

# Homestay Program and Rural Community Development in Malaysia

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## Abstract

Tourism industry is the second largest contributor after the manufacturing sector to Malaysia's economy. In 2008, the country recorded 22.05 million arrivals and tourism contributed RM 49.6 billion (USD 13.4 billion) in revenue. The homestay program is a tourism product that has been given special emphasis by the government through the Ministry of Tourism. Realizing the potential of the program, the Rural Tourism Master Plan 2001 was formulated to promote homestay program as a catalyst for rural community development. In the 9<sup>th</sup> Malaysia Plan (2006–2010) one of the focus by government is on community development, and rural tourism is one of the mechanisms. Due to the potential of the homestay program to provide additional income and employment, the number of homestay providers in Malaysia has been increased. The increasing demand may be explained by the recent global social and cultural changes resulting in greater interest and appreciation in cultural heritage, lifestyles and environmental concerns. This emphasizes the priority in resource allocation given to Community-Based Tourism program, which can have a wide dispersal of benefits and contribute towards rejuvenating the rural economy. This paper discusses the concept and evolution of the Malaysian Homestay Program, its growth, institutional framework of planning and implementation as well as its contribution towards rural community development in Malaysia.

**Keywords:** Malaysian Homestay Program, Ministry of Tourism, rural community development, socioeconomic changes, entrepreneurship

## INTRODUCTION

According to the United Nations World Tourism Organization (UNWTO), the tourism industry has experienced continued growth and diversification to become one of the largest and fastest growing economic sectors in the world for the past six decades.

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For many economies, tourism has become a key driver for socio-economic progress. It has generated an estimated gross output of US \$3.5 trillion and the figure is expected to increase to US \$7.0 trillion by 2011 (World Travel and Tourism Council, 2009). The future of the tourism industry is bright as the World Tourism Organization (WTO) forecasts that an estimated one billions tourists will be traveling around the world by the year 2010. The expansion and growth of tourism has contributed to the development of the developed countries as well as less developed counties. Moreover, the economic potential of tourism in less developed countries has been identified as an important contributing factor to global tourism growth (Palmer 2002; Honey 1999; Ashley & Reo 1998; Mowforth & Munt 1998). In most developing countries, tourism is normally been portrayed as contributor to small scale enterprises and directly uplifting the standard of living (Honey 1999) as well as a catalyst for community development.

In Malaysia, tourism is the second largest contributor to the economy next to the manufacturing sector. Malaysia's efforts in developing and promoting its tourism products have produced impressive results. In year 2008, there was 22.05 million of tourist arrivals with total receipts of RM49.6 billion (USD13.4 billion). This amount represents an increase of 5.5% in tourist arrivals and an increase of 7.6% in revenue compared with year 2007. These increases are notable given difficulties and challenging environment with the global economic slowdown and the increase of oil prices in year 2008. The first quarter of 2009 showed a positive growth of 2.2% in tourist arrivals compared to the corresponding period in 2008 (Ministry of Tourism, 2009).

As noted in the APEC Tourism Charter, Community Based Tourism (CBT) is able to create direct employment opportunities as well as to increase the income levels and to reduce the level of poverty in rural communities. Realizing the potential of CBT in Malaysia, the Rural Tourism Master Plan was formulated in 2001. In the 9<sup>th</sup> Malaysia Plan (2006-2010) the government's focus is on the development of rural communities through two strategies; to reduce income imbalance between the rural and urban areas and between the less developed and more developed states. Rural development is identified through the modernization and commercialization of agricultural activities, diversification of the rural economy, and the modernization and creation of new economic activities in the rural areas particularly through the One District One Industry program. The development of rural industrial estates will provide greater opportunities to rural households to be gainfully employed in high productivity sectors (Ninth Malaysia Plan 2006-2010).

Towards archiving that agenda, the government has identified rural tourism, especially through CBT as a catalyst for rural community development. One specific form of CBT that has been promoted by the Malaysian government is the homestay program organized by communities in the rural areas throughout the country. The Malaysian

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Homestay program can thus be regarded as a rural-cultural-community-based tourism product. Rural tourism per se may have existed for a long time in Malaysia as quite a number of nature based and culture based tourism products are located in the rural areas. However, it has only received recognition as a tourism product with the launching of the Rural Tourism Master Plan in 2001. A market survey undertaken to formulate the master plan indicated that foreign tourists who came to Malaysia spent 15% of their stay in rural areas. In the eight month to August 2009, there are 102,934 visitors participate in the homestay program nationwide with a turnover of RM6.5 million compare to 57,658 visitors with a turnover of 3.3 million during the same period last year (The Star, 2009).

### History of Homestay Program

The homestay program in Malaysia can be traced back to the early 1970s at the then 'drifter enclave' of Kampung Cherating Lama in Pahang, when a local lady by the name of Mak Long took in long staying 'drifters' /hippies and provided breakfast, dinner and accomodation within her humble kampong house (Amran, 1997). At the beginning, most of the pioneers' homestay were located along the beach. In late 1980s, the homestay concept took another dimension with the arrival of Japanese youths on exchange programs. The current President of The Homestay Association of Malaysia, Tuan Haji Shariman, is the pioneer of such program in which Japanese youths stay with adopted families and participate in communal activities related to the rural and often pastoral way of life. Since then the homestay program has been used by the Ministry of Agriculture as a catalyst for rural development.

The homestay program in Malaysia is not new to the tourism scenario. In the beginning, the homestay emerged from an overspill of tourism in terms of overflow of tourists that could not be handled by the big entrepreneurs. The location of the homestay was normally nearby the popular tourist destinations and the product offered was merely accommodation. The operator of the homestay also sometimes extended his services as a tourist guide to the guests. Despite its positive contribution to the tourism industry, homestay did not significantly contribute to foreign exchange earnings (KPMG 1991). In the early 1990's, in the Seventh Malaysia Plan, the government took the initiative to upgrade and improve this sector of tourism. The strategies included the introduction of new products and services and increase in the involvement of the local population, especially small entrepreneurs in the development of distinct and localized tourism products and services. In 1993, the Ministry of Culture, Arts and Tourism (MOCAT) formed a special unit to oversee the growth of the program, which was officially launched on 3<sup>rd</sup> December 1995.

## The Concept of Malaysian Homestay Program

The use of the term “homestay” might be different in different countries. For instance, in Australia the term is particularly associated with farmhouse accommodation where as in the United Kingdom it is oftenly associated with learning the English language. The term ‘homestay’ is yet to be included in some of the major dictionaries. The *Merriam Webster Dictionary* (2007) defines it as “a period during which a visitor in a foreign country lives with a local family”. Lanier and Berman (1993:15) describe homestay venues as “private homes in which unused rooms are rented for the purposes of supplementing income and meeting people”. In the United Kingdom, traditions of hospitality and providing food for seasonal farm workers contributed to the development of farm-based holiday, and now recreation and tourism have become a significant form of business diversification to the farmers in many parts of the country (Davis and Turner 1992).

The idea of the homestay program is to accommodate tourists in a village with a local family, thus enabling the tourist to learn about local lifestyle, culture, nature (Louise Gai Hjulmand et al: ARBEC 2003). The official definition of the homestay program according to the Ministry of Tourism is “... Where tourist stay with the host’s family and experience the everyday way of life of the family in both a direct and indirect manner” (MOCAT, 1995). The homestay, a combination of tourism and recreation has grown as a result of increasing demand for access to the countryside, better private mobility, more leisure time, and the demand for fresh air and active pastimes (Yahaya, 2004:66).

The core component of the Malaysian homestay programs, which differentiates it with homestay elsewhere, is the element of staying together with host families or ‘adopted’ families. The guests have the opportunities to interact, gain knowledge, and experience the life style and culture of the host family as well as the local community. This element involves the guests eating, cooking, and engaging in many activities together with their adopted families, thus allowing two parties with different cultural backgrounds to interact and learn from each other. Unlike regular bed and breakfast establishments, the homestay program in Malaysia allows the guests to participate in the hosts’ daily activities. Indeed, this can be considered as an important strength of this particular product; no other tourism product in Malaysia offers a similar experience of Malaysian rural societies as that offered by the homestay program (Kalsom, 2009). The unique aspect of Malaysian homestay program compared to other places in the world is shared by Peterson (2004) as follows:

*“Mealtime is an opportunity to learn about Malay culture. First, footwear is*

*removed before stepping onto the veranda that leads to the host family's front door. Guests sit cross-legged on the floor adjacent to the 'dapur' or kitchen in a long dining hall. Before and after the meal, hands are rinsed using water from a 'kendi' an ornate silver kettle with a basin to catch the water. The food is eaten without utensils using only the right hand. Scooping up the white rice takes some practice but is made all the more fun by trying out the variety of foods such as chicken curry and 'sambal belacan' a spicy shrimp paste. Desert is often pineapple, papaya, rambutan, or other fruit grown in nearby orchards. Evenings are often spent quietly enjoying traditional dances and music performances."*

The uniqueness of the Malaysian program is the experiential element with the host families as well as communities. Communities are the basic reason for tourists to travel, to experience the way of life and material products of different communities. Communities also shape the 'natural' landscapes which many tourists consume (Richards and Hall 2000). The realization that the community itself has become an object of tourism consumption has in turn encouraged some communities to reproduce themselves specifically for tourists. Through homestay program, tourists would be able to experience the daily life of the ordinary people of a community.

Thus, the homestay program is a non-commercialized entity, as opposed to a hotel, a bed and breakfast, or a homestay run by an individual homeowner in a residential area. A village homestay program is operated by a group of certified homestay operators in the communal area. In order to regulate the homestay program, Ministry of Tourism (MOTOUR) will only issue a license if the house owner is able to abide to a list of selection criteria, which are as follows:

- Easy access from the main road;
- Adequate facilities for guests such as separate bedroom and proper toilet;
- No history of criminal record;
- Not suffering from communicable diseases;
- High standard of hygiene.

After being issued a license, the home owners have to attend a basic training course that is conducted by the Institute for Rural Advancement (INFRA) under the Ministry of Rural & Regional Development.

## **Recent Development of Malaysian Homestay Program**

In 2008, there were 68,416 domestic visitors and 23,117 foreign visitors participated in the homestay program with the total receipts of RM6.3 million. These figures show an increase from the previous year (Table 1 & Table 2). By June 2009, there were about 140

homestays under 227 villages throughout the country with the total number of house 3,264 houses participating in the program (Table 3). The number of villages participating in the program had increased about 55.5% compared to the previous year. The majority of guests are domestic visitors while foreign visitors make up about half of the total number.

The trend illustrates the prospect of the homestay program in Malaysia. Due to the potential of the homestay program to provide additional income and employment, it has lately been given special emphasis by the Ministry of Tourism, and under the 9<sup>th</sup> Malaysia Plan, a total of RM40 million has been allocated to the ministry for upgrading infrastructure and facilities in participating villages. The homestay program was given an additional boost with an allocation of RM10 million under the Second Stimulus Package. This emphasizes the priority in resource allocation given to CBT programs, which can have a wide dispersal of benefits and contribute towards rejuvenating the rural economy. In addition, the Ministry of Rural and Regional Development spent RM6.7 million in 2008 for infrastructure development related to rural tourism projects. Given the involvement of a wide range of agencies in the homestay and other CBT program, the Ministry of Tourism is assuming the crucial role, as the coordinating agency.

According to the Malaysian Homestay Association, important foreign markets for homestay are tourists from Japan and Korea, while domestic tourists consist mostly of students who are assigned to visit homestays as part of their study as well as participants

Table 1: Total Tourist Arrival for Homestay Program for Year 2007 & 2008

State/District	Domestic visitors		Foreign visitors	
	2007	2008	2007	2008
Perlis	390	1286	110	55
Kedah	3804	6242	213	377
Langkawi	290	697	49	290
Penang	*	1064	*	197
Perak	2200	1750	50	370
Selangor	15361	10242	5561	7301
Melaka	3434	5275	799	1425
N.Sembilan	11283	10104	3816	2939
Johore	5970	17704	6275	4635
Kelantan	390	705	45	170
Terengganu	1338	446	194	306
Pahang	2721	2052	1194	450
Sarawak	414	8235	186	2245
Sabah	3068	2214	2707	2295
Labuan	392	400	169	62
Total	51055	68416	21368	23117

\*: Data not available

Source: Tourism Services Division, Ministry of Tourism, Malaysia

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Table 2: Total Receipt of Homestay Program for 2006, 2007 & 2008

States	Total receipt (RM)		
	2006	2007	2008
Perlis	18,310	36,050	72,690
Kedah	195,660	208,730	154,515
Langkawi	10,700	22,530	52,760
Pulau Pinang	0	0	10,320
Perak	0	163,414	215,422
Selangor	512,747	1,576,334	917,440
Melaka	79,342	177,629	285,020
Negeri Sembilan	511,220	926,567	1,068,592
Johor	0	87,075	1,054,805
Kelantan	0	16,020	126,400
Terengganu	113,500	115,592	71,400
Pahang	0	755,200	1,190,907
Sarawak	159,085	144,6489	413,823
Sabah	465,416	616,804	605,708
Labuan	0	76,840	64,190
Total	2,065,980	4,923,433	6,252,213

Source: Tourism Services Division, Ministry of Tourism, Malaysia

Table 3: Homestay Program (Village) and Operators (June 2009)

State	No. of Homestay	No of Villages	No of Participants	No of Rooms
Perlis	3	3	55	64
Kedah	7	7	116	175
Langkawi	6	11	152	215
Pulau Pinang	9	9	200	227
Perak	6	30	178	248
Selangor	15	18	581	819
Melaka	5	5	111	144
N.Sembilan	8	26	233	385
Johor	15	18	471	772
Kelantan	8	10	106	163
Terengganu	6	6	149	108
Pahang	12	21	375	412
Sarawak	19	21	233	243
Sabah	18	39	225	413
Labuan	3	3	65	75
Total	140	227	3264	4463

Source: Tourism Services Division, Ministry of Tourism, Malaysia, June 2009

of training workshops which use the homestay as workshop venues (Kalsom, 2007).

## **Criteria for Homestay Development**

There are several criteria that need to be addressed to ensure the homestay program to be successfully implemented. The criteria can be grouped into three main components: Product, Participant, and Principal. These components need to be addressed in ensuring the sustainable development of the homestay program.

### **The Product**

This is an important component that needs to be identified and given attention by the parties involved since the motivation of the tourist to visit a destination is based on the product or attractions. In this context, product refers to the supplementary attractions such as nature, habitat and vernacular architecture, historical significance, art & crafts, music and cultural activities, traditional food and beverage, agriculture projects or activities, and special phenomena. These are the appeal factors as to why tourists are interested to stay and experience the uniqueness of the homestay (Maimunah & Abdul Rahim, 2009).

### **The Participants**

The participant is a very crucial component in the program. In a community that practices democracy or any other ideology, there would be support as well as opposition to a homestay program. Many reasons not to participate would surface, but the common cause for disagreements, among others, would be the uncertainty of the project's success. Most local communities in tourist destinations are enthusiastic to participate in tourism activities. Tosun (2006) found that the majority (more than 80 percent) of the local community in a local destination would like to take the leading role as entrepreneurs and workers at all levels, besides encouraging other locals to invest in and work for the tourism industry. Confidence, support and motivation must come from the participants and authority in ensuring the sustainability of the homestay project. Obviously, not every form of community participation can contribute to the realization of the expected benefits of tourism. This is not surprising since community participation can take many forms ranging from manipulative participation to empowering the citizen (Arstein, 1969; Pretty, 1995; Tosun, 1999a). Commonly, there are three categories of potential participants in a homestay program;

- a. Willing participants: Keen and eager participants that are motivated for many reasons. Continuous motivation and support behind the willingness of every

- participating member will ensure the success and sustainability of the project.
- b. Wait-and-see participants: This is the second category of community participation. They are potential participants who would like to see the results first before joining the project. Once the confidence level is achieved to their acceptance, they will be part of the project willingly.
  - c. Non-committing participants: They are residents who are uncooperative, intolerant, and have no faith in the project. They could be alienated for many reasons which may include different political and religious belief and racial factors. The best solution is not to prevent information flow to them and avoid pessimism.

### **The Principal**

This is the third component that influences the success of homestay program. This is because the homestay program involves not only the local community but also the principal and village committee. The principal could be an individual or a group that shares the same aspiration to the homestay project. They must possess the initiative to improve the economy of the village. All these qualities must be in the heart and soul of the principal to ensure the sustainability of the project which includes leadership, personality, integrity, knowledge, and networking.

### **Planning and Implementation Agencies**

The success of the homestay program depends on the government's involvement in the planning, organizing, implementing and also controlling of the program. Therefore, to ensure that the program is carried out successfully, it is essential that the government should be seen in all stages of the program. There are three main ministries that are directly involved in the planning and implementing of the program; Ministry of Tourism, Ministry of Rural and Regional Development, and Ministry of Agriculture (Figure 1). Each ministry has its own role and responsibility towards making the homestay program successful.

#### **Ministry of Tourism (MOTOUR)**

MOTOUR is the direct owner of the homestay program under the category of rural tourism. It works closely with related agencies in developing tourism projects to reduce poverty. Amongst the responsibilities of MOTOUR are;

- provide directions, policies, and guidelines for the development of homestay program;

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- Provide funds for tourism infrastructure development, grants to upgrade homes of homestay operator. For example, the ministry has allocated RM5000 to each house under the homestay program to upgrade the toilet;
- Marketing and promotion through Tourism Malaysia such as preparing homestay directory for Malaysia, etc;
- Work closely with state agencies such as State Tourism Action Council, Economic Planning Unit, etc.

### **Ministry of Rural and Regional Development (MRRD)**

The Ministry of Rural and Regional Development closely supports the homestay program in line with the mission of the ministry to promote rural development and modernization. The major focus is to uplift the socio economic conditions of the rural people and minimizing the rural urban divide. In the context of implementing the homestay program, MRRD is responsible for providing the infrastructure for rural tourism development such as roads, public toilets, community multi purpose halls, improved landscape, public walkways, jetty, etc.

### **Institute for Rural Advancement (INFRA)**

INFRA is a training institute under MRRD that is directly involved in providing training and capacity building for the rural community. INFRA provides training to all homestay operators, communities as well as the Village Security & Development Committee (JKKK). JKKK is an official committee appointed by the state governments at the community level that has the responsibility for the security and development of the village. Thus, the implementation of the homestay program must be through the committee.

### **Ministry of Agriculture (MOA)**

The MOA also has contributed to the success of the Malaysian homestay program. Since, the program is located in the communal area, agricultural products or agro products are amongst the attractions. Thus, the MOA engages in financial and technical assistance to improve value added activities (tourism) for the agriculture sector.

## **Operation of Homestay Program in Malaysia**

Even though each homestay operator is responsible for preparing his/her homestay into comfortable and clean accommodation, the majority of them are not involved in marketing their home as individual homestay. Most of the homestay programs are

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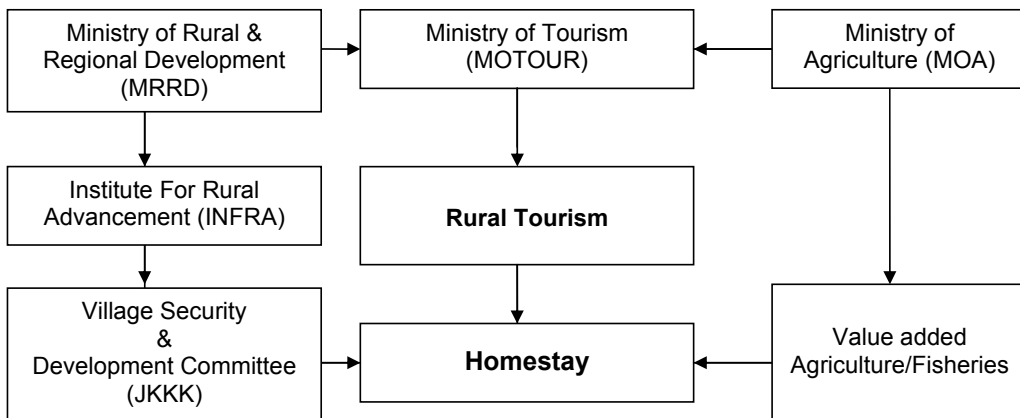


Figure 1: Institutional Framework for Homestay in Malaysia

actually groups of homestay homes that are managed by coordinating groups, such as the homestay program committee. Some homestay program committees are extensions of the Village Welfare and Security Committee (JKKK) and others are registered co-operatives (Kalsom, 2009).

Most guests come in groups and the package for the homestay program for two days, one night inclusive of meals, ranges from RM60 to RM120, depending on the activities that are included in the itineraries. Payments received from a group of visitors are credited into the coordinating committee's account. The committee will then pay for the cost or expenditure in hosting the group (table 4). Each operator is paid RM 40 for each hosted guest per night. Hosting a guest would cost roughly about RM 23 (3 meals, electricity and water), bringing to a marginal profit of RM 17 received by an operator per guest per night (Table 4).

Profits from the homestay program are used by the committee to purchase supplies and material needed to sustain the program. The committee may also use the profit for marketing activities.

## Contribution of Homestay Program Towards Community Development

Tourism planning has followed a significant evolution in development and planning paradigms that moved from myopic and rigid concerns to more comprehensive, flexible, responsive, systematic and participatory approaches (Inskeep, 1994; Murphy, 1985; Ritchie, 1988; Simmons, 1994; Tosun & Jenkins, 1988, etc). This evolution seeks to sustain tourism as an agent for socio-cultural and economic development, especially towards rural

**Table 4: An Example of Costs and Profits to the Committee**

(Assumption: A Group of 20 Guests)	
Receipt from a 20 pax guests (RM 110 per pax, 2 days/1night)	RM 2,200
Costs:	
• Payment to operators = RM 40 x 20 pax	RM 800
• Welcome drink	50
• Morning tea	50
• Transportation	30
• Cultural show	650
• Village tour	100
• Management	220
Profit to the Committee	RM 300

(Assumption: A Group of 20 Guests)

**Table 5: Approximate Costs and Profits in Hosting a Guest to the Individual Operator**

Receipt from a guest	RM 40
Less: Costs of meals, electricity & water	23
Profit to individual operator	RM 17

community development. In Malaysia, the government through MOTOUR and MRRD has recognized the homestay program as a catalyst for rural community development. The effects of the homestay program towards the community can be portrayed through development of the economy, social capital, infrastructure, as well as the environment. Tourism is growing faster in developing countries than in the developed countries, and there are many reasons why tourism is particularly well placed to meet the needs of the poor (Yunis, 2004; WTO, 2002; Ashley et al 2001).

### Socio-economic Changes

The development of agro-tourism via the homestay program obviously has generated the desired socio-economic benefits in terms of employment and business opportunities to the underdeveloped local areas and communities. The spillover effects from tourism are much appreciated as it provides opportunities for more people to participate not only as operators of small food stalls or groceries but also as the main providers of board and lodging due to low investment cost. In fact, most of the homestay projects in Malaysia require participation of not just the host family but the whole community including the school children, the youth club, the women club, etc. For

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example, school children participate in the greeting ceremony as *kompong* players (a traditional musical instrument) while members of the youth club organise the traditional games demonstration. As a result, the homestay program helps in maintaining the traditional values of team work that creates the feeling of togetherness as well as nourishes social values within the community.

In most cases, the homestay operation is a source of supplementary income for the operators since they often take on other forms of employment and also maintain their social and religious responsibilities (Dahles 2000). Research by Kadir (1993 & 1995) on tourism in Malaysia found noticeable positive impacts in the development of the tourism industry, namely in providing job opportunities as well as public facilities and infrastructure. Kadir regards the tourism sector as a 'smokeless industry' that need to be supported by the local community involvement through diversification of projects such as in "agrotourism" and "ecotourism". Overall, the monthly income is around RM600–RM800, which is the most important additional income for the locals. Some of them manage to earn from about RM2,000 to RM3,000 based on the number of rooms and other services provided. That is why some homestay entrepreneurs are able to provide air-conditioned rooms with attached bathrooms. When a homestay program is implemented, the handicraft industry of the village will grow and the villagers' skills such as in weaving baskets from rattan will be put to use. The youths, women and children may also generate their own income by taking part in cultural activities such as playing traditional musical instruments and performing dances. Finding from the research on Women Advancement Group (Kumpulan Pembangunan Wanita-KPW) and Role of Women in Banghurus Homestay (Amran, 2003) showed that the homestay program fostered the sense of pride, self satisfaction, healthy lifestyle and improved their socio-economic position.

The Kampung Pelegong Homestay is another good example that shows the contribution of the homestay program towards the socioeconomic development of the community. The increase of tourist arrivals in Kampung Pelegong contributes to the income for the homestay entrepreneurs. In general, the monthly income which is around RM600–RM800, is the third most important additional income for the entrepreneurs. In the first quarter of 2005, some of them managed to earn from about RM2,000 to RM3,000 based on the number of rooms and other services provided (The Homestay Committee Report, Kampung Pelegong, 2006).

Such additional income can be enjoyed not only by the entrepreneurs but also the villagers who are not involved with homestay. In general, the homestay entrepreneurs earn from the accomodation charges for at least two persons at a time and souvenir sales. Other sources of income include sales of local delicacies, catering, arranging visits and so on. In the case of Che Oom who offers two rooms for four visitors at a time and a catering

**Table 6: Performance of Homestay Operators in Negeri Sembilan  
(January-October 2009)**

District	Village / kampung Homestay	No of Houses	No of Rooms	NUMBER OF TOURIST Jan - Oct			Income (RM)
				Domestic	Intern.	Total	
Seremban	Pelegong	22	43	211	130	341	40,550
Jempol	F'best	20	37	1860	–	1860	41,070
Jempol	Lonek	32	55	1846	242	2088	159,225
Kuala pilah	Laman Bangkinang	36	63	582	–	582	56,175
Gemas	Gemas	30	50	468	20	488	82,710
Port Dickson	Pachitan	38	69	1411	292	1703	130,450
Rembau	Batang nyamor	19	26	142	133	275	67,012
Jelebu	Klawang	36	42	6	–	6	1,200
	Total	233	385	6526	817	7343	578,389

Source: Negeri Sembilan Tourism Action Council 2006

service, she managed to earn more than RM2,000 in the first quarter of 2003.

Those who are not involved directly in the homestay programs as the host, would still have other opportunities to increase their income. After the implementation of the homestay program, the handicraft industry has grown in the village and the villagers' skills in weaving baskets from rattan have been put to use. Prior to the program, with a limited market, they had no opportunity to make and sell their products on a large scale. But now they are able to sell their products to the tourists who stay in the village.

The development enjoyed is not just in terms of additional income and infrastructure but also in terms of a change in the mindset and culture. The local community's perception of their heritage has also undergone change as they now realize the importance of preserving the heritage to be shared and developed with the global community. The locals now also understand the culture of international communities such as the Japanese, Koreans, Europeans, Pakistanese and those from the Middle East and other parts of the world. The local tourism program has also contributed to environmental conservation (Roberts & Hall, 2001) as seen in preserving the natural environment, reclamation of abandoned land for agricultural use, controlling the water flow in order to control the river pollution from the Tebrau waterfall to prevent indiscriminate deforestation. The homestay program can be regarded as an informal cultural institution. To the people of Kampong Pelegong, the presence of foreign tourists, particularly from Japan who place importance on punctuality has instilled discipline and pride in their own heritage.

### Social Capital

Social capital refers to the social resources upon which people draw in pursuit of their livelihoods, such as relationships of trust, social norms, networks, and membership of groups. Engagement in tourism can affect social networks and community organization in a number of ways, positively and negatively. Enhancing the social capital resulting from the homestay program can be explained through three aspects (Caroline Ashley, 2000);

- Increased social capital of *households within their community*. Communities have had to become more defined to undertake joint action in tourism, so enhancing social cohesion for all members. In addition, several individuals have gained status and a sense of belonging within their community through their participation as leaders or entrepreneurs.
- Organizational strength and management capacity of *community organizations*. With considerable help of NGOs, such as Integrated Rural Development and Nature Conservation, tourism opportunities have been used to build more consultative decision-making procedures, enhance leadership skills, define shared objectives, and develop new management mechanism.
- Increase in communities' recognition from, and *links with, the external world*. Communities engaged in tourism have gained substantial experience in liaising with government officials and tourism entrepreneurs. This experience, combined with their greater organizational capacity, has increased confidence to pro-actively engage with outsiders.

Through the homestay program, it would be able to enhance the sense of ownership and pride in the community. Research on Women Advancements Group and Women's Role in Banghuris also indicated that about 38% of the respondents claimed the homestay program is a platform to foster sense of togetherness, sense of pride, cooperation and rapport building through the catering activity among the local villages; 19% claim that it is a platform for local women to earn and develop entrepreneurial skills.

### Development of Community Organization and Rural Infrastructure

The main success factors for any homestay program are leadership and the unity and understanding of its community. Their keen support could be seen in the active role played by the local community institutions, such as the Village Development and Security Committee, group of Viewers, Listeners and Readers and Vision Force Movement. All these groups and movements expose the community to organisational leadership and management. The active involvement of the villagers fosters understanding and cooperation in implementing activities in the village. Therefore, when the homestay program is implemented, fewer obstacles had to be faced and the success rate was higher.

The homestay program has indirectly been instrumental in fostering leadership and unity within the community.

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.

### **Improving Quality of Life**

The successful implementation of the homestay program needs peace and the harmony in the family, the local community and the village leadership. As such, the homestay program can be regard as an informal institution. Other than that, safety and healthy are importance components that need to be addressed. The cleanliness of the houses is among the criteria evaluated during the assessment of the Ministry of Tourism. The ministry has allocated up to the maximum RM 5000 for the purpose of upgrading the toilet of the houses under the homestay program. As a result, the homestay program will improve the quality of live of the host family as well as the community as a whole.

### **Conclusion**

The homestay program is not merely a rural tourism program, it is also a strategy for rural development. However, the implementation demands high commitment and understanding among the villagers. In order to design a successful homestay program a concerted effort without relying on outsiders assistance is needed, particularly in terms of promotion. The growth of the homestay program in Malaysia has provided huge opportunities to the rural communities. This program is an added support to the rural socioeconomic development, social capital development, as well as contribution to conservation and enhancement of the rural areas by developing public understanding pertaining to life in rural areas and environmental issues generally. Considering the potential of the homestay program towards community development, the government through MOTOUR in collaboration with MRRD aggressively promotes the program throughout the world as well as the country. The homestay program in Malaysia has great potential to be an alternative tourism product to attract international and domestic tourists. However, for the program to be successful, full commitment from the operators as well as

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firm support from the Government agencies and other related private agencies such as the tourist operators is very much needed. Although initially the homestay operators knew very little about the tourism industry, their enthusiasm together with the assistance from the Government and the private sector, have contributed to the growth of this new tourism sector.

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