



# Sustainability Criteria for Homestay Programme

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## Abstract

This paper aims to understand the role of homestay programme development as a medium for community-based tourism in rural areas. Although many homestay businesses are actively run by the local community, the sustainability of the development is questionable. Attributes from previous research of local communities' attitude were reviewed and linked to construct a conceptual framework within the scope of homestay tourism. This study is deductive in nature where descriptive analysis is used to generate mean values of the variables. Four variables were tested: financial resources, infrastructure resources, community participation and community empowerment for the mean values. This finding can be used in determining sustainable tourism practice which will be focused on economic, socio cultural and environmental pillars. The descriptive statistical analysis reveals that the community is heavily participating in tourism activities in their village; however, they are not genuinely empowered. Apart from that, financial and infrastructure resources are not in good state and require improvement.

**Keywords:** Homestay; Tourism; Sustainability; Empowerment.

## 1. Introduction

Although the homestay programme in East Coast of Malaysia has been introduced and presumably promoted for more than 15 years, many of these homestay villages are finding it difficult to sustain. Apart from the more established villages, i.e. Kampung Desa Murni in Pahang, most of the others in the East Coast of Malaysia have lost their ability to sustain, notwithstanding the fact that more are being encouraged to join the bandwagon [1].

In Malaysia, homestay programme refers to a concept where tourists stay together with a host family and have the opportunity to experience the day to day lifestyle of the family concerned as well as learn their tradition, culture and daily activities of the local residents [2]. The tourists are then charged according to the preferred package. The homestay programme offers a unique accommodation style with a special service.

According to the then Ministry of Culture, Arts and Tourism of Malaysia, the official definition of 'homestay' is 'where tourists stay with the host's family and experience their way of life in a direct and indirect manner'. The Tourism Malaysia, in their website simplified homestay as "Stay with the locals. Enjoy Malaysian hospitality with her people" [3]. In 1997, there were about 286 households participating officially in this programme throughout Malaysia. By 1998, this increased to 321 households. In 2006, this sector contributed to 5 percent of Malaysia's GDP. As of October 2017, a total of 3,935 homestay operators from 350 villages have been trained and licensed throughout Malaysia [3]. In [4] claimed that homestay requires accommodation products to support the local community's value proposition, and this business has a broader impact on the tourism industry and the economy which explains the role of family-run accommodation establishments in providing alternative accommodation for the tourists.

The proposed research will seek to verify and underpin the resources made available by the authorities for such ventures operating in several states in the East Coast of Peninsula Malaysia mainly in Pahang, Terengganu and Kelantan to establish optimum approaches and guidelines to turn rural tourism into a niche market. This study attempts to identify the strengths, weaknesses, opportunities and threats within existing homestay destinations in the East Coast of Peninsula Malaysia, explore mechanisms available to develop, enhance and promote this product globally, identify initiatives to attract international tourist segments and recommend strategies for business sustainability and lasting policies to the relevant government agencies. Therefore, the aim of this study is to create a model which will attempt to ensure the sustainability of community-based tourism through rural homestay programmes in the region. The model to be specified should be capable of affirming the attractiveness of the East Coast of Peninsula Malaysia as a destination for rural homestay programmes. This contemporary model will be integrating the relationships between the attractiveness of the attributes of rural areas in Malaysia as a multi-cultural tourism destination from a supply perspective.

This research is intended to analyse the role of homestay programme as a medium for community-based tourism in rural areas in the East Coast of Peninsula Malaysia. Rural homestay programmes were introduced in Malaysia since 1995 [5]. The number of operators in this market is comparatively small and many of these operators have taken advantage of the various incentives offered by the Malaysian government.

## 2. Literature Review

In [4] observed that in several destinations, the tourism industry in general and the accommodation sector in particular, is characterised by the Small and Medium Enterprises (SMEs). In [6] argued

that at the micro-level, small and medium enterprises (SMEs) tend to be disadvantaged owing to their lack of scale economies in both supply and demand. Some cross-national alliances have taken cognisance and built collaborative networks to derive scale economies. However, this collaboration was not adopted as a long-term strategy and seems to have lost its significance. Considering the significance of the homestay programme to rural community development, the need to conduct a holistic research is imperative.

Financial infrastructure includes not only the financial resources of banking institutions, but also those of the community. Community foundation funds can better the lives of the people within a geographic area, and can sometimes be targeted at a specific issue. They are often available through a local community via an application process and are used for enhancement, beautification, and human service programmes. These funds support the efforts of rural tourism entrepreneurs by enhancing some feature of the community, whether it is the addition of a greenway, way-finding signage, a heritage museum, or a program for youth training. Government agencies offer these to encourage private sector investment in the community [7].

In [8] found 65 percent of the respondents have suggested that to start a rural tourism, sufficient fund is required to promote this business in introductory phase. Rural tourism term is still uncommon to many of the respondents. This is because the government has just started promoting rural tourism. Central government and State government should encourage rural tourism by providing financial support to start the project because it will create employment in rural areas and will also help in flow of fund from urban to rural. It can help in preventing the migration of people from rural to urban areas. Sufficient financial support is required for essential developments like human resource, enforcement of rules and regulations, building of physical infrastructures, and land use management. Although many of the homestay projects have been funded through public and private sources and with the involvement of several key stakeholders, the success rate of these projects has not been monitored and reported. As a result, the actual benefits and impact of the homestay programme on the local community are not easily ascertained [9].

Most of the research done in the past was to measure the satisfaction level of tourists with the services provided by the homestay operators [9], local community participation in the implementation of the homestay programme [10], and current status of the homestay programme implementation in Malaysia [9]. Besides, research on community-based tourism is limited globally and its benefits to the local community are not easily ascertained [11].

Murphy's model stresses on the importance of local community participation in all stages of tourism planning (*participatory planning*), whereby in the case of small-scale planning, more community members need to be encouraged to participate in the decision-making process concerning tourism. The ultimate objective of this exercise is to establish tourism development based on community involvement in all stages of implementation leading to greater community empowerment.

The studies by [12, 13] found that residents who are more attached to the community have a positive perception of tourism contribution to the wellbeing of local community life compared to residents who are unattached. Nevertheless, both parties opined that tourism gave rise to negative effects on the environment. Similarly, in [14] found several factors (social and environment) influence the participation of local residents. However, a study conducted by [15] found residents who are more attached to the community have a negative perception of the effects of tourism on the community because the community will be burdened with all sorts of taxation imposed in order to finance tourism development.

As such, in [15] suggested that parties involved in community-based tourism development should explain or educate the community members who are attached to the negative effects of the environment and economic burden in the form of taxation which will have to be borne by the community, whereas for those who are unattached, they need to be explained about the positive effects of tourism on community development. In order to realize the per-

ceptions and aspirations of the residents in tourism, several community-based tourism researchers suggested that local residents should be involved in all processes not only at the planning stage but also right up to the implementation stage of tourism projects [16]. The Murphy's Ecological Theory gives particular emphasis on the local or destination community participation in community-based tourism development. The potential benefits of tourism could only be achieved through an approach that is community-oriented because they understand better the local tourism resource requirements [17].

Studies done by [18] in Northern Brazil showed that local residents' participation in community-based tourism makes the implementation of tourism projects fair and equitable, environment-friendly, improves residents' quality of life and at the same time contributes to building community empowerment. The conclusion to the findings in several researches based on the above two community-based tourism theories shows that with the existence of a sustainable tourism development concept, participation of the stakeholders at all levels of implementation and existence of community empowerment, the negative impacts of tourism can surely be reduced to make tourism a catalyst for community development. The community would welcome and give full support for tourism activities that are beneficial to them, be it economic or non-economic benefits. Here lies the significant role of policy-makers, tourism operators, leaders and community drivers to ensure the tourism programme brought to the community is aligned with the objectives to enhance the wellbeing of the community, consider community carrying capacity, and at the same time, ensure its sustainability for the best interest of present and future generations.

The villagers enjoy better infrastructure provided by the government in terms of road upgrading, electricity and water supply, and provision of public amenities such as multi-purpose hall, service centre, and computer centre. In fact, they also obtained other facilities for tourism purposes, such as a cultural stage and workshop. Moreover, the state government also helps in restoring and repairing public facilities at tourist attractions nearby such as waterfalls or lakes. The Ministry of Rural and Regional Development spent RM 6.7 million in 2008 for infrastructure development related to rural tourism projects [19]. In [20] stated that physical resources are known as amenities and features of a community which provides benefits or utility to residents. Generally, the range, quality and number of these physical resources differ between rural and urban communities.

In [21] referred amenity as the existence of services and facilities such as cafés, restaurants, retail shops, and cultural activities, as well as the climate or location. In [22] found a strong positive correlation between amenity and population growth, particularly in minor townships and the rural population element 'that might be due to the need for a critical mass of residents to make these services viable, and the existence of these services acting as a magnet for new residents. In [23] concurred that the existence of tourist attractions in the near vicinity such as natural or heritage features, may also draw new residents to a rural community as well as appeal to visitors.

These physical resources include grocery stores, accommodation, safety and security, schools, healthcare, childcare, retail outlets, parks, entertainment outlets, recreational facilities and natural settings. In [24] mentioned that the availability of these physical resources are limited in rural areas in comparison to urban areas. In [25] stated that places where there are few or no grocery stores have been described as food deserts. Similarly, where there are few or no specific amenities that area is described as amenity deserts. This would then result in the rural residents experiencing a lower quality of life. The lack of physical resources in rural areas would certainly have an impact on the success of homestay programmes which would then hamper any effort to secure the sustenance of community development.

### 3. Methodology

This study employs a quantitative approach. Rural homestay operators of Kelantan and Terengganu states were the respondents of this study. The sampling design that was selected for this research was a census method. A census is a study of every unit, everyone or everything, in a population. It is known as a complete enumeration, which means a complete count. In this scenario, the rural households of Kelantan and Terengganu villages were selected.

According to the Department of Statistics, the total homestay population in Kelantan and Terengganu was 185 in 2016. Thus, the total sample size that must be collected was 185 as the researcher selected the whole population as the census. Approximately 190 sets of survey questionnaires were used for the study. Data is analyzed to determine the level of community development (participation and empowerment) and community resources (financial and infrastructure). Thus, descriptive statistics analysis is used to measure the mean value of each variable. SPSS version 21 is utilized to perform the statistical procedure.

### 4. Results and Discussion

Financial resource was revealed as a strong dimension for homestay tourism in villages. However, the result showed that the community was not well resourced financially to develop homestay tourism in Terengganu and Kelantan. The community was using its own savings to develop homestay tourism in these areas. However, in [7] revealed that rural tourism entrepreneurs should have access to the financial resources including government fund, loan and other financial products such as micro-lending, funding for start-ups and expansions. Besides, financial capital, financial tools and services should be available to help entrepreneurs develop community-based tourism.

**Table 1:** Measurement Level of Community Resources

Community-Based Resources	Mean (M)	S.D
Financial Resources	2.99	.608
	4.28	.526
	2.97	.630
	3.00	.776
Infrastructure	4.09	.530
	3.80	.700
	4.29	.691
	2.50	.620
	4.27	.541

N = 185, Likert Scale 5

The utmost dimension of community development was participation. Respondents agreed that the villagers were recognized and appreciated as partners before any homestay tourism development was established. The uniqueness of the community and local interests can be seen at all stages of the implementation process. Community leaders (village heads) always consulted the community before taking any decision; homestay tourism infrastructure in this village was developed after consultation with residents and volunteer workers were financially rewarded for operating homestays. Moreover, the villagers were satisfied that they had sufficient resources for participation; all members of the community had the opportunity to participate in homestays. Therefore, participation was considered as an important element for homestay tourism as [19] mentioned homestays in Malaysia requires the participation of the host family as well as the whole community.

**Table 2:** Measurement Level of Community Development

Community Development	Mean (M)	S.D
Participation	4.29	.660
	4.26	.588
	4.22	.415
	4.03	.541
	4.14	.439
	4.28	.671

	4.20	.531
	4.16	.454
Empowerment	3.97	.735
	3.87	.604
	4.09	.519
	4.13	.417
	3.93	.427
	3.81	.497
	4.10	.490
	4.02	.662

N = 185, Likert Scale 5

Empowerment indicates that respondents are satisfied with their participation in homestay tourism. Respondents agreed that they always participated in programs during arrival of tourists and they were satisfied for being independent in decision making. These results indicated that they were fully empowered to make a decision. They were involved in evaluating and submitting proposals to improve homestay tourism products in villages, and managed to control the development of homestay tourism. In general, their involvement in planning homestay's tourism activities was always considered, as they often encouraged other residents to engage in homestay's activities. Empowerment is considered the best practice of people's motivation as [26] suggested that the inner motivation of an individual is the first step of an empowerment process and that empowerment will not be achieved without self-confidence at the individual level. The overall result of empowerment indicates that villagers are satisfied with this dimension.

In terms of infrastructure, the respondents were mostly satisfied with the infrastructure in their villages, particularly the cultural and food centers. They were highly satisfied with food stall facilities and claimed there were enough public facilities to fulfill tourists' needs. They were kept in good condition, except toilets. In [27] however argued social infrastructure resources are much more crucial to be developed and can contribute to sustainable development.

### 5. Conclusion

Community participation and cultural resources are the backbone of homestay's villages in Kelantan and Terengganu. It is clear that community resources and community development are crucial for homestay tourism development, which could predict its sustainability. Lack of financial resources and knowledge about homestay are hurdles for the community to be actively involved in running homestay tourism.

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