

ICMR 2019
8th International Conference on Multidisciplinary Research
EMPOWERING RURAL COMMUNITY THROUGH TOURISM
ENTREPRENEURSHIP: SOME EXPERIENCE FROM MALAYSIA

Ku 'Azam Tuan Lonik (a)*
*Corresponding author

(a) School of Distance Education, Universiti Sains Malaysia, 11800, Penang, Malaysia, kuadzam@usm.my

Abstract

Rural development has always been at the centre of development programs in Malaysia. In the past, programs under the rural development and poverty eradication strategy includes land development, land settlement, crops and fertilisers subsidies as well guaranteed minimum price especially rice. Present approach adopted by the Malaysian government towards rural development involves among others the development of small businesses as catalysts for growth. The Tenth Malaysia Plan has identified twelve key engines of growth known as the New Key Economic Areas (NKEA). This includes the tourism sector. Among the strategy identified to facilitate the development of the tourism industry is through the development of community-based tourism entrepreneurs (CBTE). This research is an attempt to gauge the effect of CBTE on the livelihood of those involves in it. Two CBTE initiatives was studied, namely the Kulim Cooperative Society, Langkawi, Kedah and the Tourism Cooperative (KOPEL), Kinabatangan, Sandakan, Sabah. It shows that the CBTE initiatives when involving large number of local participants would help increase the quality of life of the community involves.

2357-1330 © 2020 Published by European Publisher.

Keywords: Tourism, community-based tourism entrepreneurship, rural development.



1. Introduction

Rural development has always been at the centre of development programs in Malaysia. In the past, programs under the rural development and poverty eradication strategy includes land development, land settlement, crops and fertilisers subsidies as well guaranteed minimum price especially rice. Strategies towards poverty eradication, economic restructuring and income inequalities in Malaysia exists hand-in-hand with the strategy to address the problem of rural development. It has been an important component of planned development in Malaysia (Shamsul, 1988). This approach was adopted because by addressing the rural development problems, the problems of poverty can be tackled since poverty was indeed a predominantly rural phenomenon in Malaysia (UNDP, 2005).

Various strategies have been devised over the years to tackle the dual problems of rural development and poverty. These programs have been pursued continuously since independence. Under the 8th Malaysia Plan (2001-2005), for example, a balanced regional development strategy, with a focus on new and potential areas of growth, especially in tourism, health and education, was identified and promoted for all states based on their locational advantage as well as socio-economic considerations (Malaysia, 2001).

Under the Tenth Malaysia Plan (2011-2015), reduction of poverty forms one of the five thrust—thrust 3—of the plan with the aim of addressing the persistent socio-economic inequality constructively and productively (Malaysia, 2010). The plan also envisaged a rural development strategy which focus on a community-based development programs through the management of communal resources to improve access to education and utilities, connectivity and upgrading rural economic activities which will enable rural areas to leverage on cities as gateways for rural produce and economic opportunities. Part of this effort is the development of tourism sector in parallel with the emphasis on transportation, education and healthcare. A point of interest is the development of agropolitan development strategies which will utilise an integrated approach to advance rural development in agriculture, agro-based and other rural industries and the promotion of eco-tourism to create commercial value in sustainability (Malaysia, 2010).

Much of these initiatives requires the full participation of the communities involved.

This paper seeks to highlight the role played and the success achieved by the Kilim Cooperative Society on the island of Langkawi, off the north coast of Peninsula Malaysia in promoting eco-tourism within the Kilim Geoforest Park in order to maintain the island of Langkawi as one of the UNESCO Global Geopark network while at the same time improve the quality of life and help reduce the incidence of poverty among its member.

1.1. Rural Development Through Community Based Tourism Entrepreneurship (CBTE)

Korten (1980) argued that community development has its roots in the 1920s in which the focus was on poverty eradication programs. According to Nunavut Literacy Council (2007) community development happens when people come together to act around common issues. This allows the community to plot the course of their future directions. Community development requires working at the grassroots level with the community, not necessarily focusing on policy level (Brocklesby & Fisher, 2003).

In view of this, community development can be viewed as a form of community empowerment. As noted by Page and Czuba (1999), empowerment is a construct shared by many disciplines and arenas: community development, psychology, education, economics, and studies of social movements and

organizations, among others. Such empowerment can take the form of tourism entrepreneurship which required people who recognised that the attributes of a place had potential appeal and who could muster the capital to turn that perception into a tangible entity (Rothman, 1996). As such, the community-based tourism entrepreneurship is based on the active participation of the local community (López-Guzmán, Sánchez-Cañizares, & Pavón, 2011)

Cole (2007) has shown that small entrepreneurship has become an essential characteristic of tourism industry across the world. These small entrepreneurs form the informal sector that supports the growth of the tourism industry. Cole (2007) also argued that the development of small entrepreneurship should be supported due to the fact that it has a potential to have a larger multiplier effect to stimulate the local economy. According to Ivanis (2011), such strategy towards community-based tourism (CBT) has development several advantages which includes, a) they help in re-structuring of non-effective enterprises, b) they diminish the monopoly of large companies and offer original, individualised products in accordance with world tourist trends, and c) they open the door of global market to small enterprises.

The community-based tourism (CBT) concept has been at the forefront of the promotion of rural development (Giampiccoli & Kalis, 2012). Johnson (2010) argued that CBT is different from traditional top-down tourism planning approaches in that it emphasizes local input and control over the type, scale, and intensity of tourism development. A community-based approach to ecotourism recognises the need to promote both the quality of life of people and the conservation of resources (Scheyvens, 1999). The involvement and active participation of the local communities should be encouraged due to three main reasons: it considers them to be part of the tourist product, local communities adapt to changes easily, and it helps to open their minds (López-Guzmán et al., 2011).

Hawasaki (2006) outlines the key objectives of CBT as follows: 1) Empowerment of the local community, whereby they have meaningful ownership of resources and are involved in planning and management of tourism in the local area. 2) Development of tourism, which helps in the protection and conservation of natural resources. 3) Achievement of economic and sociocultural benefits from tourism. 4) Enhancement of the quality of the tourist experience so they will plan return visits to the destination.

Community-based tourism entrepreneurship (CBTE) is the extension of community-based tourism is an effort to empower local community through tourism entrepreneurship. It shares the concept with indigenous entrepreneurship and tourism social entrepreneurs.

1.2. New Direction Towards Tourism Development in Malaysia

The successes of all poverty eradication programs in Malaysia can be seen in the drastic and significant reduction in the rate of poverty among the Malaysian populace. The incidence of poverty has fall from 49.3% in 1970 to only 3.8% in 2009. In fact, within the period 2004 to 2009, overall poverty had decreased from 5.7% to 3.8%. At the same time, the percentage of the hardcore poverty had been reduced from 1.2% to 0.7%. In line with this achievement, the focus of the Tenth Malaysia Plan (2011 – 2015) is to improve the livelihood of the bottom 40% of the population of which 48.6% were in the rural areas and 51.4 percent in the urban areas.

The Tenth Malaysia Plan also outlined the National Key Economic Areas (NKEAs). Twelve NKEAs were identified as engine of growth. One of these areas is the tourism sector. The purpose of targeting the

tourism industry is aimed at attracting “larger shares of high spend travellers”. According to the Tenth Malaysia Plan,

Tourism Malaysia ranked 16th in terms of global inbound tourism receipts, capturing approximately 2% of global market share in 2008. The tourism industries employs 1.7 million workers or approximately 16% of total employment in 2008. Between 2006-2009, revenue from the tourism industry increased 67.1% to RM53.4 billion and tourist arrivals increased 43.6% to 23.6 million. Despite these achievements, several issues need to be addressed, including the need to develop vibrant and iconic tourism products, improve maintenance of existing tourism sites and adopting focused tourism promotions. During the Plan period, the target is to improve Malaysia's position to be within the top 10 in terms of global tourism receipts and increase the sector's contribution by 2.1 times, contributing RM115 billion in receipts and providing 2 million jobs in the industry in 2015. To achieve the 2015 target, the focus will be on attracting a larger share of high spend travellers and capturing a higher share of high growth segments, particularly from Russia, India, China and Middle East, in addition to increasing the number of tourist arrivals. (Malaysia, 2010, pp. 128)

For this purpose, among the key strategies identified is to improve

tourism products through the creation of focused tourism clusters that will leverage on existing and new iconic tourism products. For example, Langkawi (the Geopark and Pulau Payar Marine Park), Pulau Pinang (Georgetown UNESCO World Heritage Sites), Sabah (Sipadan Island and Kinabalu Park UNESCO World Heritage Sites) and Sarawak (Sarawak Cultural Village and Gunung Mulu National Park UNESCO World Heritage Sites. (Malaysia, 2010, pp. 128)

2. Problem Statement

2.1. CBTE in Practice

Since the focus of this study is on the community-based tourism entrepreneurship (CBTE), two CBTE projects are used as case study to highlight the benefits derived by the local community from the community-based tourism entrepreneurship. The two CBTE initiatives were the Kilim Cooperative Societies, Langkawi, Kedah and the Kinabatangan Tourism Cooperative (KOPEL), in Kinabatangan, Sabah.

Both initiatives are based on a cooperatives model which means that both are community-based initiatives. Since both are run as a business ventures and the focus of both cooperatives are on tourism-based activities, it therefore conforms to the community-based tourism entrepreneurship definition given earlier.

Kilim Cooperative Society was formed to meet the demand by nature lovers and eco-tourists that visited the Kilim area, in Langkawi. The Langkawi Island was accorded a UNESCO Geopark site in 2007. For the purpose of administration, the Langkawi Development Authority (LADA) that managed the development plan for Langkawi has divided the whole island into three separate parts, namely, the

Machinchang Geoforest Park, the Dayang Bunting Geoforest Park and the Kilim Karst Geoforest Park. The Kilim Karst Geoforest Park features extensive mangrove eco-system, beaches, coastal wetlands and a spectacular limestone cave. The limestone caves are also home to a large group of eagles. Visitors especially nature lovers and eco-tourist can spend time exploring the mangrove forest, bat watching, eagle watching as well as visiting fish farms operated by the local fishermen along. All these attractions are located along the Kilim River and are accessible only by boats.

The cooperative was therefore set up to organise and manage the operation of these tourist boats. In order to ensure that the benefit of tourism is enjoyed only by the local communities, LADA stipulates that tourist boat operation from Kilim estuary are limited to the local community of Kilim only. This was done to ensure that the benefit of the tourism development in the Kilim area are enjoyed by the local community. Langkawi, as a whole, has long benefits from the influx of tourists to the island. However, Din (as cited in Kayat, 2002) observed that the local community 'became onlookers who were marginalised in favour of the more powerful operators.

Meanwhile, the Kinabatangan Cooperative Society was set-up to garner the potential that the tourism activities can provide by exploiting the interest in eco-tourism along the Kinabatangan basin. Since its inception in 2003, the Kinabatangan Cooperative Society, better known by its Malays acronym as KOPEL, has won several international awards and is recognised as one of important eco-tourism activities in Malaysia. It was started with the support of 320 members among the local communities and has since increased to around 2,000 members. Each member owes at least one unit of share worth RM100. KOPEL employs local community to work in various eco-tourism activities under their umbrella. In 2004, KOPEL won the prestige Equator awards. 95% of the tourists visiting KOPEL are foreign tourists, mainly part of study-tour on sustainable eco-tourism. The eco-tourism activities can be divided into four main categories: forest reclamation, lake restoration, river cruise and the most popular is the eco-camp. Eco-camp exposes the tourist towards life in the forest with minimal modern facilities. The main attraction of the river-cruise is the opportunity to watch pygmy elephants, orang utan and proboscis monkey. The Kinabatangan basin is famous for this three wild species.

The Kinabatangan Cooperative Society is located in lower Kinabatangan, along the Kinabatangan River, near Sandakan, Sabah. Membership of KOPEL comprises local communities from the four adjacent villages, namely the Batu Putih village, Menggaris village, Perpaduan village and Singgah Mata village.

3. Research Questions

- How much do the community-based tourism entrepreneurship (CBTE) affect the livelihood of those who involve in it?

4. Purpose of the Study

This research is an attempt to gauge the effect of CBTE on the livelihood of those involves in it.

5. Research Methods

We conducted a structured interview with nine boat operators belonging to the Kilim Cooperative Society, and the management of KOPEL. These interviews were conducted to gauge the benefit of community-based tourism entrepreneurship and its effect on the economic wellbeing of the local community.

There were 25 boat operators operating from the Kilim Jetty and all were invited for the interview. However, only 9 turned up during the appointed time. Others were busy entertaining customers because some of the operators not only own the boats but also operate the boats. These boat owners are basically independent operators but organised their activities under the Kilim Cooperative Society. This approach minimises tension and competition among the boat operators. Apart from that we also interviewed the village head to gauge the participation of the local community in the tourism activities. As for KOPEL, we interviewed the cooperative chairman, the CEO and the operation manager.

Considering that the total number of boat operators is 25 and only 9 managed to participate in the interview, we also left questionnaires for all to answer. The questionnaires were collected by the cooperative. Out of the total 25, we received back 21 completed questionnaires.

6. Findings

6.1. Kilim Cooperative Society

Membership in the cooperative are opened to the entire local community of Kilim. However, only a handful own boats. Members operate a total of 80 boats. 6 out of the 9 boat operators interviewed reported that they earned over RM1,200 per month while two earned between RM801-1,200 per month.

The boat operators agreed that the local communities that have involved in tourism activities have experienced an increase in income from such involvement. Likewise, they also believed that the development of tourism industry in their areas has brought about some positive socio-economic development while at the same time maintained the cooperation between members of the community. Despite the achievement enjoyed by a few, the success has yet to be shared with the whole communities. One pertinent issue that hinders higher involvement of the community is the problem of capital and the high cost of maintaining the boats.

According to the respondents, capital and operating cost to run the boat services are quite high. Each boat can cost between RM50,000 – RM70,000 excluding the engine which can cost up to RM20,000 depending on the engine capacity. The Kilim River is subjected to continuous erosion arises from the wave produced by the boat services. Besides, the jetty where the tourist boats operate is also next to the makeshift jetty for local fisherman to unload their catch. This high volume of traffic posed a serious threat to the riverbank and that it to erosion. This erosion often uproots the mangrove trees along the riverbank. The uprooted mangrove trees can result in serious damage to the boat engines. Due to this, the cost of wear and tear to the boats are high. From the interviews conducted, the boat operators confessed that they sometimes have to resort to unregistered money lenders to borrow money to repair the damages suffered to their boat. This arise because of limited official and registered channels that can offer fast lending. Many of the boat operators interviewed agree that the operating expenditure is very high.

All the nine boat operators interviewed agreed that tourism activities especially in the Kilim area created job opportunities for the local communities, exposed the local communities to the issue of conservation and sustainability and that the local community benefitted from the improvement in infrastructure. Six out of the nine thou acknowledged that tourism development also created social problems among the youth and social disintegration among the local communities.

The development of tourism activities in Langkawi are linked to the involvement of the local government. This was the view of eight of the nine boat operators while the one boat operators think that the involvement of the authority is minimal.

Based on the response from the written questionnaires, and on a Likert scale of 1 – 5, the boat operators agreed that the government should increase the effort to attract more visitors to Kilim (mean 4.86, N=21) especially among the Malaysian tourists (mean 4.52, N=21). They also agree that the operation of the boat services in the Kilim area is much better when done under the umbrella of the Kilim Cooperative Society (mean 4.05, N=21). There is a general agreement that the number of boats should be increased (mean 4.19, N=21) and that capital is one major problem faced by the boat operators (mean 3.76, N=21). They acknowledged that their survival depended very much on the future Geopark status enjoyed by Kilim (mean 3.52, N=21).

In general, the boat operators believed that the local communities should be encouraged to involve in tourism activities (mean 4.14, N=21) and that tourism increase the economic well being of the local communities (mean 4.33 N=21).

6.2. Kopel

The participation of the local communities is much greater in the case of the Kinabatangan Tourism Cooperative (KOPEL). Unlike Langkawi, the social structures and the livelihood of the Kinabatangan area is much more ordinary. Apart from the few that works in the plantation, run small businesses and works with the few government offices in the area, almost all of the local communities are farmers tending to the small plot of lands the owed. KOPEL provide job opportunities to the local communities either as tourist guide, cultural programs, cook, and in various eco-tourism activities. More than 300 local communities work in these various activities under KOPEL, over half of them are full time workers. KOPEL also provide the opportunity for the local communities to earn extra income by participating in the homestay programs.

In general, KOPEL's activities can be divided into two segments: first, it employs local communities to work in various eco-tourism projects in the area, and secondly, it invites interested members to operate homestay to accommodate the tourist visiting the village. Day-to-day operation of KOPEL are divided into 10 units, name, food and beverages, groceries shop, café (Disan Waio Café), jetty (cruise), handy craft, tourist guide, transport, cultural, orang utan unit and conservation of swifts.

In the first year of operation, the homestay program managed to generate RM70,000, while in the second year, it generated RM80,000 and in the third year of operation, it generated RM104,000. This, was a remarkable achievement.

Two activities undertaken by KOPEL that stood out prominently apart from exposing the visitors to the eco-tourism is the forest conservation and the rehabilitation of an oxbow lake.

Many of the tourist that arrived are in groups and this allows the cooperative to devise a scheduled program for them based on the number of days they intend to stay in the area. In most cases, this schedule involved the participants staying in the econ-camps. There are three eco-camp sites build and managed by KOPEL. At each site, participant may either stay in camp-deck on a twin-sharing basis or in a dormitory that can accommodate 10 people. All the eco-camp sites have shared facilities comprises toilets, showers and dining hall. Each participant will be provided with mattress, pillow, and mosquito net. Foods will be provided by KOPEL and are not prepared at the camp site for safety reasons. Even the leftovers are taken back to be disposed of away from the forest. At night, participants involved in night walk guided by the tourist guide along the trails provided by KOPEL. The participants will also participant in forest replanting.

7. Conclusion

This paper highlighted the experiences of community-based tourism entrepreneurship in Langkawi, an important tourism hub, off the coast of Malaysia that has managed to attract nature-lovers, as well as the mainly eco-tourism activities in the Kinabatangan basin, in Sandakan, Sabah. The Kilim Geoforest Park is basically a nature-based eco-toursim site that offer first-hand experience to nature lovers and eco-tourists with its vast mangrove forest and eco-system. Since Kilim Geoforest Park is part of the Langkawi Geoforest Park, it is difficult to gauge whether the increased number of tourists arriving in Kilim is due to the eco-tourism attractions offered by Kilim Geoforest Park or a by-product of an increase in the number of tourists arriving in Langkawi. Other part of Langkawi has long stretch of white beaches that has managed to attract lots of foreign tourists. Local Malaysian tourists also flock to Langkawi because the island is a duty-free island. Nonetheless, whether foreign tourist arrives in Langkawi for her beaches or local tourist visit the island for her duty-free goods, the Kilim Goeforest Park has experienced an increase in the number of visitors and the Kilim Cooperative Society that operates boat services along the Kilim River has benefitted from the influx of tourists.

Unlike Langkawi, the management of KOPEL is very much concern with the carrying capacity of the eco-tourism sites. As a result, the number of tourists allowed to visit the area is regulated by KOPEL. From another perspectives, this allows the visitors to have a meaningful experience from their visit. The benefits from the cooperative model is much better in the case of KOPEL since it covers a larger proportion of the community compared to the case of Kilim Cooperative Society. However, in the latter case, the benefit to the boat owners are much significant compared to the community as a whole.

Acknowledgments

The author wishes to acknowledge the financial support from Sustainable Tourism Research Cluster (STRC), Universiti Sains Malaysia to finance this research. The author would also like acknowledge the Mr. Mohd. Hasim Abdul Hamid, the Chairman of KOPEL, Mr. Zainudin, CEO KOPEL and Mr Saidin Udin@ Jai, Operation Manager, KOPEL for the opportunity to conduct interviews.

References

- Brocklesby, M. A., & Fisher, E. (2003). Community Development in Sustainable Livelihood Approach – An Introduction. *Oxford University Press and Community Development Journal*. Retrieved from http://starr.tamu.edu/essm675/handouts/14/03_Brocklesby%20et.pdf
- Cole, S. (2007). Entrepreneurship and Empowerment – Considering the barriers – the Case Study from Indonesia. *Tourism Review*, 55(4), 461-473.
- Giampiccoli, A., & Kalis, J. H. (2012). Community-based tourism and local cultures: the case of amaMpondo. *PASOS*, 10(1), 173-188.
- Hawasaki, L. (2006). Community-based tourism: A Pathway to Sustainability for Japan's Protected Areas. *Society and Natural Resources*, 19(8), 675-692.
- Ivanis, M. (2011). General Model of Small Entrepreneurship Development in Tourism. *Tourism and Hospitality Management*, 17(2), 231-250.
- Johnson, P. A. (2010). Realizing Rural Community Based Tourism Development: Prospects for Social-Economy Enterprises. *Journal of Rural and Community Development*, 5, 150–162.
- Kayat, K. (2002). Power, Social Exchanges and Tourism in Langkawi: Rethinking Resident Perceptions. *International Journal of Tourism Research*, 4, 171-191.
- Korten, D. C. (1980). Community Organization and Rural Development: A Learning Process Approach. *Public Administration Review*, 40(5), 480-511.
- López-Guzmán, T., Sánchez-Cañizares, S., & Pavón, V. (2011). Community - Based Tourism in Developing Countries: A Case Study. *Tourismos: An International Multidisciplinary Journal of Tourism*, 6(1), 69-84.
- Malaysia (2001). *Eighth Malaysia Plan*. Kuala Lumpur: Government Printers.
- Malaysia (2010). *Tenth Malaysia Plan*. Kuala Lumpur: Government Printers.
- Nunavut Literacy Council (2007). Tools for Community Building A Guide to Help People Plan Projects in their Community. Retrieved from <http://www.toolsforcommunitybuilding.ca/pdf/combuild09-nun.pdf>
- Page, N., & Czuba, C. E. (1999). Empowerment: What is it? *Journal of Extension*, 37(5).
- Rothman, H. K. (1996). Selling the Meaning of Place: Entrepreneurship, Tourism, and Community Transformation in the Twentieth-Century American. *West Pacific Historical Review*. Retrieved from: http://www.swanet.org/2008_pecos_conference/pecos_downloads/old_articles/1996_Rothman.pdf
- Scheyvens, R. (1999). Ecotourism and The Empowerment of Local Communities. *Tourism Management*, 20, 245-249.
- Shamsul, A. B. (1988). Development and Change in Rural Malaysia: The Role of the Village Development Communities. *Southeast Asian Studies*, 28(2), 218-228.
- UNDP (2005). *Malaysia: Success and Challenges*. Kuala Lumpur: UNDP.