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Tourism as a Poverty Eradication Tool for Rural Areas in Selangor, Malaysia

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Abstract - This paper presents an understanding of the contribution made by tourism towards poverty eradication in selected rural areas in Selangor, Malaysia. Rural homestay programmes as a viable tourism product in Malaysia is comparatively small in scale and still remains a slow growth market even though various incentives are being offered to the operators by the government to develop this market. Poverty is the root cause of many social ills such as illiteracy, crime, drug abuse and high rate of divorce. Although tourism has been adopted as a strategy for poverty eradication in Selangor, it has not been fully exploited by the rural community and those that have, are finding it difficult to sustain. This research is undertaken with the aim of putting together a model (or identifying variables) that will ensure the economic sustainability of rural homestay programmes in Selangor, Malaysia. Through factor analysis the variables of the communities' involvement in tourism activities were identified. The newly developed scale through factor analysis will be useful to carry out future related researches. As there is tremendous potential for developing this market locally, information was collected to understand the homestay operators' and their employees' perception of developing tourism in their village as an alternative vocation to diversify the rural socio-economy that would eventually lead to community advancement. There is a dire need to revive the declining agriculture-based rural economies due to mass migration of rural residents to urban areas in search of employment opportunities. More specifically, this paper intends to identify the factors that contribute to the failure of rural homestay programmes in the state of Selangor, Malaysia. **Keywords**-poverty eradication, rural tourism, factor analysis, sustainable tourism

I. INTRODUCTION

This paper presents an understanding of tourism and rural community relationship in the poverty alleviation process. The Government has crafted a blueprint to move the country towards its next stage of development that is based on four key pillars. The first pillar is embodied in the principles of 1Malaysia, People First, Performance Now meant to unite all Malaysians who collectively represent the key stakeholder of the Government. The second pillar is the Government

Transformation Programme (GTP) which will deliver the outcomes defined under the National Key Result Areas (NKRAs). The third critical pillar will be the New Economic Model (NEM) resulting from an ambitious Economic Transformation Programme (ETP) meant to transform Malaysia by 2020 into a developed and competitive economy whose people enjoy a high quality of life and high level of income from growth that is both inclusive and sustainable.

The fourth pillar is the 10th Malaysia Plan 2011-2015 (10MP) which will represent the first policy operationalization of both the government and economic transformation programmes (The New Economic Model, National Economic Advisory Council, March 2010). According to the Tenth Malaysia Plan, raising the living standards of low income households is one of six National Key Result Areas. The aim of this research is to contribute towards the achievement of this NKRA. Therefore, this research is of national interest and the findings will contribute to the existing body of knowledge on this subject.

II. ELEVATING THE LIVELIHOODS OF THE BOTTOM 40% HOUSEHOLDS

According to the Tenth Malaysia Plan, since the 1970's, the government focus has been on eradicating poverty regardless of ethnicity. There has been great success in reducing the incidence of poverty from 49.3% in 1970 to 3.8% in 2009. Therefore, focus will now be re-oriented to elevate the income levels of the bottom 40% households. Households within this group, irrespective of ethnicity or location, will be eligible for support and resources, based on their specific needs, such as Bumiputera in Sabah and Sarawak, particularly ethnic minorities and Orang Asli communities in Peninsular Malaysia. Programmes to increase the incomes of rural households will focus on upgrading their skills, linking them to employers in nearby clusters and cities as well as providing support for self employment, micro-businesses and small scale industries. In 2009, the bottom 40% households had a total household income level of less than RM2, 300 per month. There were a total of 2.4 million households in this category, with 1.8% of households within the hardcore poor group, 7.6% within the poor group, and the remaining 90.6% within the low income households group. The mean monthly

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income of the bottom 40% households in 2009 was RM1, 440. Programmes will include among others:

- Providing holistic support programmes for micro-enterprises;
- Providing opportunities for business ownership for capable rural entrepreneurs

III. HOMESTAY CONCEPTUALIZATION

Based on the official definition by the Ministry of Culture, Arts and Tourism of Malaysia (1995), 'homestay' is 'where tourists stay with the host's family and experience their way of life in a direct and indirect manner'. There were about 286 households participating officially in this programme throughout Malaysia in 1997. This sector had contributed to five percent of Malaysia's GDP in 2006, (MOTOUR, 2006). Official records show that 2,606 homestay operators from 137 villages had been trained and licensed throughout Malaysia as of July 2008.

C.M. Hall (1994), Hall and Page (2000) confirmed several regional partnerships in Asia – in the Mekong Region and in the South Asian Association for Regional Cooperation Countries (SAARC) having taken place. Evidence of academic research on tourism collaboration in Asia was found in the literature entitled 'Asian Tourism Growth and Change: Advances in Tourism Research Series', by Janet Cochrane (2008). This literature mentions a student exchange programme whereby Japanese students were placed at homestays in Selangor to experience the rural culture and lifestyle and the operators had to assume the role of foster family. This resulted from the collaboration between the Ministry of Education, Malaysia and its counterpart in Japan.

The homestay programme in Malaysia has been established for more than 15 years. However, many of these homestay establishments find it difficult to sustain. Only a few successful homestay programmes in Selangor such as Kampung Banghuris, Kampung Sungai Sireh and Kampung Hajj Dorani are well managed; however many homestays have lost their ability to sustain. Prospective new entrants are being encouraged to join the bandwagon (Hamzah & Ismail, 2003). The funding for many of these homestay projects has been sought through public and private sources. Several key stakeholders have been involved in these projects but the success rate of these projects has not been monitored and reported. The actual benefit and impact of the homestay programme to the local community are not easily ascertained (Ismail, 2010).

Croes (2006) pointed out that one of the factors that has contributed to the loss in sustainability is the homogenous nature of the Malaysian homestay programmes. According to Croes the lack of scale economies is another factor that contributes to the loss of sustainability. According to Cooper, Fletcher, Fyall,

Gilbert, & Wanhill (2005) small and medium enterprises are usually at a disadvantage owing to their lack of scale economies in both supply and demand. Some efforts have been made in the past to build collaborative networks to derive scale economies through strategic alliances. However, this collaboration was not pursued as a strategy for sustainability and seems to have lost its vigour prematurely.

A more comprehensive research on homestay programmes is needed considering its impact on rural community development. There has been some research done in the past relating to homestay programmes and other factors that illustrate rural community development in these villages but these are limited to selected states in Malaysia. Most of the research done was to measure the satisfaction level of tourists with the services provided by the homestay operators (Ismail, 2010; Amran et al., 2006; Fazliana, 2004; Julaili, 2001), local community participation in the implementation of the homestay programme (Ismail, 2010; Kalsom & Nor Ashikin, 2005) and the current status of the homestay programme implementation in Malaysia (Ismail, 2010; Yahaya, 2004) but thus far, no research has been conducted with the aim of developing a model for community advancement through homestay tourism. Furthermore, research on community-based tourism is limited globally and also its benefits to the local community are not easily ascertained (Ismail, 2010; Goodwin & Santili, 2009; Knight & Schmidt-Renehart, 2002; Richardson, 2002).

IV. THEORETICAL PERSPECTIVES

Among the main theories underpinning tourism development based on community, the ones that are applied by many community-based tourism researchers are Murphy's Ecological Model, Community Attachment Theory and the Social Exchange Theory.

a) *Murphy's Ecological Model*

Beeton (2006) has listed several theories related to community-based tourism planning and development. Beeton has emphasized Murphy's Ecological Model, which was introduced in 1983 and this model is often used to explain the relationship between tourism and local community. Murphy has always stressed more on the local community in comparison to the visiting community by taking a geographical approach when discussing community. In the case of small-scale planning for tourism, more community members should be encouraged to participate in the decision-making process. Murphy's model seems to stress the importance of local community participation in tourism planning Greater community involvement in all stages of implementation leads to greater community empowerment.

b) *Community Attachment Theory*

Tourism activity certainly has an impact on the community. In relating attitude or perception of the community members to the impact of tourism, researchers on community-based tourism commonly use two theories which are Community Attachment Theory and the Social Exchange Theory (Andereck et al. 2005). Community Attachment Theory is used to explain the perception that the community has on the influence or contribution of tourism to the well-being of the local community. Andereck et al. proposed three main categories of impact of tourism on the community which are economic impact, socio-cultural impact and environmental impact. Buttel et al. (1979) defined community attachment as giving rise to the feeling of or show of solidarity for or degree of involvement within the community's social network. Mc Cool and Martin (1994) defined community attachment as a form of involvement or social integration in a community lifestyle which gives rise to the feeling of attachment and acting for the community. The level of attachment placed by a community is measured from the aspect of the duration an individual has spent, or grew up in that particular place (Harrill, 2004; McGehee & Andereck, 2004; Jurowski et al., 1998; Um & Crompton, 1987).

c) *The Social Exchange Theory*

Tourism researchers often refer to this theory when doing research on community perception of the impact of tourism on that community. Early authorities on this theory such as Homans (1958), Emerson (1962, 1976) and Blau (1964, 1994) opined that social exchange takes place voluntarily among certain actors within the community for collective benefits through the exchange. In tourism studies, this theory is used as a theoretical framework to understand community perception of tourism (Andereck et al., 2005; Sirakaya et al., 2001; Jurowski et al., 1998). This theory has been also used in other fields of study such as sociology, economy, and social psychology to analyze aspects of social communication and the changes that take place within society (Wang & Pfister, 2008). The perception of a community member on tourism development and his involvement is influenced by the belief that tourism would lead to certain consequences (Kalsom et al., 2008).

V. HOMESTAYS IN SELANGOR

The main objective of this research is to measure community development in selected villages in Selangor, Malaysia that were involved in the homestay programme. Listed below are the more specific objectives of this research :

- To develop indicators for the success rate of homestay programme as well as develop indicators for the attainment of community development in these homestay villages;

- To understand the level of community development attained in these homestay villages;

Homestay is a new tourism product in Malaysia, playing an important role in rural development. The Malaysian government encourages the growth of homestays as a means of expanding the tourism industry in the country.

There are around 15 homestays in Selangor state, with the concept of a holiday village with a host family. According to the Ministry of Culture (1995), homestays offer an insight into local culture and everyday life of a local ethnic group. For the tourists, homestays are the fastest way to get to know Malaysia's culture. The number of tourists has steadily grown over the last years. These days, many of the villages are finding it difficult to accommodate the arrival of the tourists.

The three homestays that were visited in Selangor state were:

- 1) Dorani Home stay
- 2) Banghuris Homestay
- 3) Agro tourism Homestay Sungai Sireh

a) *Dorani Home stay*

This homestay is situated about one hour's drive away from Kuala Lumpur city. Fishing is one of the main activities in this homestay. The participants can acquire new skills in fishing by the paddy fields. This homestay programme provides an opportunity to stay with the local farmers and provides the experience of paddy planting and batik painting. Dancing Horse shows are one of the attractions in this homestay. The participants also enjoy the trips to the mango orchards, banana chips and cocoa factories.

b) *Banghuris Home stay*

This homestay is located 97 km from Kuala Lumpur city. There are around 80 home stay houses and 100 rooms. Banghuris is a name representing three villages - Kampung Bukit Bangkong, Kampung Hulu Chuchuh and Kampung Hulu Teris. Banghuris too offers agro tourism activities, such as offering educational tours to the coffee, rubber and orchard plantations. Visits to factories are also lined up, such as visits to the crackers processing factory, and frozen food, noodle and tofu making factories that are part of the itinerary for the participants. Traditional games are played by the local folks such as congkak (an indoor game), long jump and batu seremban. This allows the participants to experience the hospitality of the Banghuris folks as the participants are invited to play the games with the locals.

c) *Agro tourism Homestay Sungai Sireh*

Agro tourism relates to agriculture and the homestays at Sungai Sireh offer stays with a farmer as host family. Daily activities with the family like working on a farm are part of the home stay. The participants might

find themselves actually planting fruit trees or learning how and when to pick the selected local fruits. There are also live shows of the local traditional musical instruments like the kompang (local drums), cempuling and also martial arts performances. The aim of this agro tourism is to promote sustainable agricultural practices in Malaysia.

VI. ANALYSIS AND FINDINGS

a) Factor Analysis

To develop the scale for the community's perception on the economic benefits of tourism, factor analysis was used. Questions were rearranged according to the appropriate domains. Exploratory factor analysis was used to explore the interrelationships among the variables (Pallant, 2007).

b) Rotated Component Matrix

| | Component | | | |
|-------------------|-----------|------|------|------|
| | 1 | 2 | 3 | 4 |
| JobOpp1 | .610 | .528 | | |
| savmoney1 | | .728 | | |
| Empsecur1 | | .883 | | |
| purchsinpw1 | | .449 | .613 | |
| migrate1 | | | | .885 |
| BusOpp2 | .616 | | | |
| profit2 | .618 | | .469 | |
| busSecur2 | | .714 | | |
| motivateYoung2 | | | | .912 |
| villageDevp3 | .796 | | | |
| LivStd3 | .830 | | | |
| envCons3 | .822 | | | |
| Image3 | .843 | | | |
| PubFacility4 | .739 | | | |
| SainitationHyg4 | .571 | | .657 | |
| FamilyUnityPovty4 | | | .769 | |

Extraction Method : Principal Component Analysis.

The table above demonstrates that 16 variables are distributed accordingly in 4 domains. In some cases, the items can be loaded in more than one

component. In this situation and the highest loading will be selected and loading with the values lesser than 0.4 will not be selected. After the reduction, 16 variables selected to be the items in the 4 domains. All 4 domains were renamed according to the suitability of the items loaded:

Component 1 : Job Opportunity at the Rural Homestay Destination (8 items)

- 1) I agree that tourism activities can provide job opportunities in this village.
- 2) I believe that tourism activities in this village can provide business opportunities for the local residents.
- 3) I agree that the local residents can make profit by selling locally-made products.
- 4) I agree that revenue generated from tourism-related activities can contribute to the development of this village.
- 5) I agree that tourism development will enhance the living standards of the local residents in this village.
- 6) I agree that tourism development will promote environmental conservation which will increase the attractiveness of this village.
- 7) I agree that tourism development will enhance the image of this village which in turn will attract more visitors resulting in more income for this destination.
- 8) I agree that tourism development will result in better public facilities for the local residents.

Component 2 : Tourism as a core business (3 items)

- 1) I agree that you would be able to save money from the income gained from tourism-related employment.
- 2) I agree that tourism-related jobs in this village can give you a sense of security.
- 3) I agree that business opportunities generated by tourism activities in this village can give you a sense of security if it is your main source of income.

Component 3 : Quality of Life of the local Residents (3 items)

- 1) I agree that tourism-related employment in this village will enhance your purchasing-power resulting in better quality of life.
- 2) I agree that tourism development will lead to improved sanitation and hygiene standards for the local residents.
- 3) I agree that the improved quality of life from tourism development would promote greater family unity and alleviate poverty among the residents in this village.

Component 4 : Younger generation development (2 items)

- 1) I agree that employment generated by the tourism industry in this village will prevent the younger

generation from migrating to the towns and cities.

- 2) I agree that tourism-related business opportunities will motivate the younger generation to continue staying in the village.

VII. CONCLUSION

Under the Tenth Malaysia Plan, poverty eradication is the priority for the Government as it is one of six National Key Result Areas. Programmes to increase the incomes of rural households will focus on enhancing their entrepreneurial skills. Entrepreneurship programs will help the rural folks to set up small or medium business and teach them how to access business opportunities by linking them to local producers and suppliers so that their products and services are supplied to these entrepreneurs. Examples of local services that can be outsourced are catering, cultural shows and demonstrations, landscaping, rental of canopy, tables and chairs and local transportation. Examples of some local products that can be produced by these small or medium businesses are handicrafts, batik, woodcarvings and pottery. Entrepreneurship programs could be carried out by RGCs with the support of the state government or central government. This program will help educate rural entrepreneurs, build networks for them and instill a sense of communal attachment and pride for the members of the community besides elevating them from the poverty line.

However, in this study it was also found that homestay programs can contribute to some negative impacts. Unhealthy cultures could be introduced to the rural communities which could lead to a loss of identity for the locals and lead to cultural degradation. It is often difficult though not impossible for the local village communities to meet the high tourist expectations of service quality such as clean and comfortable accommodation, tour guides who are conversant in foreign languages, food that is more palatable for Westerners and a pollution free environment. Finally, the rural youngsters when exposed to outsiders could be influenced to migrate to the urban areas in search of better job opportunities as jobs in the villages are centered on agro tourism.

VIII. ACKNOWLEDGEMENT

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