

Poverty Reduction, the Private Sector, and Tourism
in Mainland Southeast Asia

Scott Hipsher

Poverty Reduction, the
Private Sector, and
Tourism in Mainland
Southeast Asia

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PREFACE

The idea for the book evolved from previous works I have written, specifically combining the ideas of poverty reduction found in *The Private Sector's Role in Poverty Reduction in Asia* and an interest in the specific business environments of Southeast Asia found in *Business Practices in Southeast Asia: An Interdisciplinary Analysis of Theravada Buddhist Countries*. From an academic standpoint, my primary field of study is international business and therefore some of the perspectives on poverty reduction of the author might be slightly different from the viewpoints found in many of the works on this topic written by economists or development specialists.

I am not a native of Southeast Asia, I am an American, but I am a long-time resident of the region and have spent multiple years in both Thailand and Vietnam (in addition to spending multiple years in both China and Japan) with frequent visits to the other countries in the region. Most of my university education has been in Asia, as I did my undergraduate degree in Japan, my MBA in Thailand, and the research for my PhD dissertation was completed in Cambodia. I am also connected to the region by marriage and family, with my wife and children all possessing Thai passports. My professional experience in the region includes working in the English teaching industry, the private sector, NGOs, and academia.

It has been argued there are pros and cons of using either the emic or etic approach to studying specific cultures, but I would have to consider myself an outside observer, although a fairly well-informed one, of the cultures found in Southeast Asia. Therefore, it can be expected some of the observations might lack the nuance or sophistication a native of the region could

bring to the study of this topic. On the other hand, while being an outsider limits the depth of understanding of the cultures studied, it might allow for a more objective approach when comparing and contrasting multiple cultures, countries, and religions as well as when analyzing international political relationships within the region.

I chose to study small- and medium-sized firms (SMEs), micro-entrepreneurs, and low-income workers in the region, which developed into an interest in the private sector's role in poverty reduction, for both personal reasons and practical concerns. While we can never be sure of exactly where our interests come from, it is likely my interest in small businesses and microentrepreneurship was influenced by my family background and from growing up in a rural area where the economy was dominated by small businesses and where there were few "corporate" jobs. From a practical standpoint, as I have never worked for a fortune 500 company, a large international organization such as the UN or World Bank, and have not normally had the prestige or large budget coming from working in a large research university, I have never had easy access to CEOs of large corporations or government officials to interview or the ability to conduct large-scale qualitative studies in order to complete the "primary research" requirements of an academic life. But I could easily walk down the street and engage in conversations with street vendors, or chat with workers in a hotel while traveling or otherwise talk and gather opinions of working people in the region, including working people with, by Western standards, very low incomes, about a variety of topics concerning their lives and work.

No claim is made that the author understands what it is like to live in extreme poverty and there is no pretence of attempting to speak for the poor, but interacting with people living in poverty is not something unusual in the author's life. Although I don't have any accounting data, I am pretty sure my wife grew up living on "less than a dollar a day," in the rural areas of Buriram Province in Thailand, at least in her early years. And most of her side of our family remains pretty poor, even by rural Thai standards. I have also worked alongside ethnic minority people fleeing violence in Myanmar in refugee camps inside Thailand and having neither the resources nor desire to live or stay in expatriate enclaves (with a few exceptions). I have had daily social interactions and conversations with individuals with low incomes while living or traveling in Vietnam, China, Cambodia, and Myanmar.

The main impression I have received from my interactions with people living in poverty (whether or not they might have an income above an internationally determined poverty line) is the categories of low income or

poor are not very useful in thinking about poverty reduction because, people living in poverty are so diverse, in fact as diverse as the population in general with the only common characteristics they all share is lack of money and opportunities. Being poor might describe an individual's economic purchasing power, but does not define the person. It would seem to be an impossible task to develop a plan or determine a single path which will lead all of improvised people with such diverse skills, interests, and motivations out of poverty.

If a person from a developed economy travels to a low-income village or part of Southeast Asia, it is natural to compare the two different environments and come to the conclusion the village or specific part of Southeast Asia is extremely poor and in need of assistance. But if one had seen the same village or region many years in the past, one often sees progress and improvements in standards of living created by the residents themselves from engaging in productive economic activities. For example, when visiting Cambodia in recent years I was struck with the impression the country is very poor, but not nearly as poor as it was the first time I visited many years ago. People living on the local economy in a developing country will likely have a different subjective benchmark to judge prosperity than does a first-time visitor from one of the world's wealthiest economies. While there continue to be too many people living in poverty in Mainland Southeast Asia, there has also been a lot of progress and many people have much higher standards of living than did previous generations. Both the existing challenges and past progress are parts of the story of poverty reduction in the region.

In studying poverty, it is felt we should ignore neither the statistics nor the lived experiences of the people and workers in the region. While there are no radical or particularly innovative solutions proposed in this book, it is hoped this work will contribute to the discussion when decisions are made by international agencies, governments, corporations, and individuals which affect the lives of people struggling to improve their standards of living and free themselves from poverty.

Sa Kaeo, Thailand

Scott Hipsher

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