

# **Chapter 1**

## **Introduction**

Chapter One introduces four main concepts: the increasing prevalence of an aging society, the 21<sup>st</sup> century onset of large-scale urbanization and its significance, the emergence of creative economies in urbanized areas, and current trends in tourism. These concepts are discussed first from a global perspective, and then examined in the geographical context of Asia and Thailand, with specific focus on the northern city of Chiang Mai. This chapter also highlights the migration of the creative class as an important factor resulting from urbanization in the 21<sup>st</sup> century. However, the overall research presents the conceptual framework for a local integration model of the creative migrant class in creative city development for the senior tourism sector.

### **1.1 The Aging Society**

The world's life expectancy has been extended due to innovations of healthcare, specialized treatment and services for the elderly, higher education, and facilities that support longevity. The ratio of the population considered to be senior (those 60 years of age and over) has risen from 4% of the total population in 1950 to 11.3% in 2009, and is expected to reach 25% in 2033, signaling a global transition to a more predominant aging society (United Nations, 2002).

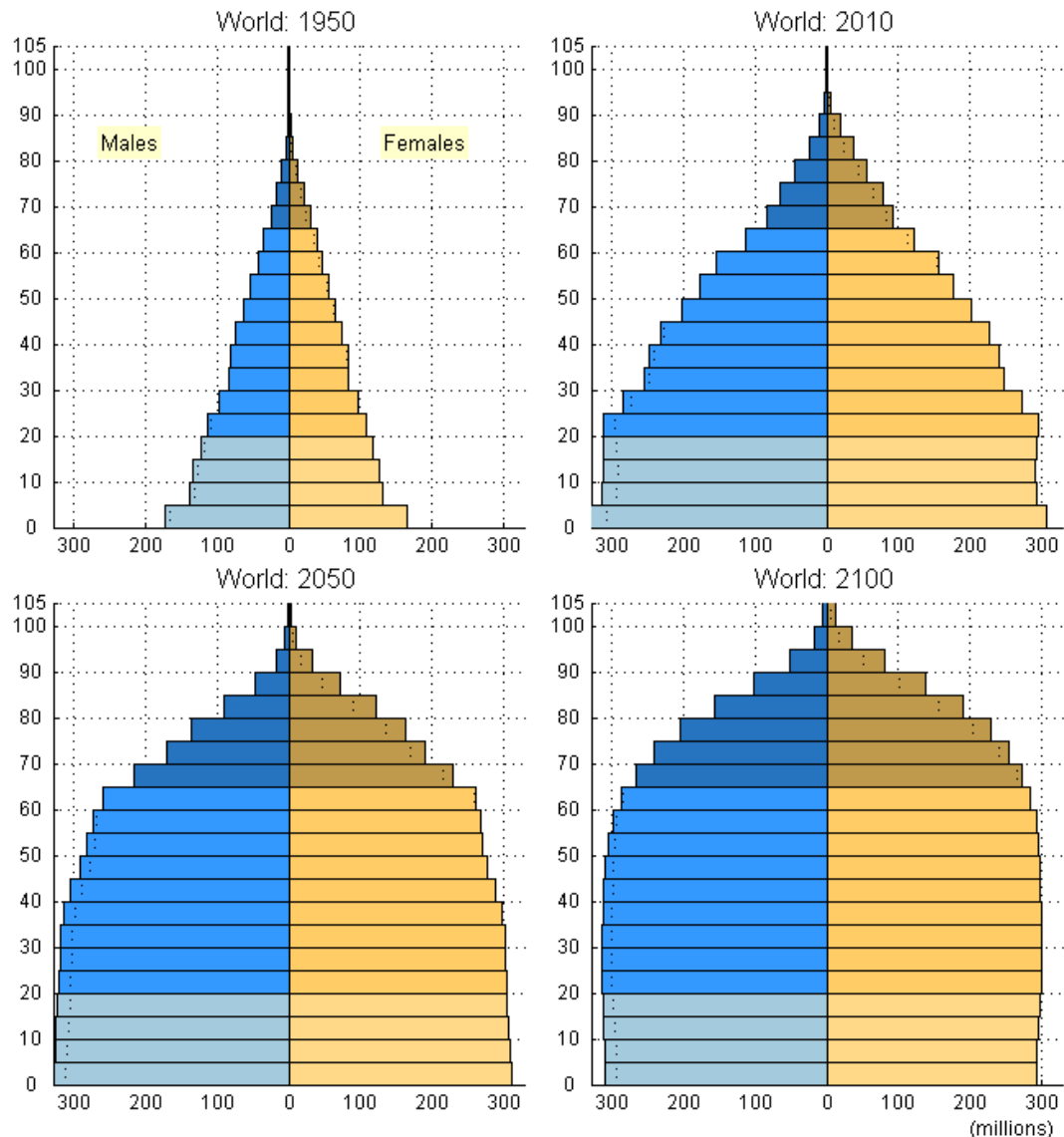
Furthermore, the United Nations has anticipated the proportion of the population 60 years or older will continue to grow dramatically in the coming decades, and is expected to rise from 10% of the world's population in 2010 to more than 20% in 2050 as shown in Figure 1 (United Nations Population Division, 2011). With this increase in senior population comes an increase in the demand for goods and services tailored to meet senior residents' needs, and the result is that this market sector is growing rapidly (Lohmann and Merzbach, 1997).

While the senior population is expected to rise worldwide, Asian countries in particular are aging at an unprecedented pace. 11% of the people in Asia were 60 years of age and older in 2012; however, it is expected that the senior population will increase to 24% by 2050 because of rapid population growth in China, India, Japan, Korea, and Singapore. In 2011, Chinese people over the age of 65 numbered 110 million, and will swell to 330 million in the next 40 years. By the middle of this century, there could be 100 million Chinese over the age of 80 (World Health Organization, 2011). Additionally, India's elderly population of 60 million is projected to exceed 227 million in 2050, an increase of nearly 280% from 2011.

Thailand currently has the third most rapidly growing senior population in the world (Bloomberg Visual Data, 2012). The number of Thai people aged 60 and up now stands at about eight million, accounting for 13% of the population. Population aging is a relatively new occurrence for Thailand; in 2001, Thailand became an aging population with more than 7% of the population over the age of 65 (Knodel, John & Chayoyan, 2008). A new demographic turning point has been reached, and from the year 2000 to 2030, the total senior population of Thailand is projected to increase 303.9%, from 5.8 million to 17.7 million (NESDB, 2012), accounting for 25% of the population. This means that out of every four Thais, one will be a senior citizen (United Nation, 2001).

A senior population will have significant social, economic and cultural impacts in society. For the aging individual, changes in social relationships, living arrangements, and levels of independence must be navigated. Key social, economic and cultural impacts include:

- **Social Impacts:** The creation of social policies for the aging population must be carefully undertaken so that society may effectively engage and serve a prevalent elderly populace, and so that seniors can also adapt to a changing society. Politically, the most significant challenge will be the necessity of policies of redistribution. It is critical for developing countries to prioritize the distribution of scarce resources, as well as the development of new social programming for the aging population, while continuing to meet the demands of the country's population as a whole. Creative problem solving led by the creative class could have a high impact in strategizing solutions for an aging society.



**Figure 1.1** Population by age groups and sex 1950 – 2100

**Note:** The dotted line indicates excess male or female population in certain age groups. Age groups are in thousands or millions.

**Source:** United Nations, Department of Economic and Social Affairs, Population Division (2011): World Population Prospects: The 2010 Revision. New York (<http://esa.un.org>)

- Economic Impacts: The realized and projected increase in life expectancy coupled with the retirement of the global aging populations will create a shift in economic dynamics, as more people will collect pension funds and

less people will be part of the tax-paying workforce. There is concern that this scenario will result in the employed minority being taxed at an increased rate in order to support government spending on the aging population through health programs and pensions. This situation could potentially discourage investment and labor, leading to a decrease in economic growth and production, as well as a worker shortage. Additionally, a shortage in the workforce would drive up wages, causing wage inflation.

In this case, businesses would need to develop incentives to draw a larger labor force, such as by creating an attractive working environment characterized by flexible practices. This situation could also further diversify economic sectors, as a growing number of retirees would fuel a larger market for goods and services for the elderly, such as retirement homes. Finally, if a large portion of the population is putting savings into pensions, this could impact the level of funds being channeled into more productive types of investment. In this case, lower rates of economic growth would prevail.

- Cultural Impacts: Seniors help to preserve and promote culture. In Chiang Mai, local seniors contribute to the conservation of the Lan Na tradition by following certain customs, such as going to Buddhist temples on days of religious importance.

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## 1.2 Urbanization

- Urbanization: Prominent trend of the 21<sup>st</sup> century

Urbanization is a multi-faceted and complex process of social and economic changes in which a society transitions from a mainly rural to a chiefly urban civilization (Yeates, M. and Garner, B. 1976). Over the last century, three driving forces have brought urbanization to the fore. The first is the dual processes of industrialization and deindustrialization, which radically changed the developed world prior to 1950 and has been impacting developing countries since that time. Developed countries have seen a steady decrease in the ratio of labor force in the manufacturing sector, with percentages between 17% and 32% in 1990. Nowadays, employees in the service sector are the most predominant worldwide, comprising between 60% and 75% of the labor force. The proportion of employees in the information sector increased from 20%-25% in 1920 to between 35% and 50% in 1990 (Castells, 1996). In developing countries, the numbers of farmers and other types of primary producers have decreased, while the ratio of factory-based employees has increased.

In examining this global network, there are a few cities that emerge as key players in the exchange of information and power, as well as approximately 40 to 50 cities that are rapidly ascending to this level. At a lower but overlapping level, are 'regional cities': large cities performing similar functions for small countries or for regional parts of larger countries. At a subsequent level are 'county towns': medium-sized cities which act as service centers for their surrounding areas, but which may also provide some specialized services for national or international customers. Each level has in common the shared practice of worldwide networking, with goods as well as information being exchanged over varying distances.

It is speculated by some that by the year 2025, automatic production coupled with advanced communication and transportation technologies will fuel a worldwide urban network. In this scenario, people would be employed in the so-called "soft services," such as education, consultancies, and community work. Whereas the 20<sup>th</sup> century saw a unique global shift into urban areas, the 21<sup>st</sup> century would potentially revolutionize the experience of city living. However, great thought must be put into how to avoid the

possible negative impacts that could arise during the transformation, as seen for example in the widespread exploitation of workers during the industrial revolution, and instead maximize the potential for liberation.

- New trends in urbanization

In 2014, North America was the most urbanized area, with 82% of its population living in cities, followed closely by Latin America and the Caribbean (80%), Europe (73%), Asia (40%) and Africa (40%). However, Africa and Asia are urbanizing more quickly than other regions, and it is estimated that by 2050, these rates will increase to 56% and 64% respectively. Overall, the rate of urbanization is greatly affected by economic forces, including industry, commerce, and service provision.

In examining urbanization trends over the past decade, it is clear that populations continued to shift from rural to urban areas, as shown in Figure 1.2. These shifts are in part due to the challenges of rural living, with migrants believing that city life would engender greater personal and financial gain, and thus a higher potential for a good quality of life. Figure 1.2 shows that the United Kingdom and Argentina are the most urbanized nations in the world with 90% of their respective populations residing in urban areas. In Asia, Korea, Hong Kong, and Singapore are the most predominantly urbanized countries. Currently, 33% of Thailand's population is centered in urban areas.

In Thailand, the urban area grew from approximately 2,400 square kilometers to 2,700 from 2000-2010, demonstrating an average annual growth rate of 1.4%. Urban growth in Thailand is dominated by the Bangkok metropolitan area. Bangkok, Thailand's capital city, is the fifth largest city in East Asia in terms of area and the ninth largest in terms of its population, which was approaching 10 million in 2010 (World Bank, 2015). Chiang Mai, a city nearly 700 kilometers north of Bangkok, is one of the ten biggest cities in Thailand and also one of the densest urban areas with 5,000 people per square kilometer.

## The new urban world

The earth reaches a momentous milestone: by next year, for the first time in history, more than half its population will be living in cities. Those 3 billion people are expected to grow to 5 billion by 2030 – this unique map of the world shows where these people live now.

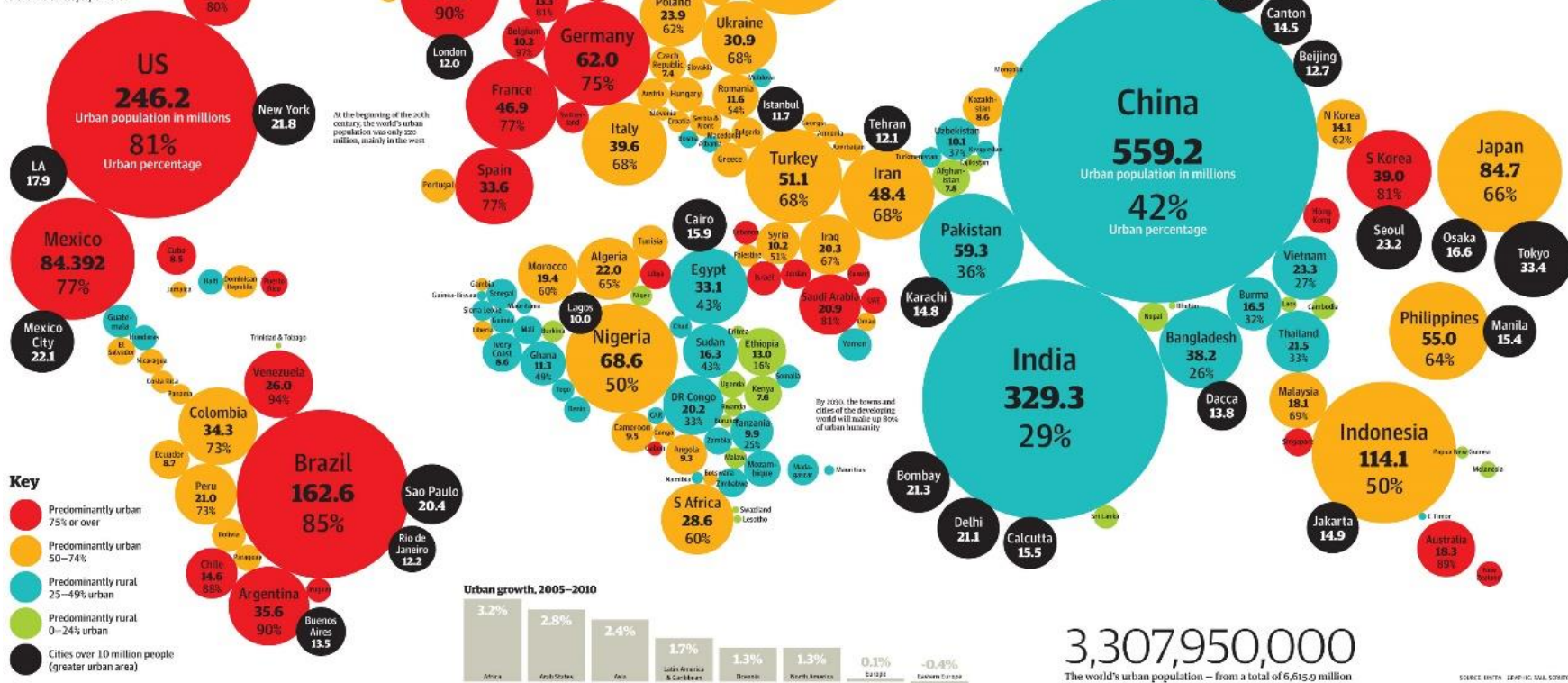


Figure 1.2 The new urban world

Source: <http://theworldisurban.com/2010/12/dream-a-little/> (July, 2015)

### 1.3 Creative Economy

While the term “urbanization” primarily refers to the process of urban growth, “urbanism” describes the consequences of urbanization; it defines the effects of city living on the behaviors, values, mores, and customs of a population (Palen, J, 1992). As a city possesses both cultural and social diversity, it generates a mindset where various customs and traditions can intersect (Palen, J, 1992). The increasing urbanization of Chiang Mai has resulted in distinctive urbanism that reflects the cultural and social heterogeneity typically seen in major metropolitan areas. Although some disadvantages of urbanization exist, such as pollution, traffic jams, and crowding, Chiang Mai offers economic, educational, and cultural resources that draw not only local people, but also others from around the world.

The National Economic and Social Development Board (NESDB) of Thailand defines a creative economy as ‘an economic system that mixes cultural assets, local wisdom, and the uniqueness of Thai with proper knowledge and technology in order to produce unique and diverse products and services. In this way, intrinsic economic value will be added. It will create jobs, generate revenue, and boost competitiveness that will enhance the quality of life. It defines creative industries as ‘those industries which use Thai-ness, culture, heritage, and local wisdom, as well as technology, for economic development (Howkins, 2010).’

As Thailand urbanizes, the government is identifying new ways to capitalize on its rich and unique cultural heritage in an urban setting. Chiang Mai is situated in the historical area of the ancient Lan Na kingdom, and still retains a great deal of Lan Na cultural influence in its architecture, food, health practices, clothing, and way of life. The people of Chiang Mai are often identified as Lan Na, and speak a Lan Na dialect. The vibrant Lan Na culture has attracted tourists as well as migrants to the city, and has been identified as a potential economic driver via the strengthening of a local creative economy.

From a global perspective, the creative economy is one of the fastest growing sectors of the current world economy, with a calculated worth of US\$2.2 trillion worldwide in



2002, and an annual growth rate of 5%. This economy has the potential to produce dramatic results in terms of income generation, job creation, and export earnings, as well as engender non-monetary value that is critical in attaining inclusive, sustainable development. The creative economy is multi-faceted, comprising cultural goods and services, toys and games, and the Research and Development (R&D) sphere. Thus, creative processes of a varied sort drive the economy, with some falling within traditional ideas of “cultural” activities, and others in a more diverse realm.

Thailand has a long history of culture and creativity in arts, crafts, performance and design. The Government’s 9<sup>th</sup> and 10<sup>th</sup> five year economic plans mentioned creativity as well as innovation as important factors. To focus on the development of these key factors, the Office of Knowledge Management and Development (OKMD) was established in 2004 and the Thailand Creative and Design Centre (TCDC) was established under OKMD’s auspices in the same year.

In Thailand’s 11<sup>th</sup> National Economic and Social Development Plan (2012-2016) the creative economy is specifically mentioned as a way to promote economic structural adjustments, particularly in the production and service sectors, which would add value and generate new business by tapping into the hidden potential of Thai society. The decision to advance the country using the creative economy represented a major shift in both Thai and Lan Na society. However, the development model is congruent with the Thai and Lan Na culture and way of life, and also aligns with the “Sufficiency Economy” philosophy initiated and developed by His Majesty King Rama the IX.

Creative Thailand Projects aimed to develop Thailand as a creative industry hub in ASEAN, and to increase the country’s proportion of creative economy value from 12% to 20% of the GDP by the year 2012. The development of Creative Thailand became a model for other developing countries trying to boost the creative economy.

The creative economy in Thailand is divided into four sectors. The first sector highlights Thai cultural inheritance, and includes cultural tourism as well as traditional medicine, herbs, spas, and food. The second sector focuses on the skilled labor and cultural arts industry, such as woodwork, handicrafts, sculpting, ceramics, silver, gold, and jewelry design. The third sector promotes creative work and design, specifically

fashion, architecture, advertising, and software. The final sector is composed of the modern media, including entertainment and digital content.

In the past, government plans have sometimes failed to align these strategic goals with the realities of individuals and markets, which could be related to the creative economy's heavy reliance on tacit knowledge. Thus, a key to successfully developing a thriving creative economy is by translating this tacit knowledge into explicit knowledge, which this research aims to do in part by understanding more about the integration of the creative class into the local creative economy.

All creative economies need a creative class to drive the system. In the city of Chiang Mai, the creative class is mostly composed of migrants to the area. While college graduates have the highest mobility of all, workers with a community-college education are less mobile, high school graduates are even less and dropouts are the least mobile of all. When the creative class migrates to creative cities, there is some evidence that they are unable to integrate with local people, particularly in cases where large projects are implemented without a clear understanding of the local culture and interests.

#### **1.4 Creative City**

A creative city is an urban complex where various sorts of cultural activities are integrated into the city's economic and social functions. Such a city is built upon a strong social and culture infrastructure and tend to have relatively high concentrations of creative employment. However, a key challenge for the creative city is to identify, nurture, attract and sustain talent by mobilizing ideas, talents and creative organizations in order to keep their young and gifted (Landry, 2006).

Creative cities tend to be attractive to inward investment due to well-established culture facilities. In such a city, creativity, rather than location, natural resources and market access, is a principal key to urban dynamism. Thus, this research aims to analyse, synthesize, and formulate structural knowledge of creative cities.

#### 1.4.1 Creative cities in Thailand

The Thai Government has directed attention to the creative economy via the development of creative cities. For example, the Ministry of Industries funded the Creative Lan Na Project for four provinces in the upper north of Thailand, the Ministry of Culture promoted three Thai cities to be included in the Creative City Network of UNESCO (these cities included Phuket: City of Gastronomy, Pattaya: City of Film, and Chiang Mai: City of Crafts and Folk Art), and the Ministry of Commerce supported ten Creative City Prototypes.

##### ***10 Thai Creative City Prototypes***

In 2011, the Department of Intellectual Property (DIP) from the Ministry of Commerce selected “10 Thai Creative Economy Prototype Cities”. These ten cities recognized as creative city prototypes received more support and funding from the Ministry of Commerce. The criteria used to select the Creative City Prototypes were as follows;

- Potential of intellectual capital as a factor in developing the creative economy,
- Potential of the city as part of the Creative Economy,
- Management and planning for sustainable development, and
- Participation of those involved as the driving force to transfer knowledge in the city, especially the academic institute.

The structure of each creative city incorporates different creative ideas and products derived from their unique cultures and lifestyles. The northern region's ethnic diversity means the main activities are tourism, food, and arts/crafts, particularly by small and medium-sized enterprises. In the upper northern region (Chiang Mai, Chiang Rai, Mae Hongson, Lampang and Lamphun), arts/crafts, tourism, and software (science and technology) are potentially dominant. In the north-east region, culture, performing arts/music and software are the main industries. In the south, several industries have potential: historical and cultural sites (tourism); festivals,

ritual and lifestyle (cultural); food; arts and crafts; local knowledge; performing arts and music; and local costume.

**Table 1.1** 10 Creative Cities of Thailand

<i>Cities</i>	<i>Creative Niche</i>
Chainart	Rice Seed City (Tanang-Lea Chai)
Chiang Rai	Development City (Doi Tung)
Chiang Mai	Creative Craft City
Nan	Alive Old City
Petchburi	Sweet City
Maha Sarakham	Learning City towards Community Development
Yala	Bird City
Lopburi	Innovation Renewable Energy
Lam Pang	Ceramic City
Ang Thong	Eakaraj: Community of Drum

Sources: Department of Intellectual Property, Ministry of Commerce, 2011.

#### 1.4.1.1 The Creative City of Chiang Mai

In 2004, government initiated a system to spur the creative economy by founding the Thailand Creative & Design Center (TCDC), an organization to support and promote knowledge of the creative economy. Later in 2008, the government encouraged entrepreneurs to establish small and medium enterprises, those considered to be prime movers in terms of the creative economy. Subsequently in 2013, the TCDC opened a new branch in the northern city of Chiang Mai believing that it held the greatest potential in the development of a creative economy after Bangkok. As the primary policy in these aims, the promotion of cultural products based on the “Thai identity,” for example, cultural tourism, traditional Thai medication, Thai massage, Thai food, support for the software, film and music industries, and Thai design, were at the heart of the TCDC efforts.

Chiang Mai is considered a major city after Bangkok and it is also seen as an exuberant city of art and culture – both traditional and contemporary. The number of cultural industries in Chiang Mai has increased rapidly in recent years, either in the form of city tourism or as a provincial tourist hub. Supporting these moves, there has been an emergence of galleries, cafes, handicraft shops, and cultural tourist attractions. There has also been an influx of creative designers from Bangkok and abroad and together they altered Chiang Mai and tapped the city's potential in developing its creative economy.

Chiang Mai continued to develop to become an import Thai hub of creative work. But of course, the city would need support from both state and private institutions for this to continue. Yet the question remains as to how far this movement could go, and how exactly should the government and other institutions support the creativity and cultural industries. In the past, critics have cast aspersions on the effectiveness of the TCDC and CCM, and have asked whether the Thai government has a master plan or overall vision for ongoing support for the creative economy.

In addition, the British Council was interested in studying Chiang Mai more in related issues in undertaking a creative industries mapping of the region (possibly as part of the 'Development of Lan Na Creative Economy in Upper Northern Thailand'). The prospect of a UNESCO bid by Chiang Mai to be a Creative City. Developing policy initiatives to grow the creative economy in the region.

The objectives of this project are to undertake a research study on the creative industries and economy in Chiang Mai and the surrounding region, explore where there is synergy with the UNESCO proposal including opportunities to undertake the mapping with a special focus on the category once agreed, and to develop a masterplan for creative economy growth in the region that will attract investment designed to promote cultural, social and economic impacts.

The outputs and detailed quantitative assessment of the size of the sector including numbers of people employed, numbers of businesses and the economic turnover, types of businesses and location especially where there are effective clusters, linked to the aspiration to become a UNESCO City of Culture, levels of market penetration locally, regionally, nationally and in export overseas, opportunities for and barriers to growth including training, skills , investment, branding, legislation, and identification of where the sector can and might support wider economic and policy issues including tourism, regeneration, education.

The outcomes will include helping develop a strategic approach to the growth of the creative economy in the region in the form of a masterplan with a prospectus of strategic actions, raise awareness and understanding of the value of mapping as the basis for designing effective interventions – knowing what is happening where and what can be done, increase the capacity and skill of local actors in economic research, and demonstrate how the sector is advancing the image and understanding of Chiang Mai region in a national context and contributing to Thailand's position in a global context.

### **1.5 Tourism Industry in Thailand**

Tourism has become one of the world's fastest growing economic sectors and one of the major generators in international commerce, representing the main income source for many developing countries. Modern tourism is closely linked to development and encompasses a growing number of new destinations. These dynamics have turned tourism into a key driver for socioeconomic progress.

International tourism rebounded quickly from the global economic crisis, with international tourist arrivals up 6.6% in 2009 to 940 million. In 2010, international tourism receipts were estimated to have reached US\$919 billion worldwide, up from

US\$851 billion in 2009, corresponding to an increase in real terms of 4.7% (UNWTO, 2011).

UNWTO (2011) forecasts that by 2020, international arrivals are expected to reach nearly 1.6 billion. Of these worldwide arrivals, 1.2 billion will be intraregional and 378 million will be long stay travelers. UNWTO (2010) estimates that domestic tourism represents four times the volume of international tourism.

This growth goes hand in hand with increasing diversification and competition among destinations. Tourism has become a highly competitive business for tourist destinations over the world. Competitive advantage is no longer natural, but increasingly driven by science, information technology and innovation. This global spread of tourism in industrialized and developed states has produced economic and employment benefits in many related sectors, from construction to agriculture and telecommunications.

In 2013, tourism receipts from expenditures made in destinations worldwide by international visitors on accommodations, food and drink, entertainment, shopping and other services and goods, reached an estimated US\$1.159 trillion, while an additional US\$218 billion was earned through international passenger transport. Thus, growth exceeded the long-term trend, reaching 5% in real terms. The growth rate in receipts matched the increase in international tourist arrivals, also up by 5%, reaching 1.087 billion in 2013, from 1.035 billion in the previous year (UNWTO, 2014).

Thailand is widely recognized as the “Land of Smiles;” a safe tourist destination with a diversity of attractions. These include diving sites, beaches, tropical islands, night-life hotspots, archaeological sites, museums, hill tribes, palaces, Buddhist temples and World Heritage sites. Famous national festivals, such as the Thai New Year festival of Songkran and the Buddhist festival of Loykratong, also draw many tourists every year, including to the city of Chiang Mai. There are unique activities such as Thai cooking, Thai dancing, Thai massage and Spa, and elephant mahout courses that attract tourists as well (Sangkakorn et al, 2011).

Tourism has brought economic and social benefits to Thailand as a major source of revenue, as well as distributed income to regions and communities. It has also encouraged local people to realize the value of their ethnic arts, culture, natural resources and environment. The government has actively promoted tourism, especially during the economic crisis, as the nation's economic stimulus. Tourism planning and development are inextricably linked to the economic wellbeing of Thailand.

In 2014, 24.7 million tourists visited Thailand, generating 1,147,653 million baht from tourism income. As one of the highest economic contributors to Thailand, the tourism industry must continuously respond to the needs of tourists. With the rising prevalence of the aging society, senior tourism is likely to become increasingly important to the economy. Many countries in Asia have already made changes to support the emerging sector of senior tourism. Malaysia and Vietnam are just two of the exotic destinations that have been included on senior tourism itineraries in recent years. Therefore, there is competition among the tourist destination countries in this region.

This research focused on Chiang Mai province, and examines both tourist attractions and the tourism market. The study will be applied to the fields of tourism development and market conception for senior tourists in Chiang Mai.

### ***Senior Tourism***

The World Tourism Organization (WTO) estimates that the number of senior tourists will increase in the year 2020, due in part to an increase in the aging population, as well as to socio-demographic trends that predict improvement in the economic and health conditions of the senior population (Alén et al., 2012). As tourism significantly contributes to the Southeast Asian nation of Thailand, it is highly likely that this increase will impact the tourist industry there.

Senior tourists may need special facilities and amenities different from other tourists due to their health and movement. Modern innovations, such as the wheel chair, can resolve some of the problems faced during old age. However, tourism destinations should also be preparing to specifically and appropriately service this group.



Tourism facilities in Chiang Mai are generally designed for common tourists, not specific groups such as senior tourists. Though the Ministry of Tourism and Sport does promote tourism services for those with disabilities, seniors, families with young children and pregnant woman, these are only for service standards and universal services for those with disabilities.

## **1.6 Chiang Mai City**

The northern Thai province of Chiang Mai currently possesses a fast growing economy with significant revenue generated by the tourism industry. In 2013, Chiang Mai hosted over 5.5 million tourists, with 3.46 million Thai tourists and 2.12 million foreign tourists visiting the city. Income from tourism totaled more than 50 billion baht, with 32.5 billion baht coming from Thai tourists and 21.3 billion baht from foreign tourists (Tourism Authority of Thailand, Chiang Mai Department, 2014).

Chiang Mai is also being developed as a Creative City, a city where cultural and creative activities are an integral part of the city's economic and social functioning. The experience of other cities that have implemented such strategies has shown that they can be more successful with meeting their development objectives than cities that have not.

Chiang Mai is also among 24 cities worldwide selected to receive an IBM Smarter Cities package. IBM is awarding a total of US\$50 million worth of technology and services to help drive successful growth, better delivery of municipal services, more citizen engagement and improved efficiency in selected cities.

The government, private, and academic sector in Chiang Mai developed a realistic roadmap to help Chiang Mai realize its vision of becoming a smarter city. Using IBM's Smarter City Model, the team analyzed the current situation and built on existing plans to realize Chiang Mai's two key priorities: to be the preferred medical hub in the region and to improve the food supply chain in Thailand's northern region.

The Medical Hub project, in partnership with the Faculty of Medicine of Chiang Mai University, will enhance the quality of medical care that is available to the community – in both urban and rural areas. Concurrently, the project aims to turn Chiang Mai into

a center for medical tourism with the infrastructure for supporting international visitors seeking long-term medical care.

The Smarter Food project, in collaboration with the Postharvest Technology Research Institute, Chiang Mai University, aims to improve the food supply chain in Thailand's northern region and create competitive advantage for Agricultural Producers for both domestic and export markets, through better crop yield forecast, waste education, food traceability and water management and food safety. This project will benefit both residents as well as visitors to the city.

Additionally, Chiang Mai is a hub city that offers easy access to both national cities and neighboring countries. There are comfortable facilities, medical services, and other amenities for senior living as well as highly developed infrastructure. These conditions are appealing to senior tourists, and some choose to travel for a lengthy period of time, or permanently migrate to Chiang Mai. Some of these new residents are members of the creative class and can play an important role in developing new ideas regarding senior tourism in a creative city, specifically Chiang Mai.

Currently, tourism operators in Chiang Mai lack basic knowledge about how to improve tour management and services for senior tourism (Sangkakorn et al., 2015). Sources of valuable knowledge, such as tacit knowledge, have not been collected and disseminated to relevant stakeholders, which has resulted in explicit knowledge being nearly lost over time.

The current development of Chiang Mai as a creative city, as well as its status as the third largest city of Thailand, are the reasons this study selected Chiang Mai as the area of research.

## **1.7 Migration**

### ***Immigration and migration***

Immigration and domestic migration are two major factors in the makeup of regional populations. Whereas immigrants tend to cluster in the gateways, established residents often move away from the gateways to other regions. The implications of the existing pattern in population shifts are that the elderly will age in place, and some regions will age faster than others will.

### ***Creative class migrants***

The creative class is conceptualized as a highly mobile group. In the free market economic environment, the creative class has been viewed as a group who potentially could have a large economic impact on metropolitan regions. As such, the creative class is highly sought after by cities in order to encourage and promote economic development. While Florida's (2002) definition of the creative class included a broad range of creative individuals, measured by occupational categories from artists to physicists to engineers, there has been no consensus of occupations that are truly classified as creative. In addition, there has been no baseline method established that analyzes the creative class by occupation and migration simultaneously.

### ***Senior Migrants***

The numbers of senior migrants to the city are increasing every year. There are many reasons for senior migration to urban areas, including proximity to more comprehensive health care facilities, or to be closer to relatives and other supportive networks. Chiang Mai offers a wide range of quality accommodations, medical facilities, shopping malls, and other facilities that attract migrants. Chiang Mai is renowned as a haven for retirees for its beauty, well-functioning infrastructure, delicious food, friendly people, varied entertainment, and appealing climate.

## **1.8 The idea from first year project**

Chiang Mai tourism is largely concentrated on tourist attractions such as ancient temples and natural attractions. Two to three years ago, the growth of the tourism industry in Chiang Mai slowed down due to many factors. In this context, the role of creativity in the development of cities and tourist destinations is increasingly important. Additionally, there is a wealth of useful knowledge and information in academic institutes, but few entrepreneurs access this information.

For this argument, a Creative Tourism Center has to be organized by Chiang Mai University because tourism-related stakeholders need access to an established body of knowledge, which they can find from Chiang Mai University. The Social Research Institute (SRI) maintains a large store of pertinent information about Lan Na, hill tribes, elderly people, and souvenirs, and conducts ongoing tourism research relating to Slow Tourism, Green Tourism, Tourism Behavior, and more.

Successful Creative Tourism in Chiang Mai will depend on collaborations between entrepreneurs in the tourism sector, government and academic institutes. Key questions regarding this project include:

- How can academic institutes, especially the SRI, link with the tourism cluster?
- How can it provide academic information to the tourism cluster?
- How can it help entrepreneurs in the tourism sector to develop ideas, products, and services?
- Who will move first for this process?

## **1.9 Research problem justification**

The impacts of an aging society, urbanization, and migration influence the local community in Chiang Mai. Greater understanding is needed on how the senior creative class adapt themselves to their new surroundings.

### 1.10 Research Questions

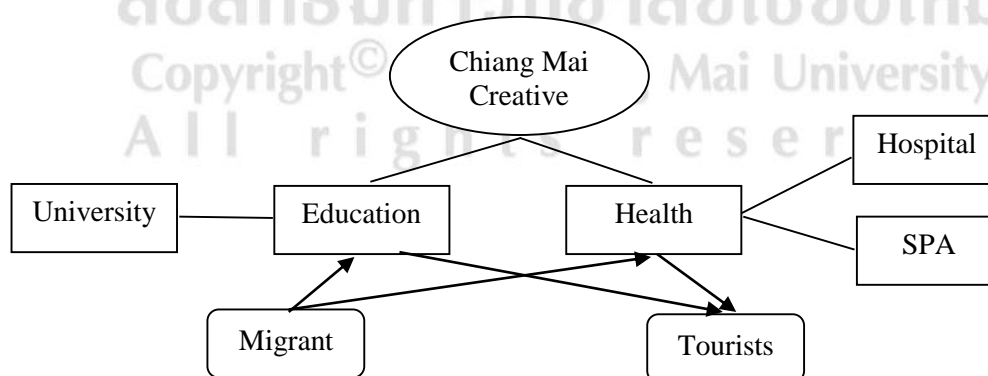
1. How is a creative city developed?
2. How do migrants and tourists in Chiang Mai support a sustainable creative city?
  - a. Demand: How do senior tourists demand creative services?
  - b. Supply: How do migrants support the creative services demand?
3. How do local tourism enterprises and the wellness cluster in Chiang Mai benefit from full integration of local knowledge?

### 1.11 Research Hypothesis

Chiang Mai has many supporting factors for creative tourism that can attract high value senior tourists.

- How can one measure if Chiang Mai is a creative city?
- What explains that Chiang Mai is a creative city and supports the tourism sector?
- Factors determining success

Aging people are not necessarily part of the migrant creative class, but they need certain facilities to support their longevity. However, some senior tourists may be part of the creative class.



**Figure 1.3** Dimensions of Chiang Mai creative city

Figure 1.3 shows that Chiang Mai is a creative city because it possesses three dimensions; the space dimension, the professional dimension, and the cluster dimension. The reasons why Chiang Mai can be considered a creative city are due to the education sector, health sector, and tourism sector. There are also high rates of migrants and tourists coming to Chiang Mai. Both the education and health sectors will support tourism, especially senior tourism, in Chiang Mai. Education sector will graduate for tourism sector. Health sector are many health product such as retreat and spa to support tourism sector.

### 1) Space dimension

The space dimension is important for a creative city. Creative spaces are often considered a synonym for cultural facilities, cultural and creative milieus, enclaves, corridors, quarters, districts, clusters, or creative hubs. They are defined as places where creative production and performance occur by chance or design. They are place-based and place contingent. While creative space may be virtual, the focus here is on the physical, material representation of space or how it is conceived. In this way, we are building upon Henri Lefebvre's (1991) notion of space as a product of the processes and work of creativity performed and experienced by humans. Creative spaces in this lexicon are what may be called 'creative hardware' (Richards and Wilson, 2007). They are more than just land, buildings, parks, precincts or districts – they are socially constructed products of physical facility or place, people, and programming and operational resources. They carry significant iconic or symbolic value. Creative spaces operate between current reality and possibility.

Many people move to Chiang Mai to take advantage of the high-quality education sector. Chiang Mai boasts numerous international schools as well as good quality Thai schools and seven major universities, Chiang Mai University, Payap University, Maejo University, Chiang Mai Rajaphat University, Rajamangala University of Technology, North Chiang Mai University, and Far Eastern University. **Chiang Mai University** is the largest university in Chiang Mai and is the third ranking University in Thailand for academics and in research. There are

more than 60 international training courses, 3 international undergraduate degrees, and 23 international postgraduate degree programs.

The Gross Provincial Product (GPP) of Chiang Mai in the year 2012 was 163,828 million baht. The GPP per capita is 101,806 Baht. Only 17.1% of workers are from the agricultural sector and 82.9% are from outside agricultural sector.

## **2) Professional dimension**

Human resources are a key factor for city development. The creative class comprises the professional dimension. These professionals are the classic knowledge-based workers, and include those working in healthcare, business and finance, the legal sector, architecture and education. In Chiang Mai, monks have also historically been a part of the professional and continue to serve as leaders in the local community. Due to the presence of seven universities, there are many professional educators and researchers to creatively drive Chiang Mai

## **3) Sector dimension for Lan Na**

In addition, the health and wellness dimension is important for a creative city. In the part of wellness, Chiang Mai has many well equipped hospitals to accommodate any and all health care needs. The hospitals have modern facilities, well trained staff, and highly skilled doctors. There are 13 well-known public and private hospitals in Chiang Mai with more than 1,000 doctors. There are many spas in Chiang Mai which encourage relaxation and promote health. However, the ability of Thai or Lan Na spas to provide relaxation and increase wellness could be further highlighted. 63 spas in Chiang Mai received a spa certification for meeting set standards from the Department of Tourism in 2012.

### **1.12 Research Aim**

This research aims to study how local tourism enterprises and the wellness cluster in Chiang Mai benefit from fully integrated local knowledge. The migrant creative class can reverse knowledge along the tourism supply chain in the community using creative

problem solving, which in turn will help creative city development by the local integration knowledge model.

### **1.13 Research Objectives**

The objectives of this research are as follows;

1. To study senior tourists' demand for creative services in a creative city,
2. To suggest a local integration knowledge model as a solution for creative city development,
3. To prove that the creative problem solving process and capability maturity model are the processes for acceptance of new migrants.

The seal of Chiang Mai University is a circular emblem. In the center is a detailed illustration of an elephant facing left. Above the elephant is a traditional Thai umbrella (parasol). The entire central design is enclosed within a circular border. The border contains the university's name in Thai script at the top and 'CHIANG MAI UNIVERSITY 1964' in English at the bottom, separated by two small floral motifs.

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