

# Developing Community-Based Tourism towards Circular Economy in Ha Giang Province, Vietnam

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## ABSTRACT

Community-based tourism is a form of sustainable tourism in which local residents actively participate in providing tourism services to visitors, thereby generating income and contributing to environmental conservation and cultural identity. Ha Giang Province, Vietnam, is one of the areas with high potential for community-based tourism. However, to develop community-based tourism in the direction of a circular economy in the province of Ha Giang, this article focuses on analyzing the opportunities and challenges. It aims to propose solutions to effectively leverage the tourism potential of the province, enhance income for local residents, and preserve and promote the cultural and natural values of the region.

**Keywords:** community-based tourism, circular economy, opportunities, challenges, Ha Giang.

## I. INTRODUCTION

Community-based tourism is an economic endeavor in which local residents and community groups collaboratively engage in and benefit from various activities. The aim is to ensure the active participation of both direct and indirect external actors, while also safeguarding against any negative impact on the broader local activities. Additionally, community-based tourism strives to leverage and involve local communities in diverse sectors such as agriculture, handicrafts, cultural events, and services. Cultural, social, and indigenous knowledge factors play a pivotal role in shaping the dynamics of community-based tourism.

Ha Giang, a financially challenged border province, grapples with intricate terrain, high mountainous regions, and limited expanses of arable land. Despite its predominantly rural character (with 84% of the population residing in

rural areas), the province faces transportation challenges due to its mountainous landscape, impacting the quality and value of local agricultural products. Currently, nearly one-third of the province's total output comes from agricultural and forestry production (29.37%, according to the 2022 statistical yearbook of Ha Giang province). Consequently, there is a pressing need for a shift towards organic agriculture to capitalize on the region's strengths, utilizing native crops and traditional knowledge. This shift can cater to both daily necessities and tourism activities, such as farm-to-table experiences, ultimately contributing to the province's economic development.

Ha Giang, characterized by its mountainous terrain and diverse ethnic communities with rich cultural traditions, holds significant potential for the development of community-based tourism. In 2022, the province welcomed 2.2 million tourists, generating an estimated revenue of 4,306 billion VND. Community-based tourism, grounded in cultural diversity, indigenous knowledge, and agricultural production activities, can further enhance sustainable livelihoods for the local population.

The integration of stable local livelihoods with the active participation, contributions, and impact of tourists from other local and international areas is crucial. Community-based tourism emerges as the most suitable model for generating income in accommodation and dining (integral parts of tourism and community-based tourism) – approximately 4.29 times higher than pure agricultural income. Each of Ha Giang's 11 districts and towns has the potential to develop community-based tourism. However, existing models primarily focus on local participation without addressing the cyclical development of these models. Therefore,

analyzing opportunities and challenges for the development of community-based tourism from a cyclical economic perspective in Ha Giang province is of significant importance. This analysis will lead to proposing solutions to effectively exploit the tourism potential of the province, making it a meaningful endeavor.

## **II. SITUATION OF COMMUNITY-BASED TOURISM DEVELOPMENT IN HA GIANG PROVINCE**

### **2.1. Overview of the Current State of Tourism Development in Ha Giang Province**

In the context of tourism development in general and community-based tourism in particular, the Resolution of the Provincial Party Committee on the development of tourism in Ha Giang from 2021 to 2025 emphasizes the province's potential for tourism growth. Ha Giang, as a border region and the homeland's frontier, possesses magnificent natural landscapes with unique geological and topographical values. The mild and cool climate throughout the year, coupled with the preservation and promotion of the unique traditional cultural values of various ethnic communities, provides potential for the province to boost its tourism sector.

Over the years, the Provincial Party Committee, the People's Council, and the Provincial People's Committee have provided leadership and direction, issuing numerous policies to promote tourism development, resulting in significant achievements. The awareness of the Party committees, government, and people at all levels regarding the role of tourism in socio-economic development has been elevated. Infrastructure to support tourism development has been prioritized for investment. Several tourist attractions and community-based cultural villages have been established, attracting an increasing number of domestic and international tourists to Ha Giang, with an average annual tourist growth rate exceeding 15%. Despite the substantial impact of Covid-19 in 2020, tourism in Ha Giang quickly recovered, welcoming 1.5 million visitors (a 7% increase compared to the same period in 2019), creating 12,000 jobs, including 6,000 direct jobs, contributing significantly to the province's socio-economic development. In early 2021, Ha Giang was listed among the top 10 wonderful destinations to explore in Vietnam by the international media outlet CNN.

However, the province's tourism development has not fully matched its potential and advantages, revealing some limitations.

Inadequate planning and infrastructure, lack of entertainment options for tourists, non-professional tourism activities, and a simplistic tourism product are among the identified challenges. The quality of the workforce is insufficient, and coordination among different levels and sectors in tourism management is not seamless. Tourism businesses lack emphasis on promotion, advertising, and digital transformation.

The causes of these limitations include insufficient attention and direction from some Party committees and government authorities in attracting investment for tourism development. The mechanisms and policies to encourage and support tourism development do not align with the practical situation and the various stages of development. Tourism management activities and services still face many limitations. The investment resources for tourism development are limited, and there is insufficient mobilization of social resources for tourism investment. Training and development of tourism human resources receive inadequate attention. Many small-scale tourism businesses operate, and the community's awareness of tourism development is slow to change.

### **2.2. Status of Infrastructure Development Serving Community-Based Tourism**

Recognizing the potential of Ha Giang's tourism, the provincial leadership has developed sustainable tourism plans in recent years, focusing on investing in infrastructure to support tourism in general and community-based tourism in particular. By the end of 2020, several tourism-related projects had been completed and effectively put into operation, meeting the demand for tourist attractions and improving the local residents' quality of life. The province has also renovated and upgraded some transportation routes to provide optimal conditions for tourism activities, focusing on key routes such as National Highway 4C (Ha Giang – QuanBà - Yen Minh – Đông Van – MeoVac) and section of National Highway 279 from BắcQuang – QuangBinh to the border with Lao Cai province.

However, according to a study conducted in 2022 by Nguyen Thu Thuy and colleagues, 70 out of 70 surveyed managers and tourism businesses acknowledged an increase in investment in the transportation system, reaching 100% during the period of 2016 – 2020. Regarding investments in the electricity and water supply system, some highland communes still face irregular access to electricity, relying on

weak sources, and the main water source is often wells or mountain springs. A few communes still lack treated clean water, with 9 out of 70 respondents stating that there has been no improvement. Similarly, some areas still lack a telecommunication network, hindering the use of wifi, especially in remote mountainous regions. This obstacle affects communication with foreign tourists.

Despite the local increase in infrastructure investment for community-based tourism development, the improvement level is not substantial, especially in transportation. Consequently, the satisfaction level of tourists with infrastructure fluctuates around 2.43 – 2.91 out of 5 points. This limitation poses challenges, dissuading many tourists from visiting Ha Giang or considering a return visit. According to tourists, difficulties in transportation, narrow and winding roads, poor road conditions, and network connectivity issues in highland areas contribute to this dissatisfaction. Additionally, many areas lack stable network services, with several communes having weak and unstable electricity, and the primary water source remains spring water, lacking a proper clean water treatment system.

### 2.3. Status of Accommodation Services for Community-Based Tourism in Ha Giang Province

Ha Giang Province currently has 79 operational tourist sites and 57 historically and culturally significant sites, with rankings (28 national sites and 29 provincial-level sites) according to the 2020 report from the Department of Culture, Sports, and Tourism of Ha Giang Province. Alongside the growth in tourist numbers, the accommodation system nationwide and in Ha Giang, in particular, has seen significant development both in quantity and quality, contributing to the overall development of the tourism industry in the province. Accommodation establishments in the province have innovated their business models to align with the current situation, incorporating a combination of lodging and dining services along with various supplementary services. This collaborative approach has created mutual support and linkages among businesses. The fluctuation in the number of accommodations over the years is summarized in the table below:

**Table 1: Summary of accommodation establishments in Ha Giang province, 2016-2020**

Year Items	2016	2017	2018	2019	2020
1. Total accommodation facilities	183	239	325	618	882
3-star hotel	02	1	1	2	4
2-star hotel	15	20	21	16	14
1-star hotel	32	44	23	34	20
Guesthouse	109	137	280	201	264
Homestay	0	37		366	509
2. Community-based Cultural Tourism Village (village)	33	33	35	36	37

Source: Department of Culture, Sports, and Tourism of Ha Giang Province)

### 2.4. Accommodation Facilities Development

According to the analysis of secondary data, the number of accommodation facilities, especially homestays, has seen a significant increase over the years. As assessed by the authors Nguyen Thu Thuy and colleagues in 2022, there have been positive changes in the overall quality of infrastructure, safety levels for tourists, and an improvement in the perception and service skills of the local residents, which are considered more professionally oriented.

### 2.5. Current Status of Dining Services

For establishments providing dining services for tourism in general and community

tourism in particular, there are two main forms: serving guests at specialized restaurants and offering dining services directly at homestays providing accommodation. Moreover, for community-based tourism, most visitors prefer to experience local cuisine directly at homestays to better understand the customs and habits of the Dao, Tay, and H'Mong people in Ha Giang. Overall, the current number and capacity of restaurants can adequately serve tourists under normal conditions, but during peak periods, the demand may not be met. The distribution of restaurants/eateries mainly concentrates in urban centers with high populations. Opening hours are flexible, but some dishes may be challenging to

find. Night dining is not widespread due to the low demand from local residents and tourists, uneven service quality, and a failure to meet the needs of tourists. Ha Giang boasts diverse local ingredients and culinary styles, but the menu distribution serving tourists based on gender, age, region, nationality, religion..., is still not appropriate. As of the end of 2020, the entire province had 228 restaurants with the capacity to serve 2,089 tables, employing 626 people. Among them, 144 had undergone training, while 482 had not (Report from the Department of Culture, Sports, and Tourism, 2020). Most restaurants in the area are of small to medium scale, mainly serving regular dishes and lacking the necessary equipment and culinary techniques to serve high-paying customers, such as those from Europe and the United States.

#### **2.6. Current Status of Tour/Itinerary Development**

Ha Giang province has two famous natural landscape areas: the Dong Van Karst Plateau and the Hoang Su Phi terraced fields. Accompanying these are the high mountain ecosystems and dense forests characteristic of the two regions, with different ethnic groups living there, creating unique characteristics that increase the number of returning visitors to Ha Giang or extend their stay. Currently, Ha Giang province has developed three tourism spaces: Central Tourism Space, Northeast Tourism Space (Global Geopark Tourism), and Southwest Tourism Space. Each tourism space has its unique tourism products that have been and are being effectively promoted. During the 2018-2020 period, the province is developing new tourism products: "Conquering Chieu Lau Thi Peak" tour, "Yaka boat rowing in Minh Tan - Ha Giang city" tour, "Can Ty - Cong Thanh route" tour, "Paragliding on the Dong Van Plateau" tour, "Tu San canyon exploration" tour, "Discovering Bac Me - Na Hang (TuyenQuang)" tour, "Exploring Lung Khuy cave" tour, and "Highland cuisine" tour. According to the research results of the group led by Nguyen Thu Thuy and colleagues (2022), the number and variety of tours/routes are increasing to meet the needs of tourists. However, environmental protection is considered relatively low. Although each locality and tourist attraction has regulations on landscape and environmental protection, due to the vast area and the lack of awareness of some tourists, the environmental quality is not guaranteed. For example, popular destinations such as Tay Con Linh Peak, Chieu Lau Thi, and various check-in points still have a

considerable amount of waste, graffiti on caves, and litter in rivers, streams, and dense forests.

### **III. OPPORTUNITIES AND CHALLENGES FOR COMMUNITY TOURISM DEVELOPMENT WITH CIRCULAR ECONOMY APPROACH IN HA GIANG PROVINCE**

#### **3.1. Opportunities**

Ha Giang, as a border region and the northernmost part of the country, possesses magnificent natural landscapes with unique geological and topographical values. The climate is mild and cool throughout the year, and the area is rich in diverse traditional cultural values of various ethnic groups, which are well-preserved and promoted. The UNESCO Global Geopark - Dong Van Karst Plateau is a potential advantage for boosting tourism. Infrastructure supporting tourism development has received attention and investment. Several tourist areas and cultural tourism villages have been established, operating effectively and attracting an increasing number of domestic and international tourists. Ha Giang is recognized as one of the top 10 wonderful destinations to explore in Vietnam, as voted by the international media outlet CNN.

The province of Ha Giang has prioritized investing in information technology infrastructure, providing internet services, and online public services for residents and businesses. Emphasizing the application of information technology in tourism promotion and business aligns with the development trends of social media and e-commerce, fostering connections between Ha Giang and consumers nationwide. Ha Giang is ranked relatively high in the readiness index for information technology development and application - Vietnam ICT Index.

Tourism development is identified as a breakthrough focal point in the political system from the provincial to grassroots levels. This initiative aims to attract investment from businesses, garner public consensus, and create favorable conditions for the development of the tourism industry in Ha Giang. Currently, Ha Giang attracts attention from both domestic and international tourists. Tourism services are gradually improving in quality, and security activities ensuring the safety of tourists are being enhanced. The development of the 4.0 technology era is changing the way tourism is managed, from managing tourism services and travel to promoting tourism. There is a change in travel methods, choice of accommodation, information-seeking habits...

Ha Giang consistently receives significant support from the central government, including the construction of transportation infrastructure. Currently, the Ministry of Transport has proposed implementing a project to build a high-speed road connecting Ha Giang to the Hanoi - Lao Cai highway in phase 1 (2021-2025) with a total length of approximately 81 km, 2 lanes; phase 2 will complete the scale with 4 lanes. The total investment for phase 1 is around 7,627 billion VND. This expressway breakthrough will contribute to the socio-economic development of Ha Giang by accessing the large markets of the Red River Delta provinces, which are experiencing rapid growth.

In addition to transportation connectivity, the trend of applying digital technologies and technologies from the Fourth Industrial Revolution to shorten distances and access distant markets opens up opportunities for businesses, cooperatives, and households engaged in production in Ha Giang. Moreover, the development and widespread use of mobile devices and the Internet in Vietnam have led to impressive changes in consumer behavior towards increasingly online shopping, especially in the context of the impact of the Covid-19 crisis, which has accelerated this trend. Currently, Ha Giang Province has established information technology and telecommunications infrastructure, and educational institutions have incorporated information technology courses into their curriculum. FPT Corporation has committed to supporting digital transformation and digital economic development. These are important platforms for seizing the opportunities created by the Fourth Industrial Revolution, primarily contributing to solving connectivity difficulties.

### 3.2. Challenges

Ha Giang faces complex and rugged terrain, leading to significant geographical divisions. The external transportation system connecting to the capital Hanoi and neighboring areas is weak, with only National Highway 2 currently in operation. The internal district-to-district and commune-to-commune transportation system lacks consistency, resulting in difficulties in transportation. The travel time by car between Ha Giang city and Hanoi is approximately 6-7 hours, and additional 2-3 hours are required for journeys to other districts. According to McKinsey's surveys, the extended travel time to Ha Giang City and further to Dong Van Karst Plateau, reaching 8-10 hours, is a primary constraint limiting the number and quality of tourists visiting Ha Giang.

The distance of the market for products manufactured in Ha Giang from the production sites increases transportation costs, making the products less competitive compared to those from neighboring provinces.

Despite being strategically located on the border and adjacent to China, it presents both advantages and vulnerabilities due to the sensitive nature of the border area, historically a fierce battleground. Although the delineation of the land border and the Gulf of Tonkin has been completed, territorial and maritime disputes in the East Sea still negatively affect relations between the two countries. Therefore, economic cooperation between Ha Giang and the government of Yunnan Province, China, as well as with Chinese businesses, remains limited.

Passenger and freight transportation in Ha Giang heavily rely on road transport, with underdeveloped waterway transport and no railways or air routes. While the northern part of the transportation system is receiving investment and upgrades, some national highways connecting Ha Giang to Lao Cai, Cao Bang, and Bac Kan are deteriorating, with many damaged sections, reducing the speed of vehicles. In terms of internal provincial transportation, many roads have been completed in the province and rural areas. However, overall transportation in Ha Giang still faces challenges. Additionally, the development of transportation and logistics services in Ha Giang is limited, considering the increasing demands of trade, import-export activities, and tourism, particularly with a high frequency of inter-provincial transport routes, especially to Hanoi.

The number of domestic and international tourists is still relatively low compared to the potential. Tourism is highly seasonal, with 70% of visitors exploring in September and October. Tourism products and services are underdeveloped and relatively simple, attracting mainly budget travelers with low spending and short stays. The contribution of tourism to the local economy is modest. The tourism infrastructure is not synchronized, lacking entertainment and recreational options for tourists. Tourism activities and services lack professionalism. Tourism products are straightforward and struggle to compete with neighboring provinces in the region. The utilization of the province's heritage system (both tangible and intangible) is not fully exploited. The quality of the workforce is insufficient. Tourism businesses do not emphasize promotional efforts and digital transformation.

Although economic growth is at a reasonable level, the quality of growth is low. The

effectiveness of production in various economic sectors is not optimal, and the application of science and technology in production is limited. The scale of the economy is small, and per capita income is low compared to the national average, resulting in a low market scale and purchasing power, limiting the attraction of investment. The economic structure shifts slowly, with Ha Giang remaining primarily an agricultural economy. The development of industrial and service sectors faces many challenges, mainly hindering the economic restructuring process. The overall competitiveness of Ha Giang's economy is lower than that of other provinces in the region, with less competitive products and services in the domestic market, and low export turnover for its products.

Given the crucial cultural aspect of tourism in Ha Giang, focusing on cultural tourism, festivals, learning about local lifestyles, and culinary culture of various ethnic groups, preserving these values is significant for maintaining the essence of tourism in Ha Giang. Alongside cultural heritage, Ha Giang has hundreds of geological heritages and a high level of biodiversity with rare species of animals and plants. Increasing the scale of tourist visits is necessary for economic development, but it may impact the cultural values of ethnic groups (language, traditional clothing, folklore, behavior...), which requires careful consideration.

Another challenge for tourism development is allocating land funds for tourism real estate, especially luxury and super-luxury types, in suitable areas with natural landscape values and beautiful views. However, these areas are often designated as forestry land or part of the 03 forest types. Therefore, challenges arise: (1) if there is no preparation for a conversion plan, implementing tourism projects will face obstacles; (2) if the location is predetermined, it may not align with the investor's vision and preferences, leading to (3) the need to select a development space management solution to overcome these difficulties.

#### **IV. SOLUTIONS FOR DEVELOPING COMMUNITY-BASED CIRCULAR ECONOMY IN HA GIANG PROVINCE TOURISM**

To implement a circular economy in community-based tourism, Ha Giang Province needs a comprehensive strategy and collaboration among stakeholders, including local authorities, tourism businesses, local communities, non-governmental organizations, and scientists.

Specific directions for implementation may include:

- Promoting the use of renewable energy sources such as solar, wind, biomass... in community-based tourism activities. This involves providing electricity for homestays, restaurants, cultural centers, and environmentally friendly transportation for tourists, such as bicycles and electric vehicles.
- Encouraging the reuse and recycling of products and materials in community-based tourism. This can range from using recycled products like plastic bottles and nylon bags to recycling household and agricultural waste into fertilizers, fuel, or handmade craft products.
- Enhancing the conservation and restoration of natural ecosystems in community-based tourism areas. This includes initiatives like planting trees, protecting forests, preserving water sources, and restoring rare and native plant and animal species.
- Increasing awareness and skills of local residents regarding the circular economy and community-based tourism. This involves organizing training sessions, sharing experiences, on-site learning opportunities, and creating effective communication channels.

These solutions aim to align community-based tourism in Ha Giang with the principles of a circular economy. By integrating renewable energy, recycling practices, ecosystem conservation, and community education, Ha Giang can foster sustainable tourism that benefits both the local economy and the environment.

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