

# Chapter 9

## Scenarios of Sustainable Tourism Development in Cambodia



Heidi Dahles

**Abstract** The aim of this chapter is to provide a critical assessment of the current tourism development in Cambodia from the perspective of the ‘sustainable tourism development’ narrative. As one of Cambodia’s core industries, second only after the garment industry, tourism is a major source of income and an engine of economic growth. Despite the pivotal role of tourism in Cambodia’s economy, the dimension of sustainability is largely absent from the country’s current Tourism Development Strategic Plan. Outside the scope of this plan and largely ignored by the Cambodian government, myriad of pioneering initiatives are undertaken that have the potential to provide economic benefits to local communities. Commonly led by non-governmental organizations (NGO), such initiatives encourage the establishment of social enterprises that employ tourism as an instrument for creating sustainable livelihoods. But rarely are such enterprises developed and operated by local people. In this vein, this chapter will compare and contrast two scenarios that feature in Cambodia’s tourism development: the government-driven growth scenario and the diversification scenario led by local initiatives that evolve under the banner of sustainable tourism. It will critically assess the extent to which local people are engaged in the development and management of such initiatives in order to achieve sustainable outcomes.

**Keywords** Sustainable development · Local community · Community participation · Tourism-based social enterprise · Cambodia

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H. Dahles (✉)  
University of Tasmania, Sandy Bay, Australia  
Griffith University, Gold Coast, Australia

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## 9.1 Introduction

Cambodia is among those countries in Southeast Asia that have neglected the dimension of sustainability in their national tourism development strategy. Whilst Cambodia's current "Tourism Development Strategic Plan 2012–2020" promotes the country's traditional cultural tourism sites, a vision for sustainable development is lacking. Under this Strategic Plan tourism has become a major source of foreign income and an engine of economic growth. As Cambodia's core industry, second only to the garment sector, tourism has contributed US\$ 7.2 billion, or 32.4% of GDP, in 2017 and, according to a pre-COVID-19 estimate, was expected to add US\$ 13 billion, or 28.3% of GDP, to the national economy in 2028 – an increase of 6% per annum (WTTC, 2018, p. 1).

As critics have pointed out, tourism growth, if left unregulated, poses challenges that often outweigh the benefits, subjecting local communities to dispossession and dislocation, environmental degradation, and human trafficking (Carter et al., 2015; Mao et al., 2013). Perhaps less manifest, but no less corroding for local livelihoods and community development is the revenue leakage to overseas agents and investors that is commonly implied by growth-driven tourism development. Estimated at 40% in 2017, Cambodia's revenue leakage is one of the highest in Asia (World Bank Group, 2017, p. 52). Therefore, more effort has to be invested in searching for ways of ensuring that a greater share of benefits reaches the poorest segments of Cambodian society. In order to achieve this, approaches to tourism have to be advanced that contribute to sustainable development.

Outside the scope of the Tourism Ministry's strategic plan and largely ignored by the Cambodian government, myriad of pioneering initiatives are currently undertaken that have the potential to provide revenues to rural populations, alleviate poverty and diversify income opportunities. However, rarely are such initiatives developed and operated by local people (Biddulph, 2017; Mao et al., 2014). The emergence of social enterprises, on the other hand, often linked to ecotourism and community-based tourism, shows promising signs of change to the government's focus on growth in international visitor arrivals. Social entrepreneurship has come to play an increasingly important role in various segments of the Cambodian economy (Khieng & Dahles, 2015; Lyne et al., 2015). These enterprises often build on the knowledge, experience and networks of the well-established NGO sector that has been a major force in the economic and political recovery of the country since the ousting of the Khmer Rouge regime.

This chapter aims at contributing to a critical assessment of major tourism trends in Cambodia from the perspective of the 'sustainable tourism development' narrative, which has risen to great prominence in current tourism research across academic fields (Sharpley, 2000, 2020). This narrative embraces efforts to employ tourism as an instrument for providing economic benefits to local communities and create sustainable livelihoods. However, approaches designed to this purpose do not necessarily include the voice of the intended beneficiaries. In this vein, this chapter will compare and contrast two scenarios that feature in Cambodia's tourism

development: the government-driven growth scenario and the diversification scenario led by local initiatives that evolve under the banner of sustainable tourism. In addition, some preliminary observations will be shared on how the COVID-19 pandemic, which unfolded at the time of drafting this chapter, affects Cambodian tourism development.

The body of data underlying this chapter is based on a decade of research on economic and social transformation in Cambodia and an extensive media analysis on Cambodia's tourism development as an engine of these transformations undertaken in 2019. Results of this longitudinal research, including a detailed account of the underlying methodology of data gathering and analysis, have been published in various academic journals (see for example Dahles et al., 2019, 2020; Khieng & Dahles, 2015). Together, these publications reiterate the need for a critical approach to claims of sustainable development both in government policies and new social enterprise initiatives.

This chapter is structured as follows. The next section reviews literature relevant to the narrative on sustainable tourism development in order to identify the key concepts used in the analysis of the Cambodian case. Then, the contextual background of Cambodia's tourism development will be briefly discussed, followed by an elaboration on, first, the growth scenario for Cambodia's mainstream tourism and, second, emerging initiatives in tourism-based social enterprises (TSEs). The final section will discuss and compare the two different scenarios of tourism development against the background of the sustainable tourism development narrative.

## 9.2 Literature Review and Key Concepts: Sustainable Tourism and Social Enterprise

The concept of sustainable tourism development has risen to great prominence in both academic literature and tourism policy documents and came to underlie the narrative on tourism as an instrument to provide economic benefits to local communities (Bramwell & Sharman, 2000; Sharpley, 2000, 2020; Tao & Wall, 2009). However, as more and more policy makers and developers claim to engage in sustainable tourism to legitimize tourism development at large, sustainable tourism has become a trope, devoid of meaning and packed with political correctness. Often defined in tourism-centric terms, this concept has come to promote the sustainability of tourism and the tourism industry as such, whilst a critical assessment of tourism as a development strategy for local economies is lacking (Sharpley, 2000).

As critics argue that sustainable tourism development is unachievable (Sharpley, 2020), the narrative has come to motivate new 'tourisms' that claim to offer livelihood opportunities for local communities. Among such new variants are ecotourism, community-based tourism, and responsible and sustainable tourism. In addressing a variety of social, economic and environmental issues, the new tourisms capture alternative ways in which tourism development differs from conventional

tourism (see Sheldon & Daniele, 2017). There is growing awareness that the intended long-term effects of such new tourisms depend on the participation of local communities (Carter et al., 2015). Building on the work of Chambers and Conway (1992) and Tao and Wall (2009), the concept of sustainable livelihoods has come to represent another innovative strategy for development through tourism. A livelihood approach focuses on ways in which households strategically deploy their assets and capacities in order to satisfy current and future needs (Scoones, 1998). Tourism scholars have studied the contribution of tourism-related activities to local livelihoods in particular in developing countries where tourism often emerges as the single alternative to a loss of traditional livelihoods (e.g. Lasso & Dahles, 2018; Tao & Wall, 2009). However, as Biddulph in his study of rural Cambodia (2015, p. 99) points out, the impact of tourism, in particular mass tourism, may be overrated as tourism is “part of a broader process of rural income diversification” that local communities experience in the wider capitalist economy. The long-term effects of tourism largely depend on the engagement of local communities which, after all, are “not mere spectators in development but are active agents who cope and evolve with the challenges associated with tourism development” (Movono & Becken, 2018, p. 155).

This resonates with the literature on social enterprise in tourism. As Giang et al. (2017) argue, TSEs have the potential to offer pathways to innovations that may create sustainable solutions for all stakeholders in local tourism development (Giang et al., 2017). In the burgeoning literature on how to define social entrepreneurship (for a recent review of the relevant literature see Choi and Majumdar (2014), consensus is gathering that social enterprises undertake revenue generating strategies in order to achieve social and environmental goals and create secondary benefits such as the enhancement of social and human capital (DiDomenico et al., 2010). The dual mission of financial sustainability and social value creation being the defining characteristic of social enterprise, such ventures do not fit neatly into the conventional categories of private and public, profit and non-profit organizations. The quest for financial sustainability follows the logic of the market, whereas social objectives abide by the rule of community to create social value and advance social change (Mair & Marti, 2006). As hybrid organizations, social enterprises mobilize a wide range of financial resources and apply a variety of business models to accommodate both seemingly incompatible objectives (Peredo & McLean, 2006).

As recent research shows, there is rapid growth in TSEs, in particular in low- and middle-income countries where tourism is a key economic sector (Altinay et al., 2016). It is assumed that, due to their hybrid character, social enterprise is particularly well equipped to effectively mobilize financial resources and ensure the cooperation of multiple stakeholders. As TSEs preferably engage with tourisms that advance economic, social and environmental goals, they are committed to create value for local communities without jeopardizing the environment and contribute to sustainable regional development (Kline et al., 2014). In the context of low income countries such as Cambodia where the tourism industry is foreign-dominated creating income leakage (Mao et al., 2013), where local people lack financial resources and skills to operate business (Mao et al., 2014), and where government institutions

are too weak to enforce appropriate regulations to support local communities, social enterprises may create the necessary infrastructure and mechanisms for local participation. An increasing number of case studies provide evidence of benefits accruing to local communities from social entrepreneurial initiatives (Dahles et al., 2020). Focusing on social enterprises in the Cambodia tourism sector, Biddulph (2017), for example, lists a wide variety of social benefits that became available to rural people, among which security and stability of employment, social insurance and health benefits, and participation in decision-making.

In summary, pushed by governments as an engine of rapid growth, tourism development can cause increased economic insecurity for local communities. Under such growth scenarios, local livelihoods transform into ‘tourism livelihoods’ characterized by an extreme, if not complete, dependence on tourism as the only source of income. Such tourism livelihoods are particularly vulnerable to visitor volatility and external events (Dahles & Susilowati, 2015; Lasso & Dahles, 2018). Sustainable tourism development does not revolve around the sustainability of tourism as such, but advances local development with tourism as one among other tools for economic diversification. In this vein, TSEs with their dual mission of income security and social value creation seem to offer a promising alternative. Whilst there is consensus in the literature that community participation is essential in achieving the aims set for sustainable development through tourism, it is yet to be seen whether these enterprises will contribute to social change beyond the tourism sector.

### 9.3 The Contextual Background of Cambodia’s Tourism Development

Visitors arriving in Cambodia are presented with remnants of the glorious past of the great Khmer empire, the splendor of the colony reminiscent of the French rule (1863–1953), and the turmoil of the 1970s and 1980s that destroyed the country’s vital institutions and social fabric. When in the early 1990s peace was restored, substantial development assistance from a variety of international sources poured into the country in order to facilitate the rebuilding of its economy and civil society. This marked the onset of a massive influx of international non-governmental organizations (NGOs) and, in their wake, the establishment of local NGOs operating in Cambodia (Khieng & Dahles, 2015). Whilst NGOs have played key roles as development agents and have contributed significantly to developing the economy and alleviating poverty (Lyne et al., 2015), their prominence in Cambodia’s economy has resulted in an extreme level of persistent donor-dependence.

Yet, since Cambodia’s heydays as a donor darling, the financial support for NGOs has undergone significant changes. Not only has international donor funding declined considerably, but also have concerns been raised about the effectiveness of NGO activities in a country with one of the highest economic growth rates in Asia (World Bank, 2009). As a consequence, NGOs have been forced to diversify their

funding sources and many have since transformed into social enterprises as an alternative way to pursue their social mission (Khieng & Dahles, 2015; Lyne et al., 2015). As the tourism industry has become Cambodia's second engine of economic growth after the garment sector (Carter et al., 2015, p. 800), many NGOs have jumped on its bandwagon to compensate for the loss of donor income. In the process, some NGOs-turned-social-enterprises have come to lead initiatives in sustainable and community-based tourism.

Cambodia is largely a cultural tourism destination and dependent on a few key attractions (Reimer & Walter, 2013). The most prominent tourist attraction, the famous temple complex of Angkor Wat, a relic of the great Khmer empire, situated in the Angkor Archaeological Park in the province of Siem Reap, welcomed nearly 2.6 million international visitors in 2018 (42% of all international arrivals) generating over USD 100 million in revenue (Cheng, 2019). Beyond Angkor Wat, tourists commonly visit Phnom Penh, Cambodia's capital city, famous for its royal palace and pagodas, markets and genocide museums; and the seaside town of Sihanoukville with its beach-resorts and soaring casino industry. Underlying this limited repertoire of attractions is a government strategy that views tourism exclusively as a source of foreign exchange and GDP growth, and prioritizes an increase in international arrivals. Such a limited perspective has not only hampered investments in innovation, but has also failed to identify measures for poverty alleviation (Biddulph, 2015; Carter et al., 2015). As Biddulph (2015, p. 101) puts it "Cambodia is noted as a country where relatively little of tourists' spending finds its way into the hands of the poor." Moreover, this growth scenario leaves the sector exposed to fluctuations in international tourist arrivals as the dramatic collapse of the industry caused by the COVID-19 pandemic exemplifies.

The Cambodian Tourism Development Strategic Plan 2012–2020 (Ministry of Tourism, 2012) fails to explicitly commit to sustainable tourism development, an omission that was candidly pointed out by Prime Minister Hun Sen in his "Message of Support" on the first pages of this plan: "Cultural tourism is highly prioritized for Cambodia tourism development while ecotourism, a vision for sustainable development, needs to be improved and developed as a new tourist destination, responsibly contributing to mitigating against climate change and toward building up green economic development" (Ministry of Tourism, 2012, p. i–ii). As the tourism strategy for the next decade is due to be revealed to the public, the government has pledged to advance ecotourism as part of its 'green' economic development plan. Recently, the national policy on ecotourism has been approved by the Council of Ministers. Under this policy, the Ministry of Environment has initiated 22 ecotourism communities covering an area of 35,003 ha in 12 protected areas in order to spur local economic development providing employment and boost local incomes (Dara, 2020). Meanwhile the Ministry of Tourism has announced that 56 sites with ecotourism potential will be developed, most of which financed by Chinese investors (Cheng, 2018). This development is a powerful reminder of the significance of the economic aid and investments that Cambodia has been receiving from China over the past decades, as will be elaborated in the next section.

## 9.4 The Growth Scenario: Tourism as the Engine of Economic Success

Undeniably, the growth-driven government strategy has been rather effective as Cambodia, in less than 20 years time, has become one of the fastest-growing tourism destinations in South-East Asia. International arrivals show consistent expansion since the early 2000s. Between 2000 and 2010, tourist numbers surged from 450,000 to 2.5 million (Carter et al., 2015, p. 799) and to 6.2 million in 2018 with an average annual growth rate of 16% (WTTC, 2018, p. 1). In the next decade, international tourist arrivals are expected to grow by 5.2% per annum to about 8 million in 2028 (WTTC, 2018, p. 1). The majority of international visitors are from Asian countries with the Chinese topping the list of arrivals (Heng, 2018; Sorn, 2019). Cambodia welcomed some two million Chinese tourists in 2018, up more than 70% on the previous year (Sorn, 2019). According to pre-COVID-19 estimates, the country was expected to attract three million Chinese tourists in 2020 and five million in 2025 (Sorn, 2019).

In pre-Covid-19 Cambodia, however, tourism showed signs of stagnation in terms of value captured per tourist – from US\$ 585 in 2005 to US\$ 655 in 2016. While low-end businesses mushroomed, stays remained short with limited repeat visits, and destinations suffered from overcrowding and degradation (World Bank Group, 2017). To overcome these problems the Cambodian government set their eyes on more foreign investments and new markets. As for investments, the Kingdom's participation in China's Belt and Road Initiative (BRI) is of critical importance. Cambodia has embraced the BRI since its inception in 2013, as China has undeniably become Cambodia's most important economic partner. From infrastructure and connectivity development to cross-border trade and tourism, Cambodia has benefitted significantly from cooperation with China under the BRI framework (Sok, 2019). Cambodia's vision of prosperity also entails a shift away from its over-reliance on low-paid and low-skilled jobs currently provided by the (Chinese-owned) garment sector.

As for the new markets, the Cambodian government launched a strategic marketing plan in 2015 to woo more Chinese tourists through the China Ready initiative. This initiative, first launched in 2016, aims to foster trust between local tourism businesses and Chinese tourists (World Bank Group, 2017). In an effort to capitalize on the rapid growth in Chinese inbound tourism, Cambodia has established the China Ready Center (CRC) to cater to soaring numbers of Chinese tourists, as well as to improve the skills of local tourist operators working with Chinese clients. This resonates with the recently launched special tourism zoning plan designed to attract long-stay and repeat visitors and to advance property purchase in Cambodia. Tailor-made for Chinese visitors, this development is expected to resolve many challenges, including containing the spread of Covid-19 (Amarthalingam, 2020a). However, sustainable development is not among its priorities.

Chinese investments in Cambodia are soaring, especially in Sihanoukville. These investments include Chinese tour agencies entering the Kingdom, new hotels and

entertainment venues being established and large-scale projects such as airports and dams being undertaken (Po & Heng, 2019). So far, the casino industry has provided the most tangible impetus in the tourism industry. The performance of Hong Kong-listed NagaCorp Ltd. which operates the NagaWorld gaming and hotel complex in Phnom Penh was boosted by the boom in arrivals from China. VIP gaming revenue totaled US\$ 625.3 million, more than double the revenue brought in from mass market gambling, which came out to US\$ 300.6 million (O'Byrne, 2018a). The NagaWorld Complex is changing the face of Phnom Penh. The complex is connected via an underground shopping mall known as the NagaCity Walk (Hor, 2018).

While gambling establishments and shopping precincts absorb the big-package tour groups from China, new tourist facilities are being designed to cater to higher-income Chinese visitors. Among such initiatives is the US\$ 500.4 million Tourism, Ecological, Marine and International (TEMI) tourism project which is part of the Chinese-owned Dara Sakor Tourism Resort project and comprises a five-star hotel with 800 rooms, a commercial centre, a golf course, bungalows, villas, amusement parks, and a naval park among other attractions. Located in the coastal province of Koh Kong between Sihanoukville and the Thai border, the project is set to create more than 5000 jobs (Hin, 2019).

## **9.5 The Diversification Scenario: Emerging Initiatives in Tourism-Based Social Enterprise**

As Chinese investments are bringing profound change to coastal resorts, cultural heritage sites and urban landscapes, a silent transformation is materializing in NGO-supported projects and local businesses in the Cambodian tourism and hospitality sector. The emergence of social entrepreneurial activities in this sector is overwhelmingly motivated by challenges in sustaining local NGOs due to diminishing donor funding (Khieng & Dahles, 2015). A variety of business models has been developed to accommodate such commercial ventures (Dahles et al., 2020). More and more NGOs organize their business activities in separate legal entities within their organization or in independently managed external social enterprises in order to generate revenues from tourism at large. Commercial activities in the tourism sector are commonly unrelated to the social mission of these organizations (Khieng & Dahles, 2015). Their involvement with tourism is money-driven and tourism itself is not seen as an area in need of development and empowerment. Instead, the local community is the designated beneficiary of the revenues generated by the tourism-related social enterprises that operate under these NGOs in that they offer employment and training to Cambodians recruited into jobs, development of infrastructure and cash donations to meet specific community needs. Whilst many of such projects do not engage with sustainable tourism in particular, NGOs are known for pushing the sustainable development agenda. As these NGOs provide advocacy on environmental protection, land rights and access to natural resources, they also



encourage local community to become active agents in tourism development. Hence the emergence of initiatives in pro-poor tourism and community-based tourism where local community is not a passive recipient of benefits but an integral part of the tourist experience offered. In such projects, NGOs often provide skills training in hospitality, offer foreign language instruction and familiarize local people with foreign tourist expectations.

In the wake of NGO-based social ventures, independent social enterprises are emerging in Cambodia (Khieng & Dahles, 2015). Where such enterprises have sustainable tourism development in their mission statement, they have the explicit ambition to develop tourisms that address persistent social and environmental issues (Kline et al., 2014). This new generation of social enterprises attempts to meet a dual objective: to subject their commercial strategies to a social mission and, at the same time, to make tourism more inclusive. These tourism-based social enterprises (TSEs) offer a novel approach to development away from the persistent dependence on donor funding and alternatives to a foreign-dominated economy (Dahles et al., 2020). While some of these new TSEs are foreign-owned and managed, more and more young and well-educated Cambodians have the ambition to become a social entrepreneur. With their first-hand understanding of the major challenges in Cambodian society, they define the social impact of their enterprise in terms of its significance for social change in rural Cambodia, in particular advocating local ownership and grassroots-level empowerment. These objectives are pursued by including staff, tourists and local community. The centerpiece of the tourist experience provided is the engagement of villagers and the celebration of village life. The participation of local people may include the demonstration of particular skills, the trade in handicrafts and the supply of homestay accommodation (see Altinay et al., 2016; Dahles et al., 2019, 2020; Von der Weppen & Cochrane, 2012). Local communities engaging in such tourism development benefit in multiple ways, by gaining an income and employment, by improving the infrastructure in their village, by receiving training and education and, eventually, by obtaining (business)ownership and the support of multiple stakeholders.

## 9.6 Discussion and Conclusion

The recent surge in tourist arrivals from China is a consequence of the intensifying entanglement of Cambodia's fate with China. Growing Cambodia-China ties have seen the latter's influence sweep across the Kingdom through increased investments in tourism development. Tourist arrivals from China have spawned a vast increase in Chinese investment as China has become the leading source of foreign funds in Cambodia, fuelling the construction sector with huge casino and hotel projects (Po & Heng, 2019). However, the benefits to the economy have been lopsided as the returns largely remain with Chinese companies and fail to trickle down to local Cambodians (O'Byrne, 2018b) adding to the leakage of tourism revenues to overseas agents and investors. Chinese investment in Cambodia's real estate market is

almost exclusively aimed at the Cambodian upper class, as well as Chinese tourists and businessmen. This is driving market prices up, making housing unaffordable for most Cambodians (Po & Heng, 2019). Despite the economic potential of hotels, casinos and increased tourism numbers, Cambodia's gambling industry has long maintained a murky reputation, with the coastal destination of Sihanoukville rarely earning positive headlines. Money laundering, illegal casino operations and human trafficking have become acute concerns (Po & Heng, 2019). While the BRI's Chinese investors have played a crucial role in the Cambodian economy, this injection of capital has exacerbated the weakness of Cambodia's regulatory environment. These Chinese investors have perpetuated the host country's socio-political culture of patron-client networks, partly entrenched by the Sino-Cambodian elites at the expense of local communities (Young, 2020).

Turning our attention to the opposite end of the tourism spectrum, we find that in the Cambodian tourism and hospitality sector the emergence of social entrepreneurship is largely motivated by challenges in sustaining local NGOs due to diminishing donor funding. Many TSEs continue to do what NGOs have been doing since the 1990s: providing goods and services to local community for the purpose of local development. Yet, local participation in the production, planning and management of tourism is still exceptional. Overall, local communities keep playing a passive role as the recipient of benefits accruing from the TSEs' social programs financed by tourism revenues. It is fair to conclude that mainstream Cambodian TSEs rarely offer pathways to innovation that may bridge the gap between the 'development first' and the 'tourism first' approach (Giang et al., 2017). Although TSEs have the potential to channel a greater share of tourism benefits to communities and reduce revenue leakage, investments in infrastructure, training and education, including basic business management, are called for before a meaningful participation can be established (Dahles et al., 2020).

TSEs operating under the responsible and inclusive model of tourism engagement, on the other hand, make laudable attempts at engaging local community by providing initial infrastructure and training to enable locals to benefit from tourism as owners of independently operated micro-businesses. However, it is yet unclear whether these enterprises will be able to "create sustainable solutions for all stakeholders involved" (Giang et al., 2017, p. 157). Notwithstanding the boundless goodwill and substantial contribution of this new generation of TSEs to sustainable tourism, it remains to be seen whether the model of engagement espoused by these enterprises will indeed transform the tourism sector and, in the end, society in Cambodia. The focus on alternative modes of tourism has to be carefully reviewed in view of the transformations that tourism in Cambodia is currently facing. As Carter et al. (2015, p. 808) rightly point out, there is an increasing mismatch between the tourism product developed by Western agents for Western consumers and the market which is impacted by increasing numbers of arrivals from East Asia and China in particular. Whilst the Cambodian government assumes that Chinese tourists prefer resort tourism – as echoed by the TEMI tourism project and the new zoning plan as developed by the Ministry of Tourism –, reliable data on Chinese consumer tastes is still lacking. Conversely, the new 'alternative' forms of tourism

as being developed by TSEs may appeal to segments among the Chinese consumers for their ‘clean and green’ image. However, these innovative products may not satisfy Chinese consumer tastes at large and may, in the end, cater only to a shrinking, Western, market. The Cambodian government and the sector’s tourism professionals are advised to undertake systematic market research among the various consumer segments in order to gain an understanding of consumer demand and align their marketing strategies with the need to develop more sustainable tourism products.

At the time of writing, in 2020, the COVID-19 pandemic has brought the tourism sector to its knees. As recent data released by the Cambodian Ministry of Tourism reveal, international tourist arrivals, due to travel restrictions and lockdowns, declined by 74% to 1.2 million between January and September this year from 4.8 million in the same period in 2019 (Amarthalingam, 2020a). In the first 6 months of 2020, an estimated 3000 tourism-related businesses have closed down and 45,400 jobs have been lost (Amarthalingam, 2020b). In Siem Reap, home of the Angkor Wat temple complex, over 80% of accommodations permanently or temporarily suspended business. Little is known about how this downturn affects local communities, small tourism-based businesses and Cambodians who lost their jobs. In similar cases, where the sector was hit by a sudden and persistent decrease in tourist arrivals, local people were left with very limited alternatives to sustain their livelihoods. Instead, they turned to subsistence strategies or left the tourist precinct to resume farming in rural areas (Dahles & Susilowati, 2015). Importantly, local people should be encouraged to diversify their business or trade with opportunities outside the narrow contours of the tourism industry to avoid the risks implied by a downturn in tourist arrivals. For the government, this crisis represents an opportunity to reboot the sector and create the conditions for a more sustainable tourism development in Cambodia.

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**Heidi Dahles** (MSc & PhD, Radboud University, Netherlands) is adjunct professor at the School of Social Sciences, University of Tasmania, and at the Griffith Institute for Tourism (GIFT), Griffith University, Gold Coast, Australia. Prior to these appointments, she held academic leadership positions at Griffith Business School (Brisbane) and Vrije University Amsterdam (Netherlands). Her research interest is in local livelihoods, resilience and social enterprise, in particular in the tourism industry, in Southeast Asia.