

TOURISM POLICY DEVELOPMENT: A MALAYSIAN EXPERIENCE

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ABSTRACT

This paper has the objective of tracing the historical development of tourism policies in Malaysia, an underpinning factor towards understanding the full potential of tourism as an industry in the country. It begins with the justification of using tourism as the agent of change, in the drive towards multiplying the economic base of the country. It ends with the highlighting of contemporary practice of tourism, with a notion to further strengthen established industry foothold. Secondary data, together with complementary data from in-depth interviews with policy makers formed the basis of the arguments. Findings suggest that tourism is viewed as a very important industry as emphasized by respective policies. Findings suggest too that although there are bounds of success, with regard to tourism development in Malaysia, the political-administration system, which is based on the federal constitution also, has some drawbacks. For one, a bottom-up planning in-put would be ideal. In parallel, planning and developing of tourism has to be dynamic due to the ever changing surroundings.

Keywords: Development; Policy; Tourism; New Economic Policy; Promotion

INTRODUCTION

Many developing countries recognise tourism as the engine of growth in their effort to economically develop their countries. However, the lack of established, strong and credible private sector hinders tourism development right at the outset. Naturally, the government is obliged to intervene, whether directly or indirectly, in order to spur this development process. The case in Malaysia is of no exception. With rapidly developing economies, that includes petroleum and gas, palm oil, rubber, sawn log and timber production, tourism was emphasised to further diversify its economic base. This necessitates strong government policies to propel the tourism sector. This, results in the formulation of policies targeted in creating conducive environment enabling the tourism sector to grow. Although there are evidence that the formulation of such policies have reached

their objectives such as increased in inbound tourist arrivals and expenditures, there is still room for improvement. This leads to arising question to whether these policies can further be enhanced, and fully implemented. After all, according to Zhang et al (2002), the implementation of these policies is seen to be more important than the formulation of the policies itself. This paper has the objective of determining the scope and extent of tourism-related policies, which are being implemented. Although a few policy documents such as the New Economic Policy (NEP) give a sense of orientation, the paper presents a relatively broad scope on policy discussion. It elucidates such implementation process in a Malaysian setting where policy makers at different level of administration were interviewed to solicit data. However, only policy makers who have direct stake in the tourism industry were involved. This is in line with identifying actors in a systematic way, and as such infers a mutual relevance character (Melbeck, 1998). As was the case, policy makers from the central government agencies; the Ministry of Tourism of Malaysia (MOTOUR) and the Malaysia Tourism Promotion Board (MTPB), and public agencies from the state level; Tourism Information Centre and State Tourism Council, were interviewed. This paper, hence, is concerned with players from only the political-administrative system. The intention here is this paper is to serve as a proceeding to a later research, which will be more focused on the players from the private sector.

Tourism Development: A Metamorphosis

The source of the modern form of development can be traced in the mid 20th century when President Harry Truman described the term 'underdeveloped areas' as the world's lesser economically developed regions (Potter et al, 2004). With regard to the broad context of development theory, there are four dominant paradigms; Modernisation, dependency, neo-liberalism and alternative development. Although development has plural meanings (Kothari and Minogue, 2002), the word carries a relative concept where a society progresses from one condition to another with some scholars denoting the sense to achieve a desired future, marking the society's achievement (Sharpley, 2002). A set of plans is formulated enabling the society to achieve this. Since the late 1980s, however, the concept of development has incorporated elements of sustainability (Hall, 2000). This includes a concern for future use of natural resources in the face of current level of usage, which amounting towards depleting these resources and a bottom-top social process approach, which in this case involves the participation of local communities (WCED, 1987).

Planning is a basic necessity that cannot be ignored in any planned development process. Without planning, progress in development cannot be achieved. In term of scope, planning involves a decision process, with targeted goals (Dror, 1973). However, it is more complex than it sounds, with Hall (2000, p. 7) arguing that "it deals with a set of interdependent and systematically related decisions rather than individual decisions". As such it involves an interactive

process. The process is further made complicated when the multitude of activities attributed in a particular process is and cannot be easily treated in isolation.

While there are several strands of types of planning of which there is no universally accepted number, the key feature of planning is characterised by its focus for a future direction. However, an attempt for a future direction of development is less than perfect if we were to depend on planning alone. Aligning with this view, Hall (2000) argues that planning is considered as only a part of the planning-decision-action process. He adds that “planning is a kind of decision-making and policy-making...” (p. 7). While planning is subjected to a set of goals, policy involves a scope that covers the process of implementing these goals. The government employs policy to achieve goals set-up initially to develop the tourism sector. This policy, which is widely known as public policy can only be regarded as such if it is ratified at the very least by any government agencies (Hall and Jenkins, 1995). This covers multitude levels of governance such as the federal government, local authorities and state government. This policy is also defined as those cover government decisions, non-decisions, action and in-action. This implies a process of decision-making (Hall, 2000). Nonetheless, this process is coloured by local conditions that include economic, social, cultural and political elements (IUOTA: 1974).

As with regard to the tourism sector in developing countries, the lack of credible and strong private sector necessitates the government to play an active role to spur the development of the sector. The government in this sense resembles formal institutions, which exercise their power and roles over their subjects in a specific geographical territory (Hall, 1998). These policies are incepted and given a pervasively strong injection in developing countries.

Such a role entails a strategic importance because comparing with the private sector whose incline for economic profitability, the government objective is to spur the economy by installing catalyst of development (Jenkins and Henry: 1982). Akama (1997) argues that the direct and strong intervention by the government in many developing countries has resulted in tourism being a major economic sector. In addition, Bennett (1994) postulates that the government facilitates and nurture an environment that is conducive where the private sector can participate competently.

Formulation and implementation of tourism policies in Malaysia

The NEP: An axis of development

Malaysia's overall development, beginning in 1971 until 1990 was influenced directly by the NEP. The NEP was subsequently replaced by the New Development Policy (NDP), from 1991 until 2000, with many of the objectives in the NEP retained in the latter. The NEP was conceived to address regional economic inequalities and the deep-rooted problem of poverty faced by Peninsular Malaysia's principal ethnic group, the Malay, who mainly lived in rural areas (INTAN, 1995). According to Yasin (1996), out of a total of 49.3% of all families who lived under

the poverty line in Malaysia (excluding the two Malaysian states of Sabah and Sarawak, because figures could not be ascertained due to factors such as some ethnic groups still resorting to nomadic way of life), 86% of them lived in the rural areas. The remaining smaller percentage lived in urban areas. The widening economic gap between the economically wealthy and urban-based Chinese and under privilege Malay, resulted in antagonism between the two ethnic groups, peaking in a racial riot in 1969, resulting Malaysia declaring a state of emergency. The principle policies of NEP are:

- i. Intensive development of rural areas.
- ii. Citizen involvement in development planning and implementation, and their receiving of the benefits of this development.
- iii. Equal opportunities for education, health and housing facilities.
- iv. Increased job opportunities in the private and public sectors.
- v. The existence of Regional and Commodities-based government agencies.
- vi. Intensive and integrated regional development.
- vii. Emphasis on economic growth through manufacturing and industrial sectors.

Like other sectors of the economy, the development of tourism is also influenced and shaped by the NEP. Considering that Malaysia adopts a federal form of constitution, the country's thirteen states and a federal territory are administratively bounded by this virtue. Within the scope of level of governance, policies generated by the central government are assumingly to follow a linear path with regard to their implementation at the state level. However, it is relatively difficult to determine the flow of this process, particularly due to each state having its own legislative matter to attend to. Moreover, some states were not in favour of some of the tourism promotion acts sanctioned by the central government, arguing that they were against local norms. Some elements of the traditional play of 'Mak Yong', for instance, depicted acts which were considered un-Islamic.

The Institutionalisation of tourism

Although the setting-up of the Department of Tourism under the Ministry of Trade of Malaysia in 1959 marks the beginning of tourism as a new force in the economic sector (Tan, 1991), tourism is still seen as a relatively late comer. The government was slow to act to the tourism industry. While many developing countries, which lacked natural resources, embarked on tourism as a major tool in advancing their economic development, Malaysia, which is blessed with abundant of various resources such as tin, rubber, palm oil, timber and petroleum, only see tourism as a tool to diversify its economic base (MOCAT, 1996). The falling of

commodity prices experienced by Malaysia in particular, injected a new lease of life into tourism so as the country could sustain its economic growth.

The inclusion of the principle objectives of tourism, which includes a tourism master plan of Malaysia, into the country's 2nd Malaysia Plan 1971-75, marks the beginning of tourism as a recognisable force in the economic sectors although initially its effect is less significant as compared to manufacturing, or agriculture-based sectors. In 1972, a dedicated agency, the Tourist Development Corporation (TDC), was conceived by Parliament. It took over the task of promoting tourism from its predecessor, the Department of Tourism. This resulted in new phase of development with regard to the intervention of the government in the tourism industry. Malaysia's hosting of the Pacific Area Travel Association (PATA) 21st conference, also in 1972, propel the country into the international stage. As such, these events resulted in gradual increased in international tourists into Malaysia. The increase in number of inbound tourists is also due to increase in accessibility provided by the transformation of regional airports into international status during the 1970s (Din, 1982). Hosting the PATA 35th conference in 1986, further boosted Malaysia's credibility in attracting tourist in subsequent years where greater interest was generated through the highlighting of facilities and services to delegates (Tan, 1991).

Malaysia organised a major tourism event in 1990; the Visit Malaysia Year 1990. More than 7 million international tourist arrivals were recorded in the year, with a growth of 53.6% from the previous year. This implies the success of this event, which had targeted to increase arrivals by at least 10% (Tan, 1991). In 1992, the Ministry of Culture, Arts and Tourism (MOCAT) was launched to plan, coordinate and monitor tourism activities. The subsequent inception of the Malaysia Tourism Promotion Board (MTPB), also in 1992, at the demise of TDC represents a strong move to establish tourism as a major force in among the economic sectors. More funds were available to effectively market Malaysia as a world destination. At this juncture, MTPB was put in charge of promoting Malaysia as well as using tourism as a medium to advance Malaysia's socio-economic wellbeing. On the other hand, MOCAT was entrusted to with policy formulation and implementation.

With 29 offices worldwide, MTPB has the advantage of promoting Malaysia on the international scene, but most importantly selling the country by the international tourists' doorstep. Initially, domestic destinations were earmarked and matched with selected international markets. In this sense there were 8 destinations, with 4 additional sites added in subsequent years. Destinations such as Langkawi, Sabah and Sarawak are highly promoted to the European market due to the appeal of nature and sand and beaches. For example, the Langkawi Development Authority, targets upmarket tourists from Western Europe, who largely can afford to stay in luxury four or five-star hotels on Langkawi Island. From a different perspective, the focus on Langkawi which was once considered a backwater area, illustrates one of the principles of the NEP in working, which is to rectify regional economic imbalance. TDC obliged to the principle of NEP

where tourism destination zones considered being in peripheral or economically less advanced areas Malaysia was given preferential treatment (Langkawi is within the tourism zone of Langkawi – Penang corridor). On the other hand, such notion can be debated when, Kelantan only received minimal amount of budget to spruce-up its tourism-related infrastructure. Pasar Siti Khadijah, in Kota Bharu for example, was allocated RM18 million by the central government, through MOCAT, while according to Teh and Ong (1998), the government has injected more than RM500 million worth of infrastructure in Langkawi. This gives the impression that Kelantan, a state which is considered peripheral, does not received its fair share of central government allocation.

Recent policy focus

In due course of recent event, the central government embarks on promoting domestic tourism among Malaysians. As such the government recognises the potential for domestic tourism to enhance the tourism scene, which was initially and primarily move by inbound tourists. Promotional events to support new tourism theme such as the Cuti-cuti Malaysia were conducted to bolster Malaysia's image among domestic tourists who by tradition saw overseas travelling as status symbol. Events to support this theme were conducted in shopping malls where for example, traditional games and past time were organised alongside promotional booths set-up by hoteliers, travel agencies, tour operators, MTPB and related government agencies so as to encourage Malaysians to buy domestic travel packages. A policy implemented by the central government, which had a direct bearing on the domestic tourism scene was the proclamation of a 5 day-a week working condition for public servants. Initially, the first Saturday of the month was considered as a rest day effective from 1st January 1999. This was followed by the proclamation of the third Saturday of the month as a rest day effective 1st February 2000.

“In fact the government has declared the first and third Saturdays of the month as non-working days [pause] so as to partly spur domestic tourism... Now we have long weekends due to these Saturdays being declared rest days... all hotels are seeing growth in occupancy rates during weekends. I spoke to a small budget chalet operator recently. He said that business was good during the school holidays and weekends because occupancy rates were high. So I guess the government's move to declare the Saturdays as rest days was a good step towards promoting domestic tourism” (An official of MTPB).

Consequently, the number of domestic tourists staying in local hotels increased by 46% from March 1998 to the same month in 2000 (GOM, 2001).

The positioning of Malaysia on the tourist map was emphasised through the special focus given to four components of the tourism industry namely ecotourism,

shopping, MICE (Meeting, Incentive, Convention and Exhibition) and sports and Leisure. In parallel with the global phenomenon that ecotourism is the fastest growing component of tourism, the central government through MOCAT mandated the World Wide Fund for Nature to commission an ecotourism plan to explore the respective resources that Malaysia has. The plan adopted a sustainable approach for development. It uses Ceballos-Lascurain's (1987) concept, where travel involves enjoying and appreciating nature and its accompanying features, with low visitor impact while providing benefits to local population. The second form of tourism given a priority is shopping. MTPB coordinated sales events participated by major retailers so much so that it resulted in encouraging figures. At 26.6%, shopping was recorded as the second largest tourist expenditures, behind accommodation in Malaysia in 2007 (MTPB, 2008). The third component of tourism to be given emphasis by MOCAT and MTPB was MICE. Even during the period when Malaysia recorded a decline in inbound tourists, for example, during the Asian financial crisis, from 1996 to 1998, the MICE market was not badly affected because sponsors had committed to sponsor events far in advanced due to the nature of the tourism form of event. The last form of tourism component given focus by the government was sport and leisure. This was illustrated by the completion of world class facilities such as the Sepang Formula 1 Racing Circuit and the organising of such motoring event. On the other hand, the Kuala Lumpur 1998 Commonwealth Games resulted in a growth of 4.4% of international tourists in September 1998 compared with the same month of the previous year.

On-the-road promotion tours of these events are coordinated and conducted throughout the year by MTPB. The central government agency also encourages the private sector such as hoteliers and tour operators to participate in this activity so as to be more effective. Promoting Malaysian destinations and tourism products is also done at a lower level of the government administration, where state governments do their own promotion or together with MTPB. These are done through tourism units or related departments within each own state government. Respective state governments, for example, organised and promoted Visit Kelantan Year 1998 and Visit Penang Year 1999.

“What we do in relation to promotion is organising cultural shows, carrying out direct promotion to sell this state [tourism products] to domestic tourists. We will do road shows in Melaka at the end of the year for instance. We will set-up stall there. Then we will set-up stall in KL [Kuala Lumpur]” (The Head of a state Tourist Information Centre).

However, global events in the late 1990s and early 2000s such as the September 11 2001 attacks on the New York twin towers and the Severe Acute Respiratory Syndrome attack in early 2003, saw the tourism industry in Malaysia suffered a decline where tourist receipts for 2003 showed a decrease of Ringgit Malaysia RM5.4 billion to RM20.3 billion from the previous year (Khairil, 2006). Responding to these threats, the central government launched events to again

re-position Malaysia within the tourism circle. Among others, MTPB focussed promotional acts on new regional markets such as the Middle East, which were not affected by the SARS crisis in Asia. Alongside, MTPB came up with a new tourism theme; Malaysia Truly Asia in 1999. A special promotional fund amounting to RM150 million was set aside by the government to launch this event (GOM, 2001). Consequently, growth in international tourist arrivals was rekindled when a 43.6% of growth was recorded from arrivals in the previous year.

CONCLUSION

Tourism is considered as relatively new in Malaysia. It has evolved from being unrecognised to become a major player in the economic wellbeing of Malaysia. In parallel, the Malaysian government plays a multitude of roles in the development of the tourism industry in the country, with the scope of these roles covers different level of governance, from national to regional level. The NEP, on the other hand, provides a sense of direction for tourism. Tourism evolvement is also influenced by the political-administrative system of the country, which is overarched by the federal constitution. The implementation of tourism policies has not relatively optimised the potential of the industry. The ways tourism is promoted by the federal government does not augur well with some state governments. Moreover, there are evidence that tourism still resulted in benefits accruing to the more economically advanced regions of the country. Considering the NEP was there to correct regional economic imbalance, the implementation of aligned tourism policies may still be short of the desired results. Meanwhile, the advocacy of ecotourism, shopping, MICE and other forms of tourism, indicate the manifestation of the government's notion of refocusing tourism direction, diversifying Malaysia's market segments and tourist generating markets. This gives ample evidence that tourism in the country has become sophisticated.

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