GOVERNMENT SUPPORTS AND SUSTAINABILITY OF TOURISM ENTREPRENEURS IN MALAYSIA

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Abstract

This paper examines the relationship between government supports towards sustainability of tourism entrepreneurs in Malaysia. The independent variable are government supports and the dependent variable is sustainability. Tourism entrepreneurs have to be competitive for business survival and government supports programmes are an effective strategies for developing competitive advantage. Accommodation is one of the important aspects in the tourism development which is the competitive tourist sector. The results of this study will be useful for the academic, government as well as tourism entrepreneurs. The result will provide useful information that will help the government and agencies related to the tourism entrepreneurs in designing the most effective programme for the entrepreneurs. It will also serve as reference pertaining to studies involving tourism entrepreneurs.

Keyword(s): Government supports, sustainability, tourism, entrepreneurs.
1.0 INTRODUCTION

In 2010, the tourism sector attracted 25 million foreign tourists with a revenue of RM56 billion (Najib, 2011). Malaysia’s tourism market is forecast to show a steady growth of 5-7% per year after the year 2011 and expects a total of 32.6 million tourist arrivals in 2015 (“Business Monitor International (BMI)”, 2011). It benefits from strong government support and stable politics. Malaysia offers a variety of tour options such as travel to meetings, conferences and exhibitions, beach vacation and more. Among the priorities under the 10th Malaysia Plan (10MP) which was tabled in Parliament in June 2010 was to expand the size of the tourism industry in the next five years. During 10th Malaysia Plan (2010-2015), the government had allocated RM230 billion for development expenditure, including the tourism industry. Government of Malaysia shows the determination and commitment to develop this industry by formulating various funds and assistance such as tourism infrastructure fund, special fund travel and incentives for investment in the tourism industry (Economic Planning Unit (EPU), 2010). In 2010, tourists spent MYR56.5 billion in Malaysia, an increase of 5.8% over the previous year. Tourism spending contributed 9.1% to GDP. It is also a major source of employment for more than half a million people are directly employed by the tourism industry (BMI, 2011). Malaysian government take serious efforts to develop the country’s tourism industry over the next five years via 10MP (2011-2015). This plan aims to increase the contribution of the tourism sector as annual revenue to MYR115 billion and create about 2 million jobs by 2015. In order to achieve the target by 2015, the Malaysian government will also focus on the potential to attract tourists especially from Russia, India, China and the Middle East (EPU, 2010). Other initiatives introduced by the Ministry of Tourism as a comprehensive strategy to increase average spending of tourists from MYR2, 256 in 2009 to MYR4, 675 in 2020 was encouraged them to stay longer on each visit to Malaysia (New Straits Times (NST), 2010 ). According to Ng Yen Yen (2011), the Ministry of Tourism aims to attract 36 million tourists and collect RM168 billion in revenue by 2020.

2.0 LITERATURE REVIEW

2.1 Government Support Program

The various forms of the government support programme can be defined as financial and training, government funding policy, provision of basic infrastructure and protection against competition from big business (Yusuf, 1995); education and training programmes (Robertson et al., 2003); and the provision of soft loans (Mahajar & Mohd Yunus, 2006).

2.2 Sustainability

Sustainability or the concern for long term viability covers three main dimensions such as economic, social and environment. Firstly, economic viability can be defined as business activities must be economically profitable. Secondly, social viability to individual or private gain is the activities must promote community and social well-being. Lastly, environment viability is the activities must be ecologically friendly. There was general agreement among managers and directors whom the implementation of sustainability would be a significant step towards improved competitiveness of the company in the future (M.Oudshoorn, 2005).

2.2.1 Sustainability Economy

According to Johan Afendi and Mohamad Zaki (2008) tourism gives positive impacts such as generate more income to the local communities. They give opportunities in employment and the supply of services. But tourist also gives a negative impacts to economy such as economic leakage, control destination by foreign investors, rising prices of
goods and unhealthy competition between operators.

2.2.2 Sustainability Social

In broad terms the social consequences of tourism may be broken into two aspects namely, moral and cultural. Moral aspects refer to those areas related to values, ethics and religion, while cultural aspects encompass more of the artistic and craft aspects which anthropologists call manifest material culture.

2.2.3 Sustainability Environment

Environment is a very important element of sustainability. Sustainability is much more than a function of the natural environment alone (Global Environment Facility, 1998). It is critical for future tourism development plans to be compatible with the environment for the industry to maintain its market competitiveness (WTO, 1994).

2.3 Tourism Entrepreneurs

Tourism entrepreneurs which are selected in this study are homestay entrepreneurs.

2.3.1 Homestay entrepreneurs

Homestay programme is one of the tourism product that being promoted by the government. Homestay service was a holiday concept that started in Europe in the late 70s. Homestay is where the tourist get to stay with a selected family from different background and culture as their foster family for duration of time. In addition, the tourist will be experienced the way of homestay entrepreneurs daily life. It give a choice to the tourist instead of staying in the hotel, they can choose to stay with the homestay entrepreneurs during their holiday. Conceptually homestay services is one of the new agro-tourism products in Malaysia which a combination of tourism and recreation activities. This new agro-tourism product is realized as one of potential tool for development of rural areas besides its contribution to sustainable environment. Adopted as one of the tourism niche in the Seventh Malaysia Plan, this activity enables the overseas tourist to experience the daily life of the ordinary people of the country. In Malaysia homestay service is operated by entrepreneurs which is also small time farmers and villagers, monitored and assisted by the Federal Government of Malaysia, under the Ministry of Tourism Malaysia and normally operated under minimal fund.

The Government continued to endorse and expand the homestay activities by emphasizing it in the Ninth Malaysian Plan by stressing out the eco-tourism, agrotourism and homestay activities. Agrotourism and homestay activities offer an opportunity for the local people to involve in Malaysian tourism activities directly and in addition to that as a source of income. During the Seventh Plan period, a total of 19 agro-tourism locations were developed with the participation from farmers and fishermen. The products included day visits, farm stays and agro-tourism packages. More value added activities will be expanded under the agro-tourism and homestay activities such as farm stays and visits to agricultural parks and research stations.
3.0 Research Framework

In this study, independent variables are government support programmes and the dependent variable is sustainability.

Independent Variable: Government Support Programme
- Financial
- Non-Financial
- Infrastructure

Dependent Variable: Sustainability
- Economy
- Social
- Environment

Figure 1: Research Framework

4.0 GOVERNMENT SUPPORT PROGRAMMES AND ENTREPRENEUR SUSTAINABILITY IN OTHER COUNTRY

4.1 Government Support Programme In Thailand

Under the Seventh (1992-1996) and Eighth (1997-2001) Development Plans of Thailand, tourism is seen as an essential component to reach an important objective; that is; “to develop the free, stable and balanced growth of the national economy, to promote opportunities, to develop human potential in the development process, and to reap fair returns from such development” (TAT 1997). In accordance with these development plans, the Tourism Authority of Thailand (TAT) formulated new policies which stress conservation of tourism resources, human resource management, and an equilibrium between tourism and the natural and social landscape (TAT 1996).

4.2 Sustainability Economy In Thailand

Although tourism has brought Thailand benefits such as foreign exchange, employment, higher government revenues and the transformation of agriculture into a modern service industry, it has been a two-edged sword which has damaged many indigenous societies. The economic benefits have brought prosperity mainly to urban communities and entrepreneurs. The rate of economic return to rural communities has been low (Nuchnard, 1998).
4.3 Sustainability Environment In Thailand

Some tourism activities such as trekking and camping have caused environmental pollution from unhygienic disposal of human waste, discharge of sewerage effluent into water sources, and littering. Without strict regulations on appropriate land use, high-rise buildings such as tourist hotels, and the overwhelming number of tourists, have resulted in congestion and spoiled much of the local scenery (Nuchnard, 1998).

4.4 Sustainability Socia In Thailand

Poorly planned tourism can mean that villages are invaded by foreign visitors with different values, disrupting rural culture. A decline in participation in rural traditional and cultural practices follows. Traditional houses are replaced by modern buildings, as the local culture is eroded. The agriculture which was the basis of traditional life is replaced by and becomes secondary to tourism (Nuchnard, 1998).

5.0 DISCUSSIONS

5.1 Managerial Implications

Homestay industry in Malaysia is still new and it is realized can be a potential development in the rural area. The Tourism Board in each respective state has to play their role in order to sustain the homestay entrepreneurs and the programme.

Tourism centre also can evaluate strategy to promote homestay for local people. If they can evaluate any programme to promote homestay for local people as a place for holiday, it will expose local people to this domestic programme in Malaysia.

5.2 Tourism Implication

Tourism has become an important activity, with other economic sectors such as business and industry where the emphasis is given to tourism product of culturally based, arts and rural tourism. However, tourism as a significant form of human activity, can have major impacts. These impacts are very visible in the destination region, where tourists can interact with the local environment, economy, culture and society (Peter Mason, 2008). Tourism impacts can be positive or beneficial to the host country but also can be negative or harmful.

6.0 CONCLUSIONS

The results of this study will be useful for the academics, government as well as tourism entrepreneurs. The result provides useful information that will help the government and agencies related to tourism entrepreneurs in designing the most effective program for the entrepreneurs. In addition to that, this study will serve as an input for a formation of the tourism entrepreneurs sustainability model based on Malaysian perspectives. It will also serve as reference pertaining to studies involving tourism entrepreneurs.

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