

Socio-economics Impacts of the Forth Thai-Laos Friendship Bridge on the Local Tourism Service Suppliers in Chiang Khong District, Chiang Rai, Thailand

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Abstract: This paper aims to identify and evaluate the socio-economic impacts of the Forth Thai-Laos Friendship Bridge Development on the local tourism services suppliers in Chiang Khong District, Chiang Rai Province, Thailand. However, the key 15 interviewees were chosen purposively to be representatives of the population in this study. Both descriptive and analytical data results were interpreted to attain interesting finding of the socio-economic impacts on the five sectors of local tourism service suppliers namely accommodations, food and beverages, transportation, attraction and entertainment, and destination. Interestingly, the finding has shown two main aspects, which are: 1) the number of tourists increased while the negative economic and social impact increased, 2) the structure of careers in tourism services suppliers have changed due to the friendship bridge developments and new immigration policy. The study suggested that the local tourism service suppliers should be a self-resilience to this development and create the human-made tourist destinations and activities in the community.

Key words: Fourth Thai-Lao Friendship Bridge; tourism service supplier; Chiang Khong

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1. Introduction

Chiang Khong District, Chiang Rai Province is located in the competitive economics area of Thailand. Chiang Khong is the main gate inland transporting between the South China and Thailand, which is a potential trade and economics route (R3A) of the North-South Economic Corridor (NSEC) in the framework of the Greater Mekong Subregion (GMS). The 4th Thai-Lao Friendship Bridge was established in Chiang Khong District since 2010, and it was actively used since December 2013. This friendship bridge is one of the hardware trade facilitation connecting the region of GMS, which help to mobilize goods, services and human capital amongst GMS and ASEAN Community. The friendship bridge development and related immigration policy could provide the new social and economic environment in the local community. Therefore, this study is to analyze the effects of

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the 4th Thai-Lao Friendship Bridge on the Local Tourism suppliers in Chiang Khong District, Chiang Rai Province by comparing between before and after the friendship bridge development. The analysis presented in this paper were in both social and economic aspects. It helped to provide some guideline for local service suppliers to adapt to this current changing environment. This changing environment could also be used as a lesson learned for a policymaker and other communities to recognize the effects on the local community from varieties of this kind of development and policy.

2. Literature Review

Chiang Khong District is one of the oldest historical, geographical regions in Chiang Rai with a long history and culture. Chiang Khong District is located in the strategic area connecting the south of China and South East Asia. The 4th Thai-Laos Friendship Bridge was initiated by the governments of Thailand, Laos, and China, along with the Asia Development Bank (ADB) to boost trade, tourism, investment, and development amongst the GMS countries. This Friendship Bridge was constructed since 2010 crossing the Mekong River at Ban Don Mahawan, Chiang Khong District, Chiang Rai Province, Thailand and Ban Don, Bokeo Province, Lao PDR. The Thai government and the Chinese government together contributed about US\$44.8 million for the construction of this friendship bridge (GMS TTF, 2013). This friendship bridge was constructed by the CR5-KT joint-venture, which was a joint-venture company between the China Railway Number Five, China and the Krung Thon Engineering Co, Ltd, Thailand (Thailand Business Information Center in China, 2013). This friendship bridge was officially opened on 11 December 2013 by the Her Royal Highness Princess Maha Chakri Sirindhorn and Vice President of the Lao PDR Bounnhang Vorachit. Later, the international public buses, individual cars, trucks were actively crossing this bridge. This friendship bridge currently connected the mainland R3A route of the GMS framework, which helped to mobilize goods, services and human capital amongst GMS and ASEAN Community. On the opening date of the 4th Thai-Laos Friendship Bridge, the immigration office of Chiang Khong also moved from the Chiang Khong pier (Buck Port) to this friendship bridge. All the passport holders could only cross the borders at only this immigration point. Due to the development of this friendship bridge and immigration policy in the Chiang Khong District, these could make impacts on the local community. Tourism is one of the important sectors in the local economy of Chiang Khong District. The changing environment of new friendship bridge and immigration point affected the tourism sector in Chiang Khong. According to Yale, Cook, & Marqua (2006, p. 7) defined the tourism service suppliers as the individual or organization providing the tourism services to the public including 1) Accommodations, 2) Food and Beverages, 3) Transportation, 4) Attraction and entertainment, and 5) Destination. To explore the effects on the development of the friendship bridge and immigration policy in Chiang Khong District to the tourism service suppliers, the socio-economic impact framework was used.

The socio-economics was mentioned, and it was a combining of an economist and sociology perspectives. According to Georghiou, Rigby, & Cameron (2002, p. 202), socio-economics was defined as the impacts that reviewed typologies of social and economic impacts, which was subject to change over historical time and it could be observed at the level of individuals, firms, industry structures, and the whole economy. Two sets of criteria have been established as guidelines for forthcoming evaluations: criteria related to economic, and criteria related to social aspects. These would help to broadly understand this socio-economic impact on the tourism service suppliers in the community.

3. Research Objective

From the general information provided, the objective was then to explore the socio-economic impacts of the 4th Thai-Laos Friendship Bridge Development and immigration policy on the local tourism services suppliers in Chiang Khong District, Chiang Rai Province, Thailand.

4. Research Methodology

This study was exploratory research to investigate the socio-economic impacts of the 4th Thai-Laos Friendship Bridge and new immigration policy in Chiang Khong District, Chiang Rai, Thailand. A qualitative method was employed in this study, using the interview method as a research instrument. This research employed an exploratory approach because research in the area of social and environment in Chiang Khong area is limited and few studies applied the social and environmental change in the study. Exploratory work has been characterised as a brief, fleeting, preliminary stage in the research process that gives way to the real thing (Stebbins, 2001). Therefore, exploratory research is better thought of as a perspective, or a way of approaching and carrying out a social study, which includes reporting on what has been learned (Given, 2008). In applying with this research, the researcher learned about the social study in Chiang Khong area and report what had been learned in the context. The researcher interviewed were conducted with 15 respondents from five different sectors, which included (1) accommodations; (2) foods and beverages; (3) transportations; (4) attractions and entertainments; and (5) tourist destinations. There 15 interviewees were selected purposively to represent the tourism service suppliers in the community. The unstructured interview was used to gather information from the local community.

Also, the unstructured interview was an in-depth interview to allow the opportunity for the interviewees to respond according to their perception and views. According to Guba et al. (2000), in the interviewing process, interviews serve several purposes that include obtaining people's constructions, reconstructions, projections, and verifications. The unstructured format allowed conversations between researcher and respondents to be directed toward the chosen theme of the study and the interview would leave respondents free to openly express their view. For the validity and reliability, the researcher made the interview guidance based on the literature review with the meeting with the experts in this field of research method and local community context. The researcher attempted to familiarise themselves with the respondents in Chiang Khong, and speak with them in the terminology that respondents would be familiar with or understand, such as job and daily life. Interviews were conducted at their premises in Chiang Khong, and their convenience and appointments for interviews were organised in advance.

The environment for interviews was comfortable, and the participants felt relaxed and comfortable to participate in the interviews. The researcher gathered information and attempt to understand an issue such as inscription, translation, and other processes associated with theory. Patton (2002) suggests that the themes, patterns, understandings, and insights that were arising from fieldwork and subsequent analysis are the fruit of qualitative inquiry. Data from the interviews such as norms and social themes of people living in Chiang Khong were transcribed and rechecked for correction by the researcher. Furthermore, the researcher used face to face interview and use digital recording with permission from the interviewees (Cooper & Schindler, 2011). This study used an iterative analytical technique of taking the literature and applying this method to the collected data. From the judgments that were made on the collected data and referrals were made to the literature and supported with

the author's judgement. This analytical process called "hermeneutics" that was used to analyse the themes in this study.

5. Research Results and Discussions

Chiang Khong District, Chiang Rai Thailand was one of the key strategic cities in the local, national and regional development plan. Chiang Khong was planned and developed to be a logistics city according to the Chiang Rai development plan 2018-2021, which served the province and the northern region as a logistics and transportation hub, and tourist's hub. Besides, Chiang Khong was considered to be a Logistics city that provided Logistics service and also considered as a transit city for tourists (Chiang Rai Governor Office, 2018, p. 208). Furthermore, the Special Economic Zone Policy Committee promoted Chiang Khong as the special economic zone Phase II 2/2015 to serve a country trade and tourism (Ministry of Interior, 2015).

In accommodation view, the interview revealed that a number of tourists spending their times in Chiang Khong decreased. Their income received from the accommodation businesses was not at a good level as in the past. It appeared that the number of tourists visiting Chiang Khong and spending their nights in Chaing Khong decreased in the same direction.

In the food and beverage industry, there was still a number of tourist visiting Chiang Khong. However, these tourists only visit but did not extend their stay. They did not spend overnight in Chiang Khong unlike those days in the past. Therefore, people operate their business in the food and beverage industry had a slightly negative impact from the opening of the 4th Friendship Bridge.

In the transportation industry, there were changes both old form of transportation and creation of new form of the transportation system in Chiang Khong area as the Customs Checkpoint moved into the new area. People that saw opportunity created a new job and moved forward to the new location and transform into new service to serve the tourists and local people who need transportation services. Hence, there were some conflicts amongst tourists and services providers such as the spot to find the transportation services.

In attractions and entertainment, whilst the number of tourists decreased, the service providers found a real hard time to survive their businesses. The reason was that the tourists went straight to the border checkpoint and cross the border to Laos PDR rather than spend their time in Chiang Khong. The activities in Chiang Khong were also decreased because of this reason.

In a destination view, Chiang Khong is a social and cultural city as well as a border city. Tourists visited Chiang Khong, and there were not many activities in town to attract tourists. It is very easy for the tourists to decide to go straight to the border checkpoint to cross the border to Laos PDR. However, there were still some tourists that still want to learn the culture of Chiang Khong and absorb the living culture pattern of local people along the Mekong-Lancang River.

Chiang Khong was a part of the road transportation development projects according to the NSEC in GMS region along the R3E or R3A route that links between China and Thailand (Greater Mekong Subregion Secretariat, 2017). Currently, the 4th Thai-Laos Friendship Bridge has opened since 11 December 2013, the immigration office of Chiang Khong also moved from the Chiang Khong pier (Buck Port) to this friendship bridge at the same date. These would be an advantage to Chiang Khong community. It would be a great opportunity for the tourism service suppliers in Chiang Khong. Then, this study summarized the main socio-economics finding as followed:

First, since the construction stage of the 4th Thai-Laos Friendship Bridge, Chiang Khong District has gained

the increasing number of visitors and tourists. Table 1 demonstrated the number of visitors and cars crossing the border, it has increased after opening this friendship bridge in 2013. The number of the Border Pass and Passport holders crossed the border visited Thailand increased by 27% from 220,468 people in 2013 to 280,893 people in 2014. For the number of the Border Pass and Passport holders crossed the border going out of Thailand increased by 24% from 268,025 people in 2013 to 334,712 people in 2014. For Tourist cars, the tourist cars visit Thailand also increased by 288% from 3,117 cars in 2013 to 12,103 cars in 2014 as demonstrated in Table 1.

Then, the tourist cars cross the border to Lao PDR also increased by 569% from 1,798 cars in 2013 to 12,033 cars in 2014 (Chiang Khong Customs House, 2016, Chiang Khong Customs House, 2018) as demonstrated in Table 1. The total international trade value at Chiang Khong Custom House increased by 10% in 2014 (Bank of Thailand, 2014). The number of Tourists, cars and international trade tended to increase every year. This would be a great opportunity for Chiang Khong District.

Table 1 Number of Tourists and Cars at Chiang Khong Immigration

| | Border Pass and Passport ¹ | | Tourist Cars (Car) ² | |
|-------------|---------------------------------------|----------------|---------------------------------|--------------|
| | In | Out | In | Out |
| 2010 | 162,930 | 207,698 | 551 | 909 |
| 2011 | 179,868 | 223,596 | 1,032 | 1,148 |
| 2012 | 181,126 | 231,503 | 1,199 | 1,147 |
| 2013 | 220,468 | 268,025 | 3,117 | 1,798 |
| 2014 | 280,893 | 334,712 | 12,103 | 12,033 |
| 2015 | 335,909 | 384,535 | 22,085 | 21,658 |
| 2016 | - | - | 24,809 | 25,749 |
| 2017 | - | - | 19,984 | 20,380 |

Source: ¹Chiang Khong Customs House, (2016) and ²Chiang Khong Customs House, (2018)

The 4th Thai-Laos Friendship Bridge helped to boost the economy in the local, provincial, national and regional level. However, the interview data from the local tourism services suppliers suggested that the number of tourists and tourist cars in Chiang Khong has increased by their observed since the construction of the bridge until the opening of the bridge. Since the beginning of bridge construction, the income of most of the tourism service suppliers increased more than 50% because there was a high number of overnight stay tourists and many Thai tourists visited this friendship bridge. In the past, there were many investors and tourist service supplies coming to Chiang Khong District, e.g., landlord, hotel, logistics suppliers, food and beverages. Price of the land and rent sharply increased within a short period. Chiang Khong District has a great number of tourism service suppliers a few years later, but the overnight stay tourists decreased because the Immigration Point was moved to the friendship bridge and the immigration office extended number of operating hours of the cross borders' immigration service from 06.00-18.00 to 05.00-22.00. The income of the tourism service suppliers sharply dropped to 30%, especially the accommodation, food and beverage and transportation. Many tourism services suppliers shut down their business due to high rent and fewer consumers especially the immigrated tourism service suppliers in food and beverage. Currently, tourism service suppliers here are mainly the local people who run a home business, which could not absorb the high costs. However, many local tourism service suppliers changed their service to other target consumers, for example, the boat drivers who drive the boat across the Mekong River for transporting the local people and goods for the local personal use purpose.

Second, the structured career in tourism services suppliers has been changed between the periods before, and

after the friendship, bridge and immigration point changed. Before the opening of this friendship bridge, there were varieties of jobs relating to the tourism services within five tourism services suppliers, e.g., hotel, hostel, guesthouse, restaurant, coffee shop, bar, taxi, tuk-tuk, motor taxi, tricycle taxi, boat, and tour company. The number of tourism service suppliers increased especially accommodation, foods and beverages, and transportations since the construction of the 4th Thai-Laos Friendship Bridge. After the opening of this Friendship Bridge, the immigration point moved to this bridge. All the passport travelers only do the immigration service and cross the border only this border point. Some tourism service suppliers disappeared was lifting services for tourists but rather provided by the tourist company.

Furthermore, some tourism service suppliers were changed their job or find another income due to lower income. Also, the new job also created in the community as a local mini-shuttle bus, which transport people and goods from the bridge to the town to avoid the conflict with the others mode of transports (motorcycle taxi, tuk-tuk or tri-cycle motor taxi), which transported from the town to the bridge. It was some conflicts between old and new transportation services since the beginning of the new transportation service. However, the problem was already solved by setting the rule together (conflict management). There are also the new cross-border bus services between Thailand and Laos PDR.

6. Conclusions

After the opening the fourth Thai- Laos friendship bridge in Chiang Khong District, Chiang Rai Province, Thailand, and new immigration policy, it helped to boost the mobilization of goods, services, and people amongst the region of GMS. There were two main impacts for the tourism service suppliers in Chiang Khong. One is the number of cross-border people and cars are increased while the overnight stay in Chiang Khong has sharply decreased. The local people in Chiang Khong made income part of the five tourism service suppliers decreased. However, the income was at a decreasing rate. The impacts that were arising in the Tourism Industry were varied. Some examples were Fang et al. (2016) discuss the accommodations in tourism, Napoli (2017) highlights about transportation in Tourism, Wisansing et al. (2016) refer to the importance of food and beverages in Tourism, Taecharungroj, and Tansitpong (2017) discuss on attraction and entertainments in tourism, and McDowall et al. (2015) discuss the tourist destinations in Thailand.

Also, the career structure of tourism service suppliers has been changed. There were new job creations and also disappointed jobs. The tourism industry would have to guide the policy maker to be aware of the local community for the changing environment and new prospected policy that are appropriate for local people.

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