

## **Decentralization, Empowerment and Tourism Development: Pai Town in Mae Hong Son, Thailand**

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### **Abstract**

In the once-remote valley of Pai in Mae Hong Son Province in northwestern Thailand, tourism has been a powerful force shaping dramatic changes. However, tourism is a complex subject involving a range of actors and actions both within and outside the valley. It has occurred simultaneously with other transformational processes in Thai society. This paper focuses on Viengtai, the market and administrative center of Pai District, drawing on observations made from 1997 to the present, including dissertation field work in 2005 and 2006. This study seeks to describe and interpret processes and practices at work in Pai, where a range of social actors compete and negotiate over resources and notions of culture and locality, with an emphasis on political decentralization. It will describe the interaction between actors in resource management for tourism development in Pai from the 1980s to the present. It describes the distinct features of the negotiations and conflicts regarding resources and notions of culture and locality among local communities, entrepreneurs, tourists, NGOs, and state and local administration in the era of political decentralization in Thailand.

**Keywords:** community tourism, empowerment, decentralization

### **I Introduction**

Tourism is a leading foreign exchange earner of the Thai economy, and has been the focus of investment, state policy and media attention in recent decades. Yet, it is a complex subject, involving a range of actors and actions both within and outside the valley, occurring simultaneously with other transformational processes in Thai society.

Both the Thai government and private sector have used the hill tribes and other “exotic” ethnic minorities as a means of boosting income from tourism. However, there has never been any deliberate policy to engage these minorities in discussions about what form this tourism should take [Dearden and Harron 1992; Sofield 2000: 55]. Leepreecha [1995] criticized the development of Thailand’s tourism

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industry since the 1960s. In this sense, the hill tribes in north Thailand have been treated as objects of development, put up for sale and they were not given any role in managing tourism. In sum, they have been regarded as nothing more than commodities. Within this context, the rapid growth of tourism had also generated concern about the socio-cultural, economic and environmental impacts on societies and communities. Wildlife was disturbed and there was an increase in water pollution, not to mention a rise in drug abuse and prostitution [Arkamanon *et al.* 1992: 41, 47, 61, 132]. There was also a resultant increase in noise pollution and rubbish-disposal problems [Bunyanupong 1996: 114–116, 172]. These problems have not occurred in isolation as other touristic sites have experienced similar issues around the country.

The negative effects of past tourism development have been a matter of ongoing public debate. This debate was importantly reflected in the emergence of the idea of sustainable tourism development, formally introduced in the 8<sup>th</sup> National Social and Economic Development Plan (1997–2001) as an agent of community development centered on a grassroots participatory approach which would empower local people [Kaosa-ard *et al.* 1997; 2001]. The discussion of tourism in the 8<sup>th</sup> plan must be understood within the context of the larger movement toward public participation in development in Thailand. Rooted in the ideals of Thai civil society concerns over tourism and community development led to the emergence of different forms of tourism, most notably one form known as “community-based tourism” (*kaan thongthiaw dooi chumchon*). In Thailand this form has largely been the product of state or NGO initiatives, rather than a truly organic development of community inspiration. After more than a decade of observing tourism in Pai prior to 2001, locals and tourists participated in sharing knowledge, enjoyed a sense of companionship, intimate mutual assistance, respect for each other and were concerned with resource management that involves and benefits local communities. I have chosen to use the term “community tourism” (*kaan thongthiaw chumchon*) in this paper to describe just such a situation.

This study seeks to describe and interpret the processes and practices at work in the Pai valley, where a range of social actors compete and negotiate over resources and notions of culture and locality, with an emphasis on political decentralization. The geographical focus of this paper is Viengtai, the market and administrative center of Pai District.

Today, Pai is an important tourist attraction in northern Thailand, contributing to economic development and generating employment by attracting 119,407 tourists in 2006 (60,784 Thai tourists and 58,623 foreign tourists) and generating an income of 478 million baht [Pai District Office]. Well known amongst backpacker tourists for many years, Pai’s reputation spread by word of mouth along the backpacker trail from Goa to Bali. Today, recognition of Pai amongst young urban Thais is growing, both with nature

lovers and partygoers.<sup>1)</sup> However, this image as a popular tourist destination is a new phenomenon for Pai, which has long been a peripheral valley in the Thai borderlands.

This paper will explain how the potential for sustainable tourism by local actors in the Pai valley has been overwhelmed by a series of externally driven processes which washed over the nascent tourism industry in the last decade like great waves over a novice swimmer. The unintended consequences of urban entrepreneurship, political decentralization processes, domestic economic stimulus policies, and migration, among other factors, have combined to transform this once sleepy mountain valley near the Burma border into a popular but arguably unsustainable spot on the tourism map.

Furthermore, contrary to theories about the positive benefits of political decentralization in terms of community participation in resource management, the experience here shows that decentralization has instead created a distribution of power and benefits among a new power elite in Pai who are more recent arrivals to Pai and lack local cultural roots. Instead of greater local participation, decentralization in Pai has furthered marginalization. This new elite is not composed of established local godfathers (*jao phor*). Instead, power has become concentrated in the hands of elected leaders of the local government like the Tambon (sub-district) Administrative Organization (TAO) and the Viengtai municipality (*thessaban*).

## II Tourism Development in Mae Hong Son Province: An Overview

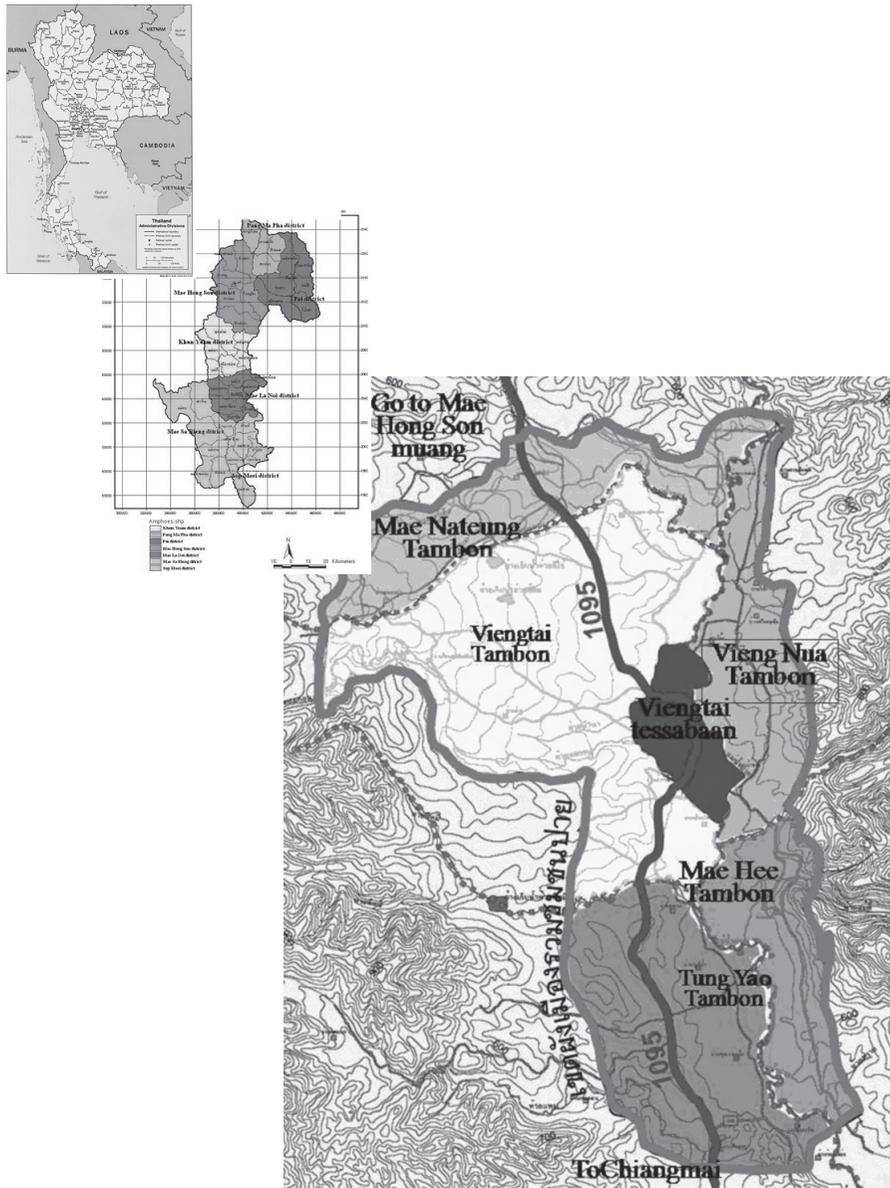
Mae Hong Son Province is located 924 km from Bangkok and 150 km from the northern capital of Chiang Mai. The province borders Burma to the north and west, with an area of 14,244 sq. km, and a provincial population of about 240,000. Pai district is 111 kilometers north of Mae Hong Son's Muang district and 150 kilometers from Chiang Mai province. Its area is 2,244.7 sq. km (see Fig. 1).

Mae Hong Son was, and still is, a site of great ethnic and ecological diversity. Besides the lowland Shan, there are upland people, today known as “hill tribes,” who have lived for varying lengths of time in the hills surrounding the narrow valleys of the province. These include the Karen, Hmong, Lisu, Lahu, Lua, as well as Yunnanese Chinese. Inter-ethnic relations and state-local relations have been dynamic and are still significant, and have been the subject of various academic studies.<sup>2)</sup> Pai became a

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1) Interviews with domestic and foreign tourists in Pai.

2) Upland people in Thailand may be divided into two main groups of language families, namely Austroasiatic and Sino-Tibetan. The Sino-Tibetan group includes the Karen, Hmong, Lahu, Lisu, Mien, and Akha. In the Austroasiatic language family are the Wa, Lawa, Kha-Mu, Htin, and Mlabri. [see more in Young [1962] 1982; Kunstadter 1967: 639–674; Kunstadter 1983; Suwanbupha 1976: 1; Chaturabhawd 1980; Hinton 1983; Buadaeng 2003; Hayami 2004].



**Fig. 1** Location of Mae Hon Son Province, Pai Town and Viengtai Tassaban

Note: The top left map shows the location of Mae Hong Son Province in Thailand. The middle map shows the location of Pai district in Mae Hong Son province. The bottom map shows the location of Viengtai tambon where the power decentralization policy divided it into two distinct administrative units.

district in the year 1900, incorporating 2,245 sq. km [National Statistical Office 1970: 66]. In 2003, the district population was 27,370 people in 10,265 households<sup>3)</sup> [Pai District Office, summary report, 2008]. Shan and *Khon muang* (speakers of the northern Thai dialect) are the major ethnic groups in Pai District, forming 53% of the population. Principal upland ethnic minorities — often today residing in the lowlands and Pai town — include the Karen (17%) and Lisu (15%). The rest of the population includes Yunnanese Chinese (including a subset of Yunnanese Muslims), Lahu, Hmong, and more recent Thai settlers from elsewhere in Thailand.

Unlike more recent Shan migrants fleeing unrest and poverty in Burma, the Shan of Mae Hong Son have lived in the area for centuries [Eberhardt 2006: 14]. They are concentrated in the larger intermontane valleys of the province, cultivating irrigated rice fields and sometimes practicing swidden farming in the foothills. The upland people like the Karen, Hmong, Lahu and Lisu have lived farther up the mountains, practicing swidden farming and diverse local religious traditions [*ibid.*: 14]. The Shan are practitioners of Theravada Buddhism and share a certain cultural affinity with their lowland neighbors, including the Burmese and other Tai-speaking people. The concepts of merit (*bun*), karma (*kam*), and demerit (*baab*) has become embedded in their everyday life practices, which traditionally have included the ideal of an austere way of living. Shan Buddhism is also syncretic, and includes respect for ancestors and certain co-existing beliefs about the existence of spirits in houses, forests, land, towns and waterways.

Traditionally, most uplanders in the region are animists and pantheists who believe in spirits of many kinds: heavenly spirits, natural spirits, ancestral spirits, both benevolent and malevolent. Today, many of the uplanders practice Christianity and Buddhism, which still incorporate many aspects of traditional beliefs [Hayami 2004].

Furthermore, Pai is a place of great diversity, with its communities possessing different belief systems, including Buddhism, Christianity, Islam, the veneration of ancestors, and animism.

In the 1950s, the first group of Muslim Chinese traders from Yunnan Province began using the new road to transport goods by ox-cart from Chiang Mai via Pai to Mae Hong Son town. Some married Shan women and set up shops in the market town of Viengtai. Today, this community still adheres to Islamic beliefs and practices, and is a core merchant community in the main market area. Also around this period some Thai Chinese merchants, descended from immigrants from Shantou in the Chinese province of Guangdong, settled in Viengtai and married with Shan women. The second group of Yunnanese Chinese to arrive were associated with the Chinese nationalist army, which fled Yunnan following their

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3) These statistics should be treated cautiously, however, because a large but unknown number of Pai residents are not officially registered in Pai.

defeat in the Chinese Civil War. They moved into Viengtai in the 1980s and grew rice in the higher elevations like the Lisu and Lahu. Today they are farmers and display great respect for their ancestors, as can be seen from the religious rites they perform for their forefathers [Cheng 1966; 1967; Hill 1983]. The northern Thai dialect, known as *kham muang*, is the inter-ethnic lingua franca of Pai. The common use of this dialect by the various ethnic groups signifies belonging to the locality, as opposed to the use of standard Thai, which symbolizes being from elsewhere in Thailand.

### II.1 *The Early Years*

Until the Second World War, Mae Hong Son was only accessible via forest tracks. During the war, the Japanese built a road to Mae Hong Son through Pai, which was later paved little by little from the 1960s to 1980s. It was during this period that backpacker tourists from western countries began to filter slowly into Pai. In general, in the north of Thailand, the first tourists reached the more accessible tribal villages in the 1960s. Hill tribe tours were first advertised abroad in tourist guidebooks directed primarily at younger, enterprising, drifter-type tourists [Cohen 1973]. Lonely Planet and other guidebooks alerted adventurous young travelers to the exoticism of “primitive” tribes of people quite distinct from the more developed lowland Thais. Cohen wrote at the time about the increasingly popular “trekking” tours, and eventually tourist centers like Thapae Road in Chiang Mai became lined with small tour agencies advertising treks into the hills. Cohen noted at the time that hill tribe tourism had not been initiated by the villagers themselves, nor did the villagers have a say in its organization and the direction or regulation of its development [Cohen 1983: 307–312; 1996].

The trekking tours of Mae Hong Son began in the 1970s in response to the perception of some foreign tourists that the hill tribe tours in Chiang Mai and Chiang Rai provinces at that time lacked authenticity. The private sector, therefore, sought areas where visitors could experience supposedly authentic and exotic ethnic culture by organizing tours along the Pai River. The tour packages included elephant riding, river rafting, mountain trekking and at least one overnight stay at a Shan, Lisu, Karen or Hmong village. Villagers also provided a variety of other services to tourists, though on a small scale, for example, as local guides and porters.

The Tourism Authority of Thailand (TAT), provincial authorities and the private sector from Thailand’s urban centers began seriously promoting tourism in the north in the 1980s. The town of Mae Hong Son became the focus of a sustained tourism campaign. The government began formally promoting tourism to Mae Hong Son Province in 1987 with the implementation of the Sixth National Social and Economic Development Plan (1987–91). That year the “Visit Thailand Year” promotion was also launched. Mae Hong Son was heavily promoted as a tourist destination, attracting both Thai and foreign

tourists. Government authorities initiated infrastructure projects (road, airport) and encouraged the private sector from Bangkok and Chiang Mai to build large-scale hotels and resorts in Mae Hong Son town to accommodate the growing number of visitors. Many new resorts were built and employment opportunities drew many non-local people to the district [interviews with locals]. The continual upgrading of Route 1095 as the main Chiang Mai–Mae Hong Son road, paved completely in the 1980s, provided for the first time a large number of new destinations of “unspoilt” villages in Mae Hong Son Province directly accessible by car, with the main hub of Mae Hong Son town accessible by air from Chiang Mai by a 35-minute flight.

By the 1990s, there was encroachment on protected forests in Mae Hong Son to fell trees to build rafts and tourist dwellings for tourists. The rapid growth of tourism had also generated concern about the socio-cultural, economic and environmental impacts on societies and communities. Wildlife was disturbed and there was an increase in water pollution, not to mention a rise in drug abuse and prostitution [Arkamanon *et al.* 1992: 41, 47, 61, 132]. There was also a resultant increase in noise pollution and rubbish-disposal problems [Bunyanupong 1996: 114–116, 172].

## II.2 “Community-Based Tourism” in Mae Hong Son Province

Within the same period, the negative effects of past tourism development have been a matter of ongoing public debate. This debate was importantly reflected in the emergence of the idea of sustainable tourism development, formally introduced in the 8<sup>th</sup> National Social and Economic Development Plan (1997–2001) as an agent of community development centered on a grassroots, participatory approach which would empower local people [Kaosa-ard *et al.* 1997; 2001]. The discussion of tourism in the 8<sup>th</sup> plan must be understood within the context of the larger movement toward public participation in development in Thailand, which itself was rooted in the ideals of Thai civil society. The concept of “civil society” in Thailand was inspired and promoted by Wasi and other Thai social thinkers in the 1990s as an ideology. It grew to become a social movement toward the building of communities with the following characteristics: mutual aid, reconciliation, gender equality, equity in knowledge, responsible behavior by media and businesses, free flow of information, and cooperation between the state and people [Wasi 1996; Samutvanit 1996; as cited in Puangsamlee and Visartsakul 1997: 3–7, 20–21; Supawongse 1997].

This civil society movement led to the building of networks among the state agencies, businesses, media and “civil society” organizations, or NGOs, together with communities around the country. These networks became increasingly vocal about empowerment and the assertion of their rights to manage and benefit from natural, cultural and other resources. Acting on policies and practices in sustainable

tourism development promoted in the 8<sup>th</sup> national plan, the state tourism agency, TAT, particularly promoted “ecotourism,” which was defined as “a visit to any particular tourism area with the purpose to study, enjoy, and appreciate the scenery — natural and social — as well as the lifestyle of the local people, based on knowledge about responsibility for the ecological system of the area” [Hayami 2006: 397; Leksakundilok *et al.* 1997]. Civil society concerns with tourism and community development led to the emergence of different forms of tourism, most notably such as “community-based tourism” (*kaan thong thiaw dooi chumchon*), and “participatory community tourism management” (*kaan chadkaan thong thiaw dooi kaan mii suan ruam khoong prachachon*).

In general, these projects included a package of activities, including training workshops, awareness raising, institutional development, the establishment of a system of rules for both community members and visitors, and a system of benefit sharing. While being arguably more just and beneficial than mass tourism, community-based tourism in Thailand has been largely the product of state or NGO initiatives, rather than a truly organic development of community inspiration.

Mae Hong Son was one of the key areas for implementation of community-based tourism, in which local NGOs encouraged to take part. A network of public sector, private sector, NGOs like the REST (Responsible Ecological Social Tours Project) and the Thailand Research Fund (TRF) played a major role in the initiation of community-based eco-tourism projects in Mae Hong Son in the late 1990s. Many actors were involved in this process: community development officers under the Ministry of Interior, the TAT, environmentalists, scholars, local schoolteachers, the Thai Ecotourism and Adventure Association, and so on. The project conducted action research regarding the biodiversity and cultures of ethnic groups in seven villages of Mae Hong Son town and Pang Ma Pha District and initiated community based eco-tourism business ventures by Bangkok based NGOs and local NGOs. [see Srikomart *et al.* 1999; Masuthon *et al.* 1999; Dilokwanich *et al.* 2000; and Santasombat 2001].

Furthermore, some research projects were conducted by the the REST and a network of Chiang Mai-based NGOs, local NGOs, and young villagers with many objectives. These were to develop communities’ potential for self-reliance; to build knowledge to support ecotourism tours; to tours with local expertise as mediated by local guides and managed by villagers; and to formulate guidelines for managing community tourism and take action to create a community eco-tourism venture business [Rattanason 1999; Meesit 2001].

Ultimately, the community based ecotourism programs initiated by NGOs do not seem to have become business successes. Tour programs in Mae Hong Son are controlled by tour companies which refused to accept community-based tourism as defined by the NGOs, essentially because the relatively high prices cut into the profit margins of the town-based operators. Furthermore, the NGO initiative

coincided with the emergence of newly opened Indochina, and especially Laos, as low-cost and intriguing alternatives to Thailand. In the end, the remnant community-based tourism initiative that exists in Mae Hong Son today is largely a study site for visiting NGOs and foreign rural development officials, rather than a functioning alternative business model.

### II.3 *Fledgling “Community Tourism” in Pai prior to 2001*

Significantly, during the period discussed above, the Pai valley was located outside of the officially targeted area for tourism development until the 2000s because until that time state authorities had focused on attracting high-end tourists from abroad, thinking this was the best way to maximize the economic benefits to the country. It had largely ignored backpackers, which was Pai’s tourism mainstay. Pai did not receive official tourism assistance of the sort seen in Mae Hong Son town, nor was it targeted for the NGO-led ecotourism projects in the late 1990’s. Pai’s tourism began more naturally as a function of its location and attributes, both cultural and ecological. Tourism in Pai occurred from local observation and interaction with backpackers, not from the intervention of state or NGOs. The government argued that backpackers did not have much money, but in fact the money they spent stayed in local hands. The Pai reaction to the opportunities of tourism, at least early on, was to learn, adapt and in some cases cooperate together.

In the past, Thai society considered Pai as a peripheral area, heavily forested, located along the border and inhabited by many non-Thai ethnic groups. The state gradually invested more funds and manpower in the administration of Pai as the new road made the valley more accessible. This brought about various policies of assimilation, through education, media and the presence of more and more state officials and other people from elsewhere in Thailand. As a cause of this village leaders became increasingly connected to the state bureaucracy and the Royal Forest Department started to assert more and more control over areas inhabited by uplanders. Engineers, teachers, nurses, traders, road builders and many others from outside arrived and many married and settled in Pai, further changing its social composition. Simultaneously, the agriculture sector continued to diversify and other industries arrived, such as fluorite mining and tobacco processing.

Despite these changes in Mae Hon Son and surrounding areas, Pai remained rather a sleepy valley town throughout the 1980s and 90s, which was its main attraction to the backpacker tourists who began to arrive in increasing numbers in the 1980s. Initially, the tourists who arrived were looking to spend a night halfway along the twisting and arduous road to Mae Hong Son. A few enterprising locals near the bus stop, mainly local state officials like teachers and a policeman, offered accommodation in their homes and in simple bamboo huts erected to house the visitors. According to these original tourism

providers, there was an easy fit between the simple and friendly locals and the curious but easygoing backpackers. Before long, the popularity of Pai grew by word of mouth, and with the help of guidebooks like Lonely Planet, which first made mention to the town in its 1982 [Cummings 1982] edition, tourist numbers gradually increased.

In Pai, for many years, tourism expanded gradually and naturally, in harmony with the backpackers' interest in trekking and enjoying natural scenery and traditional culture. Local people were able, while authorities and investors were distracted elsewhere, to make a positive contribution to community development. Their practices were based on local customs and viewpoints, which valued self-sufficiency, moderation and hospitality. It is my judgment, after more than a decade of observing tourism in Pai and Mae Hong Son that prior to 2001, tourism in Pai *was* a success story. Locals and tourists had an interaction of knowledge, enjoyed a sense of companionship, mutual assistance with intimate connection and respect and concern for resource management that involves and benefits local communities. I have chosen to use the term "community tourism" (*kaan thongthiaw chumchon*) in this paper to describe just such a situation.

1997 seems to be the most important turning point of changes in Pai because of the influx of small groups of "creatives" and artists who initiated art-led small tourists business by utilizing the uniqueness of the traditional houses and adapted them to the postcard shops, cafes, boutique guesthouses which had never been widespread in Pai increasing awareness of the town in the travel magazine media. However, these movements created a new characteristic Pai which did not greatly affect locals's way of life. Since 2001, after the government announced domestic economic stimulus policies through their SML policies, the One Village One Tambon (sub district) project, Domestic Tourism Promotion, which were the unintended consequences of domestic economic stimulus policies, radically altered the landscape of the town. Moreover, decentralization of power to local government who pursued capitalistic objectives akin to those practiced by central government did not take into consideration the needs of locals and the potential benefits such policies might have. As a result of urban entrepreneurship and political decentralization processes, the notion of culture and migration played a central role in reconfiguring and shaping Pai.

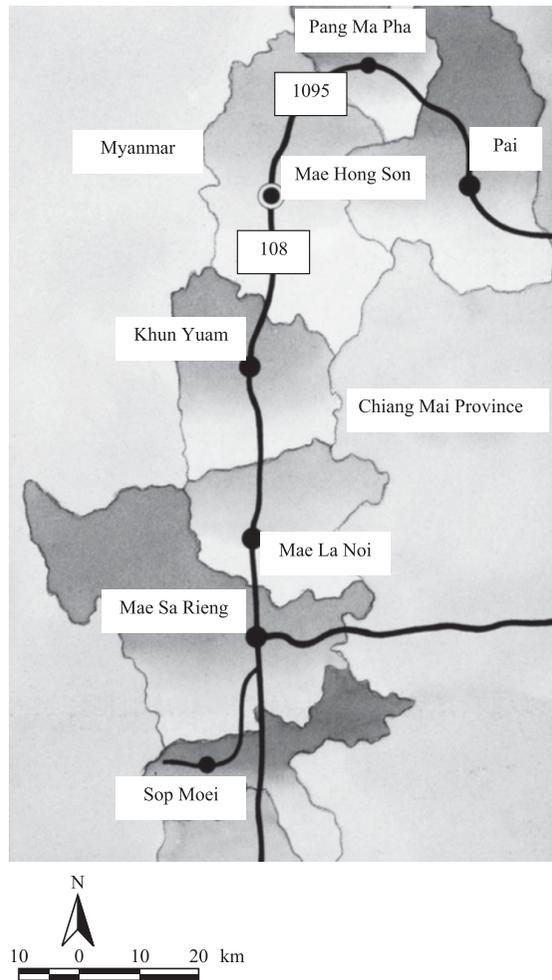
During the 1980s and 1990s, Pai tourism was growing at a gradual pace, slow enough for some local Shan and *Khon muang* civil servants and teachers to pick up the skills they would require to meet the needs of tourists. It also helped some villagers who lived along the trekking routes in villages of Lisu, Lahu and Yunnanese Chinese communities to earn substantial extra income. Tourism helped the locals, both directly and indirectly, to improve their quality of life without radically transforming it. Not only did the villagers earn income, but they also generated knowledge in management methods, having

learned from experience and passing it along to the young. Their patience and generosity were applied to running guesthouses and trekking tour businesses, which increased their attractiveness of this niche market. Moreover, their consciousness of locality (*sam nuk ruam thong thin*) helped them to build a network of local tourist businesses (*chomrom kaan thong thiaw Pai*) in the late 1990s to set rules for foreign tourists and operators, and by organizing a local business network center to assist tourists in choosing suitable local operators. During this period, there was an intimate connection between local entrepreneurs and residents such as the Shan and *Khon muang* civil servants who opened guesthouses and trekking businesses, on one hand, and farmers and shop owners, on the other. This common bond of local culture and historical memory produced what I call “community tourism.” This is a fundamental difference between the NGO-driven “community-based tourism” that emerged elsewhere in Mae Hong Son (as discussed above).

According to local informants, one of the first main catalysts of change in Pai was the completion of Highway 1095 in the 1980s (see Fig. 2). The increased access, mobility and contact with the outside world it afforded led to the gradual transformation of Pai from a largely agricultural society to the business-oriented place that it is today. With the completion of the all weather road between Chiang Mai and Mae Hong Son came an electricity supply, a police station, public health clinic, primary school, bank and a military base.

Following and related to the infrastructure development was an increase in farm production for the market. In the late 1980s, the Chatichai Choonhavan government furthered ongoing national trends integrating market agriculture, including once marginal areas like Pai [Ganjanapan 2000]. Several farmers switched from subsistence rice farming to raising cash crops like soya beans, garlic and maize. Non-local merchants, many of them Thai Chinese from neighboring provinces, visited Pai to purchase agricultural products, gradually boosting local business. Both Krung Thai Bank and the Bank of Agriculture and Agricultural Cooperatives set up branches in Viengtai. Also in the late 1980s in an attempt to stimulate the national economy, the Chatichai government introduced legislative reforms which made it easier for farmers to acquire full title deeds to land they were tilling and, eventually, to mortgage or sell it [*ibid.*]. Thus the local concept of land began to shift from a site of agricultural production to a form of capital. Some locals made money by selling property to politicians and investors from Chiang Mai and Bangkok. Several shops opened and offered various kinds of goods, including electronic appliances like televisions, refrigerators, motorcycles and washing machines.

As the state’s presence, e.g. officials and policies, grew and more outsiders began to arrive, the relationships within and between Pai’s different ethnic communities began to change. For instance, while lowlanders began to gain land title for their farmland — which simultaneously gave them greater



**Fig. 2** A Map of Districts of Mae Hong Son Province Indicating the Relationship between Mae Hong Son and Pai, and the Highway 1095

tenure security and introduced them to the concept of land as a financial asset — uplanders came under pressure for using land legally under the jurisdiction of the forest department. The image of upland people like the Lisu and Yunnanese Chinese began to suffer amongst their neighbors, too, as they began to be associated with negative images of illegal drugs and immigration. Much later, the long-established Muslim Chinese community's image was tarnished as the news of the 9–11 terrorist attacks circulated in 2001. Beyond this, the new arrivals from elsewhere in Thailand often had better connections to state officials and traders further complicating Pai's social composition and power relations.

Later, trekking tours around Pai became well known amongst foreign tourists in the 1990s. The

**Table 1** Tourist and Trekking Numbers in Pai

Year	Tourists	Trekking Tourists
1999	4,207	359
2000	4,463	649
2001	4,520	816
2002	4,910	764
2003	3,753	600
2004	3,608	472
2005	3,841	281
2006	3,562	257
2007	3,431	93
2008	3,596	50

Source: data obtained from one of the first guesthouse owners in Viengtai Municipality.

families of Shan and *Khon muang* also got into the trekking business by learning to work as “local guides.” Neighboring young Shan men with a thorough knowledge of the hills were trained as guides and porters, and they learned English. Elders passed on practical knowledge of the area’s terrain and history to younger people in the same ethnic group. Some young Shan women began to work as room cleaners and as cooks. Villagers sold rice and vegetables to the simple guesthouses, and Lisu women sold traditional handicrafts.

By the 1990s, the increased number of tourists in Mae Hong Son town was having an impact on Pai. The tourism industry became more aware of Pai as tourists passed through on the way to Mae Hong Son and spent the night. The rapid growth of tourism had also generated concern about the socio-cultural, economic and environmental impacts on societies and communities. These problems occurred first in Mae Hong Son town, but after 2001 became severe in Pai as well.

Pai also began to gain a reputation for drug tourism. Initially, backpackers experimented with opium, which until the 1980s was widely grown in the surrounding mountains. Marijuana from Laos began to become easily available, and the word of this fact spread along international backpacker routes.<sup>4)</sup> Eventually, heroin and amphetamines became problems in the area, as they did throughout the country in the 1990s and early 2000s, although this was not so associated with the tourism industry in Pai.

The composition of the industry in Pai was changing, too. The trekking was rather short-lived in Pai, declining steadily since the late 1990s (see Table 1). The reasons for its decline, according to local and tourist industry informants, were several, including: 1). government policy prohibiting the cutting of bamboo (used for rafting), 2). “the opening of Indochina for international tourists as ‘unspoilt’ destinations” as well as 3). the economic development of Pai that followed infrastructure development and

4) Interviews with local guides and tourists in Pai.

the economic recovery beginning around 1999. The exotic luster had gone out of Pai for the backpackers, but the domestic tourist boom was just beginning.

### III Decentralization and Change in Pai

The greatest changes in Pai have occurred over the last decade, which was a period of rapid economic growth, as well as a period of political decentralization. In general, as a consequence of decentralization under the 1997 Constitution of the Kingdom of Thailand, Thai society evolved and changed in dramatic ways. One aspect of this change was the increasing political power of different actors in managing resources at a local level. This change was furthered after parliament enacted the Power Decentralization Act of 1999. Furthermore, the Constitution formally recognized the rights of minority ethnic groups in Thailand to protect their own resources, something denied to them since the reform of the modern state. These groups were further empowered in demanding their basic rights by NGOs. This empowerment process emerged as a social movement which energized communities to demand rights of self regulation and self determination in negotiating with outsiders in managing local resources.

In this section, I focus on decentralization, both the formal political process derived from state policy — and its unintended consequences in Pai — and the informal processes of civil society engagement for purposes of community empowerment. These policies and processes of political decentralization altered the political structure of Pai and were the framework within which subsequent rapid change was mediated in the town.

#### III.1 *Decentralization and Conflict*

The Power Decentralization Act of 1999 led to a dramatic reshaping of the political landscape, though perhaps not the sort of landscape envisioned by the act's proponents, as we shall see below. The Decentralization Act in effect formed a dual system of state and local administration. The previous centralized system of administration stretched from village headmen up the hierarchy to the Minister of Interior in Bangkok. Other agents of the state bureaucracy — from nurses to teachers to police officers — also reported to ministerial chains of command from the locality to the capital. Villagers were organized into aggregations of ten villages called sub-districts, or *tambons*, headed by leaders called *kamnan*. Village heads and *kamnan* played an often difficult dual role representing villagers to the state, and vice versa. At the higher administrative levels of district (*amphur*) and province (*changwat*), officials were — and still are — unelected appointees from the central state and are usually natives of other provinces. With the new act in 1999, parallel, yet separate, layers of elected bodies were created.

In Pai District's central market area, Viengtai, the previous designation of sanitation district (*sukhaphibaan*) was upgraded into a municipality (*thesabaan*) with an elected council and mayor. The district's sub-districts (referred to hereafter with the Thai word *tambon*) were each allowed to elect representatives to a Tambon Administrative Organization (TAO, or *or bor tor*). The tambon of Pai includes Viengtai, Vieng Nua, Mae Hee, Mae Na Toeng, Muang Paeng, Pong Sa and Thung Yao (see Fig. 1). Each has an elected council, hired staff and, most importantly to local politics in Pai, a chairperson, or *nayok*. Neither the municipality nor the TAOs have power over their counterparts in the central bureaucracy, while the bureaucracy retains much power and influence over the elected bodies.<sup>5)</sup>

The increasingly urbanized area known as Pai town is thus governed by the state bureaucracy and two separate locally elected bodies: the municipality and the TAO. The population of the municipality (*tessaban*) in 2006 was 2,284 people in 1,292 households, living in an area of 2.4 sq km. The Viengtai TAO covers 2,016 people in 1,367 households, living in an area of 16.6 sq km. [Pai District Office 2006] (The per household number of people is low because many registered houses are occupied as businesses, while many people from elsewhere in the country or abroad live there as renters and are registered elsewhere, according to district officials.). Both the Viengtai TAO and the municipality are in Viengtai Tambon (sub-district) but the power decentralization policy divided it into two distinct administrative units (see Fig. 1).

The intention of proponents of political decentralization in Thailand was that local people would have a greater voice in governance and participation in development of local resources [Jareonmuang 1994; Nagai 2008: 70–79]. The first decade of decentralization in Pai, however, has not seen these hopes realized. Instead, the system of power became more complex, but with new power elites emerging. In Pai, two key elected figures emerged with disproportionate power over all other stakeholders: the Viengtai municipal mayor (*nayok thessaban*) and the TAO chairman (*nayok or bor tor*). It has long been the practice of remote (including ethnic minority) communities to choose as their official representatives people with better capacities in communicating with officialdom. While traditional leaders (e.g. religious leaders or elders) still retain significant influence, the official village heads and kamnan tend to be people with stronger Thai language, experience outside the village, and knowledge in dealing with the state. Given the multicultural composition of Pai, it was not possible to elect a more traditional representative of one ethnic group or other. The roles eventually were occupied by two individuals originating from outside the area: two traders, one originally from northeastern Thailand (the mayor) who married locally, and a Chinese Thai from Kampaengphet Province in the north (the TAO chair). According to

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5) e.g. Laws governing these bodies, Ministry of Interior officials who are seconded to work with the TAOs, and so forth.

local informants, these two individuals rose from humble origins through their business acumen and were thus considered clever and competent. This background was expected to enable them to negotiate effectively with the state and develop the area.

In practice, however, field research in Viengtai found that competition between local administration leaders, often at the expense of local interests, created conflicts amongst communities and much resentment over the leaders' appropriation of what was once considered public land. Whereas in the past, conflict tended to exist between community members or between communities and state agencies, the situation following political decentralization is far more complex. Community-community and state-community conflicts still exist, but today the constellation of conflict situations has expanded to include conflicts between communities and local government, between local government and the state, and between different local government leaders. Certainly, the increasing complexity of conflict over resources in Pai is related to the increasing complexity of Thailand in general, where economic and social factors have wrought great change in recent decades. To some extent, local complaints about the new system reflect frustration with these changes. Older villagers were nostalgic for the "old days," when the district chief (under the Ministry of Interior), protected locals from exploitation. In comparison, they see today's local government leaders themselves as agents of exploitation. But digging deeper, it is clear that local opinions of more recent district chiefs — who operated during the decades of rapid change — were far more critical. What is clear from the author's fieldwork in the mid-2000s, however, is that when conflict and disempowerment are discussed, the finger of blame is usually pointed at the mayor and the TAO chief, and their business associates from outside the area.

Three examples will be discussed here. The first involves markets. The second is about natural resources. The third concerns the conservation and promotion of local heritage. The first field of contestation between the two local leaders is the creation of new markets from which the two leaders directly benefited economically. While the main strip of Viengtai has long been the market center, the new leaders each set up new and competing markets in their respective jurisdictions to attract outside traders. The outside traders included villagers in surrounding tambons as well as traders from Chiang Mai, who brought agricultural products, prepared food and dry goods for sale. One leader welcomed an outside caravan operator to open a weekly mobile supermarket that undercut local prices. These markets attracted villagers from outside Viengtai Tambon and reportedly profited the local leader personally, but they have been very unpopular with Pai traders and many residents, some of whom went out of business due to the competition.

In another case, the mayor agreed to the opening of an international chain of convenience stores, a 7-Eleven franchise owned by a Chiang Mai business entrepreneur, which was unpopular with local

businesses and many tourism operators for aesthetic and cultural reasons. For instance, a distinctive feature of Pai until recently was that the town shut down by 10 p.m. every night. But 7-Eleven stays open 24 hours, making the area a noisy and unpleasant place for many local informants. As one 50 year old local resident of Viengtai municipality stated:

In 2004, when it was announced that a 7-Eleven was to open, some long-term foreign residents reacted angrily, saying the store would undermine Pai's uniqueness and make it into another ugly, modern town. Some Thai tourists, on the other hand, couldn't understand what all the fuss was about; to them, a 7-Eleven was a symbol of modernity and they would have no problem spending their money in such a place. Neither central nor local government authorities seemed willing or able to tackle these problems in an effective manner. Finally, despite opposition from local shop owners and some foreign residents, — both central and local authorities gave permission for the opening of the convenience store in downtown Pai, which had the inevitable effect of pushing out of business small grocery stores owned by local people.

The second example of conflict involves the control of natural resources. In the not-so-distant past, the lines of control over land were quite blurred, with surrounding forests and flood-prone riversides being de facto common property. In fact, many areas like locally recognized community forests used for grazing, collecting forest products and dumping garbage, were actually state land, but the presence of the state was limited and communities had free access. With the advent of decentralization, these areas became the territory of the different local administrations. The question of whose land was whose — municipality? Viengtai TAO? Another TAO? — became sources of conflict. Worse still, it happened that individual local leaders appropriated pieces of this land, once considered common property, and either sold or utilized the land for private profit. This was obviously greeted by many locals with consternation.

Finally, many locals complained that the outsider leaders have no appreciation for local heritage. It was resented that development of permanent markets did not include the historic market area, but instead involved the building of nondescript and “ugly” concrete shophouses. The municipal and TAO offices, as well as other buildings — inevitably accompanied by the clearing of trees — were built with no thought in mind to Pai architecture or historic locations. The leaders were also accused of not promoting Pai traditions during important festivals. During one festival, the two leaders funded competing and raucous stages featuring, for instance, Northeastern song and dance, in the middle of a traditional Shan temple.

In general, local opinion during fieldwork argued that power decentralization in Pai was mainly characterized by the opening up of opportunities for affluent strangers with no cultural roots (in terms of history with the local society) to be able to enter the path of local politics. These individuals from

other provinces were able to win local Pai elections in which candidates with local roots competed against each other and split their constituencies' votes. They also gained votes through marrying into Pai families and networks. They were then able to negotiate with the power of the central state government and gain benefits with these agents at the district and provincial levels. Through this they are able to increase their control over natural resources such as land, forests, minerals and water. All of the above benefits accrue to these individuals and not the communities.

### III.2 *Empowerment and Negotiations in Resource Management*

The 1997 Constitution also promulgated the creation of several independent watchdog agencies, such as the Administrative Court and the National Human Rights Commission [Bureekul 2004]. The latter was instrumental in Pai in raising awareness of people's rights to participate in development and to protect and revive local culture, the first organization to do so in Pai. Another aspect of this new charter was the encouragement of marginal people in peripheral areas, many of whom belonged to ethnic minority groups. Non-Government Organizations (NGOs), academics and other civil society groups such as the National Human Rights Commission of Thailand, reacted to the spirit of the charter and energetically worked to improve the lives of poor people directly, as well as to initiate political movements that might influence government policies that impacted negatively upon communities, especially peripheral ones.

In 2001, the Social Investment Fund (SIP)<sup>6</sup> supported people to participate in local development by setting up lectures for community leaders to teach them to make a community model scheme. After that, village meetings were held with the objective of communities setting up their own development plans. The idea spread to localities within Pai District until every tambon had created its own tambon model scheme. At the time, local organizations in Mae Hong Son Province gathered together and formed the "community strength for local organizations network" in the Pai area. In this movement, locals with strong community consciousness gained their fellow villagers' trust and helped inject the communities' voices and desires into plans and projects. The network set up a community stage where people discussed the issues and needs of Pai people. Although, the Social Investment Fund seems to have had a positive effect towards what the government and civil society groups call "community strength for local organizations network," but it didn't directly relate to community tourism activities in the Pai area.

Most importantly, the National Human Rights Commission of Thailand was instrumental in inspiring Pai residents to assert themselves in the protection and revival of local culture. Initially, a member

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6) The SIP involved World Bank money to the Thai state, municipalities and community organizations. [Siamwalla and Paitoonpong 2002].

of the commission who was born in Pai organized a small group of locals who were interested in establishing a community radio station in 2003 [Office of the National Human Rights Commission of Thailand 2007]. The commission's intervention at this time was critical in giving confidence to a small but active group of locals who were concerned with a rash of problems arising from the above-mentioned political developments and a wave of outside investment in Pai's tourism industry. The commission held frequent workshops and activities to establish the local radio station (*witthayu chumchon*), to raise awareness of community rights and local management of natural resources. It was a critical spark in the emergence of a local consciousness and sense of confidence in negotiations with more recent arrivals whose pursuit of business interests were negatively impacting the local way of life.

During 2003–06, when the commission, led by its Education and Development Sub committee, worked in Pai, conflicts arose between Viengtai community activists, and the elected local leaders. From the beginning, the municipality and TAO refused to support the human rights commission's efforts or requests for follow-up support. In the end, the formal effort to establish the radio station dissipated, but informants suggest that the commission's effort did pay dividends in raising consciousness about community rights and local solidarity, which became evident in some of the public protests we will discuss below.

Pai is a compelling example of resistance by local people to outside investors despite the existence of local government authorities who were unresponsive to local grievances or who were actively siding with the outside agents. This is a common problem in Thailand, leading to a saying in Thai, a play on words, that *gote mai* (law) does not work for poor and peripheral communities, but sometimes *gote moo* (social mobilization) does work. The research found that there were several examples of Pai villagers standing up to encroachment upon local resources by outsiders, but Pai lacked a sufficient sense of locality (*samnuk ruam khong thongthin*) — to either produce local leaders willing to defend their issues or to stem the tide of externally driven change that swept the areas in the 2000s. First, I offer two examples of successful protests followed by a section on the causes and effects of rapid socio-economic change in the last decade.

The first case is about noise pollution in Viengtai municipality which took place in 2004. As Pai's popularity grew amongst tourists, first foreign and later Thai, the town quickly became a far noisier place. In 2005, bars and so-called full moon parties which is an idea imported by entrepreneurs from Thailand's southern beach scene, lasted long into the night. After both elected leaders and state police refused to address local complaints about noise — the police told people to endure because Pai was a tourist area — some villagers took the matter into their own hands. In one case, after formal complaints produced no result, a small explosive device was thrown into the compound of one venue, making a loud

noise but causing no injuries. The operator apologized to the community and reduced noise in the evenings.

In tambons lying just outside Viengtai TAO, but still within the tourism area, some local leaders have been more responsive than in the main tourist strip. As opposed to Viengtai, with its large population of outsiders and elected leaders from other provinces, the outlying tambon leaders were local born and often very active in representing local culture and concerns of their constituents. They spent time gaining local consensus before taking action.

In another case, three Karen villages rallied together and led a multi-year struggle against a sand dredging operation that was causing land subsidence and stream bank erosion in their villages. In October 2001, investors from Chiang Mai bought land from a village near Pai and began selling the sand. As the villagers' land began to suffer, they started to block the roads to prevent the sand trucks from entering the area. The entrepreneurs threatened the villagers by firing gunshots. As a result, some of the villagers tried other approaches. They consulted outside researchers working in the area. They wrote letters to the Mae Hong Son governor (*phuu wa rachakaan changwat*) and the state Ombudsman's office (*phuu truad rachakaan pheeandin*). These agencies only inspected the documents and never visited the disputed site. The TAO subsequently released a document certifying that the "entrepreneurs actions are valid" and that the land subsidence was not connected to the nearby sand dredging operation. Consequently, the villagers prepared a document to the district and to the lieutenant governor and sent the document to the Ministry of Natural Resources and Environment. The Lawyers Council of Thailand also sent people to gather information, but none of these developments made a difference. The developers continued to sell the sand from the river.

Then a series of events occurred that linked several institutions and processes in the ultimate resolution of the case, putting a curious spin on the emerging system of power decentralization in Thailand. After getting nowhere by petitioning either state or local administrations, a backhoe and truck owned by a Mae Hong Son senator arrived at the scene in March 2004. The senator was in partnership with the sand dredgers, and the villagers surrounded the senator's equipment and launched a protest in front of the district office. Again the district chief was unable or unwilling to redress the villagers' grievances.

Finally, just before elections were held for the provincial council — another body created by the Decentralization Act — the villagers threatened en masse to refuse to vote in the elections, which would have embarrassed the district chief and invited criticism from Bangkok. The chief then had the backhoe removed from the area, forcing the investors to sue in administrative court. Subsequent efforts to bribe the leaders of the three villages were unsuccessful and the court ultimately decided in favor of the village in 2005. In summary, the ethnic minority villagers mobilized — something tacitly allowed

by the 1997 Constitution — and used a mechanism of the decentralization process to negotiate with the state when elected local leaders, produced by the same decentralization process, failed to act. The provincial election — the process, not the outcome — was thus a tool used to compel an agent of the parallel but older central state system to protect community rights. This case marks an interesting moment in the evolution of governance in Thailand.

#### IV Rapid Change and Unsustainability in Pai Tourism in the New Century

This section discusses the key actors and factors creating Pai's identity and driving change in Pai tourism since 1997. It also describes the unintended consequences of urban entrepreneurship, political decentralization processes, domestic economic stimulus policies, the notion of culture and migration (among other factors), that have combined to transform "community tourism" with the potential for sustainable tourism by local actors into a popular but arguably unsustainable spot on the tourism map.

One of the seeds of major change in Pai came in the form of the 1997 financial crisis. As the economy imploded and many businesses failed and staff became unemployed, a handful of young Bangkokians turned the crisis into an opportunity for themselves in Pai. These young artists and advertising professionals called their class of young, hip, artistic city people, "the creatives." They found the natural and sleepy nature of Pai attractive, and they settled. At a time when very few of their compatriots had even heard of Pai, the newcomers' expertise in drawing and photography resulted in the production of some striking images of Pai and its traditional architecture and natural landscapes. Some of these ad-agency types rented old wooden houses and opened shops selling postcards and coffee to foreign backpackers, which were totally new kinds of business in Pai. Soon, the word was out. Their ideas were spread by the domestic mass media and travel journals, leading to an influx of young entrepreneurs who started up more small-scale businesses such as food stalls, souvenir shops, second-hand bookstores, artsy guesthouses, more cafes, and so on. The stylish and innovative interiors of these new boutique businesses were heavily influenced by traditional architecture and the great outdoors. They began to attract a clientele of Thai artists and musicians as well as like-minded foreigners. Internet web sites and illustrated lifestyle magazines praised what TAT had ignored. Pai had suddenly become fashionable. Young, middle-class Thai tourists began to arrive in ever-increasing numbers to experience what was vaunted as a romantic little town in the hills with a unique mix of traditional and contemporary cultures.

At about the same time, some small-scale entrepreneurs from Chiang Mai began buying land along the Pai River at Baan Paa Kaam in Viengtai, where some of the poorest of the Shan villagers lived. This

riverside land flooded every year and was thus difficult to farm. It was generally neglected land that had been used for small plots of garlic, vegetables and for dumping rubbish. However, from the viewpoint of tourism entrepreneurs, the spot was a perfect scenic spot for tourist accommodation. Subsequently, it became valuable real estate. This was the beginning in a profound change of thinking by local people, where landscape began to have an economic value and wasteland became real estate. After this, simple guesthouses like bamboo huts increasingly were built along the riverside.

These outside entrepreneurs played a key role in (re)creating Pai's identity, changing a once-peripheral village into a romanticized haven for rest and relaxation. They reinvented traditional culture as a tourist commodity, modifying wooden houses for use as resorts, coffee shops and restaurants to attract Thai and foreign middle-class tourists. The interaction of different cultures has gradually transformed Pai into a unique destination popular with both Thais and foreigners.

But notions of culture among locals also changed as the next generation of Pai locals grew up. The teachers and other Pai-born civil servants who initiated tourism in the early years recognized local culture, especially Shan culture, and saw it as compatible with tourism. Early entrepreneurs from Bangkok and elsewhere also recognized the value of local Pai culture for doing business in tourism. But with the boom following 2001, the next generation of Pai locals were more concerned with profiting from the boom than maintaining local culture. This included converting their parents' wooden houses into concrete row houses to rent to outsider business people. Critics argued that these trends devalue the village landscape and culture. For example, the owner of a traditional wooden house wanted to build a concrete shophouse in its place so that he could increase the rent. The proposal sparked protests from some of the original non-local tourist entrepreneurs who accused some of the locals of undermining Pai's uniqueness, pointing out that old houses should be preserved in order to maintain Pai's identity for the benefit of tourists. In the end, the owner of the traditional wooden house replaced the wooden building with a concrete shophouse. Others followed and Viengtai village's landscape was changed dramatically.

Another important driver of change that combined decentralization and outsider values was the 2002 Municipal Law of Thailand (*thessabanyat*). This law points out the complex interaction of the decentralization process, the state power structure and local interests. In this case, while the decentralization law brought into effect municipal councils directly elected by citizens, these municipalities have to follow rigid national laws that ignore local conditions and prescribe uniform standards, such as building codes and regulations for local administration. The effect in Pai was that local, cheap, renewable building materials like bamboo and thatch roofing — preferred by many nature tourists — were outlawed in favor of concrete and steel imported from elsewhere in Thailand.

By 2001, Thailand had a new, dynamic prime minister in Thaksin Shinawatra (2001–05). The economy, too, had rebounded. The stronger economy and Thaksin's many policies to grow the domestic economy combined to produce even further changes in Pai. The administration worked to bolster domestic demand and stimulate the economy [Jarvis 2002: 297]. Loans became more easily available through Thaksin's SML policy<sup>7)</sup> and investments and infrastructure meant Pai people had greater access to the outside world through the Internet and the widespread availability of mobile phones. Meanwhile the system of local roads expanded and improved. As they became better connected to the outside, young Pai residents quickly adopted more urban, consumer-culture values. Meanwhile, the media continued to promote Pai as an up-and-coming tourism site. A promotion campaign called "Thai tour Thai" encouraged economically confident Thais to stay within the kingdom when they traveled. Many chose Pai.

A rush of early retirees from the civil service in Pai took their pensions and invested in local land and businesses, especially guesthouses. The price of land rose five-fold from 2001 to 2006 as it passed from hand to hand [local interviews]. Locals were able to use land as collateral for loans, and they did. Following the 2004 Indian Ocean tsunami, investors from the south joined the fray in Pai, bringing with them the boisterous full-moon parties so popular down south. Business moguls from the tourism industry in Bangkok arrived at this time too, led by investors in the Five Stars Hotel network. They employed marketing plans to lure affluent travelers, starting Pai's first of several high-end resorts. Experienced executives from large hotel chains were recruited to manage fancy resorts, where back-up generators were installed due to frequent power blackouts. Package tours to Pai were now on sale at hotels in major tourist destinations like Bangkok, Chiang Mai and Phuket. Resorts in Pai advertised themselves on the Internet, targeting wealthy foreigners and Thais. At the same time that local people were rushing to open small, family-run enterprises to serve the remnant foreign backpackers, others were shutting down in the face of outside competition. For example, several small motorcycle rental businesses were eaten up by one outfit renting scores of vehicles. An unintended but natural consequence of this was the decline of the trekking industry, because hill tribe villages were easily accessible by new roads and motorbikes.

By 2006, there were 59 registered guesthouses and resorts in Pai (700 rooms). Apart from these

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7) The SML Project was initiated by the Thaksin Shinawatra government. The purpose of this project was to empower the potential of villages and communities (small medium large) by setting up a Village Fund (*kong tun moo baan*) focusing on empowering local people for self-help. The SML Policy was divided into 3 groups: Small-scale villages with less than 500 people, which could be lent 200,000 baht per year; medium-scale villages with 501–1,000 people, which could be lent 250,000 baht per year; large-scale villages with over 1,000 people, which could be lent 300,000 baht per year.

**Table 2** Guesthouses and Resorts Registered in Pai District

Year	Guesthouses and Resorts
1989	3 (34 rooms)
1990	No data
1991	6 (No data)
1992	7 (No data)
1993	6 (No data)
1994	No data
1995	No data
1996	10 (No data)
1997	10 (No data)
1998	9 (No data)
1999	10 (166 rooms)
2000	12 (No data)
2001*	14 (236 rooms)
2002*	31 (341 rooms)
2003*	42 (422 rooms)
2004*	46 (497 rooms)
2005*	60 (644 rooms)
2006	59 (786 rooms)
2007	89 (973 rooms)
2008	91 (1,061 rooms)
2009	98 (1,150 rooms)

Source: data from Pai District Office

Note: \* Data for Pai District 2001 to 2005 was obtained from the Mae Hong Son Muang District Office.

were an unknown but significant number of unregistered accommodations under construction or in the process of registering. By contrast, in 1997 there were only 10 guesthouses (166 rooms) and in 2001 just 14 (236 rooms) [Pai District Office and Mae Hong Son Muang District Office]. The growth continues, with the Pai District Office reporting that the number of operators in 2009 was nearly 100 (see Table 1).

Pai's accommodation currently serves the needs of two very different types of tourist: foreigners willing to pay 100 to 400 baht for a basic room for the night and young, middle-class Thais who require luxury accommodation and will pay between 1,000 and 5,000 baht a night to get it. The trend is clearly toward services for the latter type of tourist. Table 2 shows data from one of the longest-established guesthouses in Pai. The relatively stable number of tourists contrasts with the heavy decline in trekker numbers. The owner explained that this demonstrates the decline of foreign tourist numbers and the rise in Thai tourists.

Today, Pai has changed so completely that it is coming to resemble the infamous Khaosan Road in Bangkok. Rather than a base for exploring the surrounding mountains and natural sites, it is a scene in its own right, full of restaurants showing nightly videos, tattoo shops, fancy manicure shops, stylish

restaurants, coffee bars, and rock and jazz pubs. The once quiet sleepy atmosphere has quickly been replaced with something far different. In this highly competitive atmosphere, locals and outsiders compete for tourist money with guesthouses, resorts, convenience stores, various kinds of bars, massage parlors and Lisu souvenir vendors.

As has been observed in other parts of the world [Chiotis and Coccossis 1992; Gunn 1994: 82–83] excessive and unregulated growth in tourism can cause a range of problems: difficulty in disposing of garbage; severe water shortages during summer droughts; noise pollution; prostitution; drug abuse, and so forth. In rural areas where the tourist-carrying capacity is overloaded, the environment can be damaged and national parks are encroached upon by resort developers. Irreversible deforestation may occur when a lot of trees are felled in one area for tourist lodgings. In Pai, there were also conflicts between local residents and resort entrepreneurs over the rights to mineral water emanating from hot springs and the rights to use common public land. For instance, entrepreneurs who bought land along the Pai River that was previously considered public land do not allow local residents to walk along the riverside (see the chronological of events indicating Pai changes in Table 3).

## V Conclusion

Since the late 1990s, the term community has found currency in a variety of public policies of Thailand. The term has been used to describe features of social life in terms of locality, ethnicity, religion, occupation, or more policy-oriented frameworks, such as “community development,” “community consciousness,” “community participation,” and so forth, while what is signified by this term has turned to be increasingly ambiguous and fleeting.

In the early years of ethnic group cultural interaction with foreign tourists, locals acted upon the opportunities of tourism to construct knowledge from experience to manage their own resources for running tourist businesses and managing resources for tourism development. Furthermore, they were able to use knowledge and experience from traditional culture — for instance, farming practices, Buddhism and spirit worshipping ceremonies — to manage relations and set rules for local entrepreneurs and tourists in terms of utilizing resources, especially for trekking.

These features of community-constructed knowledge concerning resource management for tourism development is what I have chosen to call “community tourism” which is markedly different from the term “community-based tourism” which has emphasized the way in which host communities are allowed to break away from the hegemonic grasp of tour operators and assert their rights to manage and benefit from natural, cultural and other resources as detailed in section II.2.

**Table 3** Chronology of Events Indicating Changes in Pai from National Level to Local Level

Level	Year	Events	
National Level	1987	<ul style="list-style-type: none"> <li>• TAT launched “Visit Thailand Year” promotion.</li> </ul>	
	1997	<ul style="list-style-type: none"> <li>• The 1997 Constitution promulgated the creation of several independent watchdog agencies, such as the National Human Rights Commission of Thailand.</li> <li>• Power decentralization is compulsory, pursuant to the current version of the 1997 Constitution of the Kingdom of Thailand.</li> <li>• TAT input the “Sustainable Tourism Development Plan” in the 8<sup>th</sup> National Social and Economic Development Plan (1997–2001) as an agent of community development centered on a grassroots, participatory approach which would empower local people.</li> <li>• TAT promoted “Ecotourism Development Plan.”</li> </ul>	
	1999	<ul style="list-style-type: none"> <li>• Parliament enacted the Power decentralization Act, which is based on the 1997 Constitution.</li> </ul>	
	2001	<ul style="list-style-type: none"> <li>• Thaksin Shinawatra government (2001–05) launched many policies to grow the domestic economy such as SML policy, One Village One Tambon.</li> <li>• TAT launched the “Thai tour Thai” promotion.</li> </ul>	
Mae Hon Son Province Level	1987	<ul style="list-style-type: none"> <li>• The continuing upgrading of Route 1095 as the main Chiang Mai–Mae Hong Son road, paved completely.</li> <li>• The government began formally promoting tourism to Mae Hong Son Province with the implementation of the Sixth National Social and Economic Development Plan (1987–91). Mae Hong Son town was one of the key areas for tourism promotion.</li> </ul>	
	1997	<ul style="list-style-type: none"> <li>• Mae Hong Son town and surrounding areas were one of the key areas for implementation of community-based tourism.</li> <li>• The Social Investment Fund (SIP) supported people to participate in local development.</li> </ul>	
Pai Level	1900	<ul style="list-style-type: none"> <li>• Pai became a district of Mae Hon Son province.</li> </ul>	
	1982	<ul style="list-style-type: none"> <li>• Pai was first mentioned in Lonely Planet in its 1982 edition, introducing some local guesthouses.</li> </ul>	
	1997	<ul style="list-style-type: none"> <li>• The SIP supported people to participate in local development by setting up lectures for community leaders to teach them to make a community model scheme.</li> <li>• Following the Asian Financial crisis, small groups of “creatives” from Bangkok came to Pai and later initiated art-led tourist businesses there.</li> </ul>	
	2001	<ul style="list-style-type: none"> <li>• Following the government launched the rush of early retirees from civil service campaign, the number of guesthouse business run by the locals had increased in Pai.</li> <li>• Three Karen villages rallied together and led a multi-year struggle against a sand dredging operation that was causing land subsidence and stream bank erosion which investors bought land from a village since 2001.</li> </ul>	
	2002	<ul style="list-style-type: none"> <li>• The Municipal Law of Thailand (<i>thessabanyat</i>) enacted. This law points out the complex interaction of the decentralization process, the state power structure and local interests.</li> </ul>	
	2003	<ul style="list-style-type: none"> <li>• The National Human Rights Commission of Thailand interact in Pai during 2003–06. The commission held frequent workshops and activities to establish the local radio station (<i>witthayu chumchon</i>), to raise awareness of community rights and local management of natural resources.</li> </ul>	
	2004	<ul style="list-style-type: none"> <li>• The Five Stars Hotel network from Bangkok invested in Pai.</li> <li>• The 7-Eleven was to open in Viengtai municipality.</li> <li>• Following the Indian Ocean tsunami, investors from the south joined the fray in Pai, bringing with them the boisterous full-moon parties. The first case is about noise pollution in Viengtai municipality took place. Some local groups protest noise pollution in Viengtai municipality.</li> </ul>	
	2005	<ul style="list-style-type: none"> <li>• The court ultimately found for three Karen villages.</li> </ul>	

In this paper, we are able to identify communities which arise from a common sense of grievance and consequent mobilization of action to resolve problems — what I have chosen to call “empowered communities.” This is a form of social aggregation that can transcend tradition, ethnicity, class and other social differences. This form of community can be seen in the examples mentioned above about sand dredging and noise pollution, in which people with sometimes quite different circumstances unite, especially when assisted by a change agent, like the human rights commission.

The situation in peripheral areas of Thailand where individuals and groups of ethnic minorities affected by tourism development organize themselves and negotiate with the powerful about resources management and protection of their livelihoods stands in sharp contrast to the image of minorities in the past which addressed them as objects of development or merely means of boosting income from tourism [Murphy, P. and Murphy, A. 2004: 26; Leepreecha 1995; Dearden and Harron 1992; Sofield 2000: 55].

Yet, we can see the rise of a problem that is now general in Thailand: the ease with which economically powerful people without local roots can gain local political power. And with power comes many economic benefits, which by rights should devolve to communities. In fact, with the situation in Pai after decentralisation, the local government, lacking cultural roots as with state officials before and parallel to them, apparently adheres to a sort of developmentalism and continued expansion of unlimited tourism. Thus, local attempts at empowerment are ignored or undermined by their elected officials, leading to the point where community tourism in Pai is difficult to sustain.

Today, the intense competition over tourism in Pai has led some locals to successfully invest and diversify, while many others have sold their family businesses to neighbors or outsiders. At the same time, many community members still remain active in dealing with local problems, including participating in workshops led by activists or academics. Given their recent experience with elected leaders who lack local roots or concern with local problems, they are preparing for the next election in 2010 and a chance to elect more responsive local leaders.

In the case of Pai, we see that the decentralization of power is good in principle but lacks adequate linkages to local communities. Local communities do not have channels to voice their needs via a proper system, nor enough weight to influence policies or proceed with development projects that are in line with their needs and benefit them rather than adversely impacting their community. This results in the decentralization of power to local leaders with no cultural roots and no concern for the needs and benefits of locals. Local government leaders follow capitalistic objectives akin to those of the central government. Nevertheless, community tourism could be a sustainable way towards tourism *if* the central and local government officers change their approach toward resources management for tourism

development from capital gain and profit and the increase of tourists focus more on the environment and local culture. Significantly, community tourism could be a sustainable way *if* the community were empowered. We must not forget that the empowerment process is an important condition, as well as the creation of a new monitoring mechanisms to balance the power of the central government with that of local government.

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