hometown, many of them have decided to settle down in the new place, purchase real estate, and spend their retired life in Phuket. The migrants from the 1990s are currently the new Phuket locals with their accumulated financial resources and constructed social capital. Sri, as a case in point, is a Japanese-speaking tour guide from *Isan* who began working in the tourism sector 18 years ago (around 1995) and transferred to Phuket in 1998 during the boom of Japanese tourism. As a first impression, Sri³⁰ appears vigorous and tough when meeting strangers for the first time, something noticeable from her straight talk. The first question posed to Sri was about whether or not she had experienced traveling in Japan, which somehow affected her, to which she replied:

Of course not, I have been disadvantaged since I was young. I know how to speak Japanese and my life is surrounded by the Japanese *shachou* (company president in Japanese) that I always host. But I don't know what Japan is like. It is pretty sad that I will never have enough money to go to Japan and nobody will support me to go there.

When asked to describe the first time she worked in Phuket and to compare her life in

³⁰ The researcher met Sri at the event of 'Thai tour guide day' and she joined the band as the lead vocalist. Sri also loves singing, so a way to connect to her life is to share the mutual sensation of music. She always enjoys talking about songs that she can sing and her experiences on stage. The relationship between the researcher and Sri became better after their connection through music. Therefore, conversations about life and migration happened from time to time.

both her hometown and workplace, Sri responded:

I began my tour guide job at the right time. It was really about timing and opportunity given that I was employed in a Japanese tour company. Now everything has changed. Phuket has less Japanese tourists and the companies reduce their burden by hiring freelancers instead. But I am lucky that I have quite a number of former Japanese clients in hand and most of them come back to me when visiting Phuket, such as the many *shachou* that come back to Phuket after retirement. I also own a small nail salon, and if you ask me about my current life back in Udonthani (her hometown in Isan), I have to say that I still have a dream to go back home. Phuket is good for work, not for retirement. It is not easy to think about my future since I am not alone. I have to remit money back home to my parents, treat my daughter, maintain my small business, and reward myself sometimes.

Finding a tourism-related job in Phuket seems to be less challenging back in the 1990s and that helped to construct Sri's own capital to maintain her career path. However, a sense of localness did not pervade the conversation as she reiterated she could never imagine her retired life in the place where she had worked. As could be seen in this case, domestic migrants are considered as significant elements of the touring system in the context that the market has influenced most of the people's economic lives and has dominated the image of localness.

Interestingly, the tour guides operating in Phuket can be mostly found under three categories³¹; namely, general tour guides (foreign language type), and two specialized tour guides for specific areas (including Phuket, Phanga, and Krabi) and coastal areas (covering all islands in Thailand). It should be noted that the general tour guide license was the first type authorized since the 1980s, with the first batch trained by Phuket Community College in 1983. As for the specialized tour guide license, it was established in 1992 for an avowed purpose. In an interview with Guide Noi, the president of Phuket Professional Guide Association, the following was explained:

The initial aim of authorizing the license of specialized tour guides was to promote job opportunities and generate income to locals, especially to the Sea Gypsy living nearby coastal areas. It also would prevent outsiders; for example, Bangkok people, from taking away jobs from the locals who have the right to earn their living from tours conducted in their own communities.

Such statement explains the significance of permitting licensing of specialized tour guides so as to augment income opportunities for the locals. Nevertheless, in the contemporary

³¹ According to The Registration of Tourist Business and Tour Guide Office, the statistical report on tour guide licenses, updated in September 2014, shows that among the three major types of tour guides authorized to work in the sector, 2,653 are general tour guides for foreign tourists; 2,051 are specialized tour guides in specific areas for foreign tourists; and 1,573 are specialized tour guides in coastal areas.

situation, the purpose for specialized tour guide licenses has, instead, shifted to creating a large number of tour guides, who are mostly the migrants, in order to serve the demand of mass tourism. Since this particular license is aimed at reducing the barriers posed by the required training period and high educational attainment, it has consequently facilitated the massive introduction of labor into the sector. In this way, the government has tended to make use of this license type, which was previously reserved for locals, in the “unplannable” situation of massive tourism resulting in both positive and negative outcomes in the experience of tour guides.

The main idea of such an ambiguous boundary of localness, which could be understood from the cases above, is the way in which each actor defines the term *localness* differently. Those cases suggest that the definition of “localness” is rather manipulated and appropriated by the people to maintain their career in the tourism sector in Phuket. However, it is interesting to observe such ambiguity that may be the precursor to the demise of economic regulation due to the incessant inflow of domestic migrants coupled with unplanned policies. Considering the micro-perspective cases, migration from other provinces can widen the area of Phuket’s economic domain since the migrants are able to transfer remittances to families in their hometown, or even move back to their places of origin when they have successfully accumulated adequate savings. Consequently, the government continues to face difficulties in managing tourism policies in localities owing to the fluid status of local laborers lying behind the unpredictable economic domain.

(c) Yunnanese-Thai Tour Guide

The second wave of internal migration occurred due to the effect of a market-based industry. By following the trends of the tourism sector, which has always changed to conform to world economics and politics, the need for labor with adequate ability to provide service to tourists has given rise to the influx of migrants. However, it is significant to examine such migrants, in the context of Phuket tourism, through the roles they play against the backdrop of a market-driven economy and the process of constructing such roles. With regard to the second batch of migrants, it is interesting to examine the procedure of transforming marginalized people into becoming sought-after labor in the emerging tourism industry. The swift change in tourism trends has the ability to induce marginalized people, who may have roles in reconstructing their community, to take a risk in a new place. On the other hand, Phuket local government lacks the power to take a decisive role to manage localities since the political institution has to follow the economic trends.

After 2010, the new major tourist group in the world (including in Thailand) emerged as the new rich middle class from Mainland China, which resulted in the transformation of the tourism industry and the reconstruction of the socio-economic system. Phuket, where Chinese tourists are the majority, has socially and economically changed to serve the demands of the Chinese market, as can be noticed from the rise in the number of Chinese travel companies, services and products customized for Chinese tourists, and the advertisement of shops and restaurants written in Thai, English, and Chinese. The social impact can be seen from the opening of Chinese language and culture courses in schools up to the university level, and

with the requirement of the ability to communicate in Chinese for employment in many companies. Moreover, this phenomenon has also influenced demographic structural changes and brought about new job opportunities to the *Yunnanese-Thai people*, a new wave of migrant-licensed tour guides in Phuket.

It should be noted that Yunnanese-Thai people are in fact Thai citizens who live along the mountainous areas located in the northern regions of Thailand. However, Thai people refer to them as *konchin yunnan* (literally meaning Yunnan Chinese people) while Northern Thais address them as *konchin haw* (interchangeably meaning Chinese people with origins from Haw city or ruled by a king named Chao Wong Haw). Historically, the Yunnan-Chinese descendants originated from Southern China, in the Yunnan province, and appeared to have emigrated from Mainland China to the current boundary of Southeast Asia in different periods. Semmanee (2016) explains that evidence points to two periods of massive migration of the Yunnan Chinese to northern Thailand and the Golden Triangle, the geographical area connecting the three neighboring countries of Thailand, Myanmar, and Laos. First, Yunnan was one of the significant trade routes in China where many Yunnan traders inevitably had economic activities with people in the south and nearby. Therefore, the caravan of Yunnan traders emerged in the northern region before the 1290s or the rise of Lanna Kingdom³². In fact, during the Lanna Kingdom, the ruler praised the Yunnan traders and gave them protection from any external threats. The present settlement of this group can be found scattered along geographically strategic areas, namely, the center of town near the market and temple, along rivers, and mountainous areas. Second, the Yunnan people fled from Mainland China in 1949 and 1961 due to political and ideological reasons. They appeared to belong to two sub-groups, which are the members of the Chinese Nationalist Troop or the 93rd Army of Kuomintang³³ (hereafter KMT) and their families, and the civilians who could not conform to the communist ideology.

The chief territory of the 93rd Army of KTM is located in Santikiri Village, Chiang Rai Province, yet the settlements of other Yunnan-Thai people are dispersed in various areas nearby the Thai-Myanmar border, composed of approximately 80 villages. Although the

³² The Lanna Kingdom is recognized as one of the powerful kingdoms located in Northern Thailand from 1292 – 1558, which ruled over many ancient towns currently known as Chiang Mai, Chiang Rai, Lampang, Lampun, and Nan. Under the tribute system, the Lanna Kingdom was not an independent state, but the Lanna king was required to pay tribute and give loyalty to the larger state for receiving protection from enemies.

³³ The Kuomintang (KTM) led government founded by Sun Yat-sen had the primary aim of dethroning the Qing Dynasty and establishing the political concept of a republic in China. After the success of rebranding the political governance, KTM under the Chiang Kai-shek military encountered many battles against external forces (the effect of Japanese invasions and later the Cold War) and finally experienced internal conflict with another political party known as the Communist Party of China (CPC) due to differing political ideologies. Since Southern China tended to be the major supporter of KTM, Chiang decided to have his army and followers in the South to retreat and formed the new territory of a KTM-led government based in Taiwan. Besides, many sub-armies of KTM fled to different parts in Asia and formed political parties, namely the Malaysian Chinese Association and Vietnamese National Party.

Yunnanese reside in mountainous areas, they are not categorized as an ethnic minority or hill tribal group because the Thai government legalized their status under different criteria (Bhruksasri, 1989). Most of them have engaged in agricultural activities and have maintained their village in the form of a close-knit community. Huang (2005) explains that the Thai government in 1970 and 1981 tended to turn the KTM armies into one of the Thai military's supporters in monitoring and protecting Thailand from the local communist insurgents³⁴. In so doing, the KTM armies, including their families, were officially granted Thai citizenship under the constitution of Thailand and were able to access any benefits or welfare like other ordinary Thai nationals.

Most Yunnanese-Thais who migrated to Phuket are believed to be descendants of KMT military, not descended from the caravan of traders, due to their Chinese-speaking fluency. Unlike other Chinese ethnic group assimilated to Thai cultures, the Yunnanese from KTM are considered as the latest Chinese migrant group that have settled in Thai territory less than 70 years ago, thus they can still maintain Chinese traditions and speak Chinese language among their families and people in their community. Because Yunnanese-Thai descendants also engage with other ethnicities in the mountains and the Thai people outside their community – such as in activities for school, trade, and employment – each person would basically acquire at least two languages: the Thai language and Yunnan-Chinese dialect (which is similar to Mandarin Chinese spoken in Mainland China). Therefore, their bilingual potential has opened up more career paths for them.

Their tight-knit community can also be found in Phuket society, where recently, the custom of relatives living nearby each other among local people has become less common. Yet, for many Yunnanese-Thai who have migrated to Phuket, it remains significant to maintain connections with relatives or friends in order to accommodate the migrants' needs during the initial stages of employment. One of the largest Yunnanese-Thai communities in Phuket is situated in an urban area of housing development called *Muban Villa Naka*. The location is in the middle of Phuket City where the current land rate tends to be comparatively higher and the surroundings have ample amenities such as malls, markets, convenience stores, and a recreational park. The housing development projects devoted construction of buildings near the main road for commercial purposes, with most designed to be home offices. It is interesting to observe, when many Yunnanese-Thai people occupied the commercial building nearby the main road, how the area was transformed bearing the Yunnanese style of restaurants, souvenir shops, and travel companies.

Many Yunnanese-Thai people migrated to Phuket as prominent laborers in the tourism sector, where massive tourism was driven by the Chinese from the Mainland China. Most of their jobs, aside from that of business owner, were related to the use of the Chinese language;

³⁴ However, the current situation of illegal migration in the bordering areas has still continued. Since many Yunnan people or relatives of KTM army are left in Myanmar territories, they are sometimes forced out of the country and become refugees in the Thai territory. Some relatives of KTM army have attempted to claim for the right to Thai citizenship because they perceive that the Thai government treats their people better and they can be in a better financial situation.

for example, as a salesperson in a Chinese souvenir shop or waiter in a restaurant. Additionally, there were quite a number who pursued the career of a Chinese-speaking tour guide in many tourist sites in Thailand, notably, in Phuket.

For a career as a tour guide, joining a tour guide training course would be the initial step. As far as the Yunnanese-Thai people started to be requested for the Chinese tourist market, they started to become the major group of students who took short-course training programs for specific-type tour guide license offered by several institutions. Although all institutions follow the directional manual of the Department of Tourism, each institution attempts to proclaim the training potential of its own program differently in order to advocate to and attract an interested audience. In a prior interview with university scholars and professional tour guides concerning the effectiveness of current tour guide training programs, many interviewees disputed and were critical of the qualification of the institutions. Specifically, they pointed out an emerging institution called the *PLU (Phitsanulok University) Training Center* that, as claimed, is using a low-quality course syllabus. Should this institution open up more courses to serve the market demand for the tour guides, there is apprehension about producing numerous unqualified tour guides in the tourism industry. Against this critical viewpoint as backdrop, a discussion on the matters of institution, migrant-licensed tour guide, and qualified tour guide follows.

PLU Training Center is the extended unit of Phitsanulok University, based in northern Thailand. Its main business is to open courses for tour guide training and to establish outbound tour companies providing training for tour leader trainees. The office of PLU Training Center is located in touristic provinces, namely, Bangkok, Pattaya, Chiang Mai, and Phuket. However, this institution has merely two professional managers, Achan Harry and Achan Joe (Achan is the Thai term meaning teacher or master), who operate the whole system from designing courses, contacting governmental sectors, coordinating with local instructors, promoting the training courses, and even giving lectures in some subjects. Many people address them with *Achan* (teacher or master) before their names and Achan Joe, one of the managers, is responsible for the training course in Phuket. In April 2016, PLU Training Center offered a 15-day course for a specific-type tour guide, and the researcher of this study enrolled in the course, as a part of fieldwork, in order to observe the atmosphere of a tour guide training and the characteristics of trainees and be able to objectively assess why the training center has engendered a negative reputation.

During orientation, on the first day of the course, the required documents and tuition fee were prepared by the trainees, and all information, course schedules, and class regulations were given out. Further, a test for language communication and general knowledge about Phuket and tour guides was given. Being raised as an issue in the industry is the unacceptable practice of institutions allowing trainees, who lack foreign language competence, to pass the training course and later register as an official tour guide. Therefore, PLU Training Center claims that they are really strict with the foreign language proficiency of the applicant before allowing enrollment in the course. After the orientation, as experienced by the researcher, a call is made by the institution to the applicant informing him about an oral test, to be

conducted on the phone, for foreign language communication ability. The English oral test comprised of different questions in general about life, educational background, and the goal of being a tour guide. After the oral test, the examiner would give the result in Thai saying, “Congratulations! You passed our English test. Be ready for the training.” Further, an explanation would be made giving the reason for the oral test on the phone along this line:

I found several applicants who can’t understand English. They can’t even introduce themselves. I have no idea how the judges let them pass the oral test in the orientation. Foreign language communication is the foundation for tour guide training. (Comment by Achan Harry given during oral examination, 2016)

In effect, the examiner had to double-screen and ensure that all selected trainees can communicate in a foreign language.

Besides the strict requirement of language potential, it is interesting that this institution also set up many requirements for the trainee to follow throughout the 15-day course. Basically, every trainee has to wear the university student uniform (white shirt and black pants or skirt without distinguishing marks as with the ordinary university student uniform) in the classroom. The subjects for study include knowledge of Phuket (history, products, tourist attraction), principles and ethics of tour guides, basic tourism studies, and foreign language for communication (available in both English and Chinese). Finally, in order to complete the training course and receive the certificate for license application, trainees are required to attend classes equivalent to more than 80% of the entire 72-hour course and to pass the qualifying examination in the end.

From general observation, it was noted that the majority of the trainees were not Phuket-born locals, but rather were migrants from different parts of Thailand. In examining the class configuration, it was found that 60 out of the 72 trainees were Yunnanese-Thai people from the northern region, and the rest were from neighboring provinces and other regions³⁵. The trainees with Chinese language ability formed the major group, while those with English language ability comprised only 6 out of 72. The age range of all trainees was 19 – 50, but the major group appears to be those in their 30s. PLU Training Center has operated the training course in Phuket since 2013 and has produced 23 batches (November 2016) totaling up to 1,000 tour guides for the service sector. Moreover, the number of trainees (especially the type of specialized tour guide for a specific area for foreign tourists) who enroll in the institution are inclined to increase every year. A reason behind the success of quantitative enrollment is their connection with the Yunnanese-Thai people from the northern region. As the demand for Chinese-speaking tour guides has increased in Phuket (and also other tourist destinations), many Yunnanese-Thai people migrate to work in Phuket. PLU Training Center focuses on the promotion of the institution to these emerging migrants.

³⁵ Aside from Yunnanese-Thai people, the trainees were mostly from the central and southern regions. There were no *isan* people in attendance.

In the classroom, the institution invites experts (from both Phuket-born locals and migrant tour guides who have long-term experienced touring in Phuket) to give lectures on different subjects and most of the classes would run smoothly. One example, as observed by the researcher, was a lecture about the law regulating tour guides given by a high-ranking official from the Office of Registration of Tourist Business and Tour Guide. While the official was giving his lecture about illegal tour programs arranged by a tour guide, one of the attendees named Mith (a pseudonym), who was a Yunanese-Thai, instantly interrupted the lecture. Finally, such conversation started a small conflict in the classroom.

Official: A tour guide cannot operate the tour program and sell the tour package directly to the tourist. This means that you cannot work like a tour company. You are not allowed to manage the whole tour operation, or work on the reservation of accommodation and air ticket. Otherwise you will be fined 50,000 baht³⁶.

Mith: Excuse me Ma'am (with a hand raised immediately to further ask a question), why can't we operate the tour by ourselves? I saw a lot of tour guides doing it and nobody was arresting them.

Official: Next time if you see them do it, just call or Line me okay?
This is because it is against the law. If something happened to your clients during the trip, who is going to be responsible for it and compensate for the loss or the injury? Please keep in mind that a tour company is the only actor that can operate the tour program because they register with us and pay for insurance. Your job is to work for the tour company and to be employed for an assigned job of touring. Every actor has their own task, duty, and responsibility.

Mith: This is nonsense! All officials are so naïve.

Official: What did you just say?

Mith: Nothing.

A small conversation between the official and Mith intensified the negative atmosphere in the classroom. At first, the official intended to open the last session for question and answer, but she finally decided to end the class five minutes earlier and left the personal tensions between her and Mith. Commenting in an interview, the official³⁷ expressed her thoughts, "You see how these kinds of Chinese people behave to me. They have no manners and no respect for officials or maybe for everyone. I experienced the same thing before with these people." The offending way of speaking and straightforward behavior of Mith was interpreted as being unpleasant and abusive to the official. As emphasized, the phrase employed, "*these*

³⁶ 1 baht is equivalent to 3 yen

³⁷ The researcher has known the official since the preliminary fieldwork in 2015 during visits with the Office of Registration of Tourist Business and Tour Guide. She was really cooperative in providing the researcher all the information about tourist business and tour guide in Phuket, for example, statistics, significant reports from the governmental conferences, manuals for tourist business and tour guide, and booklet of the Tourism and Guide Registration Act of 2008. Besides this, she also gave a brief detail about the task of the office and problems about the tour company and tour guide.

kinds of Chinese people,” connotes a stereotype of the Yunnanese-Thai people as being offensive based on her own experiences and from what has just happened to her.

The curiosity concerning the rules that were strictly implemented in the class became explicit when observing the common traits of Yunnanese-Thai trainees. Apart from Mith’s situation showing her discourteous expression, many of them would sometimes speak in very loud voices to people seating at different corners during lecture and some would try to make fun of the contents of the lecture or even tease lecturers. In this regard, Achan Joe³⁸, one of the institution’s manager but was also the first lecturer to speak about Ecotourism in Thailand had to spend most of his class time disciplining the trainees. The way Achan Joe behaved toward his trainees was similar to how teachers in elementary school would treat their students, for example, giving warnings for dressing inappropriately and chiding the trainees for not listening to the lecture. As illustrated, the officials and the institution perceive the Yunnanese-Thai trainees as rude and offensive. This results in the idea of training “ill-mannered people” to be able to work in the service sector, an industry which considers social behavior and good manners more necessary than any language skill.

However, spending a 15-day training course together with many Yunnanese-Thai trainees provides some interesting feedback on their own perspective on how they portray and interpret their behaviors differently from the way others do, such as by the official Achan Joe, or even by people from outside their Yunnanese-Thai ethnicity. In order to gain an insight into their perception, it is useful to note two main Yunnanese-Thai trainees who expressed their opinion about disputes during casual after-class conversations. The first trainee is Jun, a 29-year-old woman who has never had any touring experience, graduated with a bachelor’s degree in accounting and has had 3 years’ experience working in a company as an accountant. However, since she has a relative who works as a tour guide in Phuket, she considered changing her career path and moved to Phuket to work in the tourism sector. Jun gave the following comments about the characteristics of their ethnicity:

Do not mind us and the way we talk. It may sound rough and unfriendly. Our mother language has not much concern for politeness, but simply expresses what we want to say. I think it implies sincerity in our directness. We speak like people from Mainland China and that is why we can deal with Chinese tourists when it comes to real communication.

Jun explained the speaking manner of her ethnic group as one of a cultural-oriented behavior and she realized that such behavior might not be pleasing for outsiders. Nevertheless, Jun’s manner is quite different from her ethnic fellows in the class. She would always speak with a smiling face and end her sentences with the Thai word, *ka* (which is a remark indicating politeness for women). Then, once she switches back to speaking Yunnanese with her friends, her communication habits naturally change back to her mother language. It appears that the

³⁸ Achan Joe is the Program Manager of PLU Training Center, Phuket Branch. He has earned his master’s degree in engineering from a university in Germany.

main difference, between her and most of her fellow Yunnanese, lies in the higher level of educational attainment and deeper degree of acculturation in Thai society by virtue of her previous employment. Moreover, the advantage of acquiring two cultures (both Thai and Chinese) comes into play. In Jun's words, "when it comes to real communication," the emphasis should be on the effective use of the Chinese language as a communicative skill in, for example, negotiation, problem solving, and merchandizing.

Another perspective, raised after hearing Jun's comments, is one presented by Bua, another Yunnanese-Thai trainee.

I don't understand why Achan Joe talks badly to us. There is no need to yell at us whenever we don't understand some points or do something wrong. It is unfair treatment for us. Nobody likes that kind of reaction for sure, not even other people (in reference to the non-Yunnanese-Thai). The way we speak, though unclear, and the way we behave, though differently, do not mean we are not human. They act like we are not human (*kao tham muern rao mai chai khon*)."

Bua is a Yunnanese-Thai, mother of two children, who never revealed her age. In the past three years, she experienced being an illegal tour guide in Chiang Mai and Bangkok from guiding without license. Previously in Phuket, before she had enough money to pay for the training course and become a legal tour guide, she was assigned to operate tours illegally three times without having been arrested. A negative perception as to actions taken by officials and Achan Joe has been harbored in Bua's mind, and this circumstance provides an insight into the way the Yunnanese-Thai trainees live in the context of Phuket tourism. After school, meetings among these Yunnanese-Thai trainees are common at ethnic restaurants in *mu ban villa* and most of the topics under discussion would be about the biased behavior and practices of the institution's staff.

The reasons for choosing to attend the course specifically conducted by PLU Training Center were also discussed among the trainees during class. Interestingly, the main rationale – one that is even promoted in the institutional brochure – is the possibility to accelerate the progress of receiving the certificate at the end of the course. While it would normally take approximately 1-2 months for other institutions to deliver the certificate to the trainees, the PLU institution takes only within 2-4 weeks. Therefore, a rumor has spread about a possible under-the-table payment behind fast tracking the release of the certificate. However, based on the business experience of PLU Training Center, a strategy that it employs that can help accelerate the release of the certificate is the submission of complete documentary requirements to the Department of Tourism (DoT) in the earliest time possible. Every day, a staff of PLU Training Center reminds all trainees to submit every required document, noting that the most significant document, which when not submitted early causes unnecessary delay in the issue of the certificate from DoT, is the approval of student status from the school or

university³⁹.

Another negative reputation being attached to this institution is its provision of unqualified trainees for the sector. Based on data from participant observation, it is noted that 70% of the class completed the 9th grade from non-formal education⁴⁰. In addition, those who graduated from such level of education would seem to have a lower literacy level in terms of the Thai language skill and general knowledge. Significantly, this would be proved accurate as can be seen in the case of Da, a Yunnanese-Thai woman who originated from a mountainous district, called Chaiprakarn district, located in Chiang Mai province.

Da was born in 1978 and raised in the Yunnan community; thereby the language spoken among her family, friends, and neighbors is Yunnan Chinese. Further, she received instructions on using Mandarin Chinese from people in her community, which is common among children of her ethnicity. The only way for her to be exposed to the Thai language was to communicate with people outside her community. Da started primary school in 2001 (when she was already 30 years old) through non-formal education. In September 2015, she decided to follow her siblings, who have worked as tour guides for 4 years, to Phuket and started as an assistant to her sibling, a work she did parallel to attending the training course for future tour guides. When asked about her motivation for working as a tour guide in Phuket, she states:

I came to Phuket 6 months ago. I was helping my sister on a tour and learned how to take care of the clients. The reason I work here is because back in my village, many people from my hometown come back from Phuket with a lot of money. Some can even afford to build a big house, buy a car, and buy so many things for their lives, and, like my relatives, settle down and have a better life in Phuket. It is a trend to come to Phuket and work as a Chinese-speaking tour guide, so I just want to follow them, follow their success.

During the training, Da and other Yunnanese-Thai trainees, who completed only 9th grade in school, had difficulty in Thai literacy, evident from their slow-paced word spelling, reading skill, and essay writing. Her spoken Thai language is accented, influenced by her

³⁹ As explained by the DoT staff, owing to past occurrences of the submission of counterfeit certificates or transcripts, there is now a very strict background check on the educational level of trainees before endorsing them to receive the tour guide license. Thus, the process that the PLU Training Center takes involves sending a letter requesting the schools or universities of the trainees to write a letter directly to the Department of Tourism certifying the status of the trainees as their former students. However, some schools or universities take quite a long time to process the letter, so the PLU strategy to expedite the process has been to force the trainees to maintain contact and follow up with the staff in their respective schools who is responsible for this task, and therefore not to simply wait for the process to run itself like what is being done in other tour guide training institutions.

⁴⁰ Non-formal education is an intensive form of education, which takes eight months to complete up to the ninth grade (the lowest educational degree required for a specialized tour guide), meant for a person who has no prior educational background. It is deemed as a fast track to receiving the educational certificate required of adults who need to pursue a job placement.

mother tongue, but she is best in her speaking skills, compared to the rest. As regards the subjects taught in the training program, the lessons on history, geography, cultures, and tourist sites, and local products of Phuket were difficult for her. She offered an opinion when asked about the significance of the lessons learned as a tour guide for Chinese tourists, when, in reality, such local information might not be much needed to communicate with the tourists.

Chinese tourists love shopping and entertainment. What I have to learn, actually, is not about information on tourist sites in Phuket, but rather I need to know where the shopping places are for the Chinese people, the strategies of promoting products and services, and of course learn what the Chinese tourists like. These things are not taught in school, in where we are learning right now. But you know, I worked with my sister before, where I gained a lot more than in class. But why do I come to class? Because I need the license. That's all.

This conversation with Da presented a host of interesting topics about the legalization of Chinese-Thai tour guides. Da represents the Yunnanese descendants who have moved from their hometown to find a better job in Phuket, following the path of people from their village with the hope of better opportunities like all the successful stories of her friends and relatives. Moreover, for the tourism sector, the 15-day training course is inadequate to completely study and understand the whole content regarding Phuket. Thus, Da realizes that once she becomes a legally specialized tour guide, she will need more skills in communication to be able to sell products and will require more knowledge of products that suit the tastes of Chinese tourists. Many officials, scholars, and professional tour guides have attempted to initiate improvements in the quality of tour guides through media and training classrooms since the mass production of tour guides occurred. However, based on the case presented above, it can be said that the concepts of knowledgeable and localness of tour guides would gradually shift to put more emphasis on commercial tour guides, in order to serve the market demand of Chinese tourists.

Some important points understood from the case of PLU training course and its interactions with the Yunnanese-Thai people can be summarized here. From the cases discussed, it can be argued that the stance of the PLU training course is to produce qualified tour guides who can serve the demand of a massive Chinese market, which could be noted from the strict entrance examination evaluating the applicants' foreign language proficiency and the rules governing the trainees during the classes. In this sense, the prevalent negative reputations on this institution that it provides low quality lectures and simply mass-produces the unqualified tour guides could not be maintained. However, it is difficult to claim the quality of the trainees because it depends on the various factors such as the compressed training period, limited knowledge of Phuket cultures of many of the Yunnanese-Thai trainees, and the major interest of the trainees being on more practical skills and knowledge to accommodate the guests rather than on acquiring deep knowledge on the Phuket society, culture and history. Although the PLU claims that their course is qualified because they can produce a lot of tour guides to serve the mass market of Chinese tourist, they do not focus on producing the tour guides that concern on the local knowledge.

Furthermore, the observation of the actual training session suggests that there are deep-rooted stereotyped images held by the instructors toward the Yunnanese-Thai people. First, there is a perception among officials for the Yunnanese-Thai as a “discourteous lot” who are unqualified to be tour guides unless they are trained by the instructor and internalize the proper moral, value and conduct as the tour guides. Secondly, due to the mass production of tour guides by way of the institutional apparatus, these migrants are at risk of being outside the coverage of proper governmental management on regulation in case of a shift in the trend of tourism, which is determined at a global level but can affect their socio-economic activities in the domestic front. This means that the migrants have neither adequate education nor skill as laborers to readily adjust to changes in market forces should the trend of massive Chinese tourism declines.

(d) The Other Groups of Domestic-migrant Tour Guide

The migrant-licensed tour guides represent one of the major groups of guides who have migrated in order to work in the Phuket tourism industry and have a successful career path, sustain a livelihood for their dependents, and be financially rewarded. Therefore, it is significant to examine their working strategies in the Phuket tourism industry.

As continuation of the fieldwork, after completion of the training program, the researcher joined a trip working as a tour guide’s assistant upon the invitation of a 45-year old migrant guide from Bangkok, named Guide Wan. This section details the observations made during this actual tour job.

Apart from being a licensed tour guide, Guide Wan is also the general manager working in the tour program operation and customer contact of a tour operator. In the training class, her strong leadership and management skills were noticeable (for example, arranging the graduation party, arranging schedules for study, and managing the class shirt); therefore, she was selected to be class president.

While conversations about the preparation of the tour, which was meant for Malaysian clients, was broached during class, Guide Wan did not give the researcher any detailed information about the trip other than that the working period will be for 4 days and nights. However, one day before the actual working day, the lacking information were supplied, which included the list of tour guides, venues, and tour schedule. To ensure an easier communication channel, she created a LINE group (a smartphone application) for staff and tour guides who will work for the tour program.

There were 76 clients for the said tour, which required the use of 2 buses and 1 van. Each bus needed a licensed tour guide to be present, so there were 2 tour guides named Guide Non and Guide Lin. Since Guide Wan had just graduated from the tour guide training and had not received a tour guide license yet, she was joining as a representative of the tour operator who took care of the clients in the van. The researcher was appointed as assistant to Guide Non, and before the trip, had to contact Guide Non directly to inquire about the meeting place and the preparation for the tour. Guide Non migrated from Nakorn Sri Thamarat, located in the southern region. He has been a specialized-licensed tour guide for 6 years and received this touring job by invitation from Guide Lin.

Guide Lin was originally born in Phuket and graduated from Phuket Rajabhat University

with a bachelor's degree majoring in the tourism industry, making him eligible for the general license, which means he can work anywhere in Thailand. Guide Lin was able to have this touring job because of the unavailability of another tour guide, who is a member of Guide Lin's network.

As described here, the tour guides in Phuket are comprised of domestic migrants, though their number is much smaller than the migrants from Northern and Northeastern Thailand. Thus, the migrants are indispensable for the sustainability of the tourism in Phuket through continuously adjusting to the fluctuating demands of the global tourism. This situation results in the blurring boundary between locals and outsiders. Accordingly, the formal regulation and the notion among the people that the tourism business should be carried out exclusively by the locals are increasingly becoming hard to maintain.

5-2 Freelance Tour Guide's Techniques of Tour Operation

In this section, various techniques of tour operation employed by the licensed tour guides are presented. Since the job as a freelance tour guide is quantitatively competitive and considerably unstable for domestic-migrant tour guides to be employed by the tour operator, personal techniques of freelance tour guide in operating tour appear to serve clients of tour services. Thus, if the clients' satisfaction of services is high, the freelance tour guides will be trusted to gain more jobs from the tour operators and maintain working connection for their employment in the future. The personal techniques in operating tour of freelance tour guide are not related to the informal activities, but it aims to illustrate that generally the personal techniques are important to the tour guides, especially the domestic-migrants, to be outstanding and recognized by the tourism-related businesses.

The Evaluation of Licensed Tour Guides

For the above-described tour, Guide Wan was in charge of managing the tour program, making contact with all the shops and restaurants, and hiring freelance tour guides (in this case, she hired Guide Non and Guide Lin). The researcher, together with one of the tour company's staff (named Kung), was assigned by Guide Wan to work as an assistant and cooperate with the tour guides in facilitating the needs of the clients. However, Guide Wan actually requested that the assistants help observe how the tour guides work, including how they share information about Phuket and other important details to the clients on the bus. Apparently, since Wan is the general manager of the tour operator that hired Guide Non and Guide Lin, she had the authority to evaluate and make decisions on whether or not a tour guide is qualified to work for the company. The criteria she used for evaluation were language proficiency, fluency in giving explanations, ability to influence clients to go shopping, and the ability to convince the clients to engage in some activity – this final criterion being the most important of all. She states,

Tour guides who work for my company should have strategies to make the clients believe in what he/she (tour guide) says. This is because the clients would stay with the tour guide for their entire stay in Phuket. The tour guide should be someone that the clients can rely on. Those who meet what I require can be called *super guides*.

Aside from having good connections, this situation shows that the freelance tour guides need to prove their performance and professionalism to the tour company so as to receive another work call in the future.

Tour Guides and Character Building

Since securing specific tour jobs is not in the nature of a permanent employment, but rather partakes of a flexible nature, personal contacts or individual relations help tour guides find their next work. Thus, it is important for them to create a good first impression to clients.

During the bus ride, Guide Non gave an introduction about Phuket and significant information while highlighting tourist destinations, local food and products, and the Phuket culture. As usual, he introduced himself, the bus driver, and his assistant or trainee. However, he did his introduction in a way that would make the clients remember his name by translating his name into English and allowing the clients to call him by the translated version, instead of his Thai name. Guide Non stated, “My name in Thai means sleeping. Next time, you guys can call me Mr. Sleep. But don’t worry I won’t make you sleep from my talk.” In this way, most clients would easily recall his name and even learn a Thai word. During the trip, Non was quite active in giving talks in the bus about the tourist sites and also entertained his clients by singing Malaysian songs and sharing humorous stories.

Tour Guides and Fair Treatment of Clients

Guide Non stated that tour guides should not entertain or do fun activities solely with a specific group, for instance, the clients who are seated at the front row of the vehicle. Rather, any form of entertainment should be extended to other clients as well. This helps in preventing other groups from thinking that the tour guide does not treat their clients fairly.

Problem solver: Intermediary between Restaurant Owner and Clients

A situation occurred during dinner where clients found something wrong with their food. Hence, the clients started to have a problem with the restaurant owner, and Guide Non tried to find a solution for both actors. At the restaurant, a client found cockroach in his food and lodged a serious complaint about the terrible incident to Guide Non. In this situation, tour guides would take action to prove themselves standing by their clients by making a serious complaint to the restaurant owner or waiter. In this case, Guide Non simply spoke to the waiter in Thai, but acted very harshly to the waiter in front of the clients. Consequently, the conflict between the clients and restaurant owners could be resolved harmoniously by the tour guide through an effective strategy of intentionally showing the clients the aggressive complaint not against the restaurant owner but against the waiter. Guide Non said that tour guides need to figure out ways to satisfy the clients and avoid confrontations with the restaurant owners. The positive feedback could immediately be seen from the dinner invitation extended by the clients to Guide Non after the incident.

Mistake means Losing Credit

A situation transpired where the two tour guides led the buses and their clients to the wrong destination. While Guide Wan, the manager, had given information in regard to visiting

a snake farm, the exact location was not made clear because Guide Non had volunteered that he knew the place. Upon reaching the snake farm, it was learned that it was different from what Guide Wan was referring to. Clearly, Guide Non and Guide Lin made a mistake of not having confirmed their information with Guide Wan considering there are several snake farms in Phuket. The mistake had severe repercussions, as Guide Wan explained:

We can't bring our clients to just anywhere because each snake farm has their own contacts with tour companies. For example, the target clients of the farm that we mistakenly visited were the Mainland Chinese because of the language that they use, and the product that they carry are favored by the Chinese. The second point is that the snake farm with which our company has contacts would give a commission of 300 baht (10\$)/client to the company although the clients do not buy anything at all. Thus, the company lost profits of almost 20,000 baht from the mistake of not visiting the snake farm that we contacted. And this is the tour guys' fault.

From such mistake, Guide Non and Guide Lin became very worried about their future employment with the company. Clearly, the overall performance of licensed freelance tour guides is important. Mistakes cannot be made in even the smallest details because it would amount to unprofessionalism and will affect their chance to continue working with the company. Eventually, Guide Non was able to finally reconcile the losses caused by his bad performance by taking the clients shopping at a souvenir shop on the last day of the trip. With the commissions that the tour company would receive from their clients' shopping activities, the lost commissions from the earlier mistake with the snake farm could be finally compensated. Whether or not the tour guides would be re-hired next time by the same tour company is a matter that is uncertain. Nonetheless, lessons were learned from such a costly mistake.

5-3 Summary

This chapter has endeavored to describe the dynamism in the domain of the Phuket tourism industry as it continues to be influenced by the influx of migrants and now be supported by the use of communication technology. Further, it has explained how the informality has emerged in spite of the government effort to formalize the industry. As shown in Section 5-1, there was a huge migration of *Isan*-born tour guides, who migrated from the Northeastern part to Phuket to work as the first generation of licensed tour guides in the 1980s, due to the tourism growth and the accompanying tremendous demand for tour guides. The tour guide as an occupation could shatter the norm of the local expert being regarded as one born or raised within the locality. Therefore, allowing the *Isan*-born migrants to play the significant role of "local tour guide" in place of the Phuket-born locals is another solution to avoid the criticism of violating the norms of Phuket-born local.

Further, the number of Chinese tourist arrivals has increased and has become the major tourist group in Phuket since 2010, which gave rise to the migration of Yunnanese-Thai people – who are Chinese descendants living as a Yunnanese community in the mountainous areas of northern Thailand. There is a high demand for Yunnanese-Thai tour guides owing to

their Chinese-language ability and their understanding of Chinese culture. Although most of them are non-proficient with Thai language and lack formal education, the certification and formalization provided under tour guide training schools improve the quality of Yunnanese-Thai tour guides in terms of their “knowledgeability” in the Phuket context and prepare their working status as “local tour guides.” However, licensed tour guides, backed by their ample working experience and knowledge in the sector through the 1980s and 1990s, have criticized the government’s effort at formalization – through short-time training and reducing barriers for licensing – and raised their concerns on the seeming lack of labor planning and quality control by a government whose mere goal is to produce a lot of tour guides to meet market demand. In this sense, the government has ostensibly depended on the dictates of the world tourism market in issuing Phuket tourism-related laws and policies, which are viewed as constantly changed, in flux, and ineffective.

Section 5-2 examined the situation where a migrant tour guide works in the sector after entering into the formal system (being licensed and certified as to their knowledgeability and locality). The licensed tour guide, dependent on the world tourism market in the same way as the government, constructs their working status through different techniques in operating tour and accumulates benefits. The tourism market becomes the center of the dynamism of formalization and generates benefits to tour guides and other related actors, such as the tour operator and travel agency.

In summary, the market-based tourism encourages individuals to work flexibly. Freelance tour guides, to some extent, are introduced opportunity to mobilize from one place to another in order to gain the highest benefits from the tourists. The government, moreover, in order to improve the quality of tourism industry, strives to follow and adjust with the “tourism trend” by creating, revising, and implementing laws and policies. However, the government has two opposing approaches in relating with the private sectors. On one hand, it tries to encourage them to maximize their profit while on the other hand, it wants to control entirely the management of the tourism industry. This contradictory phenomenon transforms the bounded meaning of the concept of formality into a dynamic field in the context of Phuket tourism. This transformation can be observed from the changes in government policies over the last decade. Additionally, formality is a long-standing process to define the appropriate boundary of economic activities set by the government. This boundary delineates the formal and informal domains. In the delineation process, reshaping of domains occur allowing one to remain in the informal field if he/she cannot adjust to the newly formed space. Consequently, formality becomes an exclusive domain which excluding the individuals with lesser abilities, knowledge, and resources from registering and conforming to its new rules. These individuals are left to stay in the gray area, which is considered informality.



Figure 5-1 Tour-guide training class



Figure 5-2. Fieldtrip of Tour-guide training class



Figure 5-3 Fieldtrip of Tour-guide training class at Chalong Temple, Phuket



Figure 5-4 Fieldtrip of Tour-guide training class at a jewelry shop in Phuket

Chapter 6: Commission as an Informal Strategy of Freelance Tour Guides

This chapter focuses on the practice of receiving commission as an important informal strategy by the freelance tour guides in order to augment the income. Before examining the cases of receiving the commission, networks maintained by the tour operators and tour guides are explained as a background of such informal strategy.

6-1 Networks of Tourism-related Businesses

(a) *The Tour Operator as an Intermediary*

The tourism-related business is a group of commercial activities that respond to tourist's demand and global touristic trend. It consists of the tour operator, hotel and resort, restaurant, souvenir shop, spa and wellness, entertainment show, and adventure activities. However, the tour operator is considered as the center of the sector and an intermediary between clients and other tourism-related businesses through the organization of tour programs. As the tour operators have the power of the market in hand, they have the prerogative to decide on the selection of other players such as tour guides, van drivers, and business partners to suit the requirement of clients.

In order to understand the actual practice of the tour operator, this section examines a case of tour operator, named "Phuket Janthon Tour", that operates inbound tours from Malaysia, Singapore, and China. This tour operator also deals with transfer services from airport to hotel, or vice versa. The reason of selecting this tour operator because Phuket Janthon Tour also play another part as a travel agency with many tour counters in different touristic areas in Phuket selling tour packages of one-day trip, island trip, shows, and activities. Ai⁴¹, the manager of Phuket Janthon Tour, explains that their main source of income is from the transfer operation, from which the tour operator can then get additional benefits through sales of tour packages. She gives more details on the practice saying,

The clients of the transfer operation come from online booking and the tour counters at the airport. Some tourists visit Phuket without any plan. Our tour operator understands such situation, so we sell transfer services to them first. During the transfer, there is a tour seller, who introduces different tour packages in the van. Prior to sending them to the hotel, the tour seller asks the clients for a brief stop at our (tour operator) office for 10 - 15 minutes. We continue selling different tour packages and offer them local snack and welcome drink to lead them in a pleasurable condition. Some clients are not happy with the stop due to their need for rest due to flight exhaustion or jetlag.

Ai explains that Phuket Janthon Tour has registered as an inbound tour operator, which is also authorized to work as a travel agency in selling tour packages for tourists. In this case, selling tours on the van or bringing clients to the tour operator's office for promoting further

⁴¹ Ai is a 45 year-old-woman who migrated from the central part of Thailand. She has worked as a manager for 15 years. The researcher knew her from the tour guide training class and she is recently a licensed tour guide.

sales is regarded as illegal. The tour operator can be arrested for selling tours in an inappropriate place and occasion. However, the tour sellers are experts in selling and comforting the clients with communicative skills, ensuring that the latter will not lodge any complaints to the tourist police. Ai reveals that, recently, it has been difficult to merely focus on the inbound tourist market owing to the complexity of coordinating with many travel agencies abroad and the competition in low-priced sales. An alternative strategy of Phuket Janthon Tour is to scatter travel agencies and tour counters all over Phuket in order to reach individual clients in need of one-day trips or ancillary touring. For example, if two travel agencies can sell a one-day trip to Phi Phi Island, the individual clients from both travel agencies have to join in the same trip and are transferred to another tour operator for the Phi Phi Island trip. In this case, Phuket Janthon Tour is not responsible for operating the tour but is merely the client scout who handed them over to another tour operator.

Ai states that Phuket Janthon Tour has been one of the extensive tour operators with potential in marketing for many marine tour operators or businesses. It has a significant position in negotiating for all low-cost products and services. This was apparent when Ai gave the researcher, as a new tour guide, information on all the tourism-related businesses by saying, “If you have clients and they want to buy ticket of Phuket Fantasea, Paradise Show, or even JJ show⁴², you can tell me, okay? I can assure you that the price I sell you is the cheapest cost, so that you will get more profits when offering a sale to your client.”

Ai’s tour operator is well-connected with the rest of the tourism-related businesses available in Phuket. One of her tools is a 300-page book that contains the price information of various hotels in Phuket with details on hotel names, different selling prices for peak and low season, and the amount of commission for the seller. Ai usually distributes this book to her network of travel agencies and tour guides, in this case including the researcher who is a recently licensed tour guide. The book is a substantial collection of hotel selling prices in 2016, meaning that each year hotels set up their prices differently. A business term oft-repeated by Ai is *raka contact* [contact price], indicating the special price quoted to a dealer for better profits, when she would always state, “I have a contact price from hotel or any business.” In other words, Phuket Janthon Tour guarantees that their contact price with all hotel sales and marketing departments are considered highly profitable for agents. It is clear that the network of tourism-related business can be created through the agency of tour operator as a connector of clients to other businesses which also extends to tour guides.

(b) Tour Guides and Networks of Tourism-related Businesses

The working status of licensed tour guides is typically an employee working under the employment of a tour operator. Thus, they cannot arrange their own tour program and operate the trip as their own for business. Tour guide is regarded as a short-term contract labor employed by tour operators. The job of a tour guide is to bring tourists to tourist sites and provide them services, advice, and information about the sites. According to Section 33 in the Tourist Business and Tour Guide Act of 2008

⁴² JJ show is the euphemism among tourism-related business for a sex show, which is zoned in a red-light district in Phuket.

In order to manage tour guides or tour leader in accompanying tourists, the tour operator is required to employ licensed tour guides or registered tour leader following the Act of 2008. Additionally, the touring tasks of licensed tour guides and registered tour leaders are considered as under an official employment of a tour operator.”

However, tour guides indeed have opportunity to talk with clients and sometimes can build up a relationship with them. This opportunity is part of building their important roles in introducing and promoting products and services of tourism-related businesses. Within the process of the tour operation, the connection of businesses among actors is significant in increasing the growth of tourism. Technically, there are six components to the tourism-related business; these are the hotel and resort, restaurant, souvenir shop, therapy and spa, entertainment show, and adventure activity. A list of each category opened in Phuket is provided in Table 7.

A significant part of the tour guide’s job is to have knowledge about good restaurants, worthy shopping places, exotic entertainment houses, and enjoyable activities, for recommendation to clients. Since the 1990s until the present, the tourism-related businesses have grown extensively and services have become heterogeneous, in order to reach different tourist nationalities and diverse personal demands. In response, the tour guides have played a vital role in promoting the products and services as they continue to influence the purchasing demands of clients. Aside from coordinating with the tour operator, many businesses also offer the tour guides a good deal in order to encourage them to bring clients into their shops.

6-2 Commissions as Customary Benefits in Tourism-related Transactions

(a) General Definition

In the socio-economic stage of the Phuket tourism sector, commissions have become inevitable as a medium of exchange, or lubricant of a sort, in relations among tourism-related agents and businesses. The giving and receiving of commissions has long been an integral part of the tourism system in its business context. Oxford Dictionary defines the term “commission” as “a sum, typically a set percentage of the value involved, paid to an agent in a commercial transaction.” To apply a rough definition in the tourism setting, it can be said that a commission is a form of payment made by business owners to agents (usually tour guides or van drivers) when products or services are purchased by tourists.

Table 7
List of Tourism-related Businesses in Phuket

Business Types	Categories	Major Enterprise Names
Hotel	Local-owned hotel	Katathani Phuket Beach Resort The KEE Resort and Spa Patong The BluEco Hotel
	Foreign hotel chain	Phuket Marriott Resort and Spa Angsana Laguna Phuket Tuana Patong Holiday
Restaurant	Local-owned restaurant	Kan Eang Seafood Mukda Seafood Thai Halal Phuket
	Foreign-owned restaurant	Tafuhao (Chinese restaurant) Mr. Kung (Korean restaurant)
Souvenir shop	Local and Thai food	Pornthip Phuket Khun Mae Chu Eastern Orchid Co (Cashew nut factory)
	Clothing, accessories, utensils	Phuthai Souvenir Market Porosus Exotic Leather Shop Ecolife Latex (Thailand) Co., Ltd Thai Silk Collection Muk Phuket (Pearl shop) Phuket Gems Pavillion Batik House Madunan T-shirt
Health therapy	Spa and massage	Sukko Spa Resort Co Co Spa
Entertainment show	Cultural show	Phuket Fantasea Siam Niramit Phuket
	Transvestite show	Phuket Cabarets Phuket Simon Cabaret Aphrodite Cabaret show
	Boxing show	Patong Boxing Stadium Sainamyen Bangla Boxing Stadium
	Animal show	Phuket Cobra Show and Snake Farm Crocodile and Tiger World Phuket Bird Park Big Bee Farm Phuket Nemo Dolphins Bay Phuket
Adventure activities	Water sports and activities	- Many beaches offer services of jet ski, surfing, kite surfing, stand-up paddle boarding, - Most island offer snorkeling, sea walking, scuba diving, parasailing, banana boat, sea kayaking, - Private surf house, wakeboarding parks
	Forest-based activities	Flying Hanuman Zipline Phuket ATV Tour Rafting Tour Phuket Elephant trails

The concept of commissions has long become part of the Thai economic culture and has been integrated into its social life. The word can be translated into different Thai terms and may be used to describe different aspects of the Thai people. To start with, in legal parlance, the term *ka bam ned* means rewards, service charges, and special treats. In Thai tourism, *ka nam* is unofficially used among tourism-related actors to refer to commissions. The word literally means “fee for water,” shortened from a Thai term--- fee for hot water and tea (*ka nam ron nam cha*, in Thai) which is a euphemism describing payment to officials for better assistance, fast-track service, and convenience. Hence, this notion of commissions may be said to connote some form of bribery as it provides financial enticement. In the tourism industry, it is simply the norm for many tourism-related businesses to offer commissions to agents for their assistance. In practice, some agents recommend to their customers specific shops especially where there are high-quality products or reliable services with the interest of the tourists in mind. It is when most shops or restaurants provide commissions, in good and differing amounts, as a financial reward to the agents that the issue of the appropriateness of the commissions becomes a factor in the agent’s decision in promoting specific shops and restaurants.

(b) Regulation on Commissions and Benefits to Tour Guides

Although trading on a commission has long been a significant economic activity in the tourism-related business, such action actually trespasses against the regulation on “standards of tourist business operation, standards of tour guides’ and tour leaders’ performance in their duty and responsibility to tourists and tourist business owners.” The pertinent regulation was issued by the Committee of Tourist Business and Tour Guide⁴³ in 2013, which reads,

Tourism-related agents cannot seek unfair benefits from tourists – for example, commissions, additional payment for transportation⁴⁴, or other similar benefits – through the act of taking them to souvenirs shops, jewelry shops, or other tourism-related shops. The results are discernable from the purchase by tourists of products and services with unreasonably high prices while the agents gain benefits through their act of deceiving or

⁴³ The Committee of Tourist Business and Tour Guide, according to Section 7 of The Tourist Business and Tour Guide Act of 2008, is comprised of the Permanent Secretary of the Ministry of Tourism and Sports, representatives from the officials of tourism-related governmental sectors, President of Tourism Council of Thailand, Minister-selected representatives (who are representatives from the Tourism Council of Thailand and former or current professional university academic experienced more than 3 years of tourism and tour guide disciplines), and The Registrar of Central Tourism Business and Tour Guide Registration Bureau. Additionally, the section 12 states ten important duties of the committee in order to manage tourism business and tour guide and the sub-section (3) of the duties states about “issuing the regulation on standards of tourist business operation, standards of tour guides’ and tour leaders’ performance in their duty and responsibility to tourists and tourist business owners”.

⁴⁴ Most souvenir shops and restaurants persuade bus and van drivers to take tourists to their business establishments through offering additional payments to such drivers. The drivers can receive 50 to 100 baht per trip or 50 baht per tourist taken to a shop. This activity is deemed illegal.

forcing tourists to purchase such products and services.

The aforementioned statement shows that any benefit given to tourism-related agents in the form of commissions are considered illegal because it causes an undue increase in the price of products and services. In spite of this, the reality is that commissions on tourism-related transactions remain prevalent in Phuket. On the surface, there is nothing illegal because no official complaint about high-priced products is lodged with the authorities. The giving and receiving of a commission in sales is considered ordinary and, most of the time, tourists are uninformed as to whether or not the offered price of the products or services are reasonable, particularly because they are on a temporary visit. Apparently, it is difficult to indicate how much commission is included into the overpriced product. But to some extent, it is noticeable that the general cost of product and the cost of living in Phuket is relatively high, compared to other provinces⁴⁵, and the basic income rate is at 310 baht/day which is the highest among the group consisting of its neighboring provinces including Bangkok.

Moreover, there are times when the cost of similar products or services from one shop to another are exceedingly different. From a conversation with tourists during fieldwork, a narrative arose about the implications of non-standard prices in Phuket. The case involved a tourist who purchased an island tour program from a travel agency. This island tour program is usually managed as a joining trip, meaning the clients are collected from different travel agencies and are made to join the same trip organized by a single island tour operator. While being ferried to the island, the tourist happened to ask another about the price of the program and they discovered that the price they had paid to separate travel agencies were quite different. When the tourists experience such discrepant prices, it could make them think how unreliable the tourism system is in terms of purchasing products and services.

As mentioned, the practice of giving and receiving commissions generally continues in the tourism industry in Phuket. The following section shows the three cases from different perspectives of business transactions involving commissions.

(c) Commissions in Practice

Case 1: Reluctant Cooperation of Souvenir Shop with the Tour Guides

Since the topic of commissions is fairly sensitive because it can give a reflection of a receiving agent's actual income, the research was conducted through an interview with a local souvenir shop owner who had business dealings involving commissions with tourism-related agents, such as tour guides and van drivers. Sanan is a 62-year-old female, who is the owner of a small handmade Batik shop and factory in Phuket since 1993. Her shop is one of the famous local souvenir shops which is well known among tourism-related agents due to its long years of establishment and its promotion through TAT. She describes that, back in the 1990s-2000s, Phuket tourism was in its growth stage with the number of tourists exceeding the available service providers (such as tour agencies, shops, and restaurants), and the opportunity for business was more open for locals or new settlers with less competition.

⁴⁵ From field observation on Phuket cost of living, the price of rice and curry at tour sites ranges from 50 – 120 baht, while the same menu in Bangkok costs around 30 – 100 baht.

With the rapid transformation of the tourism economy, she found that it had become difficult to handle the competition due to the price wars among competitors vis-à-vis the rising cost of capital. To some extent, competition also had an impact on her way of doing business – adapting to change as otherwise the shop may not have survived – for example, accepting the credit card system, or giving 30-day credit to some customers. Such changes have been consequent to the diminished scale of the Batik business in 2012. Sanan also decided to rent out her shop area to another business and combine both her shop and factory into one. Further, she chose to hire freelance Batik artists upon receiving orders from customers.

Her factory has produced Batik for wholesale, retail, and made-to-order products. Her customers can be referred to as either free individual travelers (FIT) or group individual travelers (GIT), which include both Thai and foreign customers. She explains that some owners of souvenir shops depend on GIT through the assistance of tour operators (or sometimes tour guides or van drivers) who bring customers to their shops, in exchange for good commissions. In this way, the shops are assured of more customers. However, in the case of Sanan's shop in the time of the tourism growth in Phuket, she was not highly dependent on GIT visits due to her shop's incapacity for mass production and inability to fulfill the demands of a large number of customers. This case is clearly different from other souvenir shops trading in buy and sell of mass-produced products which can be relatively well-stocked in times of any sudden surge in demand.

Another business concern pertinent to depending on the GIT as a customer base is the conventional requirement to lure tour operators, tour guides, and van drivers with the offer of a high commission, which naturally entails an increase in the price of Batik products. The average commission rate an agent receives is anywhere from 10 to 30 percent of the customer's total purchase cost. In Sanan's situation, she has refused to devalue her product and avoided getting involved in the price war; rather, she continues to offer her customers a reasonable price with the minimum rate of commission for the agents. Her idea is to cooperate with the agents in presenting a reliable quality of handmade product to customers, and not simply promoting a low-priced product. She narrates one experience in dealing with a tour guide's strategy in accumulating commission.

I started with a small shop and factory with little knowledge about business. One day, there was a tour guide coming into my shop with a couple of foreign customers. The tour guide told me not to say anything to his customers, that he would be the one to explain everything to them. I followed what he said. When the customers asked for the price of a piece of Batik, I told the tour guide 350 baht. Then he turned to the customers and told them 700 baht in English. He spoke to me in Thai that he will come back to my shop later to get his commission from the sale and the reward of bringing me a customer. It was not right that he increased the price without my permission and receive benefits from the sale, but I couldn't do anything. So, I sold that piece of Batik in the price that the tour guide quoted. Before he left, I gave him money right away and told him not to bring any more customers back to my shop again.

From her negative perception of the tour guide in this narrative, Sanan later realized that she was a new entrepreneur in the tourism business, who lacked experience in dealing with the

different strategies of tour guides. The situation resulted in the tour guide's gain of 350 baht as add-on profit and an additional 35 baht for his 10 percent commission on the sale. Sanan, after giving the commission to the tour guide, received 315 baht out of the original selling price of 350 baht offered by Sanan. The case implies that the shop owner, who is also a goods producer, could earn less than the tour guide. This scenario is prevalent as souvenir shops face difficulty in finding customers on their own in spite of their need to earn daily while agents ease this difficulty by introducing customers to the shops. Hence, agents tend to play a vital role in ensuring profits for businesses in the industry. Nowadays, although Sanan does not mainly rely on agents because her shop has better opportunities for product distribution, she still continues dealing with the agents for her business. She emphasized that she has learnt how agents operate the tours with strategies. With this understanding, she has tried to set her own standard for offering commissions and rules of sale, which works efficiently for her business and her network with agents.

Case 2: Experiences in Accumulation of Commissions

This case illustrates how a licensed tour guide who worked as a salesperson in a souvenir shop in Phuket has constructed the knowledge of product selling and strategies of accumulating profits from the selling. And it further shows how he could utilize the knowledge and strategies from being the salesperson in the new setting when he shifted to become the licensed tour guide. Guide Atit is 32 years old, a southern-born male, who has been working as a tour guide in Phuket for 10 years. He holds a bachelor's degree in business administration and had a couple of years' experience as a contract employee in the sales department of a large-scale souvenir shop in Phuket owned by a local wealthy family. While working in this shop, he got to learn all the techniques of promoting products and became one of the skilled sellers in the shop. However, from his narration, he frankly expressed the fact that he was not content with the monthly salary and unstable income from commission, considering his potential and performance that contributed highly to the shop owner's business. As a sociable seller, he had the opportunity to mingle with plenty of tour guides and van drivers whom he had kept connections with and learnt another side of the tourism system as more job opportunities awaited.

After 2010, the souvenir shop went under financial risk from tight competition among souvenir shops and later was compelled to lessen the numbers of its staff. Guide Atit further explains that the owner could not carry the debt burden any longer, so she decided to sell the shop to a partner of a foreign investor. The tremendous change had an impact on Guide Atit's working conditions as many emerging policies were created by the new owner. He recalls one good change being the motivation⁴⁶ for salespersons in the form of a higher percentage of commission, while another was an "absurd" rule setting a standard sales accomplishment for every salesperson each month, for instance, requiring one to sell products worth up to 50,000 baht per month. If a salesperson was unable to reach such standard within three consecutive months, the owner had the prerogative to reduce the employee's monthly

⁴⁶ One of the good motivations was to give a higher percentage of commission to the salespersons whenever they can sell products to customers. The former shop owner would offer 10-percentage commission from the total cost of selling, while the present shop owner offer 15-percentage commission.

salary. With this development, Guide Atit could sense the tough working style and pressure filled atmosphere desired by the foreign owner, which eventually influenced his decision to leave his sales job and began thinking about being a *tuk tuk*⁴⁷ driver. He narrated his dilemma,

After the takeover, I felt a lot of stress. What if there was a small number of customers visiting the shop? And there are so many reasons why customers would not buy anything at all. It is not a matter of merely my sales skill, but it could be that the customers might not like the product or the cost was too pricey. There is nothing I could actually do as to the customers' decision. So, I preferred working on something that I have control of and have less pressure in my working environment. So, it was fortunate I got to know a lot of drivers, tour guides, and tour operators. Now, I don't have to worry about anything, and just rely on my strong working connections and myself.

He continued stating that it was easier working with the former owner because there was not much emphasis on sales performance, but the new owner was inclined to evaluate the staff through the value of their sales and coax them for more work output by dangling the benefits from higher commissions. Since the owner was concerned not only with profit-making but also labor-cost reduction, it became easy to utilize poor sales performance as a factor to dismiss quite a number of employees. In this context, the commission was not just an option but rather, it was a reward for work achievement used to assess the individual's quality as a salesperson.

After his resignation as a sale staff, it has been 6 years since Guide Atit decided to work full-time as a licensed van driver and now owns two vans for private hire⁴⁸. He also holds a pink-badge tour guide license, therefore, he is authorized to tour customers and to give information without being subject to intimidation by officials who inquire about the tour guide license during tours. Since he can operate a tour as both a licensed van driver and a licensed tour guide, he has a distinct opportunity to gain touring jobs from many tour operators and private trips from direct customers. When asked about commissions, his perception was as follows:

As a receiver, a commission is a reward that I deserve for many reasons. It is a payment for the effort of promoting products for shops and restaurants. I try to convince customers to be interested in products or services to be able to take them to the shops. It is also payment that I deserve because of my knowledge, gathered through years in the

⁴⁷ *Tuk tuk* is the Thai name for a three-wheeled motorbike taxi with fancy colors around its body, and it is available only in Bangkok, Thailand.

⁴⁸ Van drivers in the tourism industry are in a similar business circumstance as tour guides. A van driver has to apply and receive a specialized license as a transport entity. After being licensed, most drivers decide to purchase a van and have it registered with the Department of Land Transport as a non-regular route public carrier (indicated by a yellow plate with initial digits of 30 – 39). Such van-registration type is authorized to serve for private hiring. Therefore, many van drivers invest in the purchase of their own vans and work freelance for tour operators based on touring job assignments.

industry, of good local stuff and a network of connections that I have built. It has become my main source of income and my reward that encourages me to go to work every day.

For Guide Atit, the commission is not only remuneration, but also an exchange of knowledge, which took several years to accumulate. Thus, the rate of commission also reflects the level of professionalism of a tour guide. Tour guides would receive different amounts of commission depending on negotiations between them and the business owners, their understanding of customers' needs, and the choice of strategy taken based on the size of their network. An experienced tour guide like Guide Atit is an illustration of a productive agent who understands the limitations to their practices in the tourism business field, and is simultaneously able to break away from such limitation by expanding his network.

In order to better grasp how commissions generally function in the tourism sector, according to Guide Atit, their two forms should be examined. Firstly, a commission can refer to a sum of money given to tour guides and/or van driver for bringing customers to shops or restaurants, called *ka jod*, which literally means the fee (to the agents) for parking. In fact, this "parking fee" has the extended connotation of simply making a stop at or dropping by the shops. Normally, the rate of giving *ka jod* depends on the shop's condition. Some offer 50 – 100 baht for a stop, while some would just give 50 - 100 baht per client that the agents bring to the shop. Secondly, a commission can also bear its ordinary meaning of *ka nam* as earlier explained (see Section 6-6, (a) General Definition). Some souvenir shops provide both forms of commissions to the agents. Therefore, Guide Atit usually asks his clients to make a quick stop and just walk around the shop without any compulsion to purchase anything.

In the case of restaurants, Guide Atit prefers taking his clients to quality restaurants with reasonable price, rather than going to those that offer high commissions to agents and tend to cost the clients more. He stressed that if his clients can afford the price, then they will feel comfortable to eat and spend more on cheaper food. Since most restaurants offer commissions depending on the amount of food purchases, he decided to get 10-15 percent commission from the total price of a meal.

Finally, apart from the commission given by a shop, there is another kind connected with the sale of optional tours. Guide Atit gives an example of this case.

When I take my clients for elephant trekking, I ask the reception staff how much the lowest price and the average selling price are. For instance, if the lowest price is 300 baht and the selling price shown on the sign is 900 baht, the reception staff would usually allow me to sell at any price less than 900 baht. What I would usually do is quote my clients the price of only 700 baht before arriving at the elephant ride center. I don't care if I get less commission because when the clients find that the price I gave is cheaper than what they see on the sign, they would make a quicker decision to buy.

Regarding the statement, the lowest price is the lowest price that the shop owner offers to the agent, while the average selling price is a set of prices determined by the shop owner that the agent allows to sell out to the clients. For example, the lowest price of a product is 300 baht and the average selling price is from 300 to 900 baht. Normally, the shop owner would

set the average selling price to avoid the overpriced calling to clients from the agent. The clients do not know the lowest price of the product, so the agent can sell the product in any prices from the average selling price. After selling, the agent would get profit subtracted from the lowest price. Following the situation above, the agent sell the product for 700 baht from the lowest price of 300 baht, thus he would gain 400 baht as his profit.

Case 3: Transformation of Commission to Capital

Guide Pon is a 53-year-old lady, Phuket born, and an English-speaking tour guide for 30 years. Before she became a freelance tour guide, she worked as a hotel staff who ran the tour program for the hotel's customers. In 1986, the hotel owner asked her to apply for the second batch of tour guide training in Phuket, in order to receive the silver-badge tour guide license. She was employed by the hotel for 5 more years and then started to shift her career into the tourism sector.

To aid this study, Guide Pon allowed the researcher to join her and participate in a trip as a guide assistant. It was a 5-day familiarization trip for a group of travel promoters from Korea, so the entire program was organized for learning about tourism, culture, and the tourist attractions of Phuket and its two neighboring provinces (Phangna and Krabi). The tour program involved joining adventure activities, visiting Phuket Old Town, canoeing to explore coastal islands with limestone cave, and touring famous islands. The tour operator employed a freelance tour guide, Guide Pon and two van drivers; one was a Phuket local from Guide Pon's connections while the other driver was a Krabi local from the tour operator's connections – details that will play a relevant part in the discussion in this section. The tour guide and the van drivers had to strictly follow the plan of the tour program, yet they could recommend to the clients the good local restaurants in town. This could be considered a high-quality type of trip, in the context of the tourism-related business, because the tour guide and van drivers could receive a relatively high earning in the form of their wages and tips⁴⁹ making it unnecessary to work for commissions at all.

On the last day, the clients had 5 hours free time to spend in Krabi before departing for Krabi International Airport, and they requested Guide Pon to recommend a good massage parlor. While Guide Pon was busy giving the tour on the island, she was also trying to contact the massage parlor but was unsuccessful and so she instructed the driver, who was a Phuket-local, to be the one to book the reservations with the parlor. It happened that the other driver, who was a Krabi-local, learned of the situation and offered to contact the parlor because he is the Krabi local. During this time, Guide Pon explained to the researcher, "He is expecting some commission from being the one who gets to contact the (massage) parlor. I won't let it happen." Indeed, Guide Pon insisted that the Phuket-local driver proceed with booking the reservations.

The abovementioned circumstance was sudden but conveys two significant points worthy of discussion in regard to the topic of commission. Firstly, if the impression of Guide Pon as to the thought process of the Krabi-local driver is true, it can imply that most actors working in the tourism industry are predisposed to assessing situations in an attempt to find an

⁴⁹ Through this 5-day trip, Guide Pon received a total income 14,500 baht composed of the 1) wage at 2,500 baht per day multiplied by 5 working days and 2) tips at an aggregate of 2,500 baht.

opportunity to pursue benefits. Secondly, the way that Guide Pon read the acts of the Krabi local driver borders on suspicion, which occurs when trust between actors working in the same industry has eroded. To further examine the concept of commissions, Guide Pon gives her viewpoint, quoted below, which is quite different from those of the previous informants.

Commission is a kind of *ka sin nam jai* or the gratitude money in favor of tour guides. It is a way for shops to express their gratitude to tour guides for their support. It has already been part of our touristic culture. For instance, this tour group does not like shopping, so I didn't take them to souvenir shops. Actually, a commission doesn't necessarily have to be in the form of money. It can be free food when we bring clients to restaurants. When the clients asked me to find a good massage parlor in town, I made a call to such shop for appointment and asked the shop to quote my clients the same price as they would give to my tour operator. In this way, I could use up my expected commission to lower the price of massage service so as to please my clients.

The worth of commissions, in her perception, is not limited to the benefit actually given by a shop and received by the guide. Additionally, it can be something that solidifies the commercial relationship between the business owner and the agents to create a lasting connection longer than just a one-time visit. Furthermore, at the stage when a commission is still of intangible value, the agents have the opportunity to turn it into capital that they can utilize in a tangible way, for example, transform it into a discount – something of tangible value (money) – for their clients. As has what transpired in this case, Guide Pon chose the latter form of commission to further strengthen the relationship with her clients.

6-3 Summary

The notion of commission might be an ordinary type of income which exists all over the world, particularly in the business sphere. In the context of Phuket, however, commissions have been utilized in different aspects of the tourism-oriented framework. Fundamentally, it is considered illegitimate under the legal system of Thailand, as it can be a cause of obstruction to fair market value in the financial system of the tourism sector. At the onset, persons who accumulated commissions were portrayed as greedy and seeking benefits, but the system of commissions currently is more systematic and acceptable among the tourism-related actors. Thus, any new players from the business side or agent side will have to learn the rules of such benefit exchange because it has become part of touristic culture.

There are various strategies to conduct business deals on commission. Every tourism-related agent (tour operator, tour guide, and driver) has pointed out their different interpretations of commission and how they utilize it into their work every day. It has become the main resource of income for many freelance tour guides and they may find numerous strategies to seek commission and transform it into money, discount, or social capital; but overall they attempt to balance their utilization of commission to maintain the networks of tourism.

To some extent, commissions can be denoted as informal, considering its non-recorded status in the state financial system and its illicit objective in the regulatory framework.

However, the practice of giving and receiving the commissions have long established and lubricated the monetary exchanges and networks of the stakeholders of the Phuket tourism industry.



Figure 6-1. Touring foreign customers in Phuket city



Figure 6-2. Demonstrating the usage of diving equipment

Chapter 7: Tour Guide Associations as Formal and Informal Institutions

This chapter aims to analyze the important part of mechanism, tour guide associations, which provide opportunity to the informal actors to negotiate with the government and turn the domain of formality into informality. Through examining the roles of two tour guide associations, based in Phuket, an examination can be made of the way each association functions for various purposes in different phases. Although the main objective of the association is to protect the rights of the tour guide profession, actors from each association also utilize their positions to ensure personal benefits or achievements. The associations of the tour guide profession are the formal organizations authorized by the Ministry of Interior which serves as the intermediary between tour guides and the governmental sector in all cases. However, there is a tendency for some tour guides, in case of a shift in employment type from contract employee to freelancer, to be more individualistic and be more concerned in utilizing their network for self-benefit. This chapter presents work practices of members seen in the context of the association, and how they access political power, negotiate with the government regarding laws, and establish beneficial connections while utilizing the association as formal façade to advance their informal interests.

7-1 The Tour Guide Associations in Thailand

(a) Establishment of the Professional Tour Guide Associations

The tour guide as an occupation began to flourish in the early stage of the tourism boom in 1960⁵⁰. During that time, the tour guide was not a recognized occupation in any official capacity, although there were approximately already a hundred tour guides operating tour programs for small groups of tourists. In 1975, a group of fifty tour guides initiated the idea of establishing an association for the tour guide profession in Thailand. The first meeting was held to devise a draft proposal and formulate principles and regulations with the significant aim of protecting the rights and benefits of tour guides who would be members of the association. After many revisions, they submitted the proposal for registration to four governmental sectors; namely, the Public Security Office, Police Department, Department of Religious Affairs, and Ministry of Education. In July 1975, “The Professional Tour Guide Association” was officially approved under the recognition by the Thai state.

The Professional Tourist Guide Association has been operating since 1975 with an annual election of its president and steering committee. In 2004, the association renewed the registration with the Department of Provincial Administration, Ministry of Interior and proposed to change its title to “Professional Tourist Guide Association,” which exists until the present. The objectives of the association are (Professional Tourist Guide Association of Thailand, n.d.):

- 1) to carry on any actions for protecting equitable rights and benefits, including the honor and prestige of tour guides,
- 2) to raise the standard of and accreditation of the tour guide profession, with an

⁵⁰ The Prime Minister at that time was General Marshal Sarit Tanarat.

emphasis on their morality, merit, and ethics,

3) to promote cultures, traditions, customs, history, nationalism, and a tourism that promotes consciousness about natural and environmental conservation,

4) to raise the position of the tour guide profession,

5) to advocate for tourism and disseminate information,

6) to provision welfare for members,

7) to foster harmony and fraternity, including the provision of aid and cooperation among members and to other organizations for the sake of public interest,

8) to provide voluntary works, sports, and entertainment, and

9) to undertake any related action or activities in order to accomplish the aforementioned objectives.

The main role of the association is to be the coordinator between its members, the private sector and government in discussions relating to providing aid and in cases of disputes. In this regard, it is assigned to be the representative of professional tour guides in the following aspects (Professional Tourist Guide Association of Thailand, n.d.):

1) developing the potential of the tour guide profession by conducting training on foreign languages and tourism to improve the standard of services,

2) promoting public relations for the purpose of expansion of a tourism network,

3) supporting the government in its tourism-related problem solving,

4) cooperating with other organizations in different manners, for example, supporting resource persons in academic institutions and coordinating with other associations or organizations to promote contribution of projects,

5) participating in the World Federation of Tourist Guide Associations (WFTGA) and becoming one of the founders of the Southeast Asia Tourist Guides' Association (SEATGA)

6) founding the Federation of Thailand Tourism Network Associations with eleven tourism-related organizations, in order to support the integrity of the private sector in developing Thai tourism industry,

7) establishing the Professional Tour Guide Cooperative Savings in September 2010 for helping members with socio-economic support, and

8) serving as representative in the committee, subcommittee, or working groups of both governmental and private sectors, namely, the committee of the Tourist Business and Tour Guide in accordance with the Tourist Business and Tour Guide Act of 2008, the committee of Tourism Council of Thailand, and as board member of Thai Home Stay Standard.

(b) Establishment of the Federation of Professional Guides in Thailand

However, by 2006, the association had failed to fulfill its avowed purpose of protecting the rights of its members when a former association president was not accepted among members because of a clandestine process of its committee election⁵¹. As a result, splinter

⁵¹ Viroj Sithprasertnan was the 19th president of the Professional Tourist Guide Association of Thailand, who

groups were formed in three touristic regions - Phuket, Songkla, and Chiangmai – which established a new association named the “Federation of Professional Guides in Thailand”. Since a regional association, acting individually, would not be in a position to undertake meaningful structural transformation, a federation was established composed of 3,000 members which started the decentralization of power in the tour guide profession. Besides, they raised a more significant issue of improving the welfare of tour guides particularly with regard to income rate and compensation for injuries from work accidents (Manager Online, 2008). On this Jatupon Ruengket commented about the establishment of the federation,

In general, tour guides have currently been suffering from a standard of low wage rates paid by tour operators. The daily wage of 150 – 800 baht do not correspond to the increase in the cost of living. This forces many tour guides to pay more attention to selling products and services to clients in order to receive benefits from commissions. Some even deceive tourists to purchase goods and results in many complaints afterwards.

In the past nine years of its establishment, the federation has extended networks from three to eleven associations and clubs⁵². Furthermore, the main discussion between the federation and the government recently has shifted from the basic income concern to the criticism on the proposal of endorsing foreign illegal tour guides in the profession. The issue was raised by some capitalist tour operators in connection with tourists of three nationalities – China, Korea, and Russia – and the shortage of licensed tour guides who are capable of speaking their languages. Some tour operators even pointed out that although some Thai licensed tour guides have Chinese language skill, it is still worth hiring natives to be tour guides. These stems from the outlook that natives can better understand the culture and personal demands of tourists who are their fellow countrymen (Bangkokbiz News, 2017).

Apparently, the Ministry of Tourism and Sports started to handle the issue, especially the shortage of licensed tour guides. Consequently, an action was authorized for implementation which was for the government to collaborate with the educational institution in producing more tour guides in the following manner (Professional Tourist Guide Association of Thailand, n.d.).

was relieved as the president and committee member by a court order which took effect on 11th September 2006. His position as president was questioned due to the clandestine election process taken and the failure of the association to give notice to the members about the opening of applications for committee members within the 90-day requirement under the law.

⁵² The association is the public gathering that has to register their group status with the government. An important regulation that the association has to be responsible is to manage the accounting and property for annual audit. Therefore, it has legal rights to conduct any activities for public purposes, for example, receiving finances from membership, gaining benefits from donation, and instituting legal proceeding against opposing organization (Department of Local Administration, n.d.) To some extent, the legal status of association implies its position certified by the government in undertaking any legitimate actions, being of advantage to the members or profession. Meanwhile, club is just a gathering of a group who has common interests or activities without the legal recognition. Thus, if any conducted activities found mistaken or corrupt, the members cannot prosecute the club and ask for the responsibility.

1. The educational institutions will cooperate with the Ministry of Education in supplying tour guides through establishing a program for a vocational diploma in tourism, in favor of pursuing a general-type tour guide license, as stated in the Section 50, The Tourism Business and Tour Guide Act of 2008. Currently, this is only available to persons who have completed an undergraduate degree.
2. The government shall give financial support to educational institutions that open second-language training courses for developing the potential of licensed tour guides, particularly in the market of nine languages – Russian, Chinese, Vietnamese, Malay, Burmese, Japanese, Korean, Indonesian, and English.
3. The government shall give funds to any tour-guide training projects, which encourages a tour operation following the Thai way of life and strengthening the networks of tourism-related cooperation in order to achieve high standards in services for tourists.
4. The government shall allow the use of a temporary method to resolve the shortage of Korean-speaking licensed tour guides. This consent from the government supports training for Koreans, who work in tour operations, in order for them to develop a positive attitude towards Thailand and collaborate effectively between the Korean tourist and Thai licensed tour guides. The intention is merely for the Korean native, together with the tour operator, to coach the Thai licensed tour guides and give them opportunity to use proper communication in the Korean language.

Referring to the first three points, it can be noticed that educational institutions have played the crucial role of providing academic support and maintaining quality towards the production of licensed tour guides. Therefore, in the past two years (2016-2017), the government has given grants directly to a university or college for creating any project related to tour guide training or seminars. As an example, the Phuket Community College opened several tour-guide training courses that gave subsidies to trainees which effectively reducing their tuition fee. There have also emerged many cooperative projects between the universities and the associations of tour guides, as can be seen from the Chinese-training courses for tour guides organized by Phuket Rajabhat University.

However, the nagging problem of the shortage of licensed tour guides was again raised on the 27th of June 2017 during the meeting on follow-up issues on tourism and sports (Voicetv21, 2017). The Deputy Prime Minister, Tanasak Patimaprakorn addressing such problem stated,

It is important to develop human resource in tourism. The major mission is to provide different training courses for tour guides to effectively support their work... In order to solve the problem of the shortage of licensed tour guides for a temporary period, we should bring all illegal tour guides into the system and allow foreign tour guides to register with the government as collaborators...

This pronouncement, in view of the previous cases of unsolvable problem on foreign

illegal tour guides, gave rise to criticism from all licensed tour guides. The representatives of the Federation of Professional Guide Thailand issued a press release on July 9, 2017, opposing the government's proposal of allowing foreigners to work as a collaborator in tour operations. They claimed that the government has no realization of what is actually happening in the industry; therefore, what was being discussed was not a solution, but a mere compromise. In fact, the collaborator role is a mere front to hide the reality of the foreign guide's role as an illegal tour guide, which allows them to maintain their working position with the tour operator's backing and accumulate wealth from tourism. Moreover, it was argued that there is no real shortage of Thai tour guides, but a problem in the methods that tour operators utilize to manage their employment. The president of the federation further asserted,

Many tour operators do not pay wages to tour guides under the justification that the guides can earn other income, specifically from tips and commissions, and sometimes from additional fees within the tour program, such as from entrance fees (to tourist destinations) or toll fees. If these circumstances keep on occurring in the tourism industry, nobody would want to be tour guides because there is no equity and justice from the employer (tour operators). For the past 20 years, many tour operators have ceased from employing contractual tour guides, which has triggered the neglect of training programs aimed at developing the quality of tour guides. Then, the economy grew like a bubble. When tourism is downgraded and undervalued, it can give rise to the illegal acts and exploitation in operating the system. These are the situations that the government should instantly solve. However, I will present a complaint letter (concerning the suspension of government endorsement towards the operation of foreign collaborators) to the Deputy Prime Minister to reconsider the issue again. (The Federation of Professional, 2017)

The above statement illustrates the action taken by the federation in negotiating with the government. However, the problem of illegal foreign tour guides has lasted for more than 10 years and an appropriate solution has never been found. In fact, the tour operator group is such a significant player that is able to navigate the direction of tour operations and can manipulate the illegalities in the tourism industry. Taking the case stated above into consideration, the tour operators hold the better card of having clients in their hands and they can choose to employ whoever accepts their conditions (of not receiving wages or being burdened with some additional payment). To some extent, both illegal foreign tour guides and licensed tour guides, who are compelled to experience such circumstances, are the victims of this employment transformation.

(c) Establishment of the Professional Tour Guide Associations in Phuket

The Phuket Professional Guide Association was founded in August 1998 by a group of licensed tour guides in Phuket. Its main goal for congregating was similar to that of the association in Bangkok. Since the government opened the tourism market to the global economy in many aspects, it resulted in the influx of foreigners who work as illegal tour guides in the Phuket tourism sector. In this regard, an establishment of local level association

emerged due to the fact that tour guides who work in such local area should have rights to partake in solving the problem of illegal issue. Thus, the Phuket Professional Guide Association gathered a group of licensed tour guides with the major goal of empowering tour guides by negotiating with the state for the protection of their rights including the reservation of their occupation solely for Thai citizens.

As mentioned in Chapter 4, many licensed tour guides work freelance and also earn their living from other careers. In fact, the first president of the association, named Phanomphon Thamchartniyom, is a licensed tour guide and concurrently a lawyer. Members of the association are the licensed tour guides who come from different sectors but the majority are contract employees of large tour operators in Phuket. The four objectives of the association as stated in its registration document are: 1) to become the hub for sharing of knowledge, opinions, experiences, and all significant information about the tour guide profession; 2) to promote the professional standing, honor, and ethics of a tour guide; 3) to encourage the unity in the tour guide profession in Phuket; and 4) to protect the rights, benefits, and equitable duty of tour guides.

The association, practically speaking, had attempted to achieve the above objectives, especially on the issue happening in Phuket tourism regarding the protection of tour guide profession in favor of solely Thai citizens. In the early 2000s, Thaksin Shinawatra, the former prime minister of Thailand from 2001 – 2006, inevitably laid down the foreign trade policy integrating the global economy into the national economic policy to expand the arena of commercial demand (Manager Online, 2005). Meanwhile, the open-door policy in creating opportunities for Thai citizens also presented challenges in terms of competition with more actors in the playing field. In 2006, the Phuket Professional Guide Association started to raise its main concern, as a consequence of the policy, as to whether or not the government had adequate awareness of how to defend the interests of Thai tour guides from foreign nationals. Around 30 tour guide members gathered to demonstrate in front of the city hall and presented a complaint letter to the governor in the name of the association. It embodied a request for the director of TAT to be expelled from her position due to her inability to solve the problem of the massive influx of illegal Korean tour guides in Phuket (The Phuket Professional, 2006). Later in 2012, a similar action was undertaken this time in the case of Chinese illegal tour guides and the travel safety of Chinese tourists (Phuket Post, 2012).

Although the association had earned its position in negotiating with the government in public, the results, out of its many discussions, tended to fail the expectations of its members. At that time, it was apparent that the case of illegal foreign tour guides had never been solved; on the contrary, the size of the illegal foreign tour guides' tourism-related business networks had even expanded. To some extent, the relevant networks and the methods and strategies that they employed in the tourism sector turned out to be more complicated. After the unsuccessful campaign for change, Suppachai Watamaparin was elected to be the second president of the association in 2010 and has held this role since. Unfortunately, because of the non-resolution of the issue of illegal foreign tour guides, many disappointed members started to leave the association and decided to reunite under a new tour guide club. As a result, the Phuket Professional Guide Association was deactivated and gradually ceased to take part in public affairs.

The Revival of the Phuket Professional Guide Association

In its nascent stage, the assembly in the form of the association had the significant function of negotiating with the government on issues of professional rights and protection. Bound by a mutual sense of career risk due to the effects of the market-oriented policy, the tour guides were able to form a single congregation. At some point, the need for the association ebbed but, later in time, it was revived by an emerging group. The result was an association, developed into a space for tour guides in the periphery of the industry, aimed at ensuring its significance to the public.

In 2016 to 2017, four significant members of the Phuket Professional Guide Association were interviewed under this study and observations were done at meetings and seminars with the local government. It came to light that, in August 2016, after the association's inactivity for five years, a request was made for the incumbent president to resuscitate the association. The request was made by Fai, a 50 year-old-tour guide born in Phuket, who completed her bachelor's degree in tourism studies from a university in Phuket and experienced working with different foreign and local-based tour operators for 20 years⁵³. Prior to her link with the association, she was a member of the Andaman Guide Club and was actively involved in organizing the club's events and activities. However, by reason of her personal conflict with some influential members, she decided to leave the club and invited some tour guide colleagues to support the Phuket Professional Guide Association instead. The conflict, to some extent, had an effect on her dismissal from her employment with some tour operators. Fai further describes her experience as to how the dispute affected her employment.

I used to get tour guide jobs from a tour operator because the manager is my cousin. The tour operator is based abroad, but there are branches in many areas, including Phuket. After the conflict, my cousin told me that she couldn't give me a job anymore. What happened was that a group member (of the club) directly contacted the main tour operator abroad and offered a supply of an unlimited number of tour guides for their tour programs. The main tour operator found it convenient for the management of human resources as they would not have to be concerned about finding tour guides elsewhere. Besides, members of the club gave the impression of trustworthiness and being well-experienced freelance tour guides serving a high-standard market. They also did the same thing with many decent tour operators in Phuket, in order to widen their working networks and empower the club. You can see how they use the network to connect with many tour operators and keep jobs for their members. It effectively blocks the chances of tour guides to work with good tour operators unless they become (the club's) members.

As can be deduced from this statement, Fai criticizes the club's practice of reserving

⁵³ In the early stage of her working life, she utilized the connection among relatives and former schoolmates to receive introductions to tour operators and gain job offers. She is usually a freelance tour guide for western clients from Australia, Scandinavia, and Europe, conducting the routine tour program of one-day forest trip in Phuket and neighboring provinces. Her service rate is approximately 1,000 – 2,000 baht per day, depending on the trip details and working hours.

employment opportunities exclusively for their group members as a form of monopoly of employment in the tour guide profession. Her experience in losing her job tended to be personal and trivial, but she makes a point in also portraying the consequences of such practice in the loss of employment among tour guides as a whole. Meanwhile, it seems that Fai also used her personal network to get the job and utilized her family relationship to ensure her employment security. Viewed in this context, the exclusion could happen in both cases when job availability is not provided to all tour guides equally, but rather hinges on the expanse of individual network that a tour guide has.

At the beginning of the revival of the association, Fai initiated recruiting members from her connections and set up an unofficial meeting to have discussions with the president about the procedure to re-activate the association, regulations on membership, plans to attract more members, and projects to develop the profession of tour guides. In order to develop active players, the president nominated members to be assigned in specific committees with different duties. Fai became vice-president for public relations. She attempted to participate in all tourism-related events that the association was formally invited to by the governmental sector and private sector. To create a good impression as to the scope of the association is to the public, she would always ask other members to join the events with her and encourage them to be active participants through any manner.

On 11 August 2017, she participated in the seminar for Developing the Network of Tourist Aid and Public Relations for Foreign Tourist Remedy Funding⁵⁴ organized by the Department of Tourism. As was observed under this study, Fai took a front row seat, as soon as she arrived at the seminar room, and had conversations with the audience around her. During the seminar, all participants were asked to be grouped according to a given number right after the presentation by the Phuket Lifeguard Club on the procedures of administering first aid. Every group had to brainstorm about the given topic, which was how to systematically deal with a maritime accident. Members of each group, including Fai, shared their experiences by playing their parts in administering first aid to the tourists. With her tour guide skills, she volunteered to be a group facilitator, led the discussion, put all statements in order, rearranged them as required by procedure, and volunteered some additional details during the presentation. During open sessions, she would also raise questions, give comments about the issues, and end up with either an on-going or successful role for the Phuket Professional Guide Association in solving tourism-related problems. After the seminar, she attempted to approach the keynote speakers or significant figures of the event in order to introduce the association and have a small talk about the possibility of further cooperation. She states significant actions that the association should take to become more known to the public,

⁵⁴ The stated seminar was one of the six events that the committee allowed the researcher to participate in for the purpose of observing how the represented committees partook in the public events. The participants are from various organizations, namely, Phuket Provincial Public Health Service, Phuket Tourist Rescue Center, Phuket Tourist Police, Office of Passport and Consular Service of the Chinese Embassy in Phuket, Airports of Thailand, Marine Office 5th Phuket Branch, Tourism Authority of Thailand at Phuket Office, and Phuket Lifeguard Club.

As far as I know, the association was very inactive in engaging the public. How can the association play its role without any promotion? I created a Facebook page for the association to provide an update of all activities. The substantial number of new members in the LINE application is from my connections.

Fai started to invite her tour guide colleagues whom she has been acquainted with for the past 20 years to apply and be official members of the association. She mentioned that it was difficult to make a tour guide realize how the association is important to the tour guide profession. In spite of this, she endeavored to bring together all tour guide clubs in Phuket, especially the clubs for tour guides of different languages. When the Phuket Professional Guide Association set up events, like the annual celebration of Tour Guide Day in June, Fai invited her close colleagues from the Japanese-speaking tour guide club to be one of the main organizers of the event. In this manner, other members of the club could also be involved in the association's activities.

Another strategy in constructing a strong foundation for the association and gathering more active members was to gain the participation of tour guides coming from a large community in Phuket. Since members of the Phuket Chinese-speaking Guide Club and the Yunnan-Chinese Club in Phuket are considered numerous and ethnically close-knit, compared to other tour guide clubs, it became significant to cooperate with them. In this regard, the president of the Phuket Chinese-speaking Guide Club has become one of the vice presidents of the association with influence to work out benefits for his club members.

7-2 Functions of the Association

(a) Association as Power of the Weak

There are some laborers who want to be tour guide, but have less access to, and experiences in the Phuket tourism industry. Although there is a high demand of freelance tour guide in the industry, it also appears the high competition of employment among tour guides, particularly the group of domestic-migrant tour guides who just begin working in Phuket. Thus, to be a member of the association is one of their strategies to access a network of tour guide and to receive authority to conduct economic activities for accumulating individual benefits.

From 2016 to 2017, the Phuket Professional Guide Association was nurtured by various partners, from the tour guide clubs of different languages to the personal networks of a tour guide. In order to achieve the main objective of enhancing a better working system and conditions for tour guides in various aspects, Fai encouraged her colleagues, who can be said to have been marginalized, or "the weak", in the tour guide society, to actively participate in the association's activities. These tour guides were usually disregarded in a significant manner or relegated to the periphery of the society as shown by the various criteria explained below.

First, they are practitioners, with brief touring experience of less than 5 years, who have attempted to use different strategies to access the tour guide and tour operator networks in their job search. Second, they can be tour guides who work for small-scale tour operators employing only a small number of tour guides. Third, some are English-speaking tour guides,

who are sometimes employed for Russian-based, Korean-based, or Chinese-based tour operators. Fourth, they work interchangeably as either sitting guide or tour guide, which conveys their limited network and their need for better access to connections. Finally, they can come from the group of Yunnanese ethnicity who migrated from northern Thailand. Most are marginalized because they appear to be underrated and low-quality tour guides, based on their low Thai literacy, lower educational attainment, and lack of local knowledge. However, through their Chinese proficiency, they could accumulate wealth from serving the shopping-based tour program designed for the Chinese mass market. Fai further narrated,

I'm trying to let every tour guide know that our association is very inclusive. Even if they are now or used to be sitting guides, they are welcome to be our members. We have organized short-course training programs that can assist them improve their language ability, and provide a workshop for learning how to use computer or phone applications. At the same time, the association has been trying to solve the illegal foreign tour guide problem.

In addition, Fai describes that the association has initiated various projects that help in developing the potential of tour guide members in the tourism sector. Short language courses based on the demands of the tourist market seem popular among members. Because of the multilingual tourist market in Phuket, it would be advantageous for an English-speaking tour guide to learn a third language. In this regard, the association has offered trial courses for the Indonesian and Chinese languages in December 2016, which gained positive feedback and had more than 50 participants and eventually a request for the opening of more language courses.

In order to develop self-entrepreneurial skills among tour guides, the association cooperated with the Digital Economy Promotion Agency (DEPA) Phuket and Biz Club and opened a course on online tour booking in September 2017. Under this course, the members could learn how to use technology to increase their opportunity of finding their own market. It includes the use of the LINE phone application, basic branding on Facebook, web page creation, and strategies for finding an online market effectively. Moreover, the association has granted loans for members who own a business. The average amount of the loan is between 200,000 – 10,000,000 baht with interest from 0% - 3%, depending on the size of the business. The Ministry of Interior releases the fund to any registered associations every year.

(b) Participation of Yunnan-Thai Tour Guides

This section discusses specific cases presenting the background and motivations of tour guides in their decision to be members of an association.

Sin is a member of the Phuket Professional Guide Association and is a Yunnan-Thai tour guide who migrated from northern Thailand since 2000 and has experienced many tourism-related careers in Phuket. His first career was an employee in a jewelry shop for a couple of years but shifted work as a tour guide holding a yellow-badge license (allowed to operate tours around the sea area and island) in 2003. Working as a tour guide allowed him to associate with various types of people and have opportunity to find more jobs. However, Sin

admitted that he is an ambitious person hoping to find ways to have his own business despite his repeated failures. In the past, he was cheated by business partners and threatened by business competitors, which resulted in his insolvency.

Sin narrated his first unsuccessful business as a tour operator in Phuket armed with a two-year-old tour guide license. To capture a share of the overseas market, he directly contacted travel agents in Taiwan, Malaysia, and Singapore to offer them tour programs for their clients. Once, he met a travel agent from China who wanted to open a new market; thus, he organized a fam-trip⁵⁵ for his network of travel agents to allow them to inspect the available tour programs. Unfortunately, the travel agents cunningly made use of Sin's tour operator business to learn about the procedures of operating tour programs for themselves. Their strategy was to send a Chinese tour leader to accompany clients to Phuket, and those tour leaders would study the entire touring system and networks from Sin. After doing this several times and delivering all information to the travel agent in Mainland China, they finally had the know-how to operate the tours themselves. Eventually, they discontinued sending clients to Sin's tour operator. Sin stressed that, in the beginning of the Chinese tourist boom, this surreptitious strategy of foreign travel agents did not merely ruin his business, but it led to the lasting unsolvable problem of the illicit nominee of foreign-based tour operators and illegal foreign tour guides. This has created a severe devastation to the whole tourism sector and local economy.

Sin still holds the yellow-badge tour guide license, but no longer works as a tour guide. He owns a small souvenir shop in a Chinese-based business area and expects to find partners to launch some tourism-related businesses. However, Sin has a strong connection with tour guide companies for the reason that he has participated in the activities of many organizations; for example, as a committee member of the Phuket Chinese-speaking Guide Club in 2007 and recently as a volunteer Chinese-speaking interpreter for the Phuket Tourist Police and Phuket Immigration. Despite his terrible experiences, he still believed that his genial and sincere personality can bring him back to a positive environment and meet good people in some way. In 2015, Fai invited him to become an active member of the association. He is now the one who would always accompany Fai to seminars or events and is willing to work for the association.

Currently, Sin still sees opportunities in both the informal and formal sector. On 14 February 2018, he promoted his new business to members of the association through a LINE group (phone application) of the association. His new business is in the category of sexual-related entertainment, also known as "JJ show," which is in fact considered a violation of the law⁵⁶. In the group, he offered tour guides some commission if they can sell tickets of

⁵⁵ Fam-trip is abbreviated from familiarization trip. It is a low-cost trip or sometimes free trip for travel agents offered by tour operators. The trip – comprising a tour program of tourist destinations, activities, and entertainment – is considered as a promotional service to encourage travel agents to sell the programs to their clients.

⁵⁶ According to law, sexual-related entertainment is listed in the group of illegal activities since it shows a negative image of Thai culture.

the show to their clients⁵⁷. The reaction in the LINE group was positive and Fai even supported his business by wishing him success for his business.

(c) Elite Guides and their Network: The Andaman Guide Association

Some freelance tour guides who claim themselves as experienced-professional tour guide gain high position in the associations. They become a group of elite guide who can maintain a network among educational institutions, government organizations, and other tour guides. These elite guides primarily receive privilege to receive job opportunity from high-payment tourists. In the other words, they can access the network, and become intermediaries among stakeholders. The elite tour guide also receive a political power since the other tour guide need to be the subordinates, and want to receive benefit from job distribution. By the political power, elite tour guide can negotiate with various stakeholders and maintain their economic activities which are both formal and informal.

Some freelance tour guides who were members of the Phuket Professional Guide Association began to inquire about the inefficacy of the association's performance of not being able to solve the case of illegal tour guides in Phuket. They started to gather licensed tour guides who agreed to form a new group to be called "Andaman Guide Club," with the ultimate goal of founding the "Association of Tour Guide Andaman." Chai is the leader of the club and is one of the well-experienced tour guides who has worked in different tourism sectors. He is 57 years old and was born and raised in Phuket. Aside from being a freelance tour guide, he also owns a real estate project and volunteers in the Royal Thai Consulate⁵⁸ as a civil official for tourism-related crime.

Another significant actor is Dang, the Deputy President of the association, a mid-40s woman born in Phangna (a neighboring province of Phuket), who holds a silver-bronzed badge guide license. Despite requests from the researcher twice for an interview with her about the operation of the Association of Tour Guide Andaman, she declined both times. She gave the reason of declining the interview that the work schedule of tour guide is not fixed, so she had to stand by for the touring job all time and had no schedule for any interview. In any case, it was essential to examine the roles and duties of the Association of Tour Guide Andaman in the perception of the public because many members of the association are engaged in work in both the government and private sectors. Apart from Kung, as a main instructor of the Community College as cited earlier, some members are part-time lecturers in the field of tourism studies in a vocational college and university. From the private sector, some members are tour managers of well-established and large-scale tour operations in Phuket and they have enhanced working connections among members for a long time. Major

⁵⁷ The conversation is taken from the LINE Group Application of the Association, 12 February 2018.

⁵⁸ Damrongdhama Center of Ministry of Interior is a governmental sector under the supervision of the Secretary of Interior. The center plays the main role of receiving any complaints filing directly from citizen twenty-four hour a day, analyzing cases for follow-up, coordinating between the governmental and private sectors, promoting and assisting the good citizen. Its mission is to give immediate assistance whenever receiving the report. Thus, in the case of the center in Phuket, there is a team that can react to the case immediately (The Secretary of Representative Office, 2017).

members of the association are English-speaking tour guides who work for tour operators which operate tour programs for Westerners, Scandinavians, and Australians. Therefore, this group is considered an elite tour guide group, in terms of their language skills, touring experiences, and expertise in providing services. It shows that even the association represents the public sector working cooperatively with the government. However, when examine deeper into the works of the members, it seems that the space of public sector cannot be separated from the understanding of the members working and positioning in the private sector.

Although Dang denied to have interview twice, a way to understand how Dang is significant in the association is to gather her information from the member of the association. Pon⁵⁹, a significant informant mentioned in the previous chapters, is also a member of the Association of Tour Guide Andaman and works freelance in the network. She gives her reflection on the other side of the story about the association implying the important roles of Dang, as quoted below:

It is true that this association was a big group that separated from the former association (referring to the Phuket Professional Guide Association). But actually, this association has mostly been driven and manipulated by Dang, not by the current president as what the outsiders (to the association) thought. Why is Dang so important? It is because she holds the most significant networks of tour operators in her hands. She would establish contact between a member and the manager of a tour operator. So, whenever the manager needs freelance tour guides, he/she would call that member. Now, imagine that the members of the Andaman Guide Association have more than five tour operators in hands; that is why they can control the networks of employment and attract all quality tour guides to join their association. To be honest, I am one of them. I want to get employed through their connections to tour operators.

However, it took them 5 years to pursue registration as an association with the Ministry of Interior and they had to resubmit many documents for the validation of the potential of the club. In December 2017, the club was finally authorized as the Andaman Guide Association with 563 registered members. The approval process took relatively longer, at some points, due to the overlap with two similar tour guide associations that were registering in the same area. However, the Andaman Guide Association has shown its distinct features from other existing tour guide associations in terms of its ability to take action in the case of illegal tour guides through cooperation with the Tourism Police and the Royal Thai Consulate. It undertook the remarkable assembly of more than 300 tour guides for a demonstration at the city hall for to rally against the influx of foreign illegal tour guides.

Aside from the rallies, the Association of Tour Guide Andaman also offers many activities to its members in order to develop the knowledge and skills of tour guides in different aspects. Activities vary from volunteering work to entertainment and academic events. To promote partnership among tourism-related sectors, most activities are run through cooperation among the government, academic institutions, and tourism-related business. For

⁵⁹ The biography of Pon is explained in Chapter 6.

example, there is a foreign language training course for tourism-related food and culture (for English and Chinese only), supported by the Department of Tourism. The course is composed of 12 hours of training sessions and 6 hours of practical sessions. After completing the course, the trainees would receive a certificate, that can be used in order to process the tour guide license extension, according to the Tourist Business and Tour Guide Act of 2016 (2nd edition).

On the other hands, the Association of Tour Guide Andaman has another reputation of controlling the network of all well paid jobs and reserving the employment slots for the members of the association merely. The practice of Dang in keeping the connection of important tour operators for the benefit of member becomes part of the power relation in the association. Since the members are given jobs by the connection controlled by Dang, to some extents, they also have to work upon Dang's management in order to maintain connection and job opportunity. This case portrays the informal role of the association in constructing the employment monopoly in the Phuket tourism industry.

(d) Security Provided by the Association

Freelancing is a departure of tour guides from traditional employment conditions by utilizing their individual capacity to do the job under their own working circumstances and through their own relation building with clients. Although freelance tour guides are categorized as an independent occupation, freelancers have to rely on two factors.

First, they are dependent on their connections with tour operators or colleagues to secure their occupation and maintaining their lifeline.

Second, their working conditions are subject to the laws regulating the tour guide profession and the monitoring of officials, particularly in tourism intensive areas. Although the government has attempted to include all appropriate regulations to govern the work of tour guides, the implementation has seemed to diverge into different directions. For example, there is a debate on the touring area of pink-badge license and yellow-badge license, which are the major specialized tour guide licenses held among Phuket tour guides. According to the description of the tour guide license (Suwanpimol, 2013), the former license allows the holder to tour Thai and foreign tourists in the indicated provinces and neighboring provinces, while the latter authorizes the holder to tour Thai and foreign tourists in sea area or islands measuring 40 nautical miles from coastal line to tourist spot. Such description conveys that the pink-badge licensed tour guide cannot tour in the area of yellow-badge license tour guide, and vice versa. Apparently, most tour programs in Phuket are composed of both city and island trips. If a tour operator follows the requirement strictly, it will have to increase his investment to employ two tour guides for operating the whole trip. In this regard, most tour guides do not confine their working area following the prescribed description due to its impracticality given the real situation of the Phuket touring system. In this sense, the freelance tour guides cannot rely on a particular type of license to work in a particular area when the freelancing pattern is not steady and is changeable.

The issue again fueled discussions when the association brought it back up for consideration. The committee claimed that both pink-badge and yellow-badge tour guide licenses should be allowed for use in Phuket. Geographically, Phuket can be considered as both an island and mainland. Notwithstanding, many tour guides experienced intimidation

from police officials due to the issue of working with the incorrect license. Some admitted that they have to bribe officials to stop the intimidation. In this regard, the association played a significant role in helping compromise such case with the officials whenever it receives complaint from its members as stated by the president of the association,

I heard that the police have intimidated many tour guides recently and some tour guides were even forced to pay the fine, especially for the case of incorrect license. Please do not follow the police's order and pay any money to him, but contact me by this number (his cellphone number) and tell me the situation, the name of the police who hold you, and police station he position at. Then I will call to the superintendent of Phuket Tourist Police to help any tour guides (who face with the intimidation) to be released. Since now the issue of the license and touring area is still debatable between the association and the government, the police have no right to force the tour guides to pay the fine if the issue is found. (Observation from the Line Application Group titled the Phuket Professional Guide Association, 2017, May 8)

This study also looked into the case of Min, another member of the Phuket Professional Guide Association but is a non-Phuket local who migrated to Phuket 20 years ago. As she holds the yellow-badge license, she finds herself in the above-described complex situation. Min received the license 15 years ago while in her late 30s when she still had ample energy to guide tourists to the islands. However, at present, she has shifted to working under employment for a one-day city tour due to her increasing age, health problems, and family burden. She narrates some difficulties that she has encountered,

Before, the police officials were not strict about the color of our license and where we can do our touring. For as long as we hold a tour guide license, it didn't matter whether we work for the city tour or island tour. But you see in the past 1-2 years, the officials could approach us and request to check our license any time they want. I got lucky that I have never been faced with that situation, but I am still afraid of being arrested. Hopefully, the association can come up with a good solution for that case. So that we can work without any worries.

Min is a freelance tour guide who has connections with several tour operators targeting the Indian tourist market. As she is getting older, she can only accept either a half-day trip or one-day trip⁶⁰ with less opportunity of gaining more benefits from commission or tip. Moreover, such kinds of trip are only available 5-10 times in a month, which made an adverse impact on the income meant to secure her family life. Upon Fai's invitation to join the association, Min did and has become an active member. She would accompany Fai to participate as representatives of the association in official meetings with the government. As an experienced tour guide, she was invited to be a guest speaker in seminars arranged by the association. For instance, she was responsible to give a speech on "The Promotion of Thai Tourist Market and the Motivation in Tourism" in an academic seminar titled "The Model of

⁶⁰ The wage of half-day trip is 500 baht, while the wage of one-day trip is 1,000 baht.

Promoting Marine Tourism Market to Thai Tourists” on 29 April 2017⁶¹.

It seems that the freelance tour guides are inclined to face with the intimidation of officials. However, being an active member of the association allows her to be protected from the officials’ intimidation due to her working the city tour but holding the inappropriate yellow-badge license. Although she has difficulty in finding employment, volunteering in the association put her in a position to work in other areas and maximize the opportunity to find more working networks. In this regard, the association also takes part of securing Min from officials when she conducts the tour with the inappropriate license, which indeed she can be arrested from such informal practices. However, the action taken in protecting the members, who are operating tour illegally, shows another informal role of the association and such the action of negotiation with the officials also illustrates how the regulation of license category is flexible and adjustable.

7-3 Summary

The roles of associations of Phuket tour guides are basically to support the members in maintaining their rights; however, the associations also provide opportunity to actors who commit informal practices such as sitting guide. It means that such associations play contradictory roles in the domain of formality and informality. Moreover, the leaders of associations have tried to increase their authority by accompanying with government apparatus, especially the university where the exam for receiving tour guide license is conducted. In other words, the associations strive to gather political power, which give benefit to their members to make strategy and negotiate with the regulatory system. This could be called a phenomenon of politicization.

The transformation of employment relationship is a consequence of the burgeoning number of freelance tour guides in the sector. Many of them are compelled to rely on market fluctuations and variable networks in their livelihoods; meanwhile, others take to relying on self-efficacy and self-distinctiveness to pursue jobs in a highly competitive public domain. Although taking part in the network is a threshold to work based on the beneficial interests, the actual characteristics of freelancer are portrayed as individualistic and isolated.

In principle, the association brings together the group of tour guides, who are fragmented because of their freelance style of working, to have more sense of public concerns. The establishment of a tour guide association, thus, has shown the historical significance of boosting the quality of the profession in many aspects. Two points of concern that have clearly been raised, for which actions were proposed calling for a proper rate of basic income and a policy to safeguard the avowed reserved Thai career from foreign nationals. However, almost 20 years later, the associations have never come to achieve these goals and continue to struggle with the consequences of mass tourism capitalized by tour operators.

In considering the functions of an association, various aspects of cooperation and negotiation through the motivations and practices of individuals could be seen. It can be understood from the four cases discussed that a space for exchange is created between the

⁶¹ This information was taken from the association’s group messaging page on the LINE phone application, 2nd of May 2018.

association and its members. In utilizing this space, the members, through their formalization, are able to gain benefits; for example, the capacity to run an otherwise illegal (sexual) business. On the other hand, the association is faced with segregation and the individuality of the freelancer, thus, it requires the participation of a substantial number of active members and volunteers to support its business and activities.

The discussion also brought to light how tour guides with a thick network in the business sector are better suited to finding a high paying job and consequently receiving a higher rank in the association. While membership to the association is open to every tour guide, only those who have the capacity to exchange economic benefits with others will be regarded as important persons. As can be observed in the case of the Andaman Association, the high-ranking members eventually have more opportunity to utilize the network with tour operators which can result in a monopoly of the market. Further, the benefits of a better job opportunity under this scheme can be enjoyed only by tour guides who are under the ambit of such high-ranking members. In this regard, the formal institution, namely association, is actually working informal monopoly, in which only small group of elite tour guides can be benefitted.

In summary, the cases (case a and case b) shows that the association strives to gain power by gathering a support from actors who commit informal activities – sitting guides, sex show owners, and tour guides who use incorrect license. This occurs when there are competitors in the domain of tourism business (case c). Each competitor needs to negotiate and exchange benefit with the government in order to receive opportunity to monopolize the market. The associations consequently become one mechanism of informality when they encourage the informal actors.

Chapter 8: Conclusion

At the outset, this study considers it crucial to have a clear understanding of how the socio-economic situation of Phuket has shaped its social structure and influenced the practices of people in the tourism industry. Historically, the Phuket economy was driven by a group of mining owners whose legacy of land, asset, and family business was handed down to the succeeding generation. By the time of the tourism boom, most succeeding capitalist families have transformed their legacies into resources for tourism-related businesses, as indicated from the present owners of hotels and resorts, restaurants, souvenir shops, and tour operators. They have become an upper class and successfully built strong ties among groups of business owners and reproduced their economic success by capitalizing on tourism.

Meanwhile, the middle class is likewise able to partake of economic opportunities from the tourism industry through tourism-related occupations in the form of small or medium-sized businesses or as well-paid labor. It is worth noting, however, how the two distinct groups nurture ties with each other due to a common sense of localness, thereby creating a subtle hierarchical structure in Phuket society. The image of locals and their networks has become characteristic to Phuket socio-economic ambience. When domestic migrants or newcomers decide to conduct economic activities in the field, it becomes prerequisite for these new players to acquire relevant knowledge and learn the culture of the locality in order to become part of the local networks and have a good chance to gain benefits in commercial exchanges.

Next, this research delved on how Phuket tourism, since the 1980s until the present, has largely depended on the fluctuations 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 tacitly accepted by the authority and the other actors of tourism.

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.

Previous studies of formality and informality in tourism setting indicate definite economic sectors of a career, based on the criteria that designated by the law and official registration, as informal and formal sectors. Moreover, some studies emphasize on how such two definite sectors could support each other in the realm of liberal market and discern whether such mutual assistance would provide benefits for both sectors in a long term (Wahnschafft, 1982; Smith and Henderson, 2008). However, this research finds a new insight that the meaning of informality and formality does not limit to the definite economic sector. Through analyzing the practices of freelanced tour guides and their connection with other stakeholders in the tourism-related network, 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 system⁶². 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, and the boundary between, 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

⁶²The free market has a main rule in which everyone has an equality to participate in such market. Then, persons who can provide benefit to customers and simultaneously receive high profit will have a long stay in the market. The government then need to create regulatory system to control monopoly of the tourism market. Commission is a great example of monopoly as a strategy used by business owners. Tour guide will induce customers to buy overprice products, and eventually receive amount of payment from business owners.

for productive tour guides, but also contributes to the financial resource of tourism-related businesses. In addition, the informal practices are deemed necessary for tour guides owing to two reasons. First, the income from the formal system is inadequate to cover fees for pension and health insurance which are not fully provided by the Thai government. Thus, income without informal exchanges is quite limited and cannot attract laborers to work in the tourism industry. Secondly, the management system provided by the local government does not incorporate how to re-examine the quality of a tour guide's services. What has been established is only a tour guide licensing system and the penalty that attaches in cases when tour guides violate the laws. However, there is no regulation in cases of low quality tour guides whose license should, in principle, be revoked when the number of tour guides is over supplied. In this regard, the tour guide associations fill the role and act as the mechanism for filtering the number of tour guides within their network. The members of association have a common agreement that they want to serve only high-payment tourists whose number is less than mass tourists.

After the legal certification, the tour guide association has become a partnership with the central and local government to initiate development projects related to Phuket tourism. Moreover, being members of, or having position in the tour guide association provides opportunity and authority to the association to carry out two stages of practice. In front stage, the association plays a formal role of protecting the profession of Thai licensed tour guide from the job competition with illegal foreign tour guide. However, in the back stage, the association includes members who are engaging in the informal practices which is considered as illegal. For example, in order to increase the member's numbers and strengthen the association, they incorporate sitting guides (who work in tandem with illegal foreign tour guide) in the group and support the business of sexual activities of a member. Moreover, the association have accessed to the legal power to partake in different tourism-related sector, in order to conduct political power among tour guides. In order to prevent the increase of new tour guides who tend to become competitors in the tourism business, many association members strive to be examiner and committee in the educational institutions where the tour guide license exams are conducted. The association members need to exhibit their authority as long-experienced professional tour guides to institution members. Then, they can receive an opportunity to become committee establishing the regulations of the examination. Moreover, to project themselves as professional tour guide also gives privilege to association's member when they have to establish cooperation between association and government organizations. The government officials mostly rely on the suggestions and opinions of such professional tour guides since the professional tour guides are believed to be persons who have learned the tourism industry through their experiences.

The transformation of informality and formality in the case of Phuket tourism industry has been emerged when the government, who has political power, started to regulate main actors. It could be seen that only understanding in the network and connectivity of main actors is not enough to explain the contestation occurred under the constraint initiated by the government. Thus, strategy and connectivity among main actors, especially freelanced tour guide, is a result of negotiation. In this regards, the framework of informality and formality can reveal the power relations among actors. In the Phuket tourism industry, both formal and informal practices support the growth of the economy. 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 facilitate the dynamism of the business system in the tourism industry.

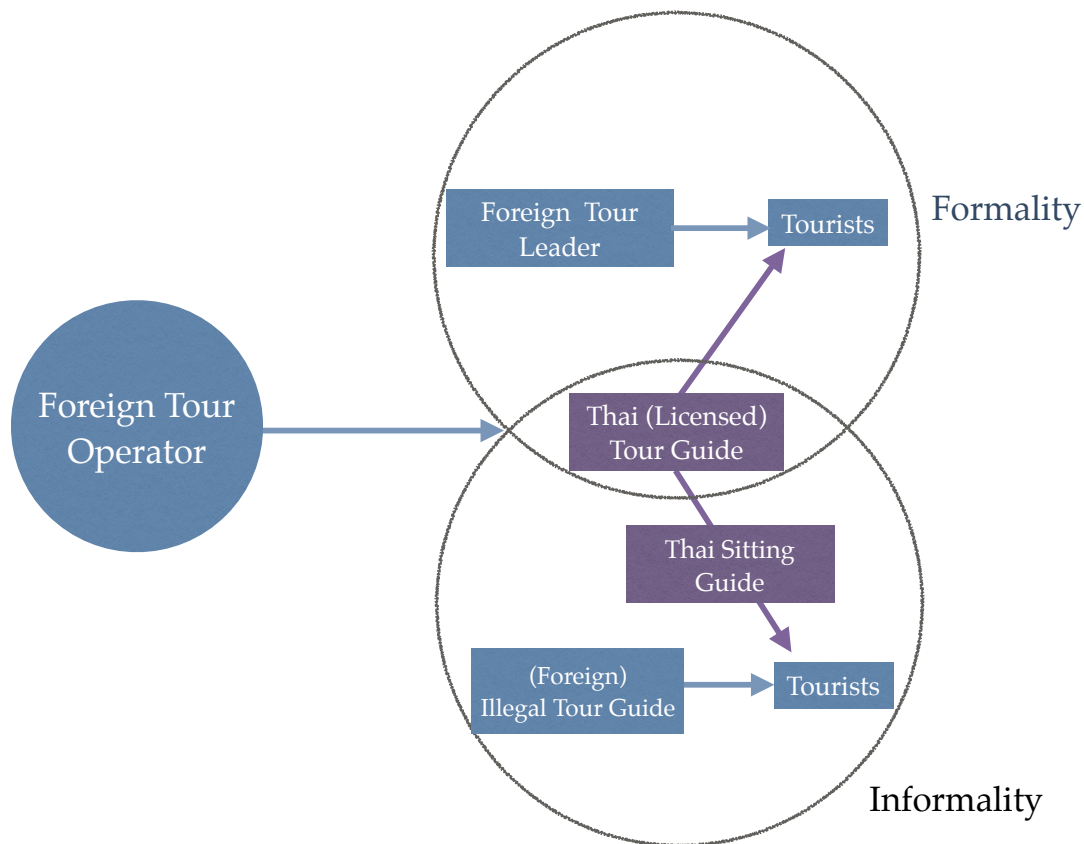


Figure 8-1. The relationship between formality and informality from the case of sitting guide

This research strives to extend the understanding of informality and formality, which initiated by the process of politicization (Mcfarlane 2012). From such concept, it could be seen that the political power and authority of main actors influence the status of informality and formality. This research additionally found that the transformation between such two domains influenced by three factors: 1) the neoliberal market has transformed laborers in Thailand to be freelancers who have opportunity to maximize their profit in the setting of tourism industry. Although some elements of neoliberalism – such as privatization, deregulations – are not

totally applied in the Phuket setting, its concept of free market has strongly influenced the economic form of Phuket tourism industry as can be observed from the market-oriented tourism; 2) The global trend of flexible labors transforms the Phuket tourism industry while local people have tried to negotiate with such trends by applying their culture – using their personal network and exchange of resources. Local Phuket people commit the business contract decided from trust rather than merely financial profit. It is a situation, in which the local and cultural norms greatly affect the way how the global trend of tourism should work; 3) the informal practices is considered as part of local culture, which allows the freelance tour guides to maintain their working connection and job employment under the instability of policy issue and law implementation, and the fluctuation of tourism trends. Consequently, the freelance tour guides in Phuket do not perceive their informal practices as negative behavior since they can contribute benefits to their networks of tourism-related business and the Phuket tourism industry as a whole.

Glossary

achan (อาจารย์)	teacher, lecturer, or master
khun tok (ขันโตก)	a kind of wooden table for serving meal in northern Thailand.
koh samui (เกาะสมุย)	name of the second biggest island of Thailand, located in the southern part.
guide talay (ไกด์ทะเล)	sea guide
guide tongtin (ไกด์ท้องถิ่น)	local guide
isan (อีสาน)	the northeastern region of Thailand
lanna (ล้านนา)	a name of former kingdom centered in present-day northern Thailand.
makutet (มัคคุเทศก์)	tour guide in official documents or formal milieus
naihua (นายหัว)	boss (in Southern Thai dialect)
nitan Boranakadee (นิทานโบราณคดี)	archeological story or archive
phunamteaw (ผู้นำเที่ยว)	tour leader
sinkae (ซินแยะ)	new comer (in Hokkien-Chinese dialect)
sinkae muang Tungkha (ซินแยะเมืองทุ่งคา)	the new comer of Tungkha Town
taokae (เต้าแก่)	boss or Chinese businessman
taokae nia (เต้าแก่เนี้ยะ)	the wife of the boss or Chinese businessman
tood tang watanatam (ทูตทางวัฒนธรรม)	a cultural ambassador
tour counter (ทัวร์เคาน์เตอร์)	a small booth of travel agent
turakit namteaw (ธุรกิจนำเที่ยว)	tour business
tuktuk (ตุ๊กตุ๊ก)	a three-wheeled motorized vehicle used as a taxi in Thailand

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