



THE IMPACT OF THE COVID-19 PANDEMIC ON INEQUALITY IN ASIAN CITIES

Focus on Tourism Workers in Vientiane, Vang Vieng,
Pakse and Luang Prabang, Lao PDR

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COVER IMAGE: Lao PDR (Source: Sasha Popovic, Flickr)

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SUMMARY

The Lao People's Democratic Republic (Lao PDR) reported its first Covid-19 positive case in March 2020.¹ Consequently, the government closed its borders and restricted domestic movement in order to contain disease spread. While the pandemic struck all countries and all economic sectors hard, it can be said that tourism in Lao PDR, a vital industry that employed 54,000 people, the vast majority women, was hit especially hard as international and domestic tourists disappeared practically overnight.

This research sought to understand how male and female Lao tourism and hospitality workers in four Lao cities, fared during the first pandemic wave after being suddenly made idle or laid off with little to no government relief. In particular, it examines an unequal labor divide that results in women earning less than men, having a harder time finding new employment, and taking longer to do so. This study also reveals weaknesses in the expression and communication of Lao Labor Law that led to unnecessary and sometimes unintended exploitation of both men and women employees and freelance contractors. Above all, this report recounts the resilience and resourcefulness of newly unemployed tourism workers who used their social networks and sometimes social media to find new jobs and means of survival during the worst of the early pandemic period. It concludes with recommendations that seek to inspire governmental and nongovernmental actions that would ameliorate unemployment in the tourism industry, increase the flexibility and transferability of its workers, and repair and bolster their financial security in the face of future pandemic waves and other crises.

INTRODUCTION

The Asia Foundation conducted extensive research in July 2020 to understand the impact of Covid-19 restrictions on micro, small, and medium-size enterprises (MSMEs) in the Lao People's Democratic Republic (Lao PDR), particularly those in the agriculture, handicrafts, and tourism sectors. The research aimed to inform current and future relief measures taken by the central government and development actors.² The findings in turn inspired this qualitative study, which focuses on understanding the gendered impacts of Covid-19 and subsequent responses on employment and opportunity of workers in the tourism and hospitality sector. It offers actionable recommendations to encourage more inclusive and responsive recovery efforts by government and non-governmental actors in their efforts to address the needs of men and women in the tourism and hospitality industry.

The research team used the 5Cs conceptual framework to determine three overarching research questions:

1. In what ways did women receive equal or unequal treatment in their dismissals from tourism jobs during the Covid-19 pandemic?
2. Compared to women, did men laid off from tourism or hospitality jobs find new jobs faster and/or with better compensation than women? And if so, why? (For example, did men start seeking jobs faster after being laid off, thus finding new work more quickly?)
3. Compared to men, did women laid off from the tourism sector risk finding less desirable new jobs, defined as unsafe, less socially acceptable, poorly compensated, and/or insecure)?

The research team began with a literature review between October to November 2020, seeking out articles and reports on gender dynamics within the Lao PDR tourism industry and the impact of Covid-19. The primary focus of the research was to unpack the varying experiences of men and women who had lost their jobs because of the pandemic, so the literature review was followed by 16 one-on-one interviews of nine male and seven female tourism or hospitality workers. The interviewees came from four cities that relied heavily on the tourism sector: Vientiane (capital of Lao PDR

in Vientiane Province), Vang Vieng (Vientiane Province), Pakse (Champasak Province), and Luang Prabang (capital of Luang Prabang Province). Eight respondents worked as tour guides, and the others as cooks, receptionists and cleaners in restaurants or hotels.

The 5 Cs: Context, Capital and Capabilities in Cities during Covid-19

The conceptual framework underpinning this research was developed by The Asia Foundation and Kore Global.³ This 5Cs conceptual framework enables analysis of the impact of Covid-19 on Contexts, Capital and Capabilities in Cities and focused on three areas: First, we analyzed the **context** of Covid-19 impacts in terms of the non-health implications of the pandemic and the repercussions of government-implemented containment measures. Second, we examined how people's **capital** (their tangible and intangible resources), particularly their financial, social, and educational (human) capital was impacted by the pandemic and containment measures. Third, the depletion of people's resources influenced their short- and long-term coping abilities, which may further impact people's future **capabilities**, particularly their ability to secure employment, pursue careers, and have

independence outside the home. The causal relationship between these three levels of analysis – context, capital, and capabilities – is neither simple nor linear: the context tends to impact capital and capabilities, but those, in turn, contribute to further changes in the context.

This report starts with a short overview of the tourism and hospitality sector in four cities in Lao PDR; it also looks at issues with Lao Labor Law that prevent various types of workers from fully receiving rights and entitlements. The second section focuses on the context: the non-health related impacts of the pandemic, including restrictions aimed at controlling the spread of the virus and the resulting shocks

to tourist-oriented services and adjacent economic activities. Section three highlights the impact pandemic containment measures and resulting dismissals had on the financial capital of our research subjects and their families. Section four highlights how the newly unemployed tourism workers struggled to find new jobs and depended primarily on their social capital, personal connections and individual resilience. Section five traces these immediate effects to illustrate the long-term impacts on people’s capabilities that will affect their future opportunities and recovery. The final section presents a set of near- and longer-term policy and action recommendations for discussion in light of the research findings.



1. TOURISM WORKERS IN LAO PDR

Tourism, a vital industry in Lao PDR, employed 54,000 people prior to the 2020 COVID-19 pandemic, 63 percent of whom were women. Tourism contributes approximately 4.6 percent to the country's GDP,⁴ and ranks second to mining in terms of foreign exchange earnings.⁵ The tourism sector also underpins Lao PDR's handicraft sector through the sale of handicraft materials, including silk and cotton textiles, and handicraft items largely produced by women and purchased by tourists.⁶

UNCLEAR LABOR LAWS AND GENDER SEGREGATION STYMIE ACCESS TO RIGHTS AND ENTITLEMENTS

While the tourism and hospitality industry employs more women than men, the latter hold more managerial positions in both government-owned and privately-owned tourism enterprises,⁷ whereas women often work more informally and in services to hotels, restaurants, and other establishments. This unequal labor divide results in men and women sharing the benefits of local tourism unequally.⁸ Men frequently earn more, including in those higher-paid managerial positions, while women are relegated to lower-income positions.⁹ Furthermore, the segregation of the labor market increases women's risk of dismissal compared to that of men.

Male and female tourism workers face another risk in that Lao Labor Law does not explicitly clarify whether it covers both registered (formal) and non-registered (informal) workers. This leads to confusion about the rights of all workers. On one hand, the Lao PDR government in 2013 issued detailed guidelines for dismissals under the Lao Labor Law. Article 80 stipulates that either party must provide prior notice of contract termination, specifically 30 days for employees undertaking "physical labor" or 45 days for employees undertaking "mental labor".¹⁰ Furthermore, employers must provide termination compensation to employees in

certain cases.¹¹ The law also includes gender-specific protections, such as disallowing termination of female employees who are pregnant or have children under one year of age.¹²

Thus, it appears that a worker who has an employment contract and is registered can and should benefit from these labor law guidelines. However, the level of confusion increases when employment contracts are verbal rather than written. Meanwhile, workers lacking a contract or formal registration – or both – appear to have no rights around terminations. Since the Lao Labor Law does not define who it applies to exactly, or whether termination and other protections are predicated on a worker being able to demonstrate an employee-employer relationship through a written or verbal contract, there is debate and disagreement among legal analysts in Lao PDR on whether they pertain to unregistered informal workers or those working under verbal agreements.

Our sample or research interviewees reflected this range of arrangements and contracts during their pre-COVID employment. Overall, it was not always clear to them nor to the researchers what benefits or unemployment compensations the workers were entitled to. Slightly less than half of the interviewees had no written contract; they worked on a freelance basis, for example as self-employed tour guides, or they were employed full time according to a verbal contract. The other half had written

employment contracts at some point in the past or when the pandemic struck. For a few respondents, when a written contract expired, their employer extended employment based on a verbal agreement.

The respondents also differed from one another in their definitions of “permanent staff”, their expectations of labor entitlements, and their understandings of employer-provided benefits. For example, one interviewee distinguished between permanent staff and freelance contractors based on whether a company paid for a tour guide’s identification tag or the guide had to pay for it themselves, believing that action indicated permanent or freelance employment respectively.

Furthermore, labor agreements between workers and employers often rely on mutual trust, or as one female interviewee put it, “This was our agreement”. Another interviewee implied that workers were generally unaware of the need for written employment contracts. For example, he believed that his new verbal contract was the same as his previous written contract, and that his job term would again be renewed every two years, even though that condition was not put in writing.

Finally, although tourists widely use the Internet for information about destinations and to book hotels and other services, the tourism workers interviewed did not universally use the Internet to promote their services or look for jobs, particularly the women. Regional research on the gender digital divide does tend to suggest that even when both men and women have access to smart phones, women are more likely to use their phone for communication purposes and not to access information and services.¹³ In Lao PDR overall, 87 percent of the population has a mobile phone subscription, 35 percent has access to mobile broadband Internet, and 3 percent has fixed broadband access, all less than in neighboring countries.¹⁴ In 2020, 43 percent of the total population actively used social media,¹⁵ with 99.6 percent accessing it via a mobile phone. Except for reports from platforms that claim Lao women make up 46 percent of Facebook accounts and 61.7 percent of Instagram users,¹⁶ there is little to no gender-disaggregated data on basic and advanced digital skills in Lao PDR, and none for computer or mobile phone use, mobile phone ownership, smartphone use, or internet use.¹⁷

2. CONTEXT: LAO BORDER CLOSES TO FOREIGN TOURISTS

Lao PDR reported its first Covid-19-positive case in early March 2020.¹⁸ The government responded swiftly by establishing a National Taskforce for Covid-19 Prevention and Control (NTCCPC) to coordinate with The World Health Organization (WHO) and relevant agencies and manage the pandemic.¹⁹ By March 29th, the Prime Minister ordered the first nationwide lockdown²⁰ to begin on March 30th and end on April 19th, but ever-increasing numbers of cases prolonged it until May 3rd. During this time, schools and offices closed and employees worked from home, where possible. Notably, the government prohibited gatherings of more than 10 people during the New Year holiday, April 13 to 17th. In addition, it banned all inter-provincial and international travel except for crucial logistics or supplies, such as to hospitals. Residents had to stay home, except for trips to purchase food and necessities, or for medical emergencies. This stay-at-home restriction did not apply to some agricultural activities in rural areas or to food vendors within urban areas. Domestic restrictions eased in May 2020, with domestic travel and normal movements allowed, such as returning to work, but as of July 2021, the government had not resumed issuance of international tourist visas, and travel in and out of Lao PDR remains very limited.²¹

These Covid-19 containment measures severely impacted Lao PDR's tourism sector because it relies on foreign tourists for income. The border closures caused tourism activity to plummet, resulting in lost jobs and income. Additionally, tourism has been slower to recover because of lockdown extensions and vaccination rollout delays, which prevent tourists from visiting the country. The tourism, hospitality and handicraft sectors continue to suffer, along with adjacent sectors such as entertainment sector, due to closures of bars, restaurants, massage and spa services, and others.

As mentioned earlier, these service industries and the handicrafts sector employ a greater number of women than men, particularly for the more numerous menial positions. The loss of tourists caused a direct loss of jobs that serve them. Female workers bore the brunt of lay-offs: Research conducted during the early months of the pandemic indicated that employers dismissed higher numbers of women workers because of the economic slowdown and loss of customers²² due to the gendered arithmetic of lower-level jobs.

Lao Labor Law guidelines for terminations didn't change to accommodate or ameliorate the situation caused lockdowns and travel restrictions. Instead, the Lao government focused relief efforts towards business-tax abatement measures, including exemptions for tourism-sector microenterprises and postponement of tax payments. The government also introduced an unemployment benefit for workers who lost their jobs because of the pandemic, but only those covered by their employers' social insurance scheme. Other affected workers could apply for unemployment benefits if the business they worked for was forced to close.

3. DISMISSALS DRAINED FINANCIAL CAPITAL AND WELLBEING

All interviewees noted a dramatic fall in tourists and other customers by February 2020. While some continued working into early March, almost all stopped working or began working part-time by the end of the month. The eight interviewees who worked as tour guides saw all tours cancelled by March 30th. The six freelancers' earnings ended as soon as the tours stopped, without any further compensation. One tour guide and a driver, both men, were on a permanent employment contract and weren't immediately laid off. They received half of their salary until May 2020, when one was asked to leave and the other quit because he was unsatisfied with half-pay, feeling his original full salary was already too low. The other eight interviewees included cooks, receptionists and cleaners who worked in restaurants or hotels. Almost all worked part-time in March, until the lockdown. Some continued to receive half their salary until May or June 2020, after which all work stopped. A few of these respondents said that they were on renewable or multi-year contracts. However, only one male cook remained employed on contract until its end date, but paid only half his original salary. Another participant, a driver, saw his monthly income fall by more than half, from LAK (Lao kip) 1,500,000 (about USD 157) to LAK 750,000 (about USD 79), below the Lao minimum wage of USD 110 per month.²³ Finding a second or better-paying job proved extremely difficult because the Government of Lao PDR announced a nationwide lockdown to control the spread of infection right as most respondents were being dismissed from their jobs or having their pay substantially reduced.

OFTEN TERMINATION COMMUNICATIONS WERE UNCLEAR AND EFFECTIVE IMMEDIATELY

Only one respondent received a written termination letter. Most respondents received the news verbally by their supervisor or administration department, or stopped going to work on their own once there were no customers, or received a phone call or WhatsApp message informing them their dismissal was immediate. In some organizations, likely the more-established travel organizations or hotels, workers were dismissed by a manager or supervisor and not the actual decisionmaker such as the Managing Director or owner. This possibly limited an employee's ability to negotiate more favorable terms of dismissal.

“My employer did not communicate with me. My supervisor told me that my employer does not have money to pay. I don't have my employer's phone number.”

(37-year-old female, no written contract, former hotel cleaner)

Only three people in our sample had what could be considered “reasonable communication”, even though, as seen earlier, the 2013 Labor Law stipulates that employers should give employees a minimum notice period. One man was able to work out his full contract term, to the end of 2020. Another, who had been working as permanent staff in a hotel for seven years, correctly received one month's notice. One woman remained employed for one month on reduced hours but with full pay before she was permanently dismissed. This variety of

experiences implies that many employees did not know the proper process for employers to keep them on, for how long, how much their pay would be reduced and when, whether they would be compensated, and so forth.

THE MAJORITY OF WORKERS UNDERSTOOD THE SITUATION AND DID NOT BLAME THEIR EMPLOYERS

Most interviewees expected to be paid for the work they did, without further expectations for benefits such as insurance or severance, irrespective of contract type. A few noted that their expectations for private sector companies were rather low. Many respondents also felt sympathetic towards their employers and wanted to avoid making it harder on them. Some highlighted the fact that they had been treated well by their employers or felt close to them, particularly the family-run businesses.

“All staff understand the situation. It is already known that the company cannot operate its business due to Covid-19 situation. We all understand, so we don’t go to work.”
(29-year-old female, former tour guide)

However, a few interviewees perceived the dismissal process as unfair. One woman who received notice from her supervisor felt that she was not properly informed and the communication unclear. Respondents had conflicting opinions on how companies should have approached dismissals.

“I was not happy about that [reduction in salary]. I know other transportation companies reduce their staff salary, but their staff can take other jobs. For me, I work only for the company, so I was not happy about that.”
(32-year-old male, former driver)

Alternatively, another respondent would have preferred progressive salary reductions, first receiving half his salary, then 30 percent, then 20 percent before being dismissed entirely. Another respondent felt that his company should have transferred operations-department employees, such as tour guides, to other departments that weren’t seeing large-scale layoffs, such as sales. He felt he had transferrable skills that could have been used for other kinds of work.

LACK OF KNOWLEDGE ON LABOR RIGHTS PRODUCED CONFUSION

Often employers said that they would contact laid-off employees when things improved, but it was hard to know when and if that time would come. This affected tourism workers’ ability to pursue alternative employment opportunities. One employer encouraged a male interviewee to take up other work, but the man was unable to do so until he had a termination letter in hand, which left him feeling uncertain about what to do and unable to immediately act upon his dismissal.

The majority of respondents were unaware about their rights and entitlements as workers, although male respondents appeared to have a somewhat better understanding. One respondent said his contract included a clause that he was to be paid LAK 3 million upon dismissal, however he felt pressured to leave and accept the lack of compensation “because of the pandemic”.

MANY WORKERS TOOK ON MULTIPLE PART-TIME JOBS AND/OR FORAGED FOOD TO SURVIVE

To survive pay and hours reductions or layoffs, many interviewees took up multiple part-time jobs as a coping strategy while others turned to forests and farmland for nutrition, savings, and sometimes additional income.

After losing his full-time tourism job, one male respondent worked three jobs, as a receptionist, an accountant, and a guesthouse assistant, plus he sold motorbikes on Facebook on the side. Another male interviewee explained that he did not mind doing part-time jobs as long as he could continue earning money. The absence of government safety nets and personal savings meant that the newly unemployed had no choice but to keep trying to earn money so that they could feed themselves and their families.

A female respondent was doing everything she could, including managing her papaya shop; selling pomelos, smoked goose breast, and seafood; acting as an emcee for events; driving embassy staff; and working as a sales representative for a furniture company. Another female interviewee in Vang Vieng earned money through multiple smaller jobs until she found another permanent full-time job at a tourist site.

“I looked for anything that gives me income. I worked as a rice farm laborer, harvesting rice. I did everything that I could. I caught fish in the Xong River and found wild food. If I catch a lot, I sell it to make money.”
(36-year-old female, former hotel cook, Vang Vieng)

An interviewee from Pakse and three from Vang Vieng explained that they and other laid-off workers relied on farmland to grow food and forests to forage in so they would not have to spend money to buy food. One woman explained that she foraged food for her own consumption and gathered extra for sale in order to earn some income when she was unemployed.

“I find food in the wild, like fishing, finding frogs and insects. Before, I rarely went to find food in the wild. I can say that I went hunting once a

month. However, I often go hunting now. I go about three times per week to find food for my family.” (30-year-old, male, former hotel receptionist, Vang Vieng).

MOST COPED BY CUTTING BACK ON SPENDING

Our interviewees changed their consumption patterns in many ways, reducing expenses dramatically. Those who had families tried to encourage family members to reduce their costs as well. One female interviewee said she did not have enough money to pay for her son’s health care and education. Another spoke about not shopping anymore and feeling frightened when she received her electricity and water bills, as she was already behind on her payments. Another respondent was falling behind on her rent. Yet another interviewee confided that she had changed the quality of food she feeds her family to save cash and to survive, even though less or lower-quality food would be detrimental in the long term.

Prior to the pandemic, respondents felt secure in their jobs and used credit to purchase large-ticket items such as cars, land, motorbikes, or mobile phones. However, when they lost their jobs, most felt stressed by their debts and under pressure. Some delayed payments, others coped with the stress by doing exercise, and very few incurred new debt as a result of the pandemic.

JOB LOSS AFFECTED WORKERS’ MENTAL AND PHYSICAL HEALTH

The loss of income led to additional feelings of stress and worry, or even depression, for some interviewees. Tour guide interviewees who had previously made a good living felt fear and responsibility about providing for their families. For two guides, there were a few months when they did not work at all and depression haunted

them, until each found work at a relative's business. One respondent felt lucky for having a family that had a business and could support him, especially when he compared his life to the situation that others were in. However, another less lucky respondent succumbed to a depression that affected her physical health, as well.

“You know, before, I looked healthier, but now I’ve lost nine kilograms. I am upset. ... I think about what I will do in the next five years. I cannot sleep well.”

(Female, masseuse, Luang Prabang)



Thakhek morning market, Lao PDR
(Source: bindubaba, Flickr)

4. SOCIAL CAPITAL AND CONNECTIONS LEAD TO NEW JOBS

The majority of Lao interviewees managed to find new temporary or permanent jobs relatively quickly after being laid off, although not all new jobs were as desirable or well-paid as tourism and hospitality jobs. Most of those who quickly found new employment attributed their good fortune to their personal networks or “social capital”. For example, one respondent said, “I got a job offer from a friend of mine. I help my friend to deliver cars for his customers. He sells cars.” Other interviewees said they relied on family members who had their own businesses and could give them temporary employment, such as at a sister’s guesthouse, a relative’s car repair shop, or a brother’s handicraft shop.

While respondents emphasized the importance of personal networks in suggesting job alternatives, they noted that alone did not guarantee employment. Three male respondents tried to find jobs through friends and relatives, but were unsuccessful. Some suggestions required further travel or moving to another city, which would add financial burdens.

“I spoke to relatives and friends. I also searched on Facebook. Mostly, I found job opportunities in Vientiane because it is a bigger city as compared to Luang Prabang. But I don’t want to go there because I will have to rent a house and buy food. There will be more expenses.”
(40-year-old male LGBTQI, former cook, Luang Prabang)

At times, the support offered was temporary, a stopgap measure until the jobseeker found another job.

“I talked to my relatives, and they just told me to help them take care of their shop temporarily until I can find a better job.” (50-year-old male, former tour leader, Vientiane)

Pride and feeling embarrassed about asking friends and family for support also affected job hunters. A man directly spoke about feeling shame at needing help to find a job, saying “It makes me feel small.” (36-year-old male operations officer, Vientiane). He did not want to feel indebted to others and therefore wanted to try to find a job by himself, planning to reach out to friends only if he was unsuccessful on his own. These expressions of embarrassment and shame only came up in interviews with men, possibly because of society-wide gendered expectations that Lao men must be self-sufficient and providers for themselves and their families.

SOCIAL MEDIA ESSENTIAL FOR JOB-SEEKERS WITHOUT SOCIAL CAPITAL

Of course, not all interviewees had social capital and personal networks to draw on. Instead, some laid-off workers turned to social media platforms, such as Facebook, for their job search. A male respondent from Luang Prabang searched Facebook for job offers that he followed up by email. However, responses and call back rates for online job boards were low.

It appeared that our male interviewees were more comfortable looking for jobs online than

were women. While we did not directly ask about social media use, most male respondents volunteered that they sought job opportunities through friends or Facebook, while only two female interviewees mentioned using Facebook as part of their job hunt. No other female respondents mentioned using social media or the internet to look for a new job. One of the older female respondents did not even have access to a smartphone, let alone Facebook or WhatsApp, the most commonly used social media applications in Lao PDR. We note that smartphones were most often used by male respondents and younger respondents.

While it seems reasonable to expect that a professional association might also provide job placement assistance to its members, the freelance guides in our sample complained that the tour guide association was not helpful in providing support during the pandemic even though the guides had fully paid their membership fees. Prior to the pandemic, the tour guide association had helped coordinate and connect guides to tourist groups, but once tourists evaporated, the association proffered no further services.

ALTERNATIVE JOBS – WHERE THEY EXISTED – WERE OFTEN TEMPORARY, LOWER PAID, AND LESS DESIRABLE

All the men and most women interviewees were able to find alternative jobs, but often in less desirable sectors or roles. Most who managed to secure a new job were unhappy with it, especially compared to their previous job in tourism or hospitality, which paid better and offered more opportunities for advancement and growth.

Many respondents that found new jobs were unsatisfied with their wage levels, saying they continued working because they had little choice. For example, one man worked for a relative at a job he did not enjoy, noted.

“The income is not much but it’s better than doing nothing.”
(50-year-old male, former freelance tour guide, Vientiane)

Similarly, an interviewee in Pakse had started working for her brother, but admitted that her new job did not give her as good an income as her previous job. Some who liked their new jobs were unsatisfied with the pay because it was insufficient to live on.

Several interviewees described feeling pressure to fulfill family responsibilities and continue earning. The economic slowdown due to the pandemic heightened levels of insecurity and uncertainty, which pushed them to take whatever job was available.

“It is very difficult to find a good job and have the same amount of salary. Between being laid off from my old job and getting a new job, I only worked as a construction laborer to provide for myself and my family. Because I need income to feed my family, I really felt pressure when I lost my job. I felt responsible for my family, especially my wife. ... I felt guilty. I put pressure on myself.”
(30-year-old male, former hotel receptionist, Vang Vieng)

Two female interviewees who were relatively old (59–60 years) could not find new jobs that paid their living expenses, so both relied on their children for financial support. One, a former tour guide, assumed that even if she tried to apply for jobs like working as a waitress in a restaurant, she would not be hired. She also noted that many businesses in her town (Luang Prabang) had closed due to Covid-19. She therefore felt that she would not be able find any job.

“No, I did not seek any jobs as I am old. I’ve been a guide for many years. I am not sure what I should do. I just

help my daughter-in-law to make sweet snacks for sale.”
(60s, female, freelance tour guide, Vientiane)

Another female respondent who was Hmong – an ethnic minority in Lao PDR – received financial support from her relatives and a boyfriend who was in the military. She supplemented this support by farming a relative’s land and working on her cousin’s poultry farm.

FEW SUCCEEDED IN TRANSFERRING TOURISM SKILLS TO OTHER LINES OF WORK

Most respondents, trained and qualified for jobs in the tourism sector but lacking skills needed for other jobs, found it hard to break into sectors that were less-impacted by the pandemic. For example, a 36-year-old former tour operator remained unemployed for three months despite having good qualifications and significant experience. In particular, he did not have strong IT or marketing skills and felt those essential for gaining employment in the post-lockdown market. He was struggling to even get an interview and feeling extremely discouraged.

A female respondent needed nearly a year to get a new job at a restaurant once the Covid-19 situation started to improve. She did not have higher education and had been working as a laborer. Even interviewees who seemed to have transferrable skills found it difficult to secure a job. For instance, one respondent was fluent in French and English, was learning Chinese, and had knowledge of archaeology and experience working for the government and in the private sector. Nonetheless, he was still unable to find a job that paid well. Another respondent noted that the entire economy was doing badly, making it harder for people to find a job. Few also had a preference for staying in the tourism sector.

Alongside a lack of particular skills, poor self-esteem and low confidence also inhibited at least one interviewee in finding new work.

“I am worried that I am not competent. I may not pass employers’ working criteria, so I dare not take a full-time job. ... I think my computer skills are not good, so I want to improve those.” (29-year-old woman, former tour-guide on formal part-time contract, Pakse)

This fear resulted in her not even applying for new jobs and she continued working at her family business even though she was earning less. When asked about looking for another job in the future, she said that she preferred to remain in the tourism industry. Those who had worked in the tourism industry for a long time, especially older adults, also lacked the confidence needed to pursue opportunities in other sectors.

In a few cases, interviewees found jobs in new fields and kept them, even if they earned less because they felt the job was safer and gave them more leisure time to spend with their family, as was the case for a former construction worker who took a less physically risky and taxing job as a hotel receptionist. A female respondent was happy with a new job she found after a four-month search. She considered it an improvement, even though it offered lower wages and fewer benefits than her previous job, because she enjoyed better working conditions and kinder treatment from her new employer.

“I earn one million kip per month, but I can ask for a salary advance if I need it... It is better. The employer cares about me. She often asks if I have food to eat or not. Even though my income is less than before, I am happier. I can always ask her for help.” (around 50-year-old female, former hotel staff)

5. CAPABILITIES: POTENTIAL FUTURE PROBLEMS AND OPPORTUNITIES

Only two of our 16 interviewees managed to return to their former jobs at their previous pay once the Covid-19 situation started to improve, and only five others found new positions in the tourism sector. Yet among the group there was optimism for the future.

ALL TOUR GUIDES EXPRESSED OPTIMISM AND MOST SPOKE ABOUT A CHANGE OF CAREER

Only one respondent believed that he would be able to return to work as a tour guide once the pandemic ends. The others planned to change their professions to translator, YouTuber, project manager, or entrepreneur. One female tour guide was exploring other ways to earn money, collaborating with other tour-guide association members to potentially open a bakery and café.

“I don’t know what I will do as I am not a highly educated person. Also, ...I’m in my 40s already. It will be hard to find a job in an office, so I have been focusing on creating my own business rather than a regular salaried job.”

(40-year-old female, former tour guide, informal contract, Vientiane)

A male former tour guide also felt it would be impossible to work as a tour guide in the future as he expected the pandemic would take a long time to end.

“I want to quit being a tour guide. I am more looking for a job such as a project manager, translator, or starting a business.” (50-year-old male, informal contract, tour guide)

Clearly, Lao tourism and hospitality workers

are trying to adapt to the new realities and shift their occupations to what is possible and attainable. This highlights the need to invest in developing skills of workers in the tourism industry not only for the sector to be revived but to shift into other sectors as well.

MANY WOULD-BE ENTREPRENEURS LACK ACCESS TO CAPITAL AND CREDIT

The idea of running one’s own business was appealing to many interviewees as it guarantees high levels of independence. However, respondents needed capital to invest and most lacked access to credit. For example, one woman wanted to start a business running boat tours on the Mekong River, but she first needed to buy or lease boats. She also thought of running a minimart as she felt that was more feasible. However she was unable to explore either idea as she lacks capital. Another woman wanted to leverage the fact that her sister lived in Australia and to start an import business.

“I have an idea to open a shop like Watsons, selling supplements, medicines. I have a sister in Australia. I am thinking of doing business with her, and she can help me by importing Australian supplements to Lao PDR. However, this idea is paused due to Covid-19. Also, it requires a high capital investment.” (42-year-old woman, former tour guide, Vientiane)

A lack of savings and absence of alternative financing opportunities meant that none of the respondents were able to pursue their ideas of setting up their own businesses.

LOST WORK AND LOST INCOME WILL LEAVE A LASTING MARK ON MANY

After being laid off, the men in our sample spent about a month to find a new, usually temporary, job, while the women spent about three months. Men found new jobs in information technology or as a shopkeeper, driver, construction worker, security guard, car washer, receptionist, or food seller. Women found jobs as a trader, driver, shopkeeper, cleaner, call-center operator, receptionist, or cook. However, all but one or two newly employed interviewees did not like their new job better than their old one. Some quit the job later and found another, more suitable position in the tourism sector.

Both men and women found it took a long time, about a year at most, to find another permanent job even as the Covid-19 situation improved. Finding a good job proved difficult even for skilled people; most interviewees were qualified for tourism jobs, but struggled to find work outside the sector without relevant

experience and marketable skills. In addition, age proved a barrier for older job-seekers, especially those who had been working in tourism for many years.

Even though this research found that men are likely to find some kind of new job faster than women, it is not clear why. Men may have more support networks or a broader skill-set to meet labor-market demand. Both men and women struggled to find what they considered good new jobs that paid sufficiently and satisfied them.

This research finds a similar pattern of coping strategies for people who lost their jobs as did a recent World Bank(2020)²⁴ survey: taking temporary positions or multiple part-time jobs, foraging for food, making food to sell, reducing expenses, using savings, and avoiding new debt. The majority of interviewees did not have many options for a new job and took whatever they could get because they needed to feed themselves, their families and pay their debts. As the pandemic drags on, some may never recover previous incomes and some older adults – women in particular – may remain unemployed due to their age and lack of qualifications needed for a changed job market.

6. CONCLUSION AND NOTES FOR DISCUSSION

Our desk research and interviews with Lao tourism and hospitality sector workers reveal the depth and multifaceted nature of the pandemic's impact on them. The closure of borders and businesses resulted in a huge drop in tourists and incomes, causing significant job and financial losses to all tourism workers, particularly the older ones and those without other skills or education to fall back on. Unclear, unknown, or ignored labor laws and rules, along with little to no government support at the individual level, deprived the majority of these workers of compensatory entitlements or benefits that would have helped tide them over. Dismissals without notice or severance pay were probably not in accordance with Lao Labor Law. Since male interviewees were more likely to perceive these dismissals as unfair, we can conclude that men have a higher level of awareness of rights and/or men are more vocal or assertive in situations they perceive as unfair. Men also appear to have found jobs more quickly and were more comfortable with using social media to search and apply for alternative employment.

Despite multiple economic hardships, our research highlights these workers' resilience and determination, despite their reduced capabilities, to keep themselves and their families going. The use of social capital was a critical coping mechanism and a means of finding alternative jobs in the absence of official employment assistance. A lack of financial capital prevented would-be entrepreneurs from setting up their own businesses, and a lack of transferrable skills combined with an overall lack of jobs hindered economic recovery for many. The question becomes how the Lao government and nongovernmental organization can bolster and build on these tourism and hospitality workers' natural resilience to help them in the future as they confront repeated waves of Covid-19 and other shocks.

The impact of the pandemic on the economy and people of Lao PDR has been profound. All sectors of the economy, particularly tourism and hospitality, have been affected. To recover growth and benefit from a stronger because less-gendered and more inclusive economy and society, policymakers, governments, international and local civil society partners should draw inspiration from the following recommendations:

Immediate

- Support businesses in the tourism industry so they can retain workers during downturns.
- Provide basic support directly to workers who lose jobs in hard hit sectors, like tourism.
- In light of continued restrictions on travel and waves of infection, introduce reskilling programs that can retrain tourism workers for alternative decent employment.
- Introduce or expand programs to teach young people and adults basic and advanced literacy and computer and internet skills, with an emphasis on reaching women.
- Increase access to and awareness of Lao Labor Law and health and social insurance schemes.
- Introduce waivers on health insurance payments for the unemployed or those working part-time.

Medium to long term

- Reform, clarify and enforce protections, entitlements, and minimum wages in Lao Labor Law.
- Broadly communicate essential elements of labor law in a straightforward and accessible way to increase awareness and compliance among employers and employees.

ANNEX : METHODOLOGY

Literature Review

The research team conducted a literature review between October to November 2020, that included a review of articles available online and reports produced by other organizations on gender dynamics within Lao PDR' tourism industry and the impact of Covid-19. At the time there was little publicly available information on the impacts of Covid-19 on the economy and people's livelihood. This affirmed that our research was contributing to an existing knowledge gap.

There was more information available on gender dynamics within the tourism industry, which includes hotels and guesthouse, restaurants, bars, travel agencies, and souvenir salespersons.

Qualitative semi-structured interviews

To answer the overarching research questions, the team designed a semi-structured interview guide in the Lao language to support each the interview. The guide included a script to seek informed consent and warm-up questions, specific questions based on the overarching research questions, and warm-down questions. The team piloted the interview guide among the team before conducting the interviews. The interview team included one interviewer and one notetaker. 14 of the 16 interviewees were conducted in-person, one over WhatsApp and another by telephone call. For each interview, the notes in Lao were translated to English; the notes also included reflections and observations from the interviewer.

Sampling Approach

Given the primary focus of the research was to unpack the varying experiences of men and

women, the research team originally sought a balanced sample comprised of eight men and eight women from four cities that relied heavily on the tourism sector: Vientiane (capital of Lao PDR), Vang Vieng (Vientiane Province), Pakse (Champasak Province), and Luang Prabang capital (Luang Prabang Province). The sample included individuals who worked as tour guides, tour operation officers, tour drivers, and cooks, cleaners, and hotel and restaurant staff, all of whom had lost their jobs due to the pandemic. The research team made efforts to ensure diversity with the sample and included people living with disabilities and LGBTQI individuals.

The research team initially employed a purposeful approach to identifying research participants through existing networks. This was then supplemented by a snowball approach to sampling, particularly for Vang Vieng research participants. Because a woman identified for the sample was unavailable for the interview, the final sample included nine men and seven women. Two male participants identified as LGBTQI. Interviews were conducted between 5 February and 11 March 2021. See Annex B for details of respondent characteristics.

Research ethics

This research carefully considered research ethics principles, such as respect for human beings, bringing benefits and doing no harm, research merit and integrity, and justice, and applied them in the context of Lao PDR for this specific study. Each interview began by seeking informed consent from the research participants. The interview was structured in a way to allow participants to stop at any point or skip questions if they were uncomfortable. At the end of each interview, participants were provided space to ask any questions or share anything else that they might want.

Challenges and limitations

Finding prospective research respondents was difficult, and once identified, it took a long time to receive responses from prospective participants and schedule interviews. Another factor that impacted the project was that English is the researchers' second language. While all interviews were conducted in Lao, it took a lot of time and discussion to ensure English translations captured the full meaning of what interviewees said.

Given the interviews were semi-structured in nature, researchers allowed for new lines of inquiry to be explored and for interviewees to

direct the pace and direction of the research. This did mean, however, that not every question or sub-question listed in the semi-structured guide was asked in every interview. The research team was also intentional in noting times when the interviewer asked a leading question to mitigate the risk of introducing bias in the data.

A parallel focus for this research study was to build research capacities for local researchers. The process included a team of local researchers who were supported by mentors through the different phases of research, from research design to analysis.

ENDNOTES

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