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TOURISM DEVELOPMENT IN MALAYSIA
The Role of Domestic Tourism in National Integration

by

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A thesis submitted to
the Faculty of Graduate Studies and Research
in partial fulfilment of
the requirements for the degree of
Master of Arts
Department of Geography

Carleton University
Ottawa, Ontario
May, 1997

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Chair, Department of Geography

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ABSTRACT

National integration has been the main focus of development in Malaysia. Typical of a young and developing country, this political aspiration has long been pursued from an economic standpoint. This study demonstrates that economic development, by itself, is inadequate in fostering integration. Social harmony is especially important in a multi-cultural country.

Malaysia has utilized domestic tourism as a mechanism to promote inter-cultural understanding. This study finds that there is a lack of documentation on the success or failure of such a mechanism, partly due to the difficulty of quantifying its effects and interpreting them objectively. Another reason is the general lack of research on domestic tourism. Although tourism has the potential to bridge differences within the Malaysian society, it cannot work alone. Other important elements such as the affirmative action program affects inter-ethnic relations and has to be dealt with in the interest of national integration.

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CHAPTER ONE

INTRODUCTION

1.1 Tourism Research in Southeast Asia

The growth of the tourism industry in developing countries such as Malaysia has generated a need to understand its dynamics, the development processes it brings about, and the consequences for the peoples. Studies of tourism to date in the Southeast Asia region fail to provide us with a comprehensive view of the social, economic, cultural, political and environmental issues, and the processes and problems involved in the swift expansion of international¹, and to a certain extent, domestic², tourism (Hitchcock, et al., 1993). On a larger geographical scale, there is a dearth of comprehensive tourism research in the Asia Pacific region, particularly that on domestic tourism (Crompton, 1996; Long, 1995; Wellstead, 1996).

¹ The World Tourism Organization (WTO) defines international tourism as consisting of inbound and outbound tourism. Inbound tourism involves non-residents traveling in a given country, while outbound tourism involves residents traveling in another country (United Nations, 1994).

² Domestic tourism is defined by the WTO as residents of a given country traveling only within the country (United Nations, 1994).

One initiative to counter this lack of research studies was the launching of the Asia Pacific Tourism Association (APTA) in September 1995. APTA's objective is to enhance the standards of education and research in the field of tourism management in Asia Pacific (Crompton, 1996). This initiative for the establishment of an Asian-based association of tourism researchers and academics emerged from the outlook that until then, organizations and publications in the field have focused almost exclusively on North America or Europe (Crompton, 1996).

The main debate on tourism in Southeast Asia, as in many developing countries, has focused mostly on its effects – whether they are beneficial or negative, and whether they are developmental or anti-developmental. These debates have been, and continue to be, particularly significant within the geography and economic disciplines, where a primary concern is the contribution of tourism to development. The effects of tourism also raise prominent questions in anthropology and sociology, which involve discussions on the various means of conceptualizing culture and society.

Many of these debates have centered around international tourism, as most surveys and studies have focused on this segment. This situation is probably due to the prominence of the segment, which generates more interest in the collection of various types of data, as will be further explained in Chapter Two. Not enough research has been done on domestic tourism, which is a growing force in Southeast Asia (Hitchcock, et al., 1993).

1.2 Tourism Development in Southeast Asia

The growth of the tourism industry has been most timely for several Southeast Asia countries in view of several more general economic and political changes which have taken place in the region over the last two decades. Thailand's early development as an international tourism destination coincided with the declining American military presence after the Vietnam War, and helped to fill a considerable vacuum in terms of foreign exchange earnings and employment (Walton, 1993). Tourism also expanded at a time when Malaysia's traditional primary industries, particularly tin and rubber, have been in decline, and as international earnings from trade in these commodities have been depressed. Similarly in Indonesia, tourism has helped to boost foreign exchange earnings at a time, during the 1980s, when revenues from the country's main export commodity, petroleum, have fallen.

For many countries in the region, tourism represents an attractive and relatively "soft" means of promoting development. It requires little heavy capital investments (other than infrastructural investment for luxury accommodation, if a country so chooses), as what is "different" already attracts tourists. Although competition among countries can be expected to increase over the next decade, as more countries attempt to jump on the international tourism bandwagon, and as more new destinations and activities are promoted, tourism in general faces fewer constraints in the form of market protectionism than is the case with manufacturing, for example. Tourists are usually welcomed with open arms by most

countries. Furthermore, the human resource requirements of tourism are, in general, lower and more accessible than of some other industries. Tourism utilizes more semi- and lower-skilled workers who are easily available in developing countries, thus encouraging employment prospects among these workers.

At the more local level in several Southeast Asian countries, tourism has been used to spread economic activity into areas which have been economically marginal and spatially peripheral. Many areas which are attractive to tourists – the coasts, islands, and uplands – have not been central to the transformations which have already taken place in the economic structures of such countries, most notably in agriculture, manufacturing industry, and the service sector (for example, where the majority of tourism activities have clustered in the economic and political centers in most countries) (Walton, 1993).

In Thailand, tourism has brought economic vitality into the underdeveloped areas in the north and south of the country. Chiang Mai, for instance, has become a very important center for "hill tribe" tourism in northern Thailand. Bali, an economically backward island in the eastern part of Indonesia, has improved its economic standing relative to other parts of the country since being singled out for very active promotion as an international tourism center during the 1970s (Picard, 1993). In Malaysia, tourism has also been used as a means of spreading economic activity to economically depressed areas in eastern Peninsular Malaysia and islands such as Langkawi.

The economic and spatial benefits which accrue from tourism have induced Southeast Asian governments to promote the industry. However, in almost all cases, these

benefits come with various costs. Tourism studies on developing countries point to many negative impacts on the environment, host society, and economy, among others.

In Chapter Three the economic success of promoting tourism in the peripheral areas in Malaysia is questioned. Tourism has also been held liable for the deterioration and destruction of fragile eco-systems in areas that were specifically targeted for development, i.e. the coasts, islands, and uplands. Tourism also competes with the agricultural economy for semi-and lower-skilled workers, which disrupts the relationship between society and its employment structure.

Women carry out many of the lower-status jobs in the tourism industry, not merely because their labor is generally cheaper than men, but because in many respects, “travel for pleasure and adventure has been profoundly gendered” (Harrison, 1992). This aspect is most evident in sex tourism. Wide cultural differences between regions or the unique way of life of particular groups of people can be a stimulant of the industry. However, these local cultures and customs may be exploited to satisfy the tourists, sometimes at the expense of local pride and dignity.

International tourism, in particular, is an extremely sensitive industry to international events. For example, the Southeast Asia region, like many other regions, suffered from an international air travel decline during the first half of 1991 due to the Persian Gulf War. Indonesia was hit particularly hard, as it was in the midst of its travel promotion, Visit Indonesia 1991. Malaysia saw its tourist arrivals decline sharply in 1991, especially following the very successful first Visit Malaysia Year (VMY) 1990, where the number of

international visitors reached 7.08 million (MTPB, 1993). Prior to 1991, the Philippines had already experienced a set-back in its tourism industry following the overthrow of President Ferdinand Marcos.

International tourism has been examined within the formal-informal sector concept. The main difference between the two sectors is the size and organization of the tourism businesses, which consequently attract different tourist clienteles (Oppermann, 1993). For example, the formal sector is characterized by international standard hotels and cuisines, and air-conditioned coaches, which to a large extent facilitate mass tourism. This type of tourism, which involves huge numbers of tourists, has been blamed for negative impacts on the environment and host societies.

The informal sector is typified by small and local tourism entrepreneurship in the form of low-budget accommodation, local cuisine, hawkers, and cottage industries. Within the last decade, the notion of “alternative”, “soft”, and “appropriate” tourism has gained widespread presence. The usage of the generic term, alternative tourism, has come to represent an alternative to traditional mass tourism (Oppermann, 1993), resulting in its equation to the informal sector. Alternative tourists have a more active intranational travel behavior and tend to visit the non-established tourist areas, stay for a longer period of time, have more contact with the local population, and spend more money on the local, small-scale enterprises. Their nature of traveling individually or in small groups is seen as being less harmful to the environment.

Literature on host-guest interaction suggests that the exchange between mass tourists and their hosts seldom extend beyond the superficial (Din, 1988; Smith, 1989). Mass tourists, who generally do not stay as long as alternative tourists, have little time for meaningful exchanges with the local population. The time barrier is also reinforced by the spatial barrier since these tourists and local residents usually occupy different areas (living and recreation areas), hence the occasion for contact is further minimized.

1.3 Tourism and National Integration

Many countries initially used tourism mainly for economic development, although some leaders saw it as a personal political tool or as a means of encouraging national integration or unity³, especially through domestic tourism (Din, 1988; Richter, 1989; Richter, 1993). The following has been said about national integration:

The most pressing problem of the twentieth century Afro-Asian countries is the problem of integration of the multi-racial peoples into a harmonious nation – sharing common hopes and aspirations, and common loyalty and love for the country. It is the problem of sharing a common future with all the unforeseen hazards and promises but still practicing and retaining different religions, customs, and languages (Islam, 1989: 3).

³ In the literature review, the terms national integration and national unity have similar connotations. This study, therefore, has used these two terms interchangeably.

Some developing countries, including Malaysia, have pursued national integration by means of economic development. It has been the governments' belief that economic development, which largely includes the elimination of poverty, and the distribution of income and wealth among their citizens, results in economic integration, which in turn enables their countries to achieve national integration.

Of the two tourism industry segments, international and domestic, the former has been more vigorously pursued for its revenues to help facilitate national integration *vis a vis* economic development. More recently, however, the idea of international tourism as an impetus for world peace and harmony, with its potential to act as a bridge between nations and overcoming cultural and social differences, has been advanced (D'Amore, 1988; Jafari, 1986). However, the nature of mass tourism itself does not necessarily bring forth meaningful cross-cultural communication. Instead, it is suspected that alternative tourism has more potential to do so. Either way, proper planning, with considerations for the host communities, needs to be implemented to minimize negative impacts which can affect conditions for fostering inter-cultural appreciation and understanding.

In Southeast Asia, Malaysia, Indonesia, and the Philippines have included the promotion of national integration as an objective in tourism development (Din, 1988). It is interesting to note that these countries share colonial experiences and have multi-ethnic populations. At the regional level, the Association of Southeast Asia Nations (ASEAN), of which the three countries are among its six members, established a Permanent Committee on

Tourism to "... promote tourism as one of the avenues for regional integration" by "using tourism as a tool for social integration ..." (Din, 1988: 41).

At the policy level, Kenya has set out to utilize domestic tourism for national integration (Sindiga, 1996)⁴. Realistically, though, it may be a while before that can be achieved because a substantial middle-class does not yet exist to participate in tourism (Sindiga, 1996). The social component of tourism has also been explored and utilized in the efforts towards the possible reunification of North and South Korea (Kim and Crompton, 1990)⁵.

Canada does not officially have such a policy. In 1977, the Canadian Government Office of Tourism (CGOT), who had commissioned a survey on "Evaluation of Canadian's Attitudes Toward Vacationing in Canada to Improve National Unity", found that, overall, the concept of increasing unity through travel did not meet with an enthusiastic response in English Canada (CGOT, 1977). The main reason for this finding was that English Canadians either did not believe there was a unity problem at the time; or, that if it existed, it was either not serious or could not be corrected (CGOT, 1977).

French Canadians were cautious about the concept and thought that it would appeal to people's emotions and would incite reactions which might not be desirable (CGOT, 1977).

⁴ For details, refer to Sindiga, Isaac (1996) "Domestic tourism in Kenya", Annals of Tourism Research, 23 (1): 19-31.

⁵ For details, refer to Kim, Yong-Kwan and Crompton, John L. (1990) "Role of tourism in unifying the two Koreas", Annals of Tourism Research, 17: 353-66.

Both groups thought it might be wiser for the government to emphasize the desirability or the attractiveness of getting to know other Canadians rather than one's duty to become more nationalistic and more unified (CGOT, 1977). It is not known how recent events might have influenced this thinking (for example, the latest referendum outcome where the potential separation of Quebec became very real).

Domestic tourism has the potential to play the same role as international tourism in fostering social integration and harmony, but on the national level. As important as economic development and distribution of wealth are for national integration, they cannot be expected to promote feelings of goodwill and harmony among citizens of a country, and love and loyalty for the country itself. These feelings can only be nurtured and accomplished through social contacts and inter-mingling of people during which similarities, differences, ideas, and hopes are communicated. Such a notion is explored in this study with reference to Malaysia – a multi-ethnic country with pronounced cultural pluralism.

1.4 Research Context

Malaysia is a fast-developing country in Southeast Asia (see Figure 1-1). In 1957⁶, it began its days of independence as a major tin and rubber producer, with a respectable

⁶ Malaysia gained independence from Great Britain on August 31st, 1957. It was then known as the Federation of Malaya. In 1963, Malaysia was formed, comprising the Federation of Malaya, Singapore, Sabah, and Sarawak. Singapore left Malaysia in 1965 to become an independent republic.

Figure 1-1. Southeast Asia (Carleton University Base Map Index Part 2, 1990--)

income from timber and palm oil. Being an agriculture-driven economy was not the most stable situation for a country to be in, especially in the face of uncertain and fluctuating commodity prices. Government policies have steered the country away from over-dependence on agricultural and mining resources.

Today, its exports are made up of high-end electrical and electronic products, manufactured products, and value-added commodities, while it still is the world's foremost producer of palm oil and the world's third largest rubber producer (GOM, 1996). With a rural population of 45.3% (1995 figure) (GOM, 1996), smallholder activities in the rural agricultural sector, such as rice farming, cultivation of rubber, cocoa, pineapple, and coconut, and inshore fishing, continue to be economically important. However, further commercialization of the smallholder subsector has been emphasized through agriculture and land development programs, which include land consolidation and rehabilitation programs aimed at improving productivity.

Located in one of the most dynamic and fastest growing part of the world today, Malaysia's economy has been growing at a steady average of above eight percent per year in the last eight years. In 1995, Gross Domestic Product expanded by 9.6 percent, with per capita income and living standards rising concurrently; per capita income has risen from US\$2,436 in 1990 to US\$3,261 in 1993 (GOM, 1996).

Any discussion on Malaysia's development course has often been related to the strategies of government policies, which mirror the historical context and the ethno-political challenges faced by the country (Din, 1982). The largest ethnic group in Malaysia is the

*Bumiputra*⁷ who were the paramount group controlling the political sphere and the bureaucracy. At the time of independence, they were mainly involved in the rural agricultural economy. The Chinese, originally immigrants from China, are the second largest ethnic group. They were essentially the domestic capitalist class who controlled the urban and commercial sector of the economy. This traditional ethnic split between political power and economic predominance made the balance between the public and private sectors a politically sensitive one (Jesudason, 1990). The next largest ethnic group, the Indians, were not too involved in the ethnic dispute as numerically they were not as dominant as the Malays and the Chinese, and did not have major controlling interests in any particular sphere in the country. (The ethnic composition of Malaysia will be further elaborated in Chapter Three.)

Relations between the major ethnic groups, especially between the Malays and Chinese, have not been too harmonious ever since independence in 1957. Tensions gave way to a major race riot in Malaysia in May 1969. After the riots, Malaysia set for itself a development course which ensured that the fruits from further development of the country would be distributed to all its citizens in an equitable manner, not disproportionately to the immigrant communities of Chinese and Indian origins, as against the Malays and other

⁷ *Bumiputra* literally means princes of the soil, and refers to both the Malay ethnic group and the indigenous communities. Following Lim's (1985) work on "Affirmative Action, Ethnicity and Integration: The Case of Malaysia" this study uses the terms *Bumiputra* and Malay interchangeably for two reasons: (a) the concept of Special Rights (to be explained on the following page) was meant originally for the Malays; other indigenous groups were only added later, and the term *Bumiputra* was coined to include them; (b) Malays still form the majority of *Bumiputras*, and the program benefits them most.

indigenous groups. The political leadership at that time recognized that the Malay feeling of losing out, of being left behind economically in their own country, had to be met by clearly stated policy objectives and effective policy instruments.

An affirmative action program, called the Malay Special Rights, was put into place by the Malay-dominated government to improve the economic position of the *Bumiputras* through special privileges. These privileges included opportunities in education, public employment, and businesses.

The affirmative action program, in particular, has caused resentment among the other ethnic groups. There is an unspoken consciousness among Malaysians that inter-ethnic relations are not so harmonious, although there is a considerable amount of tolerance among each group. Malaysia, as one journalist states, “has staked its social peace on steady growth.

... Under the polish of hyper-economic activity, the relationship between the two main national groups is a lot more uneasy” (Hebert, 1996: A11). Hebert (1996: A11) indicates that during a visit to Canada in late 1995, “a group of government and business officials from Malaysia described their country to Canadian journalists as an ethnic powderkeg that only high economic growth, stretching well into the next century, will prevent from exploding.” This statement is a bit of an exaggeration. With the exception of the riot in 1969, ethnic tensions in Malaysia hardly erupt into physical conflicts, although if left unchecked, have the potential to do so. Economic development and individual wealth creation has, indeed, to a certain extent, occupied the focus and energy of the government and the population.

As a developing country, the government has always stressed the importance of economic integration as the main drive towards national integration. While it is important that poverty is eliminated and that all citizens enjoy the wealth of the country, a mechanism has to exist whereby social interaction among the citizens is nurtured, and for the purpose of national integration. Should the Malaysian economic bubble collapse, elements of love, understanding, harmony, and loyalty for the country will be needed to hold the country together.

Malaysia has policies of using tourism to foster social integration for national unity. According to the Sixth Malaysia Plan 1991-1995, "Tourism is a newly emerging industry. The industry not only creates considerable high multiplier effects and linkages in the economy, but also fosters national integration and unity" (GOM, 1991: 248). Like many other developing countries, Malaysia has used tourism as an economic development tool.

The use of domestic tourism for social integration is a relatively new concept in Malaysia. Attention was given to domestic tourism in the mid-1980s when much of the world was in a recession which affected international tourism receipts. Instead of focusing on international tourism⁸, domestic tourism was approached as an activity that can sustain the industry, as it is less affected by international events. The Sixth Malaysia Plan 1991-1995 states:

⁸ International tourism in Malaysia often refers only to international tourists traveling to Malaysia (MTPB, 1993). Malaysian residents who travel overseas are referred to as outbound tourists (MTPB, 1993), and are often not included in the international tourism category as defined by the WTO.

the potential for greater development of domestic tourism remains untapped. Despite rising domestic incomes and the more extensive promotional and marketing efforts, domestic travel continued to be seasonal in nature, associated primarily with school holidays and festivals. Domestic travelers often vacationed in their hometowns, visiting friends and relatives. Regular leisure travel within the country is yet to become a common feature in the Malaysian society. Nonetheless, in view of the rising quality of life, changing patterns in the living styles of Malaysians and the availability of more affordable facilities, it is envisaged that domestic tourism potential will be increasingly harnessed and developed. (GOM, 1991: 236)

Little academic research has been done on domestic tourism in Malaysia despite the fact that its multi-ethnicity and issue of national integration provides an interesting research background.

1.5 Purpose of This Study

This study was prompted by two considerations: (1) the lack of tourism research in Malaysia, and in Asia, in general, especially in the field of domestic tourism; (2) the researcher's knowledge that the use of domestic tourism has been encouraged for purposes of national integration in Malaysia, but little has been known about its implementations and successes. This study is an attempt to integrate the elements of domestic tourism and national integration.

1.6 Objectives

This study has four objectives. The first objective is to explore tourism development in Malaysia within the context of its aspiration for national integration. The next objective is to establish the significance of the social component of national integration, or social integration.

The third objective seeks to explore the connection between the concepts of tourism for peace on the global level, and domestic tourism for social integration on the national level. Finally, the last objective is to document Malaysia's experience in promoting domestic tourism for national integration.

1.7 Methodology

The objectives of this study were achieved through a combination of library research and field interviews.

The Malaysia Tourism Promotion Board (MTPB)⁹ or in short, Tourism Malaysia, was a major resource center for this study. Its statistical documents, marketing plans, survey

⁹ MTPB was known as the Tourist Development Corporation (TDC) prior to 1992. MTPB's main function is the promotion of both international and domestic tourism. Other activities previously under the management of the TDC, such as policy development, coordination, licensing, and enforcement, have been ceded to the Ministry of Culture, Arts, and Tourism (MOCAT).

reports, and other relevant publications were examined. These materials provided a quantitative outlook on Malaysia's tourism industry. They were supplemented by a literature review of tourism development in Malaysia. It was found that statistical data and general information on the international tourism market were more current and abundant than that on the domestic market. For example, the Domestic Tourism Survey 1988 commissioned by the, then, Tourism Development Corporation (TDC) is the latest comprehensive survey on the domestic tourism market despite being nine years old. Its statistics are still being referred to today.

In general, most MTPB data were quite accessible to the general public. Nevertheless, studies that had been done on the effectiveness of Tourism Malaysia's promotional efforts, as well as on the attitudes and perceptions of Malaysians towards tourism, were retained by staff of the organization and not made available to the public. This research would have benefited from this information, not only in understanding more about whether or not Malaysians welcome tourism (limited studies have been done on this aspect), but also in terms of the processes and methods on how such information was obtained.

More current information and statistics on the status of domestic tourism were gathered from research conducted by private organizations, such as advertising agencies. Trade journals, for example, the Asia Travel Trade and PATA Travel News, also provided current information.

The proceedings from the world conference on *Tourism – A Vital Force for Peace*, in 1988, provided a fair amount of the literature review on tourism's role in fostering global

harmony. Again, because little is written on domestic tourism's role in fostering social integration in a country, much of the insights into this phenomenon were inferred from materials from the conference. A note of caution should be mentioned concerning the extent of commercialism that might be involved in such a conference setting.

The conference was held following the United Nations designation of 1986 as "The International Year of Peace". The philosophy and principles expressed in the 1980 Manila Declaration of the WTO provided the theme for the conference. The Declaration

challenged the industry with a concept of tourism that emphasizes social, cultural, economic, educational, and political values of tourism. [It] emphasizes that the very existence of tourism depends on peace. Beyond its economic significance, tourism is potentially the most important vehicle for promoting understanding, trust, and goodwill among peoples of the world. (United Nations, 1994)

Among the participants, the conference brought together academics and officials from non-governmental organizations who discussed issues ranging from sustainability, social impacts, social harmony, and peace. Three of the more widely quoted sources in this study were in attendance – Linda Richter, who studies the politics of tourism, with a particular interest in the Philippines; Jafar Jafari, editor-in-chief of the Annals of Tourism Research; and Kadir Haji Din, a Malaysian professor (see following two paragraphs).

Formal interviews were conducted in 1994 with a professor of geography, a government tourism official, a tourism consultant, and a tourism entrepreneur. These informants were: (1) Dr. Kadir Haji Din, a Malay professor of Geography at Universiti Kebangsaan Malaysia (UKM) (National University of Malaysia), whose research interests lie in tourism development and environmental conservation; (2) Ms. Belvinder Scvon Kaur, an

Indian Public Relations official for the domestic market at Tourism Malaysia; (3) Ms. Ooi Lee Ping, a Chinese tourism consultant at KPMG Consulting in Kuala Lumpur; and (4) Mr. Yunus Maarof, a Malay owner of Seri Travel (a tour company) in Kuala Lumpur.

These informants represented Malaysia's three major ethnic groups. It was not, however, a conscious effort on the part of the researcher to ensure that these ethnic groups were represented, except in the case of Mr. Maarof, who represented the group that has been targeted by government preferential policies. The other informants were selected based on their role within the tourism industry.

Notes were taken on all interview occasions, except the one with Ms. Ooi which was tape recorded. The interview with Dr. Din was done through the telephone. Each interview session lasted between forty-five minutes to an hour. Every interview was approached by the researcher with a certain set of beliefs and expectations, which was generated from studying the general tourism literature and information on Malaysia's tourism industry. Answers to the questions posed were then interpreted by reviewing them against the expectations formed earlier.

Dr. Din was approached in his role as an academic. He is one of the very few active Malaysian academics who writes on tourism development in Malaysia, in particular, on the position of tourism in national development, and on the impacts of tourism on the social fabric of Malaysia. Dr. Din has spoken out against the tourism industry in Malaysia; some of his critiques are noted in Chapter Four. The main issues in this interview were the status of academic research on tourism development in Malaysia, specifically on domestic tourism;

the effectiveness of Tourism Malaysia's role in promoting domestic tourism in fostering national integration; and evidence of the success of such a concept in Malaysia or in other countries.

An attempt to interview the Director of Tourism Malaysia was not successful due to a change of personnel that was taking place at the time. As an alternative interviewee, Ms. Kaur was selected for having a direct role in domestic tourism. She was approached for two basic purposes – to learn more about the government's visions and plans for domestic tourism and its commitment to them, and to explore the government's perception of the relationship between tourism and national integration. The interview focused on new initiatives and programs for the domestic tourism market; the idea of utilizing domestic tourism to foster social integration, as outlined in Tourism Malaysia's Marketing Plan 1994; and factors that affected the popularity of domestic tourism, such as accommodation and air travel rates. The issue of inconsistent and outdated studies and surveys was also brought up. The lack of reliable and updated information was acknowledged by Ms. Kaur to be a major factor which hampered more accurate forecasting of industry trends which could affect developmental and promotional planning.

KPMG Consulting's tourism office studies the Malaysian tourism industry in general, but particularly the nature and impacts of inbound and outbound tourism. Ms. Ooi had written on outbound tourism in Malaysia and was approached to research the level of recognition for the domestic tourism industry. The main issue in the interview was how some of the many Malaysians who traveled overseas could be encouraged to travel at home

instead. The effectiveness of domestic promotions was raised in connection with this issue. Impacts of outbound tourism on the economy and integration were also explored.

An attempt was made to determine the perception of the industry's private sector on the role of domestic tourism in national integration in terms of its own vision and of government leadership and incentives. Mr. Maarof's tour company dealt with both outbound and domestic travel. This interview focused on the nature and amount of *Bumiputra* participation in the tourism industry; the general travel trends and the reasons for them; and the business decisions that affected the marketing and selling of international tour packages vs. domestic ones.

There was an informal interview with an official at the Pulau Pinang Tourism Department who described new programs such as agro-tourism (further described in Chapter Four), as well as Pulau Pinang's regional tourism initiatives with the northern states. A Malaysian professor of Geography teaching in Canada was also asked about his insights into the concept of domestic tourism in promoting integration in Malaysia. He was cautious about the idea, as he argued that the nature of Malaysian travel is very much based on visiting friends and relatives, which may not involve much inter-ethnic exchanges. He questioned the interest of Malaysians in domestic leisure travel besides their travels to the beaches and hill resorts, which have always been popular.

1.8 Researcher's Background

This study was approached from my perspective as a Malaysian Chinese. Although the setting was “personal”, an extent of marginalization existed between myself and the setting. I have lived outside of Malaysia for nine years and have attended university overseas. The perspective that I brought into the study was two-sided. My local background and years of education in Malaysia allowed me to “... perceive social meanings, intentions, and attitudes which underlie the basis of the appearance of a social phenomena” (Evans, 1988). I was also able to access local social networks which provided more relaxed settings for my observations (for example, friends’ houses, restaurants, and marketplaces) (based on Evans, 1988).

On the other hand, my absence from the country and exposure to a different culture and education system provided me with an “outsider” perspective on the study area. Due to my absence from Malaysia as well, I utilized the local social networks to access current information, especially on social and inter-cultural occurrences.

1.9 Organization

This study comprises five chapters. Following this introductory chapter, Chapter Two presents theoretical perspectives on tourism development, with particular emphasis on developing countries. The concept of national integration is then introduced. The concepts of tourism for peace and domestic tourism for social integration are established, and serve as the central theme to this study.

Chapter Three introduces Malaysia through its geography and history, which serve as platforms for understanding its ambition for achieving national integration. The chapter also examines the development of the tourism industry and how it has been affected by government policies on national integration. Chapter Four presents highlights of the latest comprehensive survey on domestic tourism and attempts to associate actual tourism programs and activities with the promotion of national unity in Malaysia.

Chapter Five provides a synthesis of this study, including its shortcomings. It also provides an insight into the implications of current and planned tourism development priorities on national integration. As well, it questions how other major factors, such as the affirmative action program, contribute to or hinder national integration.

Summary

Tourism development, in general, and its role in national integration in developing countries, have not been widely researched. Domestic tourism as a mechanism for

promoting social integration has been adopted by Malaysia. Its colonial history brought about a population ethnically divided in the political, economic, and social spheres. An affirmative action program was put into place to remedy the situation, and although Malaysia has enjoyed much economic success, social harmony is still lacking among the population. The following chapter presents the variables involved in understanding the concepts of tourism development and national integration.

CHAPTER TWO

TOURISM DEVELOPMENT AND NATIONAL INTEGRATION

2.1 Introduction

Tourism has been a source of socio-economic change in many developing countries. Upon independence, many Asian and African countries sought to become economically independent and establish their own identities. As noted by the World Bank, during that time many leaders of these countries were primarily concerned with two areas of development – economic and political (IBRD, 1991). Their principal economic goal was "the rapid structural transformation of backward agrarian economies into modern industrial ones", while their political aspiration was national unity and [the forging of a national] identity (IBRD, 1991: 33).

At that time, the economies of many countries were based on large scale production and export of non-value added primary agricultural commodities, where the prices were dependent upon world market terms which were mostly dictated by the developed (Western and former colonial) nations. On the other hand, much of the populations were still engaged in peasant agriculture, creating therefore, economic dualism. Their political and social

systems also inherited major obstacles to nation-building with the realities of cultural plurality and ethnic polarization which have brought about social tensions.

2.2 Tourism as a Development Tool

The use of the tourism industry in development strategies in developing countries has been growing over the last three decades. To these countries, the economic factor has been the most powerful force behind the promotion of tourism. As Richter (1980) states, tourism is seen as an

... elastic and attractive means of generating badly needed foreign exchange. As a service industry, tourism is typically labor intensive, encouraging employment among those sectors of skilled and semiskilled workers who are traditionally unemployed. Further, it is often argued that the presence of tourists stimulates cottage industries, preserves local crafts and traditions, and acts as a stimulus to social mobility and modernization. (240-41)

For newly independent countries the lure of foreign exchange and the industry's demand for non-highly educated employees were seen as a panacea for the growing pains of economic development towards modernization.

Tourism development itself has been affected by the development paths undertaken by developing countries. Prior to the late 1960s, the attention of government leaders focused on national economic growth, whereby importance was placed on "... increased commodity output rather than to the human beings involved in the production" (Mabogunje, 1980: 36). In essence, an increase in the size of the national pie was viewed as being more important

than how the pie was distributed. It was only in the late 1960s that attention was turned to the distribution of the benefits of economic and social change. In his work on development, Mabogunje (1980) states that "Development came to be seen not simply as raising per capita income but more important, of reducing the poverty level among the masses ..." (Mabogunje, 1980: 38). This issue of distributive justice also raised the question of accessibility of public goods and services to various social classes and initiated the emergence of regional development planning (de Kadt, 1979, cited in Pearce, 1989b; Richter, 1993).

Tourism has also been affected by development policies concerning the modes of production and distribution that could affect social class relations, especially in countries with a plural population make-up. Mabogunje (1980) remarks:

Basic shifts in any of the aspects of the mode of production can trigger off wide-ranging changes which may culminate not only in the transformation of the mode but also in changes in the relative importance of social classes. It is such a socio-economic transformation that really constitutes development. (45)

He also stresses spatial reorganization or reconstruction of spatial structures in both the rural and urban areas to generate a pattern of social relations which can inculcate new processes of production (Mabogunje, 1980). He believes that "certain types of spatial arrangement can be expected to make a relatively better contribution to the attainment of specified goals than others" (Mabogunje, 1980: 46).

Many developing countries had the assistance of international organizations in promoting tourism, mainly international tourism, as a means of economic development. Pearce (1989b: 45) observes that these countries did not "... simply stumble onto tourism as a promising way to earn foreign exchange ... [since] the late 1950s, the governments of these

countries have been presented with a steady stream of advice and assistance for expanding international tourism." Such organizations included the World Bank, the Inter-American Development Bank, the United Nations, and the Organization of American States (Pearce, 1989b).

These organizations have mainly encouraged a particular form of tourism development, one based on large-scale projects involving heavy investments in infrastructure and plant, and a high degree of non-local participation at the management levels (Brohman, 1996; Oppermann, 1993). These developments have been criticized for their lack of linkages to the local economy, and for promoting dependency among developing countries on tourism markets in the developed countries as these were the markets who could afford to engage in the consumption of international travel and luxurious tourism facilities, especially in the 1960s. These issues will be further discussed in the next section.

The majority of tourism research to date deals with case studies of economic, cultural, or social impacts of tourism (Mitchell and Smith, 1989; Oppermann, 1993; Pearce, 1989a; Smith, 1989). The field of tourism development is yet to be fully supported by a strong theoretical base, but existing theories can be attributed to development theories that have originated out of the field of tourism studies (Oppermann, 1993; Pearce, 1989b). Two paradigms can be identified among the existing theories in tourism literature – the diffusionist paradigm (Butler, 1980; Plog, 1973) and the dependency paradigm (Britton, 1982; Hills and Lundgren, 1977; Hoivik and Heiberg, 1980).

2.3 Tourism Development Theories

2.3.1 Diffusionist Paradigm

Development stage theory

The diffusionist paradigm consists of two mainstream theories – development stage and diffusion theories. The main concept underlying the development stage theory is the belief of uni-linear change. It is based upon an Euro-American point of view which implies that developing countries are in an "earlier phase" of the development process, and will eventually repeat the Euro-American development experience (Browett, 1982; Pearce, 1989b).

A development process has even been suggested for domestic tourism. The evolution of domestic tourism is related to the industrial development of the whole country (Browett, 1982). In the stage of a "traditional society" (the first stage), only the country's elite has enough spare time and finances to afford leisure travel. In the process of economic development, the number of social classes participating in domestic tourism progressively increases, and it is not until the final stage of "high mass consumption" that all social classes can afford holiday travel (Browett, 1982; Pearce, 1989b).

Diffusion Theory

This theory states that there would be a moment during the development process that a spread, filter, or a diffusion of growth impulses will take place from the most developed to the lesser developed areas (Browett, 1982). This "trickle-down" effect would lead to an adjustment of regional disparities after initial polarization (Oppermann, 1993). Oppermann (1993) also states that to effectively eradicate underdevelopment, it would be necessary to establish growth poles, which can be whole cities or an economic sector with a high connectivity with other industries, and which has a high multiplier effect.

Christaller was one of the first researchers who regarded tourism as a growth pole. "Tourism gives the economically underdeveloped regions a chance to develop themselves – for these very regions interest the tourists" (Christaller, 1964, cited in Pearce, 1989b: 41). Two years later, Friedmann recommended tourism as a development option for regions that have limited development potential.

Special problem regions belong to a category of area that, because of the peculiarity of their resources or location, demands a specialized development approach. They will often include regions along national borders, water resource development regions, regions suited to the intensive development of tourism and fisheries ... Programs for resource development should, in the main, be guided by the evolving demand for specific resources or resource-related services, such as tourism. (Friedmann, 1966, cited in Pearce, 1989b: 43)

Tourism, therefore, was not only seen in terms of an economic contributor, it was beginning to be seen as an "instrument" in the development of peripheral regions. It was thought that because tourism consumption occurs at the place of production, it would have high multiplier effects on the local economy through its numerous associations with other

industries (such as agriculture, fishery, building, and handicraft). Since the 1960s, a number of countries have embarked upon tourism development programs based on regional planning (refer to Din, 1984; Pearce, 1989b for descriptions of some of these programs).

The extent of tourism's involvement as an agent for diffusion in the process of development has been in question. Pearce (1989b: 18) notes that tourism development typically occurs "within an existing socio-economic structure where some form of urban hierarchy and some transport networks are already found"; it does not occur in an "empty space". In many developing countries, tourism activities are concentrated in a few places, very often in the economic and political centers. This is well-documented in Malaysia, the Philippines, Tunisia, Mexico, Peru, Morocco, and Sri Lanka (Oppermann, 1993).

In some countries, the other concentration of tourism is in isolated coastal areas. This "enclavic structure" of resorts (such as Club Mediterranee) has been noted by several researchers (Britton, 1982; Jenkins, 1982; Oppermann, 1992; Schurmann, 1981). Such resorts can be found in Morocco, Mexico, Indonesia, the Caribbean, and Malaysia (Pearce, 1989b).

Besides discouraging a highly interconnected structure of transportation linkages between resorts, enclavic tourism is said to have few backward linkages to the economy of the surrounding area. Products will have to be imported from urban centers inside or outside of the country, particularly when the development is situated on a barren coastline or in a remote part of the country. (Many tourism developments in developing countries cater to the "sand, sun, and sea" tourists.) These developments bring about few multiplier effects in the

local economy. A good example is Cancun, Mexico, where after fifteen years of development almost all of its supplies still have to be imported (Oppermann, 1993). Goonatilake (1978, cited in Pearce, 1989b) sees resort enclaves in Sri Lanka as "islands of affluence within the country, walled in and separate from the rest of the population". Pearce (1989b) also finds that in Vanuatu in the South Pacific, sixty percent of tourists' daylight hours there were spent in and around their hotel, which brings about little interaction between tourists and residents.

2.3.2 Dependency Paradigm

Dependency theorists contend that "dependence" brought about stagnation and underdevelopment, whereby capitalist development in the core establishes and perpetuates underdevelopment in the periphery (Nicholas, 1989; Oppermann, 1993). In development literature, it is noted that newly independent countries had been integrated into the world economy by colonialism, which induced the countries to develop "dependent" economies where the selling of agricultural commodities and raw materials were done on extremely favorable terms for the developed or industrial nations (Nicholas, 1989). Moreover, the independent countries' concentration on primary industries promoted the intensive capitalization of urban areas which encouraged the stratification of the population who did not experience the trickle-down benefits as expected (Nicholas, 1989). Later, some of these countries also relied on the developed nations for foreign capital inflow and investment for their economic growth.

Britton (1982), Hoivik and Heiberg (1980), and Husbands (1981) eventually initiated the dependency theory in the study of tourism. Their main critique of tourism as a development agent in developing countries was that it did not accomplish most development plans and goals. Tourism's failure in many of these countries was blamed on its orientation towards international mass markets, which in essence is the Western or developed market.

In developing countries, the set-up costs for international mass tourism are very high and tend to be contributed by foreign capital (Britton, 1982; Smith, 1989). High leakages will consequently be entailed in the forms of profit transfers, repatriation of funds from foreigners in managerial positions, large imports of food, furnitures, and amenities (Archer, 1978; Oppermann, 1993; Smith, 1989). The leakage factor, though, will be dependent upon a country's economic structure (i.e. the levels of technology and education of the local population) (Oppermann, 1993). A higher educated and technologically competent workforce reduces the leakage factor by its capability of performing tasks that foreigners were carrying out before.

The spatial concentration of international tourism (such as the enclavic structure explained under diffusion theory) in developing countries also contributes to dependency.

Britton (1982) notes the following:

In physical, commercial and socio-psychological terms, then, tourism in a periphery economy can be conceptualized as an enclave industry. Tourist arrival points in the periphery are typically the primary urban centers of ex-colonies, now functioning as political and economic centers of independent countries ... If on package tours, tourists will be transported from international transport terminals to hotels and resort enclaves. The transport, tour organization and accommodation phases of their itineraries will be confined largely to formal sector tourism companies. Tourists will then travel between resort clusters and return to the primary urban areas for departure." (341)

The dependency theory, thus, asserts that developed countries use the tourism industry to perpetuate the dependency of developing countries. Instead of reducing the socio-economic regional disparities in these countries, tourism reinforces them through its enclavic structure. Oppermann (1992) argues the same for Malaysia.

Both the diffusion and dependency paradigms have been formulated and discussed within the context of international mass tourism, which has long been equated with the entire tourism industry. Although no definite reason has been offered for this observation, it could be attributed to the prominence of this sector (Jafari, 1987; Oppermann, 1993; Pearce, 1989a) which leads to more readily available statistical data on various categories such as annual tourist arrivals, annual tourist receipts, duration of stay, spending habits, etc. This information has been more readily collected, both by the government and the private sector such as hotels, travel agents, travel associations, the transportation industry, and other industries involved in tourism.

The emerging force of domestic tourism in some developing countries, though, has recently been realized and will now be discussed within the context of economic development, as well as of the aspiration for national unity and identity.

2.4 Domestic Tourism

The fickleness and political vulnerability of international tourism make domestic tourism an attractive alternative for the industry. It does not require as much foreign

exchange to develop and its cultural impacts are generally less disruptive. For some countries, it also mitigates the seasonality of international arrivals and departures, and cushions the often precarious dependence of international tourism on foreign airlines, marketing, reservation schedules, and the whimsicality of international travel tastes (Richter, 1989).

Developing countries in the Southeast Asia region with a substantial domestic base can capitalize on a well-planned domestic tourism system that can become a major income generator. Some countries are poor, so a significant domestic tourism base does not exist, for example, in Myanmar, Laos, Cambodia, and Vietnam (Richter, 1993). However, a planned system should be developed by countries that have achieved a certain level of economic prosperity since independence, which allows its citizens to engage in traveling. Ironically, in some Southeast Asian countries, the more affluent citizens have been known to prefer traveling overseas, for it confers them social prestige (or "been-to" status) (Wyllie, 1993). Governments should realize, though, that "the buying power of many of the elite and middle-class can exacerbate the trade balance if those resources are spent abroad instead of within the country" (Richter, 1993: 184).

Besides economic development and modernization, the other concern for countries at the time of independence, as mentioned before, was to achieve national unity and forge a national identity. Economic development alone does not ensure unity and harmony within a nation, as countries like Malaysia and Indonesia can testify. (Examples will be presented later in the chapter.) Besides its economic promise, domestic tourism is one mechanism that

can nurture conditions through which people can co-exist, share their beliefs, appreciate each other's cultures, and develop friendships. While the potential of international tourism in promoting inter-cultural awareness and understanding has been advanced on the global level, the idea of domestic tourism acting as an internal bridge on the national level (D'Amore, 1988; Jafari, 1987), linking multi-cultural local populations has been recognized by countries including Malaysia, the Philippines, and Canada.

Tourism research in developing countries has been aimed almost exclusively at international tourism, despite recent studies that show an increase in the demand for domestic tourism in some of the larger and better-off developing countries (Pearce, 1989a). This sentiment has been echoed by Archer (1978) and Jafari (1987). Like international tourism, domestic tourism can also impact a country's social, cultural, and economic landscapes.

In some countries (for example, Malaysia), the local multi-ethnic population share certain socio-cultural characteristics that can help to cushion the impacts of domestic tourism. Shared characteristics include the use of a common language, participation in other ethnic group's festivities, and shared cultural features such as attitudes towards time, and the elderly and the family, and the aspects of food, dress, and sports. Domestic tourism offers an avenue for social interaction among various ethnic communities which can further foster understanding and harmony.

Table 2-1 displays tourism policy priorities of several Southeast Asian countries relating to the market of tourists sought – domestic or international (Richter, 1993). Most of

the countries aspire to hosting luxury international and business travelers. Some, like the Philippines, Thailand, Malaysia, and Indonesia, have begun to recognize the importance of domestic tourism.

In some cases, domestic tourists have complained about receiving second-class service from the industry staff. It is noted that there may be a sensitivity of developing nations to western approval, conceivably a holdover of a colonial mentality, that ascribes more importance to the wishes and tastes of outsiders than to the desires of their own peoples (Pearce, 1989a; Richter, 1989). The expected higher earnings accruing from international tourism may also dictate a preference for this tourist segment. It has been suggested that as domestic tourism grows, training for industry staff may be necessary, especially in bigger tourism establishments such as hotels and restaurants, to cater to the growing sophistication of local tourists (Harrison, 1992; Richter, 1993). Information sessions by national tourism organizations can also be of value to the smaller tourism entrepreneurs on how to effectively host a tourist.

The Philippines, Malaysia, and Indonesia also share common experiences of colonialism and multi-ethnicity, and have been struggling with the issue of unity or integration and social harmony since independence. Both the social and economic potentials of domestic tourism in these countries should be fully tapped in the interest of national integration.

	<i>Brunei</i>	<i>Cambodia</i>	<i>Indonesia</i>	<i>Laos</i>	<i>Malaysia</i>
Q: Who are the focus of tourism infrastructure development?	N.A.	International luxury and business tourists.	International luxury tourists		Increasingly more domestic tourism; international luxury tourists.
Q: Who are the focus of tourism promotion?	This is hard to say. There are fewer than 10,000 per year. Most are probably business travelers	International.	Luxury tourists; business travelers; domestic tours	Promotion is nil but international tourists are the ones sought.	International luxury tourists, business travelers. Promoted to Muslims as 'clean Muslim destination'.
Q: Who are the focus of efforts to regulate tourism facilities?	N.A.		International tourists.		International tourists.
Q: About whom are most tourism statistics collected?	Foreign tourist data are occasionally available	International.	International.	International.	International.

Table 2-1. Tourism Policy Priorities: The Market – Domestic or International (Richter, 1993)

	<i>Myanmar</i>	<i>Philippines</i>	<i>Singapore</i>	<i>Thailand</i>	<i>Vietnam</i>
Q: Who are the focus of tourism infrastructure development?	International moderate to luxury tourists	International luxury tourists.	International luxury tourists	Domestic or international tourists. 8.7 million domestic tourists in 1987	International moderate to luxury tourists
Q: Who are the focus of tourism promotion?	Promotion is nil but international tourists are the ones sought.	International luxury tourists, business travelers; <i>balikbayans</i> ¹⁰ .	Business and convention travelers.	Business and luxury escapist travelers primarily, but some domestic promotion.	Students/FTT; former Vietnam War participants; international.
Q: Who are the focus of efforts to regulate tourism facilities?	N.A.	Luxury tourists.		Some regulatory efforts to protect safety/health of international tourists.	N.A.
Q: About whom are most tourism statistics collected?	International.	International and <i>balikbayans</i> .	International.	International but domestic statistics developing.	International.

Table 2-1 (continued)

¹⁰ *Balikbayans* are tourists of Philippine ancestry who bring gifts, are influential, and have longer lengths of stay than other tourists.

2.5 National Integration

The process of integration should be viewed as part of a historical process of political development, rather than in static terms of disagreements between different political parties or cultural communities. The process of integration or disintegration is always present in both developing and developed parts of the world (Islam, 1989). There are no absolute measures to determine whether integration is complete, even in the most politically stable countries (Birch, 1989; Islam, 1989). In the United Kingdom, which appeared to have achieved integration to a high degree, the Scottish and Welsh nationalist groups have been growing in strength and pressing their demand for greater autonomy in their respective regions (Birch, 1989). Inevitably, the process of national integration is slow, but the very length of the process, at times, gives a false impression of stability and successful integration.

A country's need for integration is based upon the circumstances that have shaped its development, for example, historical experiences, physical make-up of the country, and economic and social developments. Although national unity involves binding together the various regions and diverse peoples of a country into a functioning and interdependent whole (Drake, 1989), for Malaysia and other ethnically and culturally diverse countries, a major challenge is retaining one's own identity while identifying oneself with other communities in the country.

In a narrow sense, Mazrui (1972) states that national integration is a process of "depluralizing society"; although pluralism never completely disappears, a society ceases to be a plural society when the stage of full national integration is reached. He continues to say that there is pluralism in every society, but not every society is a plural one (Mazrui, 1972). The extreme case of a plural society is a "society of total identities – of self-contained cultural systems or exclusive racial groups ...", where "... relationships between the groups are at either the level of bare coexistence or that of minimal contact" (Mazrui, 1972: 284). In a country of diverse linguistic, religious, and cultural backgrounds, just as Malaysia is, national integration is a humanitarian question, a question of coexistence, goodwill, cooperation, mutual understanding, and friendliness. Notwithstanding, it is also a question of power, wealth, and articulated values. These latter factors have directly affected the development of some countries and produced tensions among various ethnic communities.

For a developing country to modernize, cohesive forces are vital both to ensure the continued existence of a country as one political entity and provide political stability, and to enable economic development to take place. Without some measure of integration, both human and material resources that are needed to raise the overall living standards may have to be diverted instead towards confronting problems arising from the almost inevitably uneven spatial impact of development (Drake, 1989). An understanding of the spatial patterns is therefore also essential in economic development planning.

Regional economic interdependence and some measure of regional balance in economic development are fundamental to national integration. Drake (1989: 3) comments

that “a perception that standards of living are improving and that there is some measure of equity in the location of new industrial growth and development schemes may be of more importance to national integration than economic growth per se.” Governments of developing countries often believe otherwise. They believe that economic growth would result in better distribution of wealth which contributes to national unity. Social development has remained a low priority.

Drake's (1989) study on national integration in Indonesia provides valuable insights into this complex issue, as Indonesia and Malaysia share similar attributes in terms of their colonial experiences, multi-ethnic societies, distribution of political and economic power that run along ethnic lines, and basic cultural attributes such as custom, language, and religion¹¹.

On Indonesia, she states:

It is probably in the economic field, however, that the greatest threats to national integration occur. For it is the gap between the rich and the poor, the problems of unemployment and underemployment particularly in the cities and rural areas, and the unequal standards of living and inequality of opportunity among provinces that provoke the greatest dissatisfaction and unrest. Even the ethnic problem between the Chinese and indigenous Indonesians is largely an economic one. (Drake, 1989: 237)

The presence of any culturally distinct and economically powerful ethnic group needs to be considered in a study of national integration (Drake, 1989). Figure 2-1 shows the extent to which ethnic Chinese in Southeast Asia are either dominating the economies of

¹¹ Both Indonesians and Malay Malaysians share a common custom, language, and religion – Islam. Both countries are governed by the majority ethnic group but have economies dominated by the minority Chinese who had emigrated to both countries. Indonesia obtained independence from the Netherlands in 1948, while the British rule ended in Malaysia in 1957. Both countries have other ethnic groups besides the indigenous group and the Chinese, all of whom also have their own customs, languages, and religions.

Figure 2-1. Ethnic Chinese: Asia's Economic Ruling Class (Simons and Zielenziger, 1994)

countries where they are the minority (as in Malaysia, Indonesia, Vietnam, Thailand, and the Philippines) or are actually running the economies of Taiwan, Singapore, and Hong Kong where they are the majority (Simons and Zielenziger, 1994).

In Indonesia the Chinese are the common target for the hostility of Indonesians, and have also been considered a threat to national security and national integration due to their network of business and trade connections that extend beyond national boundaries (Drake, 1989). The root of the problem lies in the fact that although the Indonesians hold political power, it is the Chinese who have the economic edge and the riches, while the majority of Indonesians remain poor and many of them continue to live in the rural areas. It is believed that poverty is a major source of human aggression and hostility (Din, 1988).

Jesudason (1990) notes that groups do not confront one another merely because they differ in their norms, cultural practices, and symbols. While individuals sharing some common attributes have strong affective ties which serve as initial bases of group differentiation, salient group cleavages and conflict require another important ingredient – a sense of group weakness and threatened status growing out of a common competitive environment (Jesudason, 1990).

Lim (1985) observes that societies with ethnically diverse populations are often associated with economic, political, and social inequalities among the ethnic groups. In some societies like Malaysia and Indonesia, affirmative action programs have been instituted as a means to redress these inequalities and with the aim of promoting national integration (Lim, 1985). The concept of affirmative action is normally associated with programs

designed to assist minority groups which have been discriminated against and left behind in the course of the development of a country. A minority group is not simply weak in numbers, but more importantly, it is disadvantaged socially, economically, and politically (Lim, 1985).

Malaysia and Indonesia are unique in the way where it is the majority indigenous community who holds political power, while the former immigrant and foreign communities (especially during the early years of independence) enjoy economic power. This separation of economic and political power is a result of colonial policies and practices which were meant to keep the colonized population weak and divided (Lim, 1985).

Under colonial rule, while the colonial power enjoyed political and economic dominance, it also nurtured separate sets of political and economic elites among the local population. Often the local political elites were former members of the indigenous aristocracy, while the economic elites came from the immigrant communities; both were, however, subordinated to the colonial rulers. Upon independence, the political elites who are economically disadvantaged set in motion policies and programs to redress the imbalance, and during the process bring about economic, political, and ethnic conflicts.

While the argument has been made regarding the importance of economic integration for the achievement of national integration, one should not overlook other aspects which factor into the issue at hand. A stinging point was raised by Malaysian officials (noted in Chapter 1) about how precarious the ethnic or social situation is so that only the current economic boom can prevent an ugly social breakdown from happening.

2.6 Domestic Tourism as a Social Integration Factor

Drake (1989: 2) remarks that "Interaction among the diverse peoples within [Indonesia] promotes integration ... Thus, all kinds of movement and communication among provinces are important ..." While international tourism has the potential to promote peace and understanding among nations, domestic tourism has the potential to play a similar role within a country.

2.6.1 Track Two Diplomacy

William D. Davidson and Joseph V. Montville (1981-82) defined the official channel of government relations as "track one diplomacy" and the unofficial channel of people-to-people relations as "track two diplomacy" (D'Amore, 1988; Kim and Crompton, 1990). They suggest that both tracks run parallel and that track two diplomacy is a "supplement to the understandable shortcomings of official relations" (cited in D'Amore, 1988: 10). Davidson and Montville (1981-82) argue that the underlying assumption of track two diplomacy is that "actual or potential conflict can be resolved or eased by appealing to human capabilities of reason and goodwill" (cited in D'Amore, 1988: 10).

Tourism operates at the most basic level of track two diplomacy and can be perceived as a primary vehicle for facilitating successful track one diplomacy (Kim and Crompton, 1990). Tourism connotes people who willingly visit a place for sightseeing,

visiting friends and relatives, vacationing, and having a good time (McIntosh and Goeldner, 1988). It is dependent upon the belief that traveling is done within an amicable environment, where logistical barriers to travel are removed so that the psychological beliefs associated with fear for personal safety are also removed. Although research is still lacking in indicating the success of international tourism in spearheading the thrust towards global understanding, it provides an environment in which people-to-people relations can nurture friendships and goodwill (Kim and Crompton, 1990). Sensitivity and respect for the host society and its environment are positive factors that can enrich such an environment. With the presence of these factors, the very differences that divide and exacerbate tensions in multi-ethnic societies can be the basis of tourist attractions that encourage the appreciation of diversity. Richter (1989) believes more empirical work has to be done to demonstrate the types of touristic conditions that facilitates or frustrates cultural learning and understanding.

Tourism can be a vital influence for domestic peace and ethnic understanding. Government policies that encourage domestic travel, subsidize educational field trips, maintain museums, shrines, historical sites and parks, and support mass transportation reap the likelihood of societies less ethnocentric, intolerant, and suspicious of ethnically distinct "others" (Richter, 1988). The government of the Philippines has organized a government-sponsored travel program for students as a means to promote national pride and unity (Richter, 1982).

Tourism must be approached as a policy sector which must be integrated into the holistic development of the country (Richter, 1988). The government is the most appropriate

organization to monitor tourism development. The government, unlike the industry, has a public role in promoting tourism. Social and political factors are not considerations that the private industry is equipped to examine. The industry is not designed to place public interest as a priority as public agencies are charged with doing (Britton, 1991; Richter, 1989). Consequently, the government has to take the lead in promoting tourism for national objectives.

In Southeast Asia, some governments are hopeful that domestic tourism can be a means of uniting the peoples. In the Philippines, it is hoped that domestic tourism can integrate "the country's scattered linguistic and cultural groups" and broaden "its interest in preserving the arts, culture, and antiquities of the Philippines" (Richter, 1980: 250). Countries have promoted domestic tourism in a variety of ways. In the Philippines, there was a ban on Filipinos traveling abroad; when this was lifted in the late 1970s the Central Bank levied an enormous travel tax that prohibits travel abroad for all but only the very affluent Filipinos (Richter, 1980). As a result, the domestic tourism slogan "See the Philippines First" was incontestable; travel agencies were instructed by the Department of Tourism (DoT) to develop and promote low cost travel packages. Unfortunately, no feedback was documented for this initiative (Richter, 1980).

The Philippine government has recognized schools as the battleground for enhancing the popularity of domestic tourism. The DoT is trying to revive an educational program called Educare which covers historical, cultural, and environmental topics integrated into the national curriculum (Jaleco, 1996). The Philippines Travel Agencies Association also hopes

to launch its educational campaign soon with a lecture series on tourism as an industry and as a tool to promote history and culture (Jaleco, 1996).

The role of domestic tourism in fostering national unity is best illustrated by the following potential contributions to the socio-cultural and economic fields.

2.6.2 Socio-Cultural Contributions

Reducing Social Barriers

During the intermingling of people from diverse social and cultural backgrounds, the process of hosting, receiving, and sharing among people from different ethnic heritage, religion, and language group sets forth a path that bridges these differences. As the volume of these visits increases, these lines of distinction will become less pronounced. To ensure that services for domestic tourists are not second-rate as noted earlier, the importance of training for tourism industry staff has been emphasized (Harrison, 1992; Richter, 1993), alongside an awareness program for the smaller industry players.

Enhancing National Awareness and Sense of Belonging

A tourist's awareness of and his or her identification with the country increase when they visit and experience different parts of the country. To an informed tourist, exposure to a country's past heritage and resources, contemporary efforts, and future aspirations present the tourist with the dynamism of the country at work (Jafari, 1987; Sindiga, 1996). Domestic tourism can be an integrating force that enhances national passions.

Fostering Acculturation

The process of familiarization and adaptation takes place with the reinforcement of cultural themes with national characteristics as domestic tourists move around the country (Jafari, 1987). An exchange of new ideas and practices takes place, especially when members of different cultural groups associate with one another. Domestic tourists also comply more readily with the norms and rules of another ethnic group than international tourists do because they live together as neighbors and fellow citizens. There may also exist among them certain shared socio-cultural attributes. Some shared cultural attributes include the arts (such as artifacts, dance, and music) which can be preserved and popularized to promote national sentiments.

Tourism can also be instrumental in instilling an appreciation for local environments and history in host communities as a way of establishing a sense of unity and identity (Anderson, 1986) that can be communicated to local visitors.

2.6.3 Economic Contributions

Sustaining Demand

As mentioned earlier, international tourism depends on many external factors such as international economic prospects, political climate, air accessibility, and seasonal oscillations. As a result, these factors have a major influence on international tourist arrivals, but they hardly affect domestic tourism.

When a country makes a commitment to domestic tourism, holidays and vacations can be planned to achieve the greatest return for domestic tourists. Also, labor, equipment, and infrastructure that are underused due to the possible seasonal nature of international tourism can be provided for local tourists. In some countries, like Malaysia, the local demand itself may be seasonal. Chapter Four shows that in the country, the structure of holidays has also affected its domestic market demands.

Promoting the Spread of Economic Development

It is known that domestic tourists are more well-dispersed geographically compared to international tourists who tend to visit the more popular places or resort enclaves (Archer, 1978; Jafari, 1987; Pearce, 1989a). An increase in foreign exchange from inbound tourism does not necessarily contribute to regional development, which may derive more benefits from the dispersed nature and preference for local “tastes” of domestic tourism (Pearce, 1989a; Sindiga, 1996).

Domestic tourism, in essence, shares a presence within the informal tourism sector discussed in Chapter One. The capital requirements for the informal sector are low. Chalets, guesthouses, or bed and breakfast accommodations can be built without a lot of financial resources; small or family-run restaurants can be more easily established. Notwithstanding, some affluent local tourists may choose to stay at five-star hotels from time to time.

The dispersion and preference for local “tastes” among domestic tourists contribute to the incomes of the smaller players of the tourism industry. In Southeast Asia, international

tourist demand may not even contribute five percent to the total revenue of hawkers, whose food may be presumed unhygienic. Many international tourists will usually eat in the hotel or at a restaurant of equal standard (Oppermann, 1993). Money spent by domestic tourists recirculates within the local economy, generating additional income for the small tourism entrepreneurs.

Promoting Cottage Industry and Use of Local Products, Infrastructure, and Labor

Domestic tourism, more than international tourism, can be built upon and developed with local resources or products. For example, these include not only local material for construction but also local food and drink served in hotels and restaurants. Domestic tourists often find the local standards and choices acceptable, compared to international tourists who may favor name brands and standardized services imported from other countries (Archer, 1978; Jafari, 1987). The importation of goods and services, including those of foreign nationals for middle and top management positions when catering to international tourists, can be avoided to limit the erosion of foreign exchange.

Domestic tourism can also encourage indigenous or small-scale industries. Food and artifacts can be sold to domestic tourists who are used to them but which international tourists may find foreign and may be afraid to try, especially food. Besides, some of these initiatives require no major investments on the part of the host and assure direct transaction between tourists and locals. Oppermann (1993) observes that:

Since the owners of such simple businesses are generally much better integrated into the local economic structure, they would buy their equipment and supplies from local sources and not from the national capital or overseas. Given the higher integration of

the informal tourism sector enterprises into the local economic structure, it is capable of producing a higher multiplier effect on the local economy than the formal tourism sector. (544)

Increasing Import Substitution

A well-developed domestic tourism program has the potential to encourage a population to travel internally so that the country can retain foreign exchange to match its efforts in earning it. For developing countries, the effort to retain foreign exchange would be difficult if their citizens frequently traveled to more "expensive" countries which have higher costs of living.

Summary

After many years of focusing on international tourism as an economic contributor, domestic tourism is becoming more important to developing countries for its economic and social contributions. Its potential for nurturing the conditions through which people can develop understanding and appreciation for one another is key to its contribution to social integration and harmony in multi-ethnic societies. Nevertheless, domestic tourism cannot offer a simple solution for the complexity of the idea of national unity. Other programs, such as a change in the education curriculum, should also be implemented in concert with domestic tourism to promote unity. The dominance pattern of the majority and minority ethnic groups over political and economic functions can cause social friction as well.

With a greater awareness of the inter-relationship of the many tourism and national integration variables, the case of Malaysia can now be considered.

CHAPTER THREE

TOURISM DEVELOPMENT AND NATIONAL INTEGRATION IN MALAYSIA

3.1 Tourism and the Malaysian Economy

The significance of the sectoral contributions of the tourism industry in Malaysia was officially recognized only in the early 1970s, after the Pacific Asia Travel Association (PATA) Conference in Kuala Lumpur in 1972. The recognition also came following a phenomenal growth rate experienced by the industry since the late 1960s (Din, 1984; Wong, 1986). The period saw a radical change in Malaysia's position on the Asian tourism map. It emerged from the least attractive position in the 1960s to become one of the leading destinations in the region in the 1970s. This growth might be attributed to factors such as increased physical accessibility, improved marketing and accommodation facilities, and efforts by the government to promote Malaysian destinations in the international market. In recognition of the magnitude of economic contribution of the tourism sector to the total economy, both in terms of employment and foreign exchange earnings, and the possibilities of further development, the government established the TDC in 1972, which was responsible

for the coordination, development, and promotion of domestic and international tourism (Din, 1984; Wong, 1986).

Tourism was accorded higher priority in the 1980s with the poor performance of traditional exports. In 1987, the establishment of the Ministry of Culture, Arts, and Tourism, and the elevation of the industry to cabinet status marked the beginning of an aggressive campaign to promote tourism, especially international tourism.

The tourism industry is currently the third highest income generator for the country, behind the manufacturing and crude petroleum industries. The latest international visitor arrival figures stand at 7.47 million for 1995, an increase of 3.8% over the previous year (Lee, 1996a). In the same year, tourism revenue was RM9.2 billion¹² (Lee, 1996a). The major contributors to Malaysia's inbound tourism are Singapore, Thailand, Taiwan, Japan, Australia, the United States, and the United Kingdom. While the first three countries posted growth during 1991-1995, arrivals from the other countries decreased. The number of Japanese arrivals dropped 36.0% between 1990 and 1992 as a result of the slowing down of the country's previously buoyant economy. This gave Japan a 4.3% market share of the total arrivals in 1992, behind Singapore (62.2%), Thailand (7.2%), and Taiwan (4.6%) (MTPB, 1993).

¹² The exchange rate for the Malaysian ringgit (RM) is RM2 to C\$1.

To better comprehend the development of the tourism industry in Malaysia, it is important to understand the geographical and socio-economic nature of the country that has shaped its development.

3.2 Geographical Factors Influencing Development

The physical make-up of Malaysia has been a major factor in the development of the country. Malaysia comprises two main entities – Peninsular Malaysia and East Malaysia – and occupies a total of 330,434 square kilometers (Wong, 1986) (see Figure 3-1). It is bounded in the north by Thailand and the Philippines, in the south and east by Indonesia, and in the west by the Indian Ocean.

The peninsula is roughly divided by a north-south mountain range which partitions the peninsula into west and east coasts. Historically and economically, the west and east coasts have developed at a different pace. The Straits of Malacca, bordering the west coast, was a major transportation route in the Southeast Asia region for traders, warriors, colonists, and immigrants. The settlement of some of these groups of people resulted in the west coast having more developed infrastructures, bigger urban and commercial centers, and major industrial areas and plantations. Lucrative tin-mines were also discovered on the west coast. Towns such as the capital city of Kuala Lumpur, Georgetown on the island of Pulau Pinang, Ipoh, Melaka, and Johor Baharu have become major cities over time.

Figure 3-1. Malaysia (Ulack and Pauer, 1989)

The east coast is widely exposed to the South China Sea whose monsoons bring about stormy seas. The east coast has remained more rural in nature with fishing and agriculture as its dominant economies. Kota Baharu, Kuala Terengganu, and Kuantan are the major centers on the east coast.

The ethnic pattern of Peninsular Malaysia is also affected by its physical geography. The non-Malays (primarily Chinese and Indians) are found predominantly in the more developed west coast, where Kuala Lumpur, Pulau Pinang, and Melaka developed during the British rule. The majority of the Malays are in the relatively underdeveloped Malay Belt in the northern west coast and along the east coast. The non-Malays are mostly located in the main towns and urban centers, and in the industrial parts of the country; the Malays are mostly located in the rural areas, as a hinterland to the urban centers.

Sabah and Sarawak, also referred to as East Malaysia, lie on the island of Borneo. These states also have a plural society like Peninsular Malaysia, but with many more indigenous groups. (These groups are classified as *Bumiputras*, thus numerically strengthening the community and giving it more political clout.) Their economies depend on agriculture, timber, petroleum and gas. Some indigenous groups still practise shifting agriculture. Due to the lack of accessibility, as there are many rivers and highlands, as well as thick jungles, especially near the border with the Indonesian province of Kalimantan, Sabah and Sarawak have lagged behind in their development. Another factor that cannot be dismissed has been the lack of attention given to East

Malaysia compared to the peninsula as that is where the main political and economic activities take place.

3.3 National Unity and Socio-Economic Development

Malaysia has often been considered as part of the next tier of Newly Industrializing Economies (NIE's) in Asia. However, due to its pursuit of economic prosperity, social harmony has not been fully cultivated among Malaysians. The country has a population of 20.69 million in 1995 (GOM, 1996), made up of various ethnic groups. 81.7% of the population lives in Peninsular Malaysia, while 18.3% lives in Sabah and Sarawak (GOM, 1996). The three most populous ethnic groups are the *Bumiputra* (57.8%), Chinese (25.6%), and Indians (7.2%), while other minority groups (9.4%) consist of Arabs, Eurasians, Europeans, Sinhalese and non-citizens (GOM, 1996).

In Malaysia, discussions on socio-economic development problems have often been related to the strategies of the New Economic Policy (NEP), which mirrors the historical context and the ethno-political challenges faced by the country (Din, 1982). Like many newly independent countries, the leadership of Malaya in 1957 inherited problems characteristic of its status as a dependent neocolonial economy.

The ethnic composition of the 6.28 million population at that time was 50 percent Malay, 37 percent Chinese, and 11 percent Indian (Jesudason, 1990). Although they were numerically dominant, the Malays became marginal in an economy dominated by Europeans

(foremost, British) and, to a lesser extent, the large Chinese immigrant group, producing fears of Malay weakness and peril not just about the economy, but in politics as well.

An affirmative action program called the Malay Special Rights was legislated into the Federal Constitution in 1957 to protect the position of the Malays (Lim, 1985). Although the Malays were economically disadvantaged, they enjoyed political superiority, having been favored political heirs of the British. When decolonization began, a complex bargaining process took place between the Malays who enjoyed political privilege and the non-Malays who had economic advantage. The non-Malays, in return for receiving citizenship, agreed to having special rights conferred on the Malays in order to uplift their economic position.

As in most newly independent countries in the 1960s, development strategies of Malaya were aimed at maximizing economic growth through the development of import substitution industries in the urban areas, in conjunction with modernizing the rural primary export sector. Early development plans had emphasized economic growth, rather than equality, to secure the main needs of society and to re-establish the country's economic credibility. It was also assumed that that growth would lead to a better distribution of national wealth and consequently, to better ethnic relations (Din, 1982).

Therefore, the greatest growth occurred in regions already well-endowed with infrastructure or already experiencing growth. In addition, economic protection given to the modern sector – medium- and large-scale enterprises – resulted not in phasing out the dual structure of the economy, but instead in reinforcing the dichotomy between urban and rural

labor markets (Drake, 1989). At the same time, poverty was also prevalent among many urban and rural citizens.

While many interpretations abound on the specific causes of the race riot on May 13th, 1969, it was generally agreed that the root cause of the problem rested upon patterns of ethnic and regional economic inequalities (Din, 1982; Faaland, et al., 1990). The riot, concentrated in Kuala Lumpur, was sparked by the results of the general election on May 10th, 1969, which showed that the political power of the Malays had been eroded with the defeat of Alliance Party in some of its major constituencies¹³. Furthermore, the Malays had little economic power. Victory motorcades by the Chinese all over Kuala Lumpur on the night of the election further intensified the tensions which finally erupted on the night of May 13th.

Until this time, it is also not an exaggeration to say that the Malay Special Rights Program represented a most delicate issue in Malaysian politics (Lim, 1985). It caused resentment on the part of both Malays and non-Malays. On the one hand, the Malays felt that not enough has been accomplished under this program in the economic, education, and public employment fields. On the other hand, non-Malays were resentful that they were

¹³ The main political party in Malaysia and the one in power is the *Barisan Nasional* (National Front), which succeeded the Alliance Party. The Alliance Party was a clever union of the three main parties which represented the three major ethnic groups in Malaysia – UMNO (Malay), MCA (Chinese), and MIC (Indian). It was formed to negotiate Malaya's independence from the British. The three communities realized that unless they were united, the country would not attain self-government. The formation of the Alliance Party was undertaken with the agreement that UMNO would always be the governing party so that the Malays would be guaranteed political power. Other political parties in Malaysia do include representatives from the various ethnic groups, but a few are ethnically-biased. *Barisan Nasional* today comprises more than 10 political parties representing the majority of ethnic groups in Malaysia.

being discriminated against for too long. They found it difficult to obtain scholarships, admission into higher educational institutions, and employment in public service.

The unexpected riot led to the declaration of the NEP in 1971. It was a new economic strategy that paved the way for a vastly expanded economic role for the state. The NEP geared the state to counter-balance foreign and Chinese dominance in the economy. "Ethnic perceptions of Chinese-economic and Malay-politics monopolies had caused endemic ethnic animosity ..." (Din, 1982: 457).

The NEP declared that national unity was the overriding objective which would be achieved through a two-pronged approach (Din, 1984; Faaland, et al., 1990; Jesudason, 1990; Wong, 1986). The first prong addressed the eradication of poverty irrespective of race, while the other prong aimed at restructuring Malaysian society in order to correct and eventually eliminate the existence of racial and spatial imbalance in the economy. Under the banner of the NEP, the Malays wanted greater control over the nation's economic resources, both to increase Malay economic power, as well as to expand their political base.

Targets were set so that by 1990, Malay employment and ownership in the economy would have reached 30 percent, non-Malays 40 percent, and foreigners 30 percent, in contrast to the 1.9 percent, 37.4 percent, and 60.7 percent respectively in 1970 (Jesudason, 1990). The leaders wanted to change not only the employment pattern of society but also the whole ownership structure of the economy. They argued that it "would not be conducive to national unity to have the urban-rural split replaced by an employer-employee split" (Jesudason, 1990). The worry was that if the Malays remained merely employees even as

they moved into the urban economy, ethnic and class cleavages would overlap and threaten political stability once again. In 1986, however, the government declared that due to the global recession, the set targets might have to be extended as there was little growth at the time.

After a five-year absence from Malaysia, from 1989 through 1994, I noticed stark changes in the representation of ethnic groups in some areas of employment. Whereas, previously, one would have seen many Chinese and Indian retail clerks in the stores, in 1994 many of the clerks were Malays. I also observed the presence of Malay workers in family-owned Chinese businesses as all businesses were obliged to contribute to fulfilling the target for changes in the employment pattern. Absence of Malay workers may hinder or delay the application or renewal of business licenses in some cases. A family business operated by the Chinese, in particular, does not normally hire outsiders, let alone non-Chinese workers. In Malaysia, stereotyping of ethnic groups has long existed. The Malays are seen as clean, lazy, and not intelligent (hence they will not do well in business). The Chinese are viewed as hard working, greedy, and smart (which explains their economic success), and Indians are seen as lazy, and not too intelligent either.

The tourism industry's own development has also been significantly affected by the principles of the NEP. As common in national development plans, the NEP has remained very much declaratory in scope, subjected to specific and pragmatic situations; it nonetheless provided an framework within which sectoral policies were formulated (Din, 1982). In

tourism there was a marked shift in emphasis of policies from growth goals towards more concerns for providing greater opportunities for indigenous participation in the industry.

Within the sector the plan conceived the government's role, through the TDC and related agencies, primarily as a coordinator to promote the industry, to coordinate the efforts of both the private and public sector, and to initiate development in promising areas which had failed to attract private developers. In subsequent development plans, the need to assist the Malays in their participation in the tourism sector was emphasized; this was in line with the government objective of achieving a 30% Malay participation in commerce and industry by 1990.

National Development Policy

The National Development Policy (NDP) takes over from the NEP which ended in 1990. The Sixth Malaysia Plan 1991-95 is the first phase in the implementation of the NDP. The NDP was designed to guide the development of Malaysia in the nineties. The NDP builds upon the on-going thrust of the NEP in eradicating poverty and restructuring society. The NDP also outlined the following objectives to foster national integration:

- promoting and strengthening national integration by reducing the wide disparities in economic development between states and between rural and urban areas in the country
- developing a progressive society in which all citizens enjoy greater material welfare, while simultaneously imbued with positive social and spiritual values, and an increased sense of national pride and consciousness (GOM, 1991: 5).

The current Seventh Malaysia Plan 1996-2000 also states that the efforts in “developing a sense of common identity and shared purpose among all Malaysians continues to be crucial to nation-building and the creation of *Bangsa Malaysia*” (a Malaysian nation) (GOM, 1996: 28-9).

3.4 Tourism Development in Malaysia

Early Development

Up to the mid-1970s, the development of the tourism industry had been heavily biased towards the urban areas, with dominating centers such as Georgetown, Kuala Lumpur, and Melaka, all of which are major economic and political centers. These centers are on the west coast of Peninsular Malaysia where the majority of tourism activities took place. In particular, the first two centers benefited from the expansion of hotel accommodation in the early 1970s. There was little activity on the east coast. In 1974, the Kuala Lumpur, Melaka, and Georgetown regions had 72% of the total and 91% of the international hotel rooms in Peninsular Malaysia; less than 20% of the total and less than 6% of the international rooms were in other centers such as Johor Baharu, Kuantan, Kota Baharu, and Kuala Terengganu (TDC, 1975).

Also in these areas, the Malaysian Chinese have been able to secure traditional control of the urban commercial sector due to advantages of earlier entry, superior business acumen, and their strategic location in the urban areas (Din, 1982; Din, 1984). Din (1982)

observed that Malay ownership of hotels in Georgetown, Kuala Lumpur, Ipoh and Melaka practically did not exist, although the involvement of the Malays was relatively more significant in the east coast towns of Kota Baharu and Kuala Terengganu. In short, the tourism industry conformed to the patterns of correlation of economic function with race that the NEP sought to remedy.

Besides ethnic correspondence, there was a pattern of regional imbalance, with the industry concentrated among the traditional tourist destinations along the west coast of Peninsular Malaysia. The east coast region and Sabah and Sarawak failed, in the beginning, to capture the tourist dollar despite their rich cultural and natural attractions. (In 1992, tourist arrivals were still heavily biased towards Peninsular Malaysia – see Figure 3-2.) While the lack of tourism development in these regions may be explained in terms of accessibility factors, the government recognized that the industry needed proper coordination and planning. When the TDC was set-up in 1972, one of its objectives was to encourage tourism growth in largely “unexploited” areas – for example, the east coast of Peninsular Malaysia – while helping to sustain the industry in the more established “traditional” tourist centers (Wells, 1982). Consequently, the provision of better accommodation and accessibility to the east coast were made available in the late 1970s (Wong, 1986).

Figure 3-2. Distribution of Tourist Arrivals by Region 1992 (MTPB, 1993)

During the early years of operation, TDC lacked expertise in its coordination activities. Difficulties also arose out of federal/state government relationships on tourist development. For example, the development of accommodation facilities was not always well coordinated with the provision of public utility and infrastructural developments (Wells, 1982). The following scenario further illustrates this difficulty.

While the enabling legislation empowers the TDC to coordinate the development of tourism plant and facilities, the TDC does not always possess the “tools” necessary for implementation and enforcement. For example, the varying legal powers to approve the establishment of hotels and related tourism facilities lie separately with different government agencies, local authorities and state governments. The application for hotel projects must be approved by the federal government to obtain pioneer status and tax holidays, after which it must be submitted to the state planning authorities for building approval, and then on completion the project must be licensed by the local authority.¹⁴ (Wells, 1982: 102)

¹⁴ The federal government introduced special provisions relating to the hotel industry in the Investment Incentive Act, 1968, which included the provision of pioneer status, locational incentives, and abatement of income-tax for the establishment of new hotels, and expansion and modernization of existing hotels (Wells, 1982).

The TDC also used to have an enforcement division which was mandated to ensure that *bumiputra* participation in the industry was in line with the NEP objectives (TDC, 1975). The division monitored the status of employment and the ethnic composition of the industry. It is not known whether the division still exists as data from the TDC and Tourism Malaysia have not been available (Din, personal communication, 1994).

Tourism Master Plan

Under the advice of international consultants, a tourism development plan was formulated in 1975 with the development objectives which included, *inter alia*,

... to provide a basis upon which Malaysia may develop her tourist potentials in an orderly and balanced manner within the framework of the national development plan and the New Economic Policy (TDC, 1975: 4).

It identified the development of eight integrated tourist regions (six of these regions were in Peninsular Malaysia – see Figure 3-3) centered in state capitals but also incorporated new tourist "corridors" outside the urban fields. The idea of spreading out into the rural areas provided more diversity of appeals to international tourists; the TDC had developed new resorts to promote dispersion. It was also consistent with the NEP strategy of narrowing the rural-urban and regional imbalance of economic development. Development in the east coast region helps to involve the Malays in the tourism industry, thus reducing the economic imbalance between Chinese and Malays.

As for the spatial distribution of tourists, Oppermann (1992), who studied intranational tourist flows in Malaysia, noted that up until 1990, fifteen years after the

Figure 3-3. Tourist Regions of Peninsular Malaysia (Wong, 1986)

implementation of the Tourism Master Plan, tourists were still concentrated on the west coast. He claims that the desired results of the development of the 8-shaped tourist circuit has not materialized (Oppermann, 1992). Sabah and Sarawak, in particular, still lag behind the peninsula in attracting tourists (King, 1993; See-Tho, 1993). The tourism industries in these states complained of the shortage of well-developed multicenter packages that resulted in visitors focusing on only a few destinations, most of them in Peninsular Malaysia (King, 1993).

Oppermann questions the government's assumption that "the industry can also act as a catalyst for regional development due to the location of tourism resources that are available in the country" (Oppermann, 1992: 493). The failure could be due to the lack of promotion, because accommodation facilities were adequate and local transportation was good, especially on land, as Malaysia has one of the best land transportation network in Asia. A promotional campaign to attract visitors who would travel extensively around the country, particularly those who would travel to otherwise little frequented places, might help to reduce the spatial disparities.

Din (1982) noted that the plan made little reference to the objectives of the NEP in terms of having no specific reference or suggestion on how the government agencies involved might encourage local or indigenous participation. The RM1 million master plan made some suggestions on regionalization, decentralization, and some estimates of operational costs in the accommodation sector, but the plan made little specific recommendation on alternative options for implementation. The real value of the plan rested

upon its position as the first comprehensive conceptual framework which provided the necessary reference point upon which government planners and executives might have generated discussion for further refinements of new ideas and approaches (Din, 1982). Although the master plan covered the states of Sabah and Sarawak it was only in the late 1970s that the TDC began to have effective influence there, partly because of its initial focus on Peninsular Malaysia.

Ownership and Participation in the Tourism Sector

Although there is no specific study on ethnic representation in the structure of hotel employment, the general trend shows gradual progress towards more Malay participation in the administrative and managerial positions (GOM, 1991). Additional opportunities in activities such as travel agencies, restaurants, recreation, and retailing have not been estimated but are thought to be significant. Malay participation in the tourism industry has increased mainly through training facilities provided by institutional agencies such as People's Trust Council (MARA), Urban Development Authority (UDA), the various state development corporations, and the TDC.

In Malay-operated businesses in particular, the nature of participation is unclear, as it is not certain as to how many licensees operate their own business as compared to leasing out acquired permits to the non-Malays. Furthermore there is also no indication on the total size of capital investments involved. In the accommodation sector, most projects undertaken by government agencies, such as the joint venture with Club Mediterranee in Kuantan, Rantau

Abang Visitor Center and Tanjung Jara Beach Hotel in Terengganu, and the Langkawi Country Club, are aimed at luxury tourists; there has been little effort to encourage small-scale private developers among the Malays in the this sector (Oppermann, 1992).

In the past, the market for small-scale traditional facilities has mainly been restricted to domestic travelers who were expected to form nearly half of the tourist market. The TDC's first survey on domestic tourism in 1977 found, however, that of the 4.6 million person-trips in 1977, 87 percent of the local travelers had expressed preference to seek accommodation at the homes of friends and relatives, making the demand for small-scale facilities from domestic market quite limited (Hong, 1985). Hong (1985) remarked then that the promotion of luxury tourism would not deprive locals of accommodation facilities by pricing them out of the tourist market. As the economy improves however, in the 1990s, the local demand for both luxury and budget accommodation would increase as people's incomes rise.

To cater to the growing demand of the budget-conscious domestic tourists, and the international tourists in general, the government has taken the initiative to construct a chain of medium-priced hotels. This arrangement provided opportunities for the participation of *Bumiputra* entrepreneurs in the hotel and tourism industry through the franchising system, and will be eventually privatized, particularly to current hotel managers (GOM, 1996). Homestay programs were also encouraged (GOM, 1996), thus adding a new dimension to the medium-priced accommodation, as well as providing opportunities to small operators to participate in the expanding tourism industry.

In an effort to gain some insight into the attitudes of the local population towards tourism, Din (1991) encouraged a group of students to conduct perceptual surveys in four different areas in Peninsular Malaysia. It was found that the majority of the local population view tourism as a source of economic betterment and that all four groups studied favored the development of tourism in their vicinities, although the majority surveyed have never benefited directly from tourism (Din, 1991). Among the rural population, in particular, the promotion of tourism, both international and domestic, can encourage part-time employment among the people with regards to providing accommodation and meals, and selling of handicrafts as a means of promoting cottage industries. The participation in these small-scale activities within the tourism industry assists the target population in the rural areas to gain a share of the industry and sustained benefits of direct incomes.

Summary

Tourism development in Malaysia has been influenced by the course of national development, with national unity as the overriding objective. The NEP was the primary vehicle used to achieve this objective. It sought to eliminate poverty and restructure Malaysian society to correct the ethnic and spatial imbalance in the country. The tourism industry had conformed to these patterns of imbalances. It was concentrated on the west coast of Peninsular Malaysia and was mainly run by foreigners or the Chinese. A plan to spread tourism development into other parts of the country through an 8-shaped tourist circuit did not materialize. The involvement of *Bumiputra* entrepreneurs in the tourism

industry is being encouraged by the government through their operation and eventual ownership of medium-priced hotels. Many of TDC's and Tourism Malaysia's plans for tourism have been focused on the international segment. As Chapter Four demonstrates, domestic tourism has not been given the appropriate attention in order to harness its full benefits, especially for national integration.

CHAPTER FOUR

DOMESTIC TOURISM IN MALAYSIA

4.1 Introduction

Domestic tourism in Malaysia is characterized by: (1) the recognition that it was the mainstay of the tourism industry in the mid-1980s, during the world recession when traditional exports performed badly and international tourism was also hard hit; (2) the lack of research on the domestic market as explained in the following paragraph; (3) the acknowledgement that it contributes to social integration in Malaysia's quest for national integration.

The first major survey on domestic tourism took place in 1977 and it took another eleven years before the next survey was carried out in 1988. A few reasons can be given for this long interval between the two surveys. As a developing country, Malaysia has looked towards international tourism to bring in foreign exchange. As the more "visible" segment of the tourism industry, more statistics are gathered on it. Tourism Malaysia also compiles an annual set of data on international tourism. Examples of these data are presented in Appendix 2.

The Malaysian government has been focusing on economic development in its hopes to achieve national integration, and has not fully tapped on the social, and to a certain extent, the economic potential, of domestic tourism until more recently. The rest of the chapter will further explore this condition.

4.2 Domestic Tourism Survey 1988

It is unfortunate that the last major survey on Malaysia's domestic tourism took place almost a decade ago (1988), but it is felt that its major findings should be presented in this study due to the fact that it remains the most recent authoritative survey of its kind. As mentioned in Chapter One, discussion of the domestic market for the purposes of this study will be supplemented with more recent information from trade journals and research work conducted by private advertising agencies in the country.

Information from the 1988 survey has to be treated with care, as rising incomes and the quality of life of Malaysians can be expected to have influenced and changed the nature of the domestic market since 1988 in terms of spending levels, types of accommodation preferred, duration of travel, etc. It is with this concern in mind that this study offers additional information beyond that from the 1988 survey to help shed some light on the recent status of the domestic tourism in the country.

4.2.1 Summary of Findings

The 1988 survey was commissioned by the TDC and was conducted by the MARA Institute of Technology (ITM). It was based on a nationwide survey of households and tourist sites. Only households with a combined monthly income of RM1,000 or more were surveyed as these households were assumed to have a higher propensity to travel. The surveys were conducted between May and October 1988.

The Domestic Tourism Survey 1988 defines a domestic tourist as:

... any person residing in Malaysia, regardless of nationality, travelling to a place, at least 25 miles (40 km) away from home, within the country other than their usual place of residence for a period of not less than twenty-four hours or one night for a purpose other than the exercise of a remunerated activity. (TDC, 1988: 3)

The motives for such travel may be leisure, visiting friends and/or relatives (VFR), and others such as special events, religious, health, and study (TDC, 1988). This definition is consistent with the general WTO definition on domestic tourism (United Nations, 1994).

The overall finding of the survey indicated a lot of growth potential for the domestic tourism market. The leisure travel market could be further developed, and with rising quality of life and more affordable facilities, TDC had hoped to entice more locals to travel within the country. A summary of the main findings is provided below; a more detailed account of the survey findings is presented in Appendix 1 (TDC, 1988).

- 72.4% of the Malaysian population had traveled domestically in the last year from the survey date. 3.6% reported that they had traveled only to international destinations, while 24.0% had not taken any trips during this time period¹⁵.
- 23.3 million person-trips¹⁶ were made by domestic travellers in the last one year. On average, a domestic traveller made 4.99 trips a year.
- 67.2% of domestic tourists travelled for leisure purposes. Within each ethnic group, leisure travel was the most popular. VFR was the second most popular trip purpose.
- The proportion of domestic travellers were as follows: Malays 57.5%, Chinese 33.2%, Indian 8.2%, and other ethnic groups 1.1%. These figures correspond closely to the ethnic breakdown of the population at the time – approximately 55% Malay, 33% Chinese, 8% Indian, and 4% other ethnic groups.
- Beach resorts, followed by hill resorts, were the most popular attractions.
- 40% of travellers visited Kuala Lumpur. In order of magnitude, the other popular destinations after Kuala Lumpur were the states of Pulau Pinang, Perak, and Selangor. The location of major centers in these states (for example, Georgetown in Pulau Pinang and Ipoh in Perak) were the main reason for their popularity as they provide a broader range of attractions from shopping, entertainment, cultural, historical, and special events.

¹⁵ The main reason given was that of financial constraint.

¹⁶ A person-trip refers to a trip made by each traveler. For example, a group of five persons who went on a domestic trip would have made five person-trips.

- The states of Sabah and Sarawak in East Malaysia received the fewest domestic tourists.
This situation could be due to the lack of major centers in these states as well as the lack of publicity by the TDC. Other reasons can be the accessibility problem (noted in Chapter Three), the costs of air travel from Peninsular Malaysia (to be discussed later in this chapter), and the preference for car-based travel (noted below).
- The major geographical receivers of domestic tourism were also the main generators. These places were the urban centers such as Kuala Lumpur and Georgetown. Two other main generators were Melaka and Johor Baharu.
- The average duration of a trip was 4.9 nights.
- Domestic tourism was highly dependent on school holidays. More travel occurred during school holidays than any other time of the year.
- The most popular mode of transportation was the private car. 63.4% of domestic trips were made by car.
- 55.8% of travelers travelled with their families. The average group size was 5 persons.
- Domestic tourists preferred to be accommodated in the residences of friends or relatives. More than half of them also used hotel or motel accommodations on at least one of their trips.
- More than two-thirds of domestic tourists relied on friends and relatives for information on places to visit.

- An average of RM285 was spent on each domestic trip. The total estimated expenditure was RM1.28 billion. In 1977, RM251 million was spent on domestic tourism, with an average of RM80 spent on each trip.
- On the whole, domestic tourists were satisfied with the amenities provided, except for public toilets. 63.5% were of the opinion that the toilets were poorly maintained. An independent study commissioned by the TDC in 1986 found that other major dissatisfactions included poor maintenance of tourist areas and poor condition of highway rest areas (Frank Small & Associates, 1986).
- The two largest groups of travelers by occupation were professionals, and administrators and managers who made up 23.4% and 20.2% of travellers respectively.
- The majority (55.2%) of domestic tourists had secondary education, while 35.2% had tertiary education.

Discussion of the main findings of the 1988 survey, summarized above, is undertaken in two sections: the problems that were facing domestic tourism, and how they could be overcome, especially in fostering national integration.

4.3 Shortcomings of Domestic Tourism

During the years 1991 through 1993, the TDC solicited advertising campaign tenders from advertising agencies in the country on advertising and promotional recommendations for the domestic market. Based on the research conducted by these agencies for the tenders and on the earlier Domestic Tourism Survey 1988, some main problems with domestic tourism were highlighted. To begin with, these weaknesses are discussed within the marketing mix context, which consists of place, product, price, and promotion. Other weaknesses will be discussed in the next section. It was found that places of attraction presented little problem to the industry in comparison to the products, pricing, and promotional efforts.

4.3.1 Marketing Mix

Place	<ul style="list-style-type: none"> • Extensive attractions • Accessible
Product	<ul style="list-style-type: none"> • Sites poorly maintained • Dirty toilets • Events lacked creativity
Price	<ul style="list-style-type: none"> • Expensive accommodation • Higher domestic airfares • International packages more attractive
Promotion	<ul style="list-style-type: none"> • Lack of information centers • Lack of publicity • Little innovation in promotions

Table 4-1. Problems with Domestic Marketing Mix

Place

Malaysia has extensive attractions for tourists, ranging from historical sites, cities, the countryside, beaches, hill resorts, and nature and wildlife. Many of these places, especially those in Peninsular Malaysia, are very accessible. (One finding of the 1988 survey was that most domestic tourists travelled with their own cars). Malaysia, and again especially the peninsula, has one of the best and most extensive highway networks in Asia. Other forms of transportation such as trains, buses, and air service are also readily available.

As explained in Chapter Three, Sabah and Sarawak have more rugged terrain which appeals to the more adventurous travelers. In general, the capital cities of Kota Kinabalu in Sabah and Kuching in Sarawak, historical sites, nature and wildlife attractions, and cultures of the indigenous peoples constitute the major attractions in these two states.

Product

There were many complaints about the overall condition of the actual tourist sites. Some sites did not measure up to their descriptions in tourist brochures. Dr. Kadir Haji Din, a professor of Geography at Universiti Kebangsaan Malaysia, concurred that some attractions were in poor and unkempt conditions and that a major problem existed with dirty public toilets (personal communication, 1994). Dr. Din cited as an example, finding poorly maintained historical sites in Melaka during a class field trip (personal communication, 1994). My visit to Pulau Tioman, an island resort off the east coast of Peninsular Malaysia in

1994, was extremely pleasant until I stepped into the public toilet at the local airport; it was appalling.

There were also complaints that many tourist events lacked creativity and were nothing more than an upgraded version year after year. There was also a lack of tourist information centres.

Price

With accommodation, the standard complaint was that international standard hotels were expensive for domestic travelers, hence more budget and medium-priced hotels and motels should be built (Ooi, personal communication, 1994). In 1994, I found that a standard double occupancy room in a Kuala Lumpur hotel generally cost at least RM200. Under the Sixth Malaysia Plan 1991-1995, the government proposed to build twenty budget hotels in two phases, with the first phase to be completed by early 1994 (Rouen, 1993). These fifty- to one-hundred-room properties would be priced at RM60 to RM90 a day (Rouen, 1993). As with the construction of medium-priced hotels explained in the previous chapter, it is very possible that these budget hotels would eventually be privatized to *Bumiputras* who often lacked capital to venture into construction and ownership of such facilities.

For transportation, while trains and buses provide economical and reliable transportation for the majority of the population, Malaysia Airline System (MAS), the country's flagship carrier, has been criticized for its rather high domestic fares. Mr. Yunus

Maarof of Seri Travel in Kuala Lumpur explained that in 1994, an economy-class air-ticket from Kuala Lumpur to Kota Kinabalu in Sabah cost RM800, whereas a five-day package to Lake Toba, a resort in Indonesia, cost only RM500 in the same year, including airfare, accommodation, and meals (personal communication, 1994). As far as the local citizens were concerned, it was cheaper to holiday abroad than at home. The high cost of traveling between the peninsula and East Malaysia is also a contributing factor to the low tourist arrivals in Sabah and Sarawak.

High airfares were considered a deterrent to domestic travel. If MAS reduced its airfares from Kuala Lumpur to Kota Kinabalu, for example, the action would encourage domestic tourism, if nothing else (Maarof, personal communication, 1994; Ooi, personal communication, 1994). MAS officials claimed that the domestic routes were unprofitable. In 1992, the first fare increase in a decade (an increase of 15% to 20%) did not help MAS's situation, as domestic traffic provided only 22% of revenue despite accounting for almost 60% of passengers for MAS (Rouen, 1993). The airline, a semi-privatized operation, might be in this situation for some time as the government, who is the majority shareholder, officially claims to use the airline to promote tourism for national integration. MAS has always stated that its non-profitable domestic network has been a drain on its resources, eroding profits on its international routes (Bharati, 1994; Wan, 1994).

Although the role of the private sector in contributing towards national integration was stressed in the Sixth Malaysia Plan 1991-1995, and more recently, in the Seventh Malaysia Plan 1996-2000 (GOM, 1991; GOM, 1996), the opportunity to promote domestic

tour packages was not fully embraced by tour operators. Many preferred to sell overseas tour packages rather than domestic ones. Domestic packages were not considered as profitable, due mainly to the high cost of accommodation and local air travel, and there was little incentive for tour operators to promote them (Maarof, personal communication, 1994). Otherwise, traveling to Sabah and Sarawak would probably be more attractive, especially with the promotions and interests in adventure and nature-based travel.

The 1988 survey also found that the average duration of an international trip was 7.1 nights (TDC, 1988). It noted that Malaysians who travelled overseas usually travelled on package tours, which normally lasted from one to two weeks (TDC, 1988). Recent reports indicate that Malaysians today still prefer the pricing and conveniences of international package tours (Lee, 1996).

Promotion

The TDC and the present Tourism Malaysia have been criticized for having little innovativeness in making the promotions and yearly tourist events attractive. There was a lack of publicity and marketing on domestic packages and on new or lesser known destinations. There was also an absence of publicity on budget accommodations and packages (Bloomingdale Advertising, 1992). This was perhaps why most tourists rely on families, friends and relatives for information, as the 1988 survey showed.

4.3.2 Other Difficulties with Domestic Tourism

Although the 1988 survey found that 67.2% of domestic tourists traveled for leisure purposes, it also raised a concern regarding the sizeable amount of domestic travel – 41.4% - which consisted of VFR. The issue of a lack of "travel culture" among Malaysians was raised, as it was suspected that domestic tourists who traveled for VFR did not also travel for leisure to get to know the country better. Tourism Malaysia has since intended to encourage more leisure travel or at least have the travelers include leisure travel in their VFR itineraries. There was no study, though, in 1988, on what proportion of leisure travel existed within the VFR travel.

The size of the VFR segment, those who tend to stay at the homes of friends and relatives, should also be a concern to tourism policy-makers. The situation at hand suggests limited inter-cultural associations, when the government is essentially trying to enhance such associations to promote social integration and harmony. Perhaps a suggestion from the Canadians (CGOT, 1977) (mentioned in Chapter One) for the government to highlight the attractiveness of getting to know fellow citizens and the country can be used by Malaysia to encourage domestic travel.

Domestic tourists had the tendency to travel during peak periods, which caused traffic problems and overcrowding (Batey Ads, 1991; Bloomingdale Advertising, 1992). This problem had a lot to do with the structure of holidays in Malaysia. Holidays used to fall on random days and did not necessarily fall on Saturdays or Mondays, resulting in long weekends (the government and many private sector companies run on a five-and-a-half-day

work week). Many people were forced to go on holidays only during major festive seasons, when they would be given a week or more of holidays, or during school holidays. In 1992, the government shifted most non-religious public holidays to Saturdays or Mondays to prolong holidays to encourage domestic tourism. This long-weekend concept is similar to that in North America.

The TDC and the present Tourism Malaysia had been criticized for the lack of vision and long-term strategic planning (Din, personal communication, 1994; Lee, 1994). Dr. Din remarked that as for the challenge of promoting domestic tourism for national integration, there were not enough creative officers at Tourism Malaysia, especially in the research division, and that the tourism body did not have much insight into this issue (personal communication, 1994). It was still using data from the 1988 survey for indications on profiles of local tourists. Its Research Director in 1994, Faridah Hussein, admitted that Tourism Malaysia needed, and was planning to have, a more recent and accurate database, as well as a better tracking system, on domestic tourism (Lee, 1996a).

It has also been found by independent researchers that both the TDC and Tourism Malaysia suffered from an image problem (Bloomingdale Advertising, 1992; People 'n Rich, 1991). Much of the public were not aware of their functions. As a result, much of their efforts to promote tourism had gone uncredited. It was suggested that during advertising campaigns, Tourism Malaysia should project itself as a dynamic, efficient, and professional organization through efforts to turn tourism into a major income earner (Bloomingdale Advertising, 1992).

It has been known that a Malaysian who has traveled overseas is afforded a higher image in the eyes of the society, and being an Asian society, a favorable image or “face” is an extremely important attribute to Malaysians, regardless of ethnic group. It is no surprise that the more affluent Malaysians choose to travel abroad for their vacations. The high airfares of domestic travel also do not encourage them to vacation within the country.

In early 1996, the government took measures to curb the outward flow of Malaysian travellers by increasing airport taxes and passport charges; these measures were not successful (Lee, 1996b). Some travel agents reported that the more affluent Malaysians “... now take two overseas trips a year, [particularly,] during the festive period and the school holidays” (Lee, 1996b). Based on the timing of the trips, it is no surprise if many of these trips are family-based travel. In 1992, though, men constituted the majority of outbound travelers (59.0%) (MTPB, 1993). Greater prosperity is also encouraging Malaysians to travel further abroad. Hong Kong, China, Thailand, Indonesia, and Singapore were popular choices for Malaysians. Recently, London (with its cultural attractions and historical ties to Malaysia), the United States, and Australia (with its high Malaysian student population) have become popular (Lee, 1996b).

Another concern raised about domestic tourism was public apathy. Some Malaysians were found to have a lack of interest in local destinations and events (Batey Ads, 1991; Bloomingdale Advertising, 1992; People ‘n Rich, 1991). There was also a problem with the treatment of local tourism staff towards local tourists. Domestic tourists have complained of receiving second-class service from hotel staff. As noted in Chapter Two, this is, perhaps, a

holdover of a colonial mentality. Some industry staff also expect greater economic rewards from serving international tourists.

One local phenomenon that both the 1988 survey and research of the advertising agencies did not mention was that of *balik kampung* or returning to hometowns. Many young, rural Malaysians have migrated to the cities to live and work, but return to their villages and small towns during most holidays, especially during major religious festivals or traditional festivals of ethnic significance. During their visit home, many stay with their families. Often times, they will also take the opportunity to travel and visit friends and relatives, and usually seek accommodation in their homes. It is not known if these activities were factored into the 1988 survey. The interviews at the tourist sites, in particular, were conducted during a school holiday period (see Appendix 1); some of the respondents could have been touring the sites during their visit home.

Especially with Tourism Malaysia's attempt to develop a "travel culture" among Malaysians, it would have been helpful to find out if these travelers also traveled for leisure purposes when *balik kampung*. If so, they are able to help foster domestic tourism by providing information to their friends and relatives regarding special events and places of attraction. As the 1988 survey discovered, many domestic tourists had relied on this source of information for their travels.

Some of these problems that face domestic tourism were also a part of my own experiences in my local travels. My family and I used to travel mostly by car, and often times, to the beaches or hill resorts. Living in Kuala Lumpur, our travels were mostly

concentrated on the west coast of the peninsular, at times, visiting other major urban centers such as Georgetown and Ipoh. For historical purposes, Melaka¹⁷ was a favorite attraction site. For accommodation and food, we preferred to stay at medium-priced hotels and frequently visited local restaurants. We did not visit the east coast or Sabah and Sarawak; these places were perceived to be rural and lacked urban centers. Besides, air travel was necessary to visit Sabah and Sarawak. The idea, and the costs, were not too appealing.

It should also be noted that the idea of “travel” for some Malaysians generally involve outbound travel. Many do not consider VFR or *balik kampung* a tourist activity, partly because they happen so frequently and are an intrinsic part of Malaysian life.

4.4 New Programs Undertaken by Tourism Malaysia

The status of the domestic tourism market was briefly mentioned in the Sixth Malaysia Plan 1991-1995.

Special attention was accorded to promotional efforts within the domestic market ... This was done through increased air-time on domestic communication networks as well as awareness programmes, such as people-oriented local activities like festivals and sports competitions. Local tour operators participated actively by creating attractively-priced holiday packages to local sites, while some financial institutions introduced consumer loans for travel. (GOM, 1991: 237)

¹⁷ Melaka was a major port and the landing place for traders and colonists, including the British and their predecessors, the Portuguese and Dutch. Architecture remnants from these colonial periods still stand. There is also a small community of Portuguese who are descended from the colonists.

During the time period of the Plan, Tourism Malaysia did attempt to promote national integration in its 1994 marketing plan. One specific objective was “to foster social integration through the development of domestic tourism” (MTPB, 1994: 10).

Since the late 1980s, Tourism Malaysia has continued its focus on the established tourist centers, which largely includes urban centers like Kuala Lumpur and Georgetown. There have been efforts to upgrade the capacities of major centers as major destinations for both domestic and international tourists as a reflection of market demand. (Note the popularity of urban centers in the summary of findings due to the varied attractions they offer.)

Events such as the Malaysia Fest, which was originally meant to cater to the domestic market, is a celebration of local culture and cuisine. It is held annually in Kuala Lumpur. The Shopping Carnival, which also began in Kuala Lumpur, has the aim of making Kuala Lumpur the shopping hub in Southeast Asia, overtaking Singapore.

Agro-tourism is a new program that has also been promoted (Kaur, personal communication, 1994). The concept of this program is well-established in Europe (although the terminology may be different) (Pearce, 1989b). It involves an “escape” to the country from the urban grime to pursue a healthy break, staying at farms, going fishing, and taking long walks (Pearce, 1989b).

In Malaysia, agro-tourism involves specialized tours on tropical agriculture and lectures about the agro-industry, within an agricultural setting such as rubber estates, coconut plantations, and rice fields. The setting could provide possibilities for complementary

development in this form of tourist activity, that would create a new system of wealth for the rural areas, using the tourism industry for an integrated rural development approach (Kaur, personal communication, 1994).

For rural development to work, however, agro-tourism has to cater to the needs of the rural peoples. There has to be studies done on the market, on accommodation and infrastructure capacities, and more importantly, on the acceptance of the local population on such development. Accessibility should not be a problem, as Malaysia has a good highway system and surveys have found that Malaysians preferred to travel by car. A development such as this would help with rural underemployment and unemployment. It would also encourage and accelerate the entry of the rural poor into the modern business sector. Studies should also be carried out to examine the effect the tourism industry might have on the employment and social structure of a rural area. Ideally, the focus of such a program should be urban folks and their families, as well as students; however, the former group's interest need to first be established.

A Tourism Camp for teachers has been set up since 1993 to promote domestic tourism (Kaur, personal communication, 1994). Sixty teachers are selected annually for the camp. Programs include lecture sessions by MAS and other tourism organizations. The teachers are also taken on study tours to visit some tourist destinations. Education plays a major role in re-educating the people on the value of travelling in their own country and spending their money locally. There was also a suggestion of having children trained at holiday camps for purposes of developing awareness of domestic tourism, as well as to build

up their physical and mental strengths (Bloomingdale Advertising, 1992). This idea has not yet been implemented.

Due to the rising quality of life, Malaysians are now more sophisticated in their travel preferences. While it was found in the mid-1980s that Malaysians were generally not too keen on embracing adventurous vacation sports such as camping, scuba diving, sailing, or windsurfing (Frank Small & Associates, 1986), there seemed to be a change in attitude a decade later. Current travel patterns reveal that Malaysians are becoming more interested in activities such as white water rafting, skiing, and hot air balloon tours, besides the other activities mentioned above (Lee, 1996b). The downside to this aspect is the fact that Malaysians who pursue these interests tend to be more affluent and prefer to undertake these vacations overseas, especially in more exotic destinations such as Africa and South America (Lee, 1996b). The challenge is still present to steer Malaysians towards pursuing these interests at home, except for skiing.

Malaysia's Prime Minister, Dr. Mahathir Mohamad, has stressed the importance of appreciating outdoor activities. Tour operators have been urged by the government to develop family-based packages to outdoor destinations. This approach is in line with the finding that Malaysians usually vacation with their families. Incentives like family discounts, free fruit hampers, extended check-out times, and extra beds for children can be used to entice domestic travelers. Government agencies have also been pressed to include domestic holiday packages as prizes in incentive schemes to help Malaysians discover their own country (Dass, 1994).

4.5 Other Concerns

Literature on domestic tourism presented in Chapter Two stated that many developing countries do not have a well-planned domestic tourism system to tap its social and economic potentials. This situation is reflected in Malaysia by the lack of vision by Tourism Malaysia in taking the lead to elevate domestic tourism to equal stature alongside international tourism. Domestic tourism should not be developed *vis a vis* international tourism, as stated in Tourism Malaysia's Marketing Plan 1994, as each tourism segment has its own agendas and objectives. Tourism Malaysia's vision for domestic tourism should include its potential contributions to national unity.

Understanding the domestic market is crucial to developing a sound tourism system. More attention should be given to gathering of information on domestic tourists and reviewing these on an annual basis. Although Tourism Malaysia still uses the 1988 survey on the domestic market, the information is becoming less relevant everyday, particularly with the growth of the middle-class and changes in their travel habits since the survey was carried out.

Although it may be a difficult task in changing the attitudes of the population and their perceptions of local destinations, the domestic market should continue to be tapped. Education is a big player in inducing changes and the formal school curriculum should be revised to reflect the role that domestic tourism can play in achieving national unity. Education, especially through history and geography courses, can instil one's sense of

identity by celebrating and appreciating the multi-ethnicity and cultural pluralism in the country. Historical aspirations and experiences of the nation can be reflected in the present situation, and form the basis for the development of future national objectives.

An understanding of inter-cultural relationship and common national goals nurtures the conditions where the younger generation will be able to get together in an atmosphere of friendliness, without socio-psychological barriers and suspicions that may prevail in society. Values and ethics inculcated in young people can be expected to carry forth into their adult years. Education also has the potential to counter public apathy towards travel opportunities within the country.

Education can also play a part in developing and enhancing conservation and sustainability values, especially with regards to the environment. With the popularity of beaches and hill resorts among Malaysians, the importance of these values cannot be emphasized more. Appreciation for outdoor and adventurous activities at home can also be conveyed through education. A park ranger in *Taman Negara* (National Park) remarked that “my biggest challenge is to get Malaysians to come. If they have even heard of *Taman Negara*, they probably have the wrong idea what it is all about” (cited in Rouen, 1993: 32). Often, a trip to *Taman Negara* is associated with tremendous hardships involving trekking the rainforest, encountering leeches, and making do with back to basic accommodation facilities.

The creation of budget- and medium-sized hotels, particularly for the domestic market, should not be seen as an attempt by the tourism industry to offer Malaysians a

second-rate tourism experience. It is intended, rather, to open up tourism to attract people from different economic classes. The provision of these facilities itself provides an opportunity for local small-scale entrepreneurs to become involved in the local economy, as less capital investment is required for their construction compared to the amount of capital required for the construction of larger, international standard hotels. It would also be interesting to discover the participation of local entrepreneurs in terms of ethnicity as an indication of the success of government development policies.

Summary

Domestic tourism in Malaysia suffers from a lack of systematic collection and updating of statistical data. The last comprehensive survey on the segment market found that it had a lot of economic potential (especially so today, with rising incomes and quality of life among Malaysians). Lately, its social potential in fostering social integration has been recognized as well.

While the country does not lack places of attractions, a major deterrent to the industry has been the expensive local airfares and accommodation. TDC was concerned with the lack of travel culture among Malaysians. Although many domestic tourists traveled for leisure purposes, almost as many traveled to visit friends and relatives, and preferred to stay with them during their visit. Another problem was the challenge of keeping more affluent tourists at home. An ingrained feature of the Malaysian society is the importance of one's image, and traveling abroad affords a person social prestige. New programs that have been

developed stress outdoor activities. More importantly, the social potentials of domestic tourism are currently being harnessed for national integration, in particular within the education system, with the involvement of teachers in tourism camps. The school curriculum should also reflect national aspirations and at the same time assist in educating the people on the value of traveling at home.

So far, it has been difficult to discern whether or not domestic tourism programs have contributed to the advancement of national integration in Malaysia. Economically, the contributions can be measured quantitatively by a systematic gathering of statistical data. However, socially, it is not so easy. Social integration and social harmony are abstract concepts. It is not clear at what stage of social interaction through tourism that one can say that social harmony has been achieved. This concern also raises the question of how social harmony can be measured.

Just as it is difficult to measure the level of social harmony between ethnic groups within a country, it is also almost impossible to measure world peace, even though international tourism is advocated for this cause. For Malaysia, how would one know if and when national integration is achieved, and how much domestic tourism contributed to national integration? In Malaysia, the fact that there is a lack of comprehensive and up-to-date information on the domestic tourism market has made it more difficult to attempt to evaluate whether or not programs have met their objectives. More questions will be raised in the following chapter once the assumptions for this study have been reviewed.

CHAPTER FIVE

CONCLUSIONS

5.1 Synthesis

The objectives of this study were: (1) to explore tourism development in Malaysia within the context of its aspiration for national integration; (2) to establish the significance of the social component of national integration, or social integration; (3) to explore the connection between the concepts of tourism for peace on the global level, and domestic tourism for social integration on the national level; and (4) to document Malaysia's experience in promoting domestic tourism for national integration.

The tourism industry is a human resource-intensive industry. International tourism has the capacity to generate foreign exchange and a high ratio of government revenues as a proportion of total expenditures. Properly designed, it has the capacity for appropriate linkages with other sectors of the economy. For these reasons, it has been an attractive industry among developing countries like Malaysia.

Tourism development in Malaysia has been influenced by the NEP which came into effect in 1970. Its main objective was national unity which was to be achieved by

two prongs: (1) eradication of poverty; and (2) restructuring of society to correct and eliminate the existence of ethnic and spatial imbalance in the country. The second prong also set a target for an increase in Malay participation in the economic sector, at the expense of the non-Malays. The affirmative action program, the Malay Special Rights, justified this action.

The tourism industry had been heavily biased towards major economic and political centers (Kuala Lumpur, Melaka, Georgetown, Ipoh, Johor Baharu) which were all on the west coast of Peninsular Malaysia. It was also in these major centers that the Chinese had traditional control of the urban commercial sector. There was hardly any Malay ownership of hotels on the west coast. Their involvement in the tourism industry was relatively more significant on the east coast. The states of Sabah and Sarawak were even more lacking in tourism development.

The tourism industry had difficulties in reconciling the double tasks of promotion of growth (a typical policy of a developing country) and promotion of redistribution (in line with the NEP). For example, trade strategies and the solution of peak demands in the established tourist centers of Kuala Lumpur and Georgetown called for the market demand approach. On the other hand, there is a long-term need for redistribution through the development of new facilities in the peripheral regions as pronounced by the NEP. In 1975, eight integrated tourist regions were identified, centered in state capitals, but also incorporated tourist corridors outside the urban areas, with the objective of narrowing the

regional imbalance of economic development. This plan was not successful, as in 1990, the west coast of Peninsular Malaysia was still the focus of tourist activities (Oppermann, 1992).

A downturn in international tourist arrivals and the poor performance of traditional exports prompted the government to turn to domestic tourism, partly to sustain the country's economy in the mid-1980s. Although the inbound segment has been experiencing a downturn in the Japanese and Western markets, international and domestic tourism combined is now the third highest income generator in the country. International tourism was found to be vulnerable to the world economic situation, bad press publicity, and poor tourism infrastructure, among other situations. There was also growing competition for international tourists from the neighbouring countries in the Southeast Asia region, in particular, Indonesia and Thailand, which offered very similar tourism attractions.

More recently, domestic tourism has been used as a means to encourage social integration. There have been tensions in the Malaysian society since independence in 1957, stemming from policies which were developed in purely ethnic terms. The numerically and politically dominant Malays were discontented that the non-Malays, essentially the Chinese, were running the urban and commercial economy of the country, which gave them much economic clout. The Malay government legislated the Malay Special Rights, an affirmative action program, into the Federal Constitution at independence, giving them privileges in fields such as education and public employment in the efforts to elevate the economic position of the Malays.

The ethnic riots of 1969 were fundamentally related to the Malay Special Rights. The Malays were unhappy because it was not producing enough results, and the non-Malays were also unhappy because they felt it had gone too far. Following the riots, the Malays, because of their political dominance, managed to give the program a further boost through the NEP, thereby alienating the non-Malays even more. It did not appear that the Malay Special Rights and the NEP could contribute to social harmony because they were conceived in purely ethnic terms. The conventional idea of a minority which is discriminated against politically, economically, and socially did not apply to Malaysia. While the Malays have been economically disadvantaged, they were politically superior, and the opposite was true for the non-Malays.

While Malaysia today is one of the more prosperous developing nations, with an economy that has grown at an average rate of over eight percent annually in the last eight years, and which has a wealthy and rapidly expanding middle-class, its aspirations for national integration now involve an increasingly important social component. Economic growth and economic integration alone since 1957 could not bring about national integration, as social integration and harmony are still lacking among the population.

While the capacities of international tourism in fostering peace and world harmony has been widely regarded, domestic tourism has been used by developing countries, including Malaysia, to enhance social integration and harmony. Along with its economic impacts, domestic tourism, properly designed and developed, has the potential to transcend ethnic boundaries by bringing people closer together through the

understanding of differences in culture, personalities, beliefs, aspirations, perspectives, and politics.

With an official policy of utilizing domestic tourism for national integration, the government states that Malaysia is ready to move beyond the economic integration level to another level, i.e. social integration. This is only possible with the existence of a middle-class who can afford the luxury of traveling. Some countries, like Kenya, have policies of domestic tourism and national integration, but are still economically poor and cannot yet afford a substantial domestic tourism base (Sindiga, 1996).

The creation of a Ministry (MOCAT) in 1987 combining tourism, arts, and culture had a national purpose as well. One of its tasks was “to engender a local awareness of cultural matters and national identity and heritage, and to enhance national pride and commitments” (King, 1993: 109), particularly among domestic tourists.

Not much current information is known about the status of domestic tourism in Malaysia. It does not have annual statistical data, unlike international tourism. The last comprehensive survey conducted on domestic tourism was in 1988. There were also a handful of research work conducted in the early 1990s by advertising agencies who were submitting tenders for promotional campaigns.

It was found that domestic tourism in Malaysia is facilitated by good accessibility and ample site attractions. Some of the complaints about it included less than creative tourism events and promotions, expensive accommodation facilities, high domestic airfares, and lack of information centers. There was also the problem of overcrowding

during peak travel periods, which was hoped to be partly overcome by the long-weekend concept. Tourism Malaysia also expressed concern that there was a lack of travel culture among Malaysians, as not enough travel was undertaken for the purposes of exploring and discovering the country, in particular during the VFR travels. Malaysians were also keen on traveling abroad, and often international tour packages were cheaper than domestic ones.

There was some degree of public apathy among Malaysians towards domestic travel. Education offers one avenue to counter this attitude. There is already an annual Tourism Camp for teachers. However, the school curriculum should promote an awareness of tourism opportunities within the country. Values of understanding and appreciating a fellow citizen, which play a big part in social integration, can be taught within the curriculum. The Philippines has recognized the importance of tourism factors in education for national integration (Jaleco, 1996; Richter, 1980).

So far, no study has raised the question of measuring the effects of domestic tourism on social integration. Unlike economic attributes, inter-personal relationships are difficult to measure. How can it be known if and when there is social harmony in Malaysia? Domestic tourism alone cannot be expected to solve problems of integration. A great deal of learning and nurturing of the concept itself has to take place before any physical mechanisms like domestic tourism can have pronounced effects.

5.2 Assumptions

Two assumptions have been key in the discussions throughout this study. The first assumption is that tourism can nurture the conditions through which people can foster goodwill, understanding, and harmony, even though little evidence has substantiated this argument. At the international level, leaders have called on their citizens to engage in more travel to broaden a person's outlook, and enhance awareness and appreciation for other countries and their cultures.

Domestic tourism has become one of the mechanisms utilized by at least three countries in the Southeast Asia region, namely Malaysia, Indonesia, and the Philippines, in their efforts to promote national integration among their ethnically diverse populations. Not much is known about the success of their efforts. Part of the lack of documentation to substantiate this argument can be attributed to the difficulty of measuring the effects of such mechanisms for inter-cultural understanding and integration, especially when there is no measure to actually determine whether integration has been achieved (noted in Chapter Two).

Another assumption built into this study is that Malaysians themselves share the government's desire for social integration and harmony. It is assumed that the *Bumiputra* group is willing to cast aside any feelings of resentment that led to the development of certain policies and affirmative action programs, and that the non-*Bumiputra* groups will not hold such feelings towards the consequences of these government actions. Within this context, it

is also assumed that the amount of tolerance among the ethnic groups for one another will be the foundation that facilitates a common desire for integration.

5.3 Implications and Recommendations

Prompted by the lack of comprehensive research in tourism, in particular, in the relationship between tourism and national integration, this study is but a small step in its contribution to the research in this end. It is hoped that the establishment of the Asia Pacific Tourism Association will provide a conducive environment that encourages more education and research into the tourism field.

The Philippines, Indonesia, and Malaysia are three countries in Southeast Asia which have explicit policies on employing domestic tourism in achieving national integration. These countries have a lot in common in terms of their historical and socio-economic attributes. These attributes present an opportunity for them to conduct joint research on policies and programs of the issue at hand.

Malaysia, with its deep ethnic heterogeneity, provides an interesting background for tourism studies, particularly given the scarcity of information on the topic. One area of interest is the impact of tourism on the ethnic and spatial patterns the economy. Since tourism development has been influenced by policies to counter the spatial and ethnic imbalance in the economy, research efforts can be directed towards in-depth studies on the

linkages and “trickling down” effects of the tourism industry on the various economic sectors (for example, the urban informal sector) and their players (the various ethnic groups).

The attention to domestic tourism needs to be improved upon. Not only does periodic data needs to be collected and analyzed, Tourism Malaysia itself needs to reassess its approach to the development of domestic tourism. Perhaps, better qualified individuals should be responsible for this task.

The interviews conducted for this study have been a valuable resource. They provided opportunities for new issues to be raised and for exploring the rationale behind certain phenomena. It was found that Ms. Ooi’s and Ms. Kaur’s responses were more institutionalized than the other two informants, the latter, perhaps due to her public role in Tourism Malaysia. Dr. Din was very openly critical of Tourism Malaysia’s capabilities and efforts in domestic promotion, as well as in research and forecasting. Mr. Maarof seemed to lack awareness of the role of domestic tourism in national integration, but was able to provide helpful information on the travel trends of Malaysians.

Other interviewees who would have been beneficial to this study are the Research Director at Tourism Malaysia and state tourism officials. The former would be able to provide insights into future research directions. The state officials could shed some light on state tourism programs and their connection to national programs and policies. An important group of informants are the small-scale entrepreneurs involved in the tourism industry. Their attitudes towards tourists, and the impacts of the industry on their businesses and communities are important factors that also need to be studied.

This study has raised the question of measuring the success of tourism programs on national integration. Some impacts of tourism are quantifiable, as in the case of the economic contributions. It is at least theoretically possible to draw up a balance sheet of the various benefits and disadvantages: foreign exchange earnings, employment generation, infrastructural development, and economic diversification set against such items as the leakages resulting from repatriation of profits, dividends, and imports.

Other impacts are, however, problematic to evaluate. Environmental changes are difficult to cost, so are social and cultural changes. Within the context of this study, changes such as enhancement of national identity, increased understanding of other ethnic groups, and effects on social harmony are difficult to measure and interpret objectively. How does one gauge the success or failure of Tourism Malaysia's programs such as agro-tourism and Malaysia Fest, especially if the rationale behind these programs is national integration? It is too simple to measure success or failure just by numbers alone (i.e. number of participants or travelers, expenditures, or promotion costs).

Some variables or factors can be used to explore the level of inter-cultural understanding. Drake's (1989) study on national integration in Indonesia surveyed the rate of television, radio, and telephone ownership in all provinces as a communication factor in promoting inter-cultural exchanges and integration. The study also examined certain unifying features that enable a country's citizens foster understanding and a sense of unity. These shared features include a common language, common historical experiences, common cultural features associated with religious practices, as well as other cultural elements

(Drake, 1989). Movement among various regions of a country, for example, land, sea, and air transportation links, are also important indicators of inter-cultural activities. Future research could explore the level of these movements.

Longitudinal studies could be undertaken to analyze the perception of the population (a student group is one population segment that could be used) towards inter-cultural understanding and the factors that influence the perception over time. Focus groups could also be a method of inter-cultural study, during which the physical dynamics of group interaction could be observed as well. Members of a focus group might include people from the various ethnic groups, people from the same ethnic group (where they may feel more comfortable in sharing certain perceptions of other ethnic groups), and people from different social classes.

As this study attempts to demonstrate, the components of complex issues like national integration cannot be successfully separated. Social, economic, and political factors are inextricably linked. By itself, domestic tourism is inadequate in confronting the challenges of national integration, although it is a small step in the right direction, especially towards fostering social integration.

The education field has a major role in promoting awareness of development concerns and policies of the government. Often times, it is easier to train and instill values in young people. The inclusion of tourism values and ethics in the school curriculum should be made a reality in Malaysia, just as the Philippines plans to revive its domestic tourism program. The Tourism Camp for teachers in Malaysia is a positive approach in the right

direction. When national aspirations are conveyed in a nurturing atmosphere such as a school, it goes a long way in enhancing and retaining the learning process.

In Malaysia, although its affirmative action program, the Malay Special Rights, and the NEP, may be successful in elevating the economic position of the Malays, it is also responsible, to some extent, for a less than harmonious and unified Malaysian society. Unless the government is willing to make simultaneous changes to these programs, which were conceived in purely ethnic terms, it will not be easy for any other programs like domestic tourism to promote national integration beyond the economic integration level.

In Malaysia, ethnic frictions have their roots, not in cultural diversity, but in the unequal economic relationships among the various ethnic communities. The Malay Special Rights, the NEP, and the present-day NDP were the principal responses to these frictions, but ironically, these programs have also become the chief barriers to social harmony, as ethnic discontent with the economy can also be reflected in non-economic events. As Lim (1980: 143) explains, "... once such ethnic [conflicts] are formed and develop over time, they can acquire a dynamic of their own, and from time to time be expressed in response to particular events which may have no direct relation to economic factors".

5.4 Concluding Remarks

The tourism phenomenon (specifically, domestic tourism) is neither a panacea nor a plague infecting societies. Rather, it represents an opportunity of enormous proportions for a

nation to use its social and cultural ties to build an environment that economic prosperity alone has never secured. The tourism development process needs nurturing, research, and careful planning, as well as hard work from every industry player, from the government, tourism organizations, and the private sector, to the average person hosting a tourist.

Domestic tourism in Malaysia functions within an environment where group differences, prejudices, religious, and cultural diversities exist. Nevertheless, the prospect of national unity *vis a vis* social integration and harmony is not dark. Although such differences and diversities do challenge the very foundation of national unity, they may be defeated by nationalism, humanitarianism, solidarity, and a broader social outlook. Domestic tourism can contribute to fostering these values.

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APPENDICES

Appendix 1

The objectives of Domestic Tourism Survey 1988 (TDC, 1988) were the following:

- (1) identify habits, patterns, and preferences of domestic tourists.
- (2) determine the purpose(s) of travel and type of places visited.
- (3) obtain and estimate expenditure patterns of domestic tourists.
- (4) find out perception of domestic tourists with respect to type of places visited.
- (5) quantify and estimate size of domestic tourism.
- (6) suggest marketing strategy for domestic tourism based on survey.
- (7) gather other relevant information.

Two types of surveys were conducted. The household survey used a sample of 5211 households that were selected nationwide. It is not known what the proportion of this sample was of all households. The head of the household was interviewed regarding the family's travel within the last one year from the time of the survey. If the head of the household was not available, anyone over 15 years of age was interviewed.

To supplement the household surveys, 5317 interviews were conducted at selected tourist sites around the country. Visitors at the sites were randomly selected and pertinent information was solicited. The tourist site survey was conducted during a school holiday period.

One limitation of the survey was that it was urban-biased, as it covered only selected urban areas such as state capitals and their vicinities. According to the TDC, the act of being a tourist involved financial expenditures. Thus, the survey only covered participants with economic power. Only households with a combined income of RM\$1000 or more were consulted. It would also have been helpful to know the ethnic breakdown of respondents in both types of surveys.

The following illustrations are based on survey data. Some percentages of the survey categories add up to more than 100% because some respondents indicated more than one option for their answers.

Type of Travel

Ethnic Groups of Travelers

Type of Places Visited **Period of Travel**

Reason for Choosing Place to Visit **Sources of Information**

Opinions on Facilities at Places Visited

Facilities	Good	Satisfactory	Poor
Information about local tourist attractions	21.5	51.2	21.3
Public transportation	3.2	57.1	19.7
Road network	37.4	9.7	12.9
Highway rest areas	20.5	46.7	32.8
Public toilets	4.8	31.7	63.5
Direction to places of interest	17.2	59.9	22.9
Accommodation facilities	41.5	52.3	6.1
Shopping	33.6	59.9	6.5
Availability of eating places	29.9	57.4	12.7
Souvenirs	19.0	63.2	17.8
Cleanliness of places of attraction	11.5	55.1	33.4
Friendliness of local people	34.1	60.1	5.8
Courtesy of staff	9.9	80.6	9.5

Occupation Types

Education Levels

International Travelers Only

Of the 3.6% of respondents who reported that they had only traveled to international destinations during the study period, 24.3% were Malay, 64.6% were Chinese, 9.0% were Indian, and 2.1% were of other ethnic groups. A further breakdown of this group of travelers revealed the following.

International travelers by employment sector	%
Government	22.5
Semi-government	4.7
Private sector	33.1
Own business	28.4
Others	11.3

International travelers by employment sector

Purpose of travel	%
Leisure	57.3
Business or official duty	18.4
Visiting friends and/or relatives	31.4
Others	20.4

Purpose of travel

What was interesting from these findings was the high percentage of Chinese travelers, as well as travelers from the private sector and those who ran their own businesses.

A possible relationship might be present based on these percentages. As explained in Chapter Three, the Chinese have a high propensity to be involved in the private sector, unlike the Malays who dominate the government sector. It is also probably safe to assume that the majority of the international travelers from the private sector and those who were self-employed were Chinese and that they also constituted the majority of the leisure and VFR travelers. (The existence of the Chinese business networks in Southeast Asia, in particular, is well-established, as explained in Chapter Two. This network could have significant contributions to the VFR trip purpose.)

Appendix 2

Examples of annual data collected on international tourism in Malaysia, taken from the Annual Tourism Statistical Report 1992 (MTPB, 1993).

- tourist arrivals and receipts
- tourist arrivals to Malaysia by country of residence
- monthly tourist arrivals
- distribution of tourist expenditure
- supply of hotels and rooms
- average occupancy rate of hotels
- composition of foreign hotel guests
- tourist arrivals seasonality
- distribution of tourist arrivals by region
- summary profile of tourist arrivals from selected markets to Peninsular Malaysia
- major foreign exchange earners