Eradicating Poverty via Tourism Development

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Dr Vikneswaran’s paper entitled ‘Transferring Know-How From Developing Country to Least Developed Countries (LDC) - Poverty Alleviation Strategy Via Tourism in Malaysia’s Mega-Development Corridor Projects’ was presented during the 2nd Asia Euro Tourism, Hospitality & Gastronomy Conference 2006. It was selected as the “Best Paper Award - Tourism” by the international journals comprising full tourism professors from University of Toulouse II, University Teknologi Malaysia (UTM), Indira Gandhi University, India and CERTOP.

Tourist numbers in Malaysia have multiplied tenfold in the last two decades - from a mere 2 million in the 1980s to over 20 million in 2007. In 2006, Kuala Lumpur was ranked as one of the Top 15 cities (out of 150 cities in the world) with highest number of tourist arrivals in 2006. Next to the manufacturing industry, tourism industry is the second largest contributor to the economy of Malaysia. These statistics prove the significance of tourism to the economies of poor countries or developing countries, such as Malaysia.

Tourism is said to be the principal export in a third of all developing countries and the primary source of foreign exchange earnings amongst the 49 Least Developed Countries (LDCs). We seldom associate tourism with poverty eradication, simply because we often perceive tourism to be centred around developments and cities. However, the reality is that a large attraction for tourists is the often untouched, less-developed regions in the world. This is where many developing countries, including Malaysia, have a significant advantage over developed countries when it comes to tourism.

So how can the development of tourism help to eradicate poverty?

Let’s look at our own country, Malaysia as an example. At the time of independence in 1957, Malaysia was a low-income, predominantly agricultural and rural-based economy. Almost half the country’s population was living below the national poverty line, with little change until 1970, when 49 per cent of households were poor. Fast forward three decades to the end of the century, and it is seen that Malaysia’s poverty rate has fallen below 10 per cent. Less than a decade later, in 2007, it is below 5 per cent.

This radical jump of the country’s economy and its growth from a LDC to a developing nation, is largely due to the Government’s conscious efforts in transforming and diversifying the economy from a mainly agro-based to an industrial-based economy. In the new millennium, the service industry (i.e. hospitality and tourism) has further strengthened the country’s economy to become the second largest earner of the country’s GDP, second to manufacturing. The New Economic Policy (NEP) launched in 1971, as well as other policies such as National Development Policy, National Vision Policy and Vision 2020, were all strategically launched with the main aim of eradicating poverty. Former Prime Minister Datuk Seri Dr. Mahathir Mohamad declared that it was the objective of Malaysia to become a developed nation in its own mould, through its Vision 2020.

In line with these, the nation’s Ninth Malaysia Plan (9MP) was unveiled in 2006, which envisaged the eradication of hardcore poverty by 2010, and overall poverty being brought down to 2.8 per cent by the same year. Concurrently, the current premier of Malaysia, Datuk Seri Abdullah Ahmad Badawi, announced a series of five mega-development projects that is expected to totally alleviate any form of poverty in the country. These mega-development projects encompass the North, East and Southern regions of Peninsular Malaysia, as well as Sabah and Sarawak. They are:

i) Southern Corridor Iskandar Development Region (IDR), launched on 4 November 2006

ii) Northern Corridor Economic Region (NCER), launched on 30 July 2007

iii) East Coast Economic Region (ECER), launched on 29 October 2007

iv) Sabah Development Corridor (SDC), launched on 29 January 2008

v) Sarawak Corridor of Renewable Energy (SCORE), launched on 11 February 2008

All five mega-development projects show the seriousness of the Government in propelling the nation towards becoming a fully developed country by 2020. Each of these projects leverage on the respective regions’ natural resources and seek to tap into the skills available in rural communities which, by and large, encompass the least affluent populations in the country. Little innovation and marketing has been done to modernize the traditional industries and bring them forward to the international arena. A simple example would be the batik industry, which is still very much a village industry. With the right marketing approach and contemporary touches, it would not be a far-fetched idea to envision the vibrant designs of the batik seen adorning the runway models of London, Paris and Milan. Similarly there are several such handicrafts and skills unique to Malaysia that could appeal to foreign tourists and markets.
As we struggle to preserve our culture and heritage amidst the onslaught of modernity and progress, a possible solution and much-needed alternative is seen in the form of community-based tourism, which is incorporated into the five mega-development projects. Moving beyond generating local employment alone, the focus of community-based tourism is to facilitate local participation and provision of training for communities interested in tourism. For example, the SDC project in Sabah aims to dispense the benefits of tourism to the local community, under the ‘One District One Product’ (ODOP) programme. Basic training will be provided to the local community on language skills, customer service, tour and activity-guiding and so on. As such the rural community not only contributes but also participates and becomes an essential part of the local tourism enterprise.

Partnerships between private sectors and the local community will best serve the purpose of such efforts. The companies will provide product development, technical expertise and links to the local and international markets, while products are manufactured by village craftsmen in production centres or cooperatives in rural villages. These handcraft villages will also serve as tourist attractions, where tourists can not only purchase but also learn and perhaps even be involved in the handicraft-making process. Companies involved should also be committed to involving local craftsmen in the production process and providing skills training to the villagers in remote areas, to ensure that these communities will benefit from having a steady and ample income stream. Similarly, resorts that depend on fresh produce could train local communities to farm them for supply to the local resorts. This includes fresh fruit farming, aquaculture, poultry and livestock farming.

By incorporating modern facilities and providing skills training, local communities can be equipped to serve the local tourism operators, thus generating their own income. In addition to preserving local culture and heritage, instilling pride and reducing impact on the environment, sustainable tourism or community-based tourism will also expand local employment opportunities. Avenues for training and skills development such as ICT, foreign languages and professional courses will be more readily available, whilst local access to better infrastructure and services will be provided. The land value in the local areas will also rise as a result of these developments.

It is evident that tourism is well-placed to eradicate poverty, because it allows us to tap into the available resources in rural communities, such as culture, heritage and human capital. The attractiveness of rural areas as tourist destinations is also significant, as the majority of the people in these areas live in extreme poverty. Traditional activities such as agriculture and handicrafts can also be supported through tourism, as is evident in these projects.

Being a labour-intensive industry, tourism can provide many jobs for men, women and young individuals with a relatively low entry barrier. A problem can be actually identifying the poor, but policies that encourage the employment of local people are more likely to open up opportunities for the poor. The advantage of addressing poverty through existing tourism enterprises is that it enables the poor to benefit from the entrepreneurial skills and market access of others, and can potentially reach quite large numbers of people.

With the solid support from the Government and partnerships with private enterprises, the skill and knowledge levels among these communities can be significantly raised, ultimately leading to higher income levels. Micro, small and medium sized enterprises (MSMEs) or community-based enterprises can support the establishment of tourism enterprises by the poor. This is more about helping the poor communities develop something for the long term and about placing power and control in their hands. Additionally, the investment in infrastructure that is stimulated by tourism also indirectly elevates the standard of living in these areas.

In addition to the economical benefits, implementing tourism in rural areas can also bring about non-material benefits such as pride in local culture and valorization of the surrounding natural environment in the eyes of local communities. This is evident in the SDC and SCORE development plans.

Two broad features of the post 1970s have been primary factors in reducing poverty in Malaysia - the country’s enviable economic growth record, and the national commitment to a more equitable distribution of income. The five mega-development projects initiated by the Prime Minister look good in theory. However, to move forward with this well-thought out plan requires purposeful, well-directed action. These mega-plans will not necessarily address poverty automatically, but will do so in the long run. It requires commitment and political will, making poverty alleviation through tourism a primary objective of tourism policies and development plans.
THE SYMPHONY OF CHEFS

It was a night of indulgence, appreciation and aspiration when Taylor’s College, School of Hospitality and Tourism (TCHT) brought together five outstanding chefs on campus to prepare a special fine dining kitchen dinner for a group of media representatives.

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