LOCAL INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION THROUGH COMMUNITY BASED RURAL TOURISM

Findings from three study cases of the East Coast of Malaysia

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1.0 INTRODUCTION

Local institutional development and transformation through community based rural tourism (CBRT)
The development of tourism especially in rural areas often associated with potential as a remedy to revitalise rural economy and conservation of local cultural and natural resources (Kamarudin, 2012b).

*Source*: Tourism Malaysia Online Media Centre (2011).
- This notion has been used to justify government agencies’ efforts in planning and developing various types of tourism especially in rural areas.

- These efforts in turn, have been eagerly embraced by the local communities.
The Federal Government is committed to seeing many forms of sustainable tourism being developed within the Ninth Malaysia Plan. This includes developing and promoting tourism in rural areas (community-based rural tourism and nature-based tourism) which initially were introduced in the Seventh Malaysia Plan (1996-2000):

“...[in which] rural tourism and community-based tourism and nature-based tourism were identified as new tourism products.” (GOM, 1996: 520).
The Federal government agencies that are involved directly in tourism development

<table>
<thead>
<tr>
<th>Ministry/Department</th>
<th>Form(s) of tourism</th>
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<tr>
<td>1. Ministry of Tourism (MOTOUR)</td>
<td>Coordinator and facilitator for all types of tourism development</td>
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<tr>
<td>2. Ministry of Rural and Regional Development (MRRD)</td>
<td>Agro-tourism and community based rural tourism</td>
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<td>3. Department of Agriculture</td>
<td>Agro-tourism and homestay</td>
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<td>4. Department of Wildlife and National Parks</td>
<td>Ecotourism</td>
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<td>5. Department of Forestry</td>
<td>Ecotourism and nature-based tourism</td>
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<td>6. Department of Fisheries</td>
<td>Coastal tourism and rural tourism</td>
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<tr>
<td>7. Department of Aborigines’ Affair</td>
<td>Ethnic tourism and cultural tourism</td>
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<td>8. Department of Museums and Antiquities</td>
<td>Heritage or cultural tourism</td>
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There should be nothing wrong with the intention of government agencies or the NGOs, or the local host communities to develop and promote tourism.

In reality however, not all rural sites with tourism projects are able to maintain the initial momentum.

Instead, many have been forced to cease their operation and/or suffered decline phase in their operation i.e. declining of tourism revenue and number of tourists.
In relation to this phenomenon, a statement by APEC Tourism Working Group (2009: 40) is perhaps worth to be discussed as we try to identify crucial ingredients that are needed in developing and sustaining tourism activities in rural areas:

“The success of community based tourism (CBT) projects is essentially dependent on leadership and organisation. Government agencies or NGOs often act as the project initiator but the long term viability of such projects depends on the sense of ownership and buy-in from the local community”.
Based on the APEC statement, this paper intended to explore the main components and structure of local institutional (as well as to relate to the leadership component) and to identify the transformation process that took place within the local institution since their involvement in CBRT projects.

In doing so, the paper will firstly, review the institutional components and phases of development in relation to different stages of CBRT using APEC conceptual diagram as a guide.
TRANSFORMING LOCAL INSTITUTION THROUGH CBRT

Local institutional development and transformation through community based rural tourism (CBRT)
According to Kamarudin (2012a), the quality leadership alone might not be sufficient to ensure long-term support and sense of ownership by the community without the establishment of a community institution or organisation appropriate for CBRT.

Like any other tourism activities, CBRT should always be responded towards market demand and changes in tourist needs and expectations.
CBRT should not fail to reinvent the existing products – to keep the business running and offered products that capture current tourists’ demand and needs (APEC, 2009).

It is vital for this organisation to include every section of the community (especially youths and women) to plan, operate, monitor and promote CBRT projects (Figure 1).
Figure: Institutional stages and components of CBRT. Source: adapted from APEC (2009:40).
With regard to the above conceptual diagram, Kamarudin (2012a), in his study on three CBRT sites located in the East Coast of Peninsular Malaysia had identified institutional structure transformation of a local community through CBRT. The findings in general can be divided into two stages, namely:

i. **Stage 1**: Community organisation in initial stage of CBRT (as seen in Seterpa village).

ii. **Stage 2**: Community organisation as CBRT programmes matures (as seen in Kuala Medang and Teluk Ketapang village).
Survey of Local Stakeholders

Figure 1. Locations of the three villages in the East Coast of Malaysia
Source: adapted from ECERDC, 2008
Site Visits

- Briefing session & household survey (Teluk Ketapang Village, 2009, 2011, 2013)
Site Visits

- Survey & interviews (Kuala Medang Village, 2009, 2011, 2013)
Site Visits

- Survey & interviews (Seterpa Village, 2009, 2011, 2013)
Stage 1: Community organisation in initial phase of CBRT

Figure 2: The community organisation in initial phase (Stage 1).

Source: Extended fieldwork in 2011
In all the study areas, the local institutions are initially made up of talented and dedicated individuals from within the community, with active participation by every section of the community including women and youths.

Operation and promotion of CBRT projects might solely driven by the passion for the job and willingness to contribute towards betterment of the community by the voluntarily leaders.
Those individuals in carrying out their job, in many situations, are facing two barriers, i.e. the dedicated leaders might not be someone who are expert in tourism and lack of knowledge to operate successful tourism businesses (Extended fieldwork, personal communication, 2011).

Based on local institution experiences in Kuala Medang, Teluk Ketapang and Seterpa village, the barriers were often compensated through community high motivation and dedication in developing CBRT projects.
Stage 2: Community organisation as CBRT programmes matures

Figure 3: The features added by the specific bureau as CBRT matures (Stage 2)
Source: Extended fieldwork in 2011.
Based on village’s profile report of Kuala Medang and Teluk Ketapang (Extended fieldwork, personal communication, 2011), **two significant changes** have occurred during stage 2 of this process, namely:

i. The establishment of specific bureaus, which are in charged on the matters related with CBRT.

ii. Roles and functions of government agencies have shifted from as one of the local stakeholders and fund provider, to a business partner of the community.
THE ESTABLISHMENT OF STRATEGIC PARTNERSHIP WITH KEY STAKEHOLDERS

Local institutional development and transformation through community based rural tourism (CBRT)
Enhancement of the local institutional structure is imperative since the CBRT projects evolve into a more complex business enterprise, especially to fulfil diverse needs from its expanding target market (Beeton, 2006).

At this point, CBRT have reached the crossroads in which the next path is either to remain as it is (maintain current achievement), or to enhance its competitiveness (Extended fieldwork, personal communication, 2011).
Figure 4: The community organisation as CBRT matures (Stage 2).
Source: Extended fieldwork in 2011.
<table>
<thead>
<tr>
<th>Partnership between local community with:</th>
<th>Forms of partnership</th>
<th>Benefit gained by the local community</th>
<th>Examples</th>
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</table>
| a) Universities                          | ▪ Offers educational inputs to the local community about the appropriate framework to develop a more sustainable form of CBRT  
▪ Conducting research projects related with tourism businesses  
▪ Bring in research team and trainers to conduct capacity building programmes (collaboration with related government agencies) | ▪ Community is now equipped with relevant knowledge, tools and approaches to improve tourist experience quality | ▪ UTM has facilitates the local community of KM and TK to formulate rural action plan.  
▪ UPM with Fishery Department have initiated the Kelah fish sanctuary in Jelai River.  
▪ ECERDC and UTM have initiate a research study to improve CBRT business strategy for KM and TK |
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<tr>
<th>b) Government agencies</th>
<th>c) Tourism industry</th>
<th>d) MRRD through INFRA initiates scheduled training to enhance entrepreneurship interest among youths and women of KM and TK</th>
</tr>
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<tr>
<td>Offers consultancy service</td>
<td>Partnership with tour operators</td>
<td>MOTOUR, through local champion, has appointed local contractors to develop additional modern facilities such as TIC and signboard in KM and TK, and camping site in KM</td>
</tr>
<tr>
<td>CBRT training (usually in collaboration with researchers from local universities)</td>
<td>Promotion and marketing (local and international tourism exhibitions)</td>
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<td>Funding of CBRT projects (on selected projects, appoint on-site manager)</td>
<td>Better promotional and marketing strategies has enable the community to attract more specific market targets (family and students)</td>
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<td></td>
<td>Greater distribution of economic benefits between committee and CBRT participants</td>
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<td></td>
<td>TK in-house tour agent, D’Ketapang travel has established partnerships with local tour operators such as Ping and Gof 2k Holidays and other international tour operators such as Bahgia Travel (Indonesia), JMT Travel (Russia and Europe market)</td>
<td></td>
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<td></td>
<td>KM, TK and ST have participated in tourism exhibitions held in Kuala Lumpur and Singapore.</td>
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| d) NGOs | • Involving local community in conservation projects (related with natural resources and heritage) | • Increase awareness for local conservation (especially in situation whereby CBRT is used as a tool for conservation) | • Local community’s collaboration with TBA to learn and develop a more efficient transportation system  
   LYA has collaborate with local community in conservation projects (preserve traditional culture and crafts) |

| List of abbreviations: | INFRA – Institute for Rural Advancement  
ECERDC – East Coast Economic Region Development Committee  
MOTOR – Ministry of Tourism  
TIC – Tourist Information Centre  
TBA – Taxis and Buses Association  
LYA – Local Youth Association |
| KM – Kuala Medang  
TK – Teluk Ketapang  
ST - Setepa  
UTM – Universiti Teknologi Malaysia  
UPM – Universiti Putra Malaysia  
MRRD – Ministry of Rural and Regional Development |
Between all key stakeholders, the roles and function of government agencies are still considered as very significant. This is evident since majority of CBRT are initiated through funding from government agencies.

After being operated for a certain time, universities will appear into the picture (conducting research projects funded by the government agencies) to improve CBRT business strategy.

The roles of industry players also becoming important especially after the maturity phase with most of the partnership being established focusing on attracting many tourists with active promotional and marketing (Figure 5).
Figure 5: Setting an in house tour agent for promotion and marketing.
Source: Extended fieldwork in 2011.
ADOPTING AN INTEGRATED APPROACH

Local institutional development and transformation through community based rural tourism (CBRT)
Tourism is actually a volatile industry considering it is likely very vulnerable to any changes, either internally or externally. With this understanding, tourism should not be regarded as a “panacea” to solve economic issues of the rural community (Kamarudin, 2012b).

Nonetheless, tourism as a development catalyst has proven to be effective once it is well integrated into the overall development strategy and approach (APEC, 2009).
Figure 6: Integration between tourism with other economic sectors.
Source: Adapted from APEC (2009); Extended fieldwork in 2011.
Apart from the benefits of employment and the opportunity for better promotion and marketing for the local SMEs, there is another dimension of institutional transformation which has significantly shaped the CBRT projects in the study areas i.e. its role as a “training ground” for the local community especially youths and women to develop their entrepreneurship skills (Figure 7).
Figure 7: CBRT as “training ground” for local community entrepreneurship. Source: Extended fieldwork in 2011.
Most of the locals who gained benefit by participating in this integrated institutional management approach are women and young adults, who are initially just employees but some of them later became owners and operators of small businesses.

In this light, adaptation of an integrated approach is in line with the community’s agenda to produce more future leaders or local champions (Extended fieldwork, personal communication, 2011).
5.0 CONCLUSION

Local institutional development and transformation through community based rural tourism (CBRT)
This paper has expanded the scope and components of the conceptual diagram of CBRT institutional transformation through CBRT projects as mentioned earlier by APEC Tourism Working Group (2009) in Figure 1.

Even though almost all components added by this paper also been reported in the APEC report, nevertheless, this cases presented in this paper have provided some useful insights especially about the actual context of each conceptual component is tested in real study cases.
The study had also expanded the four main components of institutional transformation through CBRT namely:

1. establishment of specific bureau for planning, operating and promoting of CBRT activities;
2. networking and strategic partnership with all stakeholders of CBRT including government agencies, universities, tourism industry and NGOs;
3. adopting integrated approach in planning, developing and managing rural resources for tourism purposes, and;
4. as training ground for future leaders and entrepreneurs.
The transformation of local institution through CBRT, however, is not without challenges. This study has identified three possible challenges, which require attention from the leaders and members of the institution in future:

1. **vision differences** between various stakeholders in CBRT projects;
2. **overlapping of scope of work** within institution and/or among key stakeholders and;
3. **lack of monitoring** of the implementation of CBRT projects.
Information on communities’ perception towards their participation in CBRT projects and local institutional transformation through CBRT are essential as the starting point in sustaining CBRT projects.

However, further studies are required to determine whether the local committees and relevant stakeholders are ready to carry out the full implementation of the programme (i.e. whether they possess the knowledge, skill and good leadership for the process) and strategic planning for sustaining the local institution in reinventing (or revamping) tourism products to fulfil current market demand and tourist needs.
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