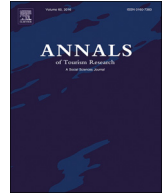




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# Reframing informal tourism entrepreneurial practices: Capital and field relations structuring the informal tourism economy of Chiang Mai

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## ABSTRACT

This article examines the types of capitals possessed by informal tourism entrepreneurs and locates their value within the field relations that orders their contribution to the tourism system. Bourdieu's theory on fields and capitals was applied to ethnographic narrative accounts of stakeholders in tourism in Chiang Mai, Thailand to assess these roles. Informal entrepreneurs have limited access to resources and their perspectives are excluded from academic debates and policy initiatives. The paper identifies the dynamism, positive social capital, flexibility, and symbolic capital of informal entrepreneurs. These are related to the field conditions that determine and structure their contribution to tourism destinations. The analysis reveals the importance of collaboration between informal entrepreneurs and other stakeholders, concluding with recommendations for policy makers.

## Introduction

The informal economy provides essential products and services, and generates employment, particularly in developing countries (Chen, 2006). Informal entrepreneurs enhance the competitiveness of regional economies through their input in the provision of tourism goods and services, and their involvement in strategic networks and supply chains (Jones, Mondar, & Edwards, 2006). Yet while the formal economy is represented as a positive force in the economy, characterised as *modern*, *developed* or *advanced*, the informal economy is denoted mostly in negative terms, as *traditional*, *underdeveloped* and *backward* (Williams, 2008). Therefore, often, the views of informal entrepreneurs have been marginalized. The issues affecting informal entrepreneurs are frequently unobserved in academic or professional discussions.

The aim of this article is to explore informal tourism entrepreneurs' positions in the tourism system through an analysis of the 'structural fields' in which they operate. It focuses on an investigation into the range of capitals they possess and explores how these are determined by the actions of a range of other actors in the system (the formal tourism industry sector, NGOs and Government), which represent the 'structural field' relations. The paper examines the extent that informal entrepreneurs are excluded from policy actions, particularly those processes aimed at developing entrepreneurialism in tourism, to highlight the missed opportunity this represents for growing entrepreneurial activity. Through a focus on these issues, the paper seeks to contribute in number of ways. Firstly, it aims to highlight the complexity of political and socio-economic issues in tourism governance of informal economic activity,

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particularly in a developing country context, to inform policy development to support entrepreneurial activities. Secondly, recognizing the unequal power relations among stakeholders in the sector, the paper applies Bourdieu's theory of fields and capitals to better understand the mechanisms of inclusion and exclusion within the system.

Whilst Bourdieu's theory of capital has been successfully applied to explain tourism phenomena, the extension of the theory into fields of power has yet to be undertaken. Bourdieu's concepts of fields of power helps us to go beyond the identification of the types of capitals possessed by people working in the informal tourism sector. We develop a conceptual model of the linkages between informal entrepreneurs and other stakeholders and, suggest ways to learn from and connect the different fields and capitals to benefit society and economy as a whole.

The context for this study is Thailand, which is Southeast Asia's second largest economy, yet with the highest ratio of revenue evolving out of the informal economic sector (Bloomberg Business, 2015). Chiang Mai (literally meaning *new city*) is the second largest city of Thailand. The city has a fortunate location near to many cultural attractions, which appeal to international tourists. It is also a transfer hub to northern destinations and a popular backpacker centre with a unique cultural heritage. Chiang Mai is the provincial capital city and attracts many migrants from surrounding rural areas as well as neighbouring countries.

In addition, due to high elasticity in the supply of rural labour in Thailand, there is a continuous movement from the agricultural sector into manufacturing and service sectors (Nakanishi, 1996). However, the formal economy in Chiang Mai lacks capacity to absorb them. The attractive characteristics of the informal economy such as, relative low entry barriers, labour intensive, small-scale activities, pull unemployed workers towards the sector (Todaro, 2000). In particular, the tourism industry offers low/semi-skilled jobs, a variety of indirect positions, and often requires minimal education and formal qualifications. As a result, the informal tourism economy has absorbed much of the labour surplus in Chiang Mai, presenting an interesting location to analyse these perspectives and practices.

### Informal entrepreneurship

The informal economy is a complex phenomenon and one that has attracted interdisciplinary attention from a range of perspectives including, sociology of work and economic sociology, anthropology, geography and development studies and entrepreneurship. There are many different terms used to describe it, including the 'black' economy, invisible or shadow economy and the irregular economy (Losby et al., 2002). Whilst the different approaches have led to contrasting emphases on varying aspects of the informal economy, they share some common defining characteristics including, that exchange activities are undertaken, which are unrecorded in government auditing and accounting systems. The breadth of cash or non-cash economic activities is very broad, including, paid but not taxed, unpaid exchanges, and both legal and/or illegal activities, in addition to varying types of labour market conditions. Although the informal economy concept emerged in the context of less developed countries, more recently, research has focused on the phenomenon in advanced economies (cf Sassen, 1997). Economic restructuring to tertiary, service economies, the extension of neoliberal labour market policies, and the effects of the global financial crisis, are some of the reasons behind an expansion in informal economic activities.

From a management studies perspective, much of the research on the informal economy activities emerged in the context of entrepreneurship. Entrepreneurship enhances economic growth (Carree & Thurik, 2010), creates jobs (Hitt, Ireland, & Hoskisson, 2008) and fosters innovation (Luke, Verreynne, & Kearins, 2007). Nevertheless, a substantial amount of entrepreneurship appears informally outside state regulatory systems (Williams & Nadin, 2010). In a recent review, Williams & Youssef identify four main schools of thought emerging (2013): the modernization perspective that views informal entrepreneurship as a historical legacy, which is expected to rapidly disappear with the advent of the modern formal economy (Geertz, 1963). Secondly, the structuralist perspective, which positions informal entrepreneurship as a necessity-driven endeavour arising when people are excluded from the formal economy (Sassen, 1997; Gallin, 2001). Thirdly, the neoliberal perspective that considers informal entrepreneurs as voluntary entrants taking rational economic decisions to escape from the high costs and bureaucracy of the formal economy (De Soto, 1989). Finally, the poststructuralist perspective views informal entrepreneurship as a lifestyle choice (Chakrabarty, 2000; Getz & Petersen, 2005), and is often based on an examination of the 'sharing economy' business models (Guttentag, 2015).

This discussion points to a number of salient issues. Firstly, the informal economy encompasses a range of positions, activities and motivations, rendering it a complex and multi-dimensional field. Secondly, the binary distinctions between formal/informal entrepreneurship represent a false logic, as increasingly, entrepreneurs can be seen to engage in some less formal or informal activities alongside their role in the formal, structural economy (e.g. Al-Mataani, Wainwright, & Demirel, 2017; Çakmak, Lie, & Selwyn, 2018), blurring the distinctions between formal and informal economic practices. Thirdly, recent debates on the sharing economy show that the rhetoric around informal economic activity is shifting towards a more positive characterisation, and yet in the less developed world such informal activities are still primarily constructed as pejorative.

Informal economy issues in tourism have been studied using all four perspectives outlined above. Some have focused on vendors (Wahnschaft, 1982; Tan, 2004), poverty reduction and pro-poor tourism (Slocum, Backman, & Robinson, 2011), beach resorts (Henderson & Smith, 2009), and resilience of informal entrepreneurs (Biggs, Hall, & Stoeckl, 2012). Others have examined informal business travellers (Timothy & Teye, 2005), human resource development and employment (Liu & Wall, 2006), and cooperative behaviours between cabdrivers and vendors (Damayanti, Scott, & Ruhanen, 2017). Yet others have focused on macro issues such as, 'sharing economy' business models such as Uber and Airbnb (Guttentag, 2015), and on informal micro-finance institutions (Ngoasong & Kimbu, 2016).

In these studies, tourism has often been constructed as a catalyst for the economic development of the global South (Truong, 2014). However, the focus of much research has been on the formal tourism economy and somewhat hopeful that informal activities

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