

The Role of Participatory Tourism on Household Economy in Champasak Province

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ABSTRACT

This study examines the role of participatory tourism in household economic development in Champasak Province, using three case study areas: Nongluang Village (Paksong District), Kiethnon Village (Pathomphone District), and Donkho Village (Sanasomboun District). The study had two main objectives: (1) to assess the impact of participatory tourism on household income, and (2) to evaluate its influence on household livelihood improvement. The study was conducted from 01/01/2023 to 12/31/2023 with a sample size of 229 households.

Data analysis employed descriptive statistics and multiple regression models estimated using ordinary least squares (OLS). The findings indicate that participatory tourism significantly increases household income. Key factors influencing household income include age of household head (Age), household labor force (Lf), household size (Nh), production area (Ls), distance from home to market (Rangway), livestock ownership (goats, pigs, cattle), participation in guiding services (Guide), participation in homestay services (HST), and participation in elephant riding activities (Elep).

Regarding the role of participatory tourism in improving household livelihoods, the results show that household labor force (Lf), household size (Nh), production area (Ls), livestock ownership, participation in guiding services (Guide), participation in HST, and household business ownership (Bus) all have statistically significant effects at the 90% confidence level.

The study suggests that government and relevant agencies should strengthen support for participatory tourism activities by providing proper training and capacity building to communities. Enhancing the quality and professionalism of local tourism services can attract more visitors and contribute to sustainable tourism development. The research confirms that participatory tourism positively influences both household income and livelihood improvement.

Keywords: Participatory tourism, OLS (Ordinary Least Squares).

1. Literature Review and Problem Statement

Currently, tourism is considered a vital activity for the economic and social systems of local communities and countries as a whole. It is a high-growth service industry that plays a significant role in stimulating economic growth, such as creating jobs and distributing income. Furthermore, tourism supports the development of related businesses such as hotels, guesthouses, transportation, tour guides, and souvenir sales. Therefore, many countries, both developed and developing, rely on tourism as a means of economic

development and to gradually promote tourism both domestically and internationally (Tourism Authority of Thailand, 2016).

At present, tourism is considered an activity of great importance to the economic and social systems of local communities as well as to the overall national economy. Tourism is a rapidly growing service industry and plays a significant role in stimulating economic growth through employment generation and income distribution. It also promotes the development of related sectors such as hotels, guesthouses, transportation services, tour guides, and souvenir businesses. Therefore, many countries, both developed and developing, rely on tourism as an important mechanism for economic development and gradually promote both domestic and international tourism (National Tourism Promotion Organization, 2016).

Tourism in the Asia-Pacific region has grown at an average annual rate of approximately 7 percent. However, the number of tourist arrivals in the region fluctuated during the early 2000s. Tourist arrivals increased from 111 million to 120 million during 2000–2001 but declined to 114 million in 2003 due to the outbreak of a respiratory infectious disease. The number of tourists later increased again to 145 million in 2004 and 154 million in 2005. ASEAN member countries represent one of the fastest-growing tourism regions, largely due to cooperative tourism policies and diplomatic agreements among member states aimed at strengthening regional integration and reducing disparities between older and newer members (National Tourism Organization, 2011).

Champasak Province is a region characterized by unique natural landscapes and rich cultural heritage. The province is well known for its natural beauty and tourism resources, including the World Heritage Site of Vat Phou Temple, as well as famous waterfalls such as Tad Yuang Waterfall and Tad Fane Waterfall. These attractions attract a large number of tourists every year. Tourism in the province can generally be categorized into two main types: nature-based tourism and historical tourism.

Community-based tourism in Champasak Province has received considerable attention from the government and relevant organizations. Local communities are encouraged to participate in tourism development in order to improve their quality of life and generate income for poor households. For instance, several villages have been promoted as community-based tourism destinations where local residents participate in tourism services for both domestic and international visitors (Champasak Provincial Department of Tourism, 2012).

Several studies have shown that community-based tourism can contribute to household economic development and improve residents' quality of life. For example, Kyungmi Kim, Muzaffer Uysal, and M. Joseph Sirgy (2013) examined the relationship between tourism impacts and residents' quality of life and found that residents' perceptions of tourism development significantly influence life satisfaction. Wei Liu et al. (2012) also found that participation in tourism activities can generate both direct and indirect income benefits for rural households. Furthermore, Hio-Jung Shin, Hyun No Kim, and Jae-Young Son (2017) reported that rural tourism can significantly contribute to local economic development and support household income generation.

Therefore, this study aims to examine the role of participatory or community-based tourism promoted by national tourism authorities in supporting poverty reduction and improving the livelihoods of local residents. In Champasak Province, several tourism destinations have increasingly become important economic resources for local communities, particularly in Nongluang, Kiat Ngong, and Don Kho villages. Recognizing the economic potential of tourism, the Party Committee and local administrative authorities have prioritized the development of tourism-related infrastructure, including the construction and improvement of roads to enhance accessibility to tourist attractions. In addition, various training programs

related to tourism services have been organized to enhance the skills of local residents and encourage their participation in tourism activities. These initiatives aim to create employment opportunities and provide more stable sources of income for local households.

Previous studies have highlighted the significant role of community-based tourism in promoting local economic development and improving residents' quality of life. For example, research by Kyungmi Kim, Muzaffer Uysal, and M. Joseph Sirgy (2013) demonstrated that tourism development can positively influence residents' life satisfaction and overall well-being. Similarly, Wei Liu et al. (2012) found that participation in tourism activities can generate both direct and indirect economic benefits for rural households. Despite these findings, empirical evidence on the economic impact of participatory tourism on household income in rural communities of Laos, particularly in Champasak Province, remains limited. Therefore, this study seeks to investigate whether participatory tourism can effectively generate income for local residents and contribute to improving the economic conditions of households in these communities. Although past studies have shown that community-based participatory tourism can promote local economic development and improve the quality of life for residents, most empirical studies have been conducted in developed countries or other regions of Asia. Research examining the economic impact of participatory tourism on household income in rural communities of Laos is limited. In particular, empirical evidence regarding the impact of community participation in tourism activities on household income in Champasak province remains scarce. Therefore, further research is needed to investigate whether participatory tourism can effectively generate income and enhance savings for local households in this region.

2. Objective

The objectives of this study are as follows:

1. To analyze the impact of participatory tourism on the household income of residents in Champasak Province.
2. To analyze the impact of participatory tourism on the household savings of residents in Champasak Province.

3. Materials and Methods

The total population in each village is as follows: Nongluang Village, Paksong District, consists of 135 households; Kiat Ngong Village, Pathoumphone District, consists of 298 households; and Don Kho Village, Sanasomboun District, Champasak Province, consists of 98 households. In total, there are 531 households across the three villages (the summary of the statistical report from the target village offices (2025) indicates that community participation in tourism activities is concentrated in Nongluang, Kiat Ngong, and Don Kho villages).

In order to facilitate the analysis and reduce the time required for data collection, the sample size was determined using the formula proposed by Taro Yamane (1973). Based on this method, the sample size for this study was calculated to be 229 households. The samples in each village were selected using a random sampling technique as follows.

Table 1 shows the random sampling of the sample groups in the study.

No	Village name	total population	number of sample groups
1	Nongluang	135	58

2	Kiat Ngong	298	130
3	Don Kho	98	43
Total		531	229

Source: Target Village Offices. (2025).

In assessing the role of tourism in the household economy of residents in Champasak Province, this study has the following specific objectives: 1) To examine the role of participatory tourism in influencing the income of residents in Champasak Province. 2) To examine the role of participatory tourism in influencing the savings of residents in Champasak Province. This study employs a quantitative research approach using a multiple regression model estimated by ordinary least squares (OLS). During the analysis, common issues such as multicollinearity among independent variables and heteroskedasticity may arise. If these problems are detected, they will be addressed during the evaluation process. The modeling framework used in this study is based on the simulation model structure proposed by Jiang, Guo & Zhou (2023).

The econometric equation used to examine the impact of participatory tourism on the income of local residents:

$$\text{Ln(Income)} = \beta_0 + \beta_1 \text{Gender} + \beta_2 \text{Age} + \beta_3 \text{Stus} + \beta_4 \text{sEdu} + \beta_5 \text{Lf} + \beta_6 \text{Nh} + \beta_7 \text{Ls} + \beta_8 \text{Rangway} + \beta_9 \text{cattle} + \beta_{10} \text{Poultry} + \beta_{11} \text{Mp} + \beta_{12} \text{Gude} + \beta_{13} \text{Hst} + \beta_{14} \text{Mass} + \beta_{15} \text{Food} + \beta_{16} \text{Elep} + \beta_{17} \text{Bus} + e_i$$

The econometric model used to examine the effect of participatory tourism on household savings of local residents:

$$\text{Ln(Saving)} = \beta_0 + \beta_1 \text{Gender} + \beta_2 \text{Age} + \beta_3 \text{Stus} + \beta_4 \text{sEdu} + \beta_5 \text{Lf} + \beta_6 \text{Nh} + \beta_7 \text{Ls} + \beta_8 \text{Rangway} + \beta_9 \text{cattle} + \beta_{10} \text{Poultry} + \beta_{11} \text{Mp} + \beta_{12} \text{Gude} + \beta_{13} \text{Hst} + \beta_{14} \text{Mass} + \beta_{15} \text{Food} + \beta_{16} \text{Elep} + \beta_{17} \text{Bus} + e_i$$

Where: Gender: Gender of the household head;

AGE: Age of the household head;

Stus: Marital status of the household head;

Edu: Education level of the household head;

LF: Labor force in the household;

Nh: Household size;

Ls: Production area (land used for production);

Rang Way: Distance from the house to the market;

Cattle: Households that own livestock such as goats, pigs, or cattle;

Poultry: Households that raise poultry;

Mp: Number of people participating in community-based tourism activities;

Gude: Participation in trekking activities;

Hst: Participation in homestay services;

Mass: Participation in traditional massage services;

Food: Participation in food preparation activities;

Elep: Participation in elephant riding services;

Bus: Households that operate a business;

β_0 : Constant term (intercept) of the model;

$\beta_1, \beta_2, \dots, \beta_{17}$: Coefficients (slopes) of the independent variables;

e_i : Error term (expected residual).

Table 1: Variables and Definitions for regression model

Variables	Definition of variables	Measuring unit	Expected sign	Sources of variable	
Dependent variables					
1	Lnincome	Natural logarithm of household income	Index	Jiang, Guo & Zhou (2023)	
2	Lnsaving	Natural logarithm of household saving	Index	Jiang, Guo & Zhou (2023)	
Independent variables					
1	Gender	Gender of the household head	1 = Male, 0 = Otherwise	Positive	Thuy, Hanh & Nguyen (2020)
2	Age	Age of the household head	Years	Negative	Authors
3	Stas	Marital status of the household head;	1 = Yes, 0 = Otherwise	Positive	Kim (2012)
4	Edu	Education level of the household head;	1 = High school education or higher, 0 = Otherwise	Positive	Huijun (2017)
5	LF	Labor force in the household	Persons	Positive	Cui et al. (2017)
6	Nh	Household size	Persons	Positive	Huijun (2017)
7	Ls	Production area (land used for production)	Hectares	Positive	Nguyen (2018)
8	Rangway	Distance from the house to the market	Kilometers	Positive	Authors
9	Cattle	Households that own livestock such as goats, pigs, or cattle	1 = Yes, 0 = Otherwise	Positive	Ding et al. (2019)
10	Poultry	Households that raise poultry	1 = Yes, 0 = Otherwise	Positive	Huijun (2017)
11	Mp	Number of people participating in community-based tourism activities	1 = Yes, 0 = Otherwise	Positive	Kim (2012)
12	Gude	Participation in trekking activities	1 = Yes, 0 = Otherwise	Positive	Authors

13	Hst	Participation in homestay services	1 = Yes, 0 = Otherwise	Positive	Maythawin (2012)
14	Mass	Participation in traditional massage services	1 = Yes, 0 = Otherwise	Positive	Huijun (2017)
15	Food	Participation in food preparation activities	1 = Yes, 0 = Otherwise	Positive	Huijun (2017)
16	Elep	Participation in elephant riding services	1 = Yes, 0 = Otherwise	Positive	Authors
17	Bus	Households that operate a business	1 = Yes, 0 = Otherwise		Ding et al. (2019)

Source: the authors

4. Results and Findings

The study found that most of the respondents were male, 174 (76.32 percent); aged between 50 and 59 years old, 88 (38.43 percent); married, 195 (85.15 percent); and with a primary education level, 115 (50.22 percent). Most of the main occupations were farming, 97 (42.36 percent); with a household size of 5 to 8, 61.57 percent; with a production area of 1 to 3 hectares, 161 (70.31); and with an annual household income of 5,000,000 to 50,000,000 kip, 166 (72.49 percent). Annual household savings: most of the households had savings of between 2,000,000 and 40,000,000 Kip, 194 people, accounting for 84.72 percent. Participation in tourism and participation in forest trekking: 148 people, accounting for 26.86 percent. For the analysis of the role of participatory tourism in influencing the income of residents in Champasak Province and the role of participatory tourism in influencing the savings of residents in Champasak Province, the empirical estimation was examined for several econometric problems, such as multicollinearity and heteroskedasticity. The heteroskedasticity problem was addressed by adjusting the standard errors of the Ordinary Least Squares (OLS) estimates using the feasible generalized least squares (FGLS) method to ensure the reliability of the results. The results of the OLS regression are summarized in Tables 2 and 3 below.

An analysis of the role of participatory tourism in increasing the income of people in Champasak Province.

Table 2: The role of participatory tourism in influencing the income of residents by OLS

Variable	Definition of variables	Coeffician	t
Gender	Gender of the household head	-0.2107	-1.55
Age	Age of the household head	-0.0405***	-6.17
Stas	Marital status of the household head;	0.1949	1.33
Edu	Education level of the household head;	0.1095	0.75
LF	Labor force in the household	0.1267***	2.94
Nh	Household size	0.1605***	4.16
Ls	Production area (land used for production)	0.1107*	1.96
Rangway	Distance from the house to the market	-0.0426**	-2.31

Cattle	Households that own livestock such as goats, pigs, or cattle	1.6431 ^{***}	10.88
Poultry	Households that raise poultry	0.1713	1.02
Mp	Number of people participating in community-based tourism activities	-0.0481	-0.29
Gude	Participation in trekking activities	0.5756 ^{***}	4.22
Hst	Participation in homestay services	0.2142 [*]	1.91
Mass	Participation in traditional massage services	-0.053	-0.45
Food	Participation in food preparation activities	0.0274	0.23
Elep	Participation in elephant riding services	0.2238 [*]	1.94
Bus	Households that operate a business	0.31708	1.75
cons		15.721	33.96
Number of obs = 229			
F(17, 211) = 16.64			
Prob > F = 0.000			
R-squared = 0.6003			
Adj R-squared = 0.5681			

Source: the authors' own calculations.

Note: The superscripts ^{***}, ^{**}, and ^{*} denote rejection at 1%, 5%, and 10% critical values

The age of the household head (age) has an effect on household income in the participatory tourism study area of Champasak Province (Nong Luang Village, Pak Song District; Kiat Ngong Village, Pathumphone District; Don Kho Village, Sanasomboon District) with an inverse relationship with household income, which is not in accordance with the established hypothesis and has a statistical relationship with a statistical confidence level of 99%. If the age of the household head increases by one year, it will result in a decrease in income generation by 4.05%. This may be because the use of labor in income-generating activities also decreases with increasing age, resulting in a decrease in household income generation. Household labor force (Lf) affects household income by being related to household income in the same direction as the hypothesis and having a statistical relationship with a 99% confidence level. If a household has one more labor force, it will increase income by 12.67%. This may be because everyone can work or create a mutual economy, which will increase household income without burdening each other. Therefore, it affects household income in the same direction.

Household size (Nh) affects income by being related to household income in the same direction and having a statistical relationship with a 99% confidence level. If a household has one more member, it will increase income by 16.05%. This may be because the estimation of household size assumes that when the number of members increases, it will have a positive effect on income because the number of households that help each other and create jobs reduces household spending.

Production area (ls) affects household income and has a statistical relationship with a 90% confidence level. If a household increases its production area by one hectare, it will result in an 11.07% increase in income, probably because people with more production area will have a positive effect on increasing productivity and will result in an increase in the income of farmers.

Distance from home to market (Rangeway) affects household income and is statistically significant. With

a 95% confidence level, if a household increases the distance from home to market by one kilometer, it will result in a 4.26% decrease in income generation. This may be due to the distance. Suppose that if they have agricultural products or forest products (wood, bamboo shoots, etc.), they will sell them far from the market, thus losing the opportunity to earn income from selling these products.

Production area (Ls) affects household income in the participatory tourism study area of Champasak Province (Nong Luang Village, Pak Song District; Kiat Ngong Village, Pathumphon District; Don Kho Village, San Somboon District). There is a positive correlation with household income, consistent with the hypothesis and demonstrably strong at a 90% confidence level, assuming other factors besides production area remain constant. If a household increases its production area by 1 hectare, it will result in an 11.07% increase in income. This may be because an increased production area has a positive effect on productivity and, consequently, higher household income for farmers.

Distance from home to market (Rangway) affects household income in the participatory tourism study area of Champasak Province (Nong Luang Village, Pak Song District; Kiat Ngong Village, Pathumphone District; Don Kho Village, Sana Somboun District) with a relationship with household income in the same direction, which is in accordance with the established hypothesis and has a statistical relationship with a statistical confidence level of 95%. Assuming that other factors other than distance from home to market are fixed, if a household has a distance of one kilometer from home to market, it will result in a decrease in income generation by 4.26%, probably due to the distance. Suppose that if they have agricultural products or forest products (wood, bamboo shoots, etc.) to sell, they will be far from the market, thus losing the opportunity to earn income from selling these products.

Households owning goats, pigs, and cows (cattle) have a positive impact on household income in the participatory tourism study area of Champasak Province (Nong Luang Village, Pak Song District; Kiat Ngong Village, Pathumphon District; Don Kho Village, San Somboon District). This positive correlation with household income is consistent with the hypothesis and demonstrates a statistically significant relationship at a 99% confidence level. Assuming all other factors besides goats, pigs, and cows remain constant, adding another type of livestock would increase income by 164.31%. This means that if a household owns buffaloes, cows, or goats and faces economic difficulties, they can sell the buffalo. In other words, buffaloes can be a valuable asset, directly or indirectly convertible into income, providing capital for various livelihood activities and productive activities.

Participation in hiking (Gude) activities impacts household income in the participatory tourism study areas of Champasak Province (Nong Luang Village, Pakse District; Kiat Ngong Village, Pathumphon District; Don Kho Village, Sanasomboun District). A positive correlation with household income is shown, consistent with the hypothesis, at a 99% confidence level, assuming other factors besides hiking participation remain constant. If one more member of a household participates in hiking, income increases by 57.56%. This may be because that member works in the village tourism sector, receiving appropriate compensation for providing services to tourists or gaining job opportunities that contribute to their income. Therefore, households with members working in the village tourism sector have a positive correlation with their income, in the same direction as their income.

Participation in homestay services (HST) affects household income in the participatory tourism study areas of Champasak Province (Nong Luang Village, Pakse District; Kiat Ngong Village, Pathumphon District; Don Kho Village, San Somboon District). The study found a positive correlation with household income, consistent with the hypothesis and demonstrating a statistically significant relationship at a 90% confidence level. Assuming other factors besides homestay participation remain constant, increased

household income from homestay participation resulted in a 21.42% increase. This implies that increased homestay income is possible for households due to the possibility of overnight stays, fostering familiarity and leading to positive word-of-mouth referrals, ultimately benefiting future guests with better and more comfortable services.

Participation in elephant riding activities (ELEP) has an impact on household income of residents in the participatory tourism study areas of Champasak Province (Nong Luang Village, Pakse District; Kiat Ngong Village, Pathumphon District; Don Kho Village, Sanasombun District). The study found a positive correlation with household income, consistent with the hypothesis and demonstrating a statistically significant relationship at a 90% confidence level. Assuming other factors besides elephant riding participation remain constant, increased household income from elephant riding as a tourist activity is projected at a 22.38% increase. This suggests a positive correlation between participation and income and increased household income, as tourists may ride elephants in addition to enjoying the natural scenery.

An analysis of the role of participatory tourism in increasing the saving of people in Champasak Province.

Table 3: The role of participatory tourism in influencing the saving of residents by OLS

Variable	Definition of variables	Coeffician	t
Gender	Gender of the household head	-0.4457	-2.50
Age	Age of the household head	-0.0384	-4.45
Stas	Marital status of the household head;	0.3020	1.57
Edu	Education level of the household head;	0.0894	0.47
LF	Labor force in the household	0.1750	3.09
Nh	Household size	0.1575	3.11
Ls	Production area (land used for production)	0.1316	1.78
Rangway	Distance from the house to the market	-0.0377	-1.56
Cattle	Households that own livestock such as goats, pigs, or cattle	2.2635	11.42
Poultry	Households that raise poultry	0.1274	0.58
Mp	Number of people participating in community-based tourism activities	-0.2105	-0.97
Gude	Participation in trekking activities	0.8539	4.78
Hst	Participation in homestay services	0.2563	1.74
Mass	Participation in traditional massage services	-0.0873	-0.56
Food	Participation in food preparation activities	-0.0401	-0.26
Elep	Participation in elephant riding services	0.2367	1.56
Bus	Households that operate a business	0.5702	2.16
cons		14.4583	23.81
Number of obs = 229			
F(17, 211) = 19.07			
Prob > F = 0.000			
R-squared = 0.6058			

Adj R-squared = 0.5748

Source: the authors' own calculations.

Note: The superscripts ***, **, and * denote rejection at 1%, 5%, and 10% critical values

The gender of the head of the household (gender) affects household savings in the participatory tourism study area of Champasak Province (Nong Luang Village, Pak Song District; Kiat Ngong Village, Pathumphon District; Don Kho Village, Sanasombun District). There is an inverse relationship with household savings, which contradicts the hypothesis. The correlation is statistically significant at a 95% confidence level, assuming all other factors besides the gender of the head of the household remain constant. If the head of the household is male, the opportunity to save is 44.57% lower on average than if the head of the household is female. This may be because men play a more significant role in family management, beyond earning income; they also provide guidance on asset management. However, they may also spend money unnecessarily. Therefore, men may lack the ability to make clear and rational decisions, leading to more mistakes or unreasonable spending than women. Thus, the gender of the head of the household negatively impacts household savings.

The age of the head (age) of the household affects household savings in the participatory tourism study area of Champasak Province (Nong Luang Village, Pak Song District; Kiat Ngong Village, Pathumphon District; Don Kho Village, Sanasombun District). There is an inverse relationship with savings, consistent with the hypothesis and demonstrating a statistically significant correlation at a 99% confidence level, assuming all other factors besides the head of the household's age remain constant. If the head of the household is older, the impact on savings decreases by an average of 3.84%, a small decrease. This may be because increased age means an older household, leading to decreased efficiency in income-generating activities due to reduced physical strength, slower work speed, or lack of flexibility, thus having an inverse impact on savings.

The number of household laborers (Lf) affects household savings in the participatory tourism study area of Champasak Province (Nong Luang Village, Pak Song District; Kiat Ngong Village, Pathumphon District; Don Kho Village, San Somboon District). There is a positive correlation with household savings, consistent with the hypothesis and demonstrating a statistically significant relationship at a 99% confidence level. Assuming all other factors besides the number of laborers remain constant, an increase of one laborer in a household results in a 17.50% increase in savings. This finding aligns with the age of the household head. The reason may be that individuals or households with a large number of laborers can contribute to cooperative economic activities, increasing household income, leading to increased spending and saving, and thus positively impacting family savings.

Household size (Nh) affects household savings in the participatory tourism study area of Champasak Province (Nong Luang Village, Pakse District; Kiattingho Village, Pathumphon District; Don Kho Village, Sanasomboun District). There is a positive correlation with household savings, consistent with the hypothesis and demonstrating a statistically significant relationship at a 99% confidence level, assuming all other factors besides household size remain constant. An increase of one household member results in an average 15.75% increase in savings. This may be because larger households tend to generate more income and find more profitable work, thus reducing workload and consequently improving household savings.

Production area (ls) affects household savings in the participatory tourism study area of Champasak Province (Nong Luang Village, Pakse District; Kiat Ngong Village, Pathumphon District; Don Kho

Village, Sanasomboun District). There is a positive correlation with household savings, consistent with the hypothesis and demonstrably statistically significant at a 90% confidence level, assuming other factors besides production area remain constant. If a household increases its production area by 1 hectare, household savings increase by an average of 13.16%. This may be because increased production leads to higher productivity and increased household income. In that case, they might reduce certain household expenses by replacing purchased products. Conversely, increased productivity leads to higher income, resulting in higher savings.

Households owning goats, pigs, and cattle have an impact on household savings in the participatory tourism study area of Champasak Province (Nong Luang Village, Pak Song District; Kiat Ngong Village, Pathumphon District; and Don Kho Village, Sanasombun District). The relationship with household savings is positive, consistent with the hypothesis and demonstrating a statistically significant correlation at a 99% confidence level. Assuming all other factors (excluding goats, pigs, and cattle) remain constant, adding one more head of livestock to a household results in an average increase in savings of 226.35%, indicating a positive savings outcome. Currently, raising cattle and buffalo is popular, as it automatically leads to savings. Therefore, households owning goats, pigs, and cattle significantly contribute to their savings.

Participation in hiking (guides) impacts household savings in the participatory tourism study areas of Champasak Province (Nong Luang Village, Pakse District; Kiat Ngon Village, Pathumphon District; Don Kho Village, Sanasomboun District). The correlation with household savings is positive, consistent with the hypothesis and demonstrably statistically significant at a 99% confidence level, assuming other factors besides hiking participation remain constant. If one more person in a household participates in hiking, household savings increase by 85.39%. This may be because the additional income generated from this work in the village contributes to household savings, offsetting expenses. Therefore, this additional savings represents another form of household savings.

Participation in homestay services (HST) affects household savings in the participatory tourism study area of Champasak Province (Nong Luang Village, Pakse District; Kiat Ngon Village, Pathumphon District; Don Kho Village, Sanasomboun District). The relationship with homestay savings is positive, consistent with the hypothesis and demonstrably statistically significant at a 90% confidence level, assuming other factors besides homestay participation remain constant. Increased opportunities for households to participate in tourist accommodation businesses resulted in an average 25.63% increase in savings. This means that if households involved in homestay services generate income from animal husbandry or other activities, this income might only be a small portion of their savings. Therefore, homestay participation (Hst) significantly impacts household savings in the study area.

Households with businesses (Bus) have an impact on household savings in the participatory tourism study area of Champasak Province (Nong Luang Village, Pak Song District; Kiat Ngong Village, Pathom Phum District; Don Kho Village, San Somboon District). The relationship with household savings is positive, consistent with the hypothesis and demonstrably statistically significant at a 90% confidence level. Assuming other factors besides households with businesses (Bus) remain constant, households with a family business have an average impact on savings of 144.58% compared to households without businesses. This means that if a household has a business, their savings will be significantly higher.

5. Conclusion

This study examined the role of participatory or community-based tourism in promoting household eco-

conomic development in Champasak Province, Lao PDR. Using data collected from 229 households in Nongluang Village (Paksong District), Kiat Ngong Village (Pathoumphone District), and Don Kho Village (Sanasomboun District), the research analyzed the impacts of participatory tourism on household income and savings through multiple regression models estimated by Ordinary Least Squares (OLS). The results provide empirical evidence that community participation in tourism activities plays an important role in improving the economic conditions of rural households.

The findings indicate that participatory tourism significantly contributes to increasing household income in the study areas. Several socioeconomic and tourism-related factors were found to influence household income. In particular, the age of the household head shows a negative relationship with income, suggesting that older household heads may have a lower capacity to participate in income-generating activities. In contrast, household labor force, household size, and production area have positive effects on income generation. These results imply that households with more available labor and larger production resources are more capable of engaging in both agricultural and tourism-related activities, thereby increasing their overall income.

Furthermore, the distance between households and local markets has a negative effect on income generation. Households located farther from markets tend to face higher transportation costs and reduced opportunities to sell agricultural or forest products, which ultimately lowers their income potential. Ownership of livestock such as goats, pigs, and cattle was also found to have a strong positive effect on household income. Livestock serves not only as a productive asset but also as a form of financial security that can be converted into cash when necessary. Participation in tourism-related services was another important determinant of household income. Activities such as trekking guidance, homestay services, and elephant riding were found to significantly increase household income. These activities provide direct employment opportunities and allow local residents to benefit from tourism expenditures. Households involved in tourism services are therefore able to diversify their sources of income beyond traditional agricultural activities.

In addition to income generation, participatory tourism also contributes to improving household savings. The regression results indicate that several factors significantly influence the level of household savings. These include household labor force, household size, production area, livestock ownership, participation in trekking activities, participation in homestay services, and household business ownership. These variables show positive relationships with savings, suggesting that households with greater economic opportunities and diversified income sources are more capable of accumulating savings. Interestingly, the gender and age of the household head were found to have negative effects on household savings. This result may reflect differences in financial management behavior and the economic capacity of households at different life stages. Younger household heads may have greater opportunities to participate in economic activities, while female household heads may demonstrate more cautious financial management practices. Overall, the findings of this study confirm that participatory tourism can play a significant role in supporting rural economic development in Champasak Province. By providing employment opportunities and encouraging community involvement in tourism services, participatory tourism helps increase household income and strengthen financial security through higher savings. These benefits contribute to improving the overall livelihoods of local residents and reducing rural poverty.

Based on these findings, the study suggests that government agencies and relevant organizations should continue to support the development of community-based tourism. Policies should focus on improving tourism infrastructure, providing professional training for local residents, and promoting community

participation in tourism activities. Capacity-building programs related to tourism services, hospitality management, and small business development can enhance the quality of tourism services and increase the competitiveness of local destinations.

Moreover, strengthening collaboration between local communities, tourism authorities, and private sector stakeholders is essential for sustainable tourism development. Such cooperation can help ensure that tourism benefits are distributed fairly among community members and that tourism activities are managed in a socially and environmentally responsible manner.

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