

## Government Involvement on Tourism Policy and Programmes Implementation: A Case Study in Perhentian Island.

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The tourism sector has become vital for many developing countries including Malaysia. This sector has contributed to economic and social development of the country. Due to that, the government has given a special attention on the tourism sector development. Currently, there is a wide range of policies and programs to support the tourism sector. Thus, understanding the tourism policy and program implementation due to the multi-tiers government organization of Malaysia is important to be studied. Perhentian islands, is chosen as a case study. This study aims to explore the role of multi-tier of government and their engagement to implement tourism policy and programs. A qualitative case-study approach using the semi-structured interviews were applied to gain data onto sample of the three-tier government organizations who involve in the policy and program implementation. The main findings concluded that there was existing involvement and engagement process between the three-tiers of government organizations to implement the tourism policy and programs. Therefore, there is a clear need to delineate the responsibility of the three-tier organizations on the implementing of tourism policy and programmes in the Perhentian Islands.

KEYWORDS: Tourism sector, Policy and Programmes Government administration, Perhentian Islands.

### 1 Introduction

Many developing countries recognize tourism as an engine of growth in their effort to economically develop their countries including Malaysia. In the case for Malaysia, tourism sector is one of significant industry contribute to economic development (Khalid and Saad, 2015). Tourism planning and policy is, arguably, one of the most significant factors determine on how tourism sector develops, benefits and impacts to stakeholders are distributed (Dredge & Jenkins, 2007). Policy implementation is vitally important for tourism industry as many tourism policies have been argued as not or partially successful (Krutwaysho and Bramwell, 2010; Ismet and Abuhjeeleh, 2016). This issue is reflected to the national intention and how the government role can transform these intentions into action.

Since 1990s, the role of government and the influence of government policy on tourism development has long been debated by scholars (Hall, 1994; Hall and Jenkins, 1995; Bramwell & Lane, 2000; Bramwell, & Yuksel, 2005; Beaumont & Dredge, 2010). However, the success of tourism development depends on the responsibility of a government organization to formulate and implement the policy and programs on the tourism industry. Government is the key actor in the political process of tourism development (Bramwell, 2011) and has major involvement in tourism development compared to other stakeholders (Ruhanen, 2013). Hall & Jenkins (2004) argues that government plays seven functions in tourism development, which are coordination, planning, legislation and regulation, entrepreneurship, stimulation, social tourism, and protection of public interest. In Malaysia, there are multiple-tiers of government organizations which are Federal government, State government and local authority that involved in the policy implementation. There are few studies from Malaysia highlight on obstacles derived from these three-tier of policy implementation such as overlapping powers, poor coordination, unclear roles of tourism stakeholders and lacking of awareness among implementors (Hamzah, 2004; Marzuki & Hay, 2013;

Marzuki, Hay, & James, 2012). Given the economic importance of tourism industry to Malaysia, it would be beneficial to do a research to understand the government involvement on tourism policy and programs implementation (Khalid and Saad, 2015).

Therefore, it is important to explore the role of government in implementing tourism policy since these policy affect all varieties of tourism businesses and growth of tourism sector (Hall and Jenkins, 2004, Khalid and Saad, 2015). Furthermore, it is crucial to understand interactions between government levels in implementing the tourism policy and programmes (Yasarata, Altinay, Burns and Okumus, 2010). It has been noted that little attention has been given to investigate roles of government agencies in addressing the policy and programmes implementation (Beaumont & Dredge, 2010; Dinica, 2009). For that reason, the objective of this paper is to explore the responsibility of government organizations from federal until local authority who involve in the policy and programmes implementation of the tourism development of Perhentian Islands.

## **2 Literature review**

### **2.1 Implementation of policy and programmes**

According to Dredge and Jenkins (2007, p. 170), policy implementation is “the process through which policy ideas and plans are translated into practice”. In this case, implementation in this paper is the execution process that involves putting plans into action. While, tourism policy implementation means that putting into actions the contents of the policy document to tourism development through government involvement. For an effectiveness of policy and programmes implementation, each government must understand their roles and function in the organizations (Ismet and Abuhjeeleh, 2016). The government considered to be key players who determine the success or failure of a tourism destination; hence, their participation and involvement should be given consideration during policy implementation (Byrd, 2007; Moyle, Glen Croy, & Weiler, 2010). Furthermore, the government is the main financial supporter of this sector, especially in developing countries, where the tourism depends almost entirely on the government funding to operate.

There are four factors influence tourism policy implementation, which are 1) the macro-environment; 2) institutional arrangement; 3) inter-organization; and 4) interest group (Kwame, 2013; Wang and A, 2013). However, the role of government in tourism and the influences of public policy on tourism development has long been of interest to scholars (Hall, 2008; Hall and Campus, 2014). According to Bhuiyan et al. (2013), the government in Malaysia play a crucial role in the formulation and implementation of various policies while providing the appropriate institutional and legal framework to ensure sustainable tourism.

### **2.2 Malaysia Tourism Policies and Programmes**

Malaysian considers tourism industry is important due to its role as a driver of economic activity and social development. The seriousness of Malaysian government about tourism industry is reflected in the planning of tourism policies and programmes throughout the Malaysia Five-Year Plan (MP), starting on Sixth Malaysia Plan (1991-1995) until the recent Eleventh Malaysia Plan (2016-2020). For instance, the Sixth Malaysian Plan is prominent in tourism industry because of the establishment of the National Tourism Policy (1992-2000) which serve as the guiding principles for planning, developing and marketing tourism industry. Continuously, the National Ecotourism Plan (1996-2003) has been established during the Seventh Malaysia Plan (2001-2005) (Khan, 2013; Bhuiyan, 2013, Set, 2013). Later in 2003, according to Eight Malaysia Plan (2001-2005), the government design the Second National Tourism Policy (2003-

2010) and Rural Master Plan (2003-2010) to transform the Malaysia's low-yield tourism towards high-yield tourism destination (Khan, 2013). Each of these tourism policies have been established by Malaysia government to focus on the needs to prosper the tourism industry development.

According to the Sixth Malaysia Plan (1991-1995) until now, there were several programs provide to support tourism businesses. Government-support programs (GSPs) has been introduced to support the tourism development in term of the financing, training, marketing, infrastructure and consultancy programmes. According to Yusoff and Yaacob (2010) and Ismail and Othman (2014), the government agencies has worked closely to assist, to improve, to promote, and to support the implementation of government policy and programmes. For instance, the federal government was introduce the financing programs to support the local businesses in term of special tourism fund, tourism grant, tax incentive and tourism infrastructure fund, while the state government is helping the development of tourism industry on the training, promotion and marketing programmes. In term of infrastructure programmes, local authority is responsible to support the infrastructure and public facilities in tourism destination. These implementation of programmes is a responsibility carried out by the three-tier government organizations

### **2.3 Tourism administration system**

The Malaysian government system is influenced by the three-tier of government organizations, which namely Federal government, State government and Local authority to involve in the developing Malaysia's tourism industry (Bhuiyan, 2013; Set, 2013). The federal government is responsible for formulating uniform national policies and standards, providing planning services and advice, monitoring and preparing the National Physical Plan (Marzuki et. al., 2012). Essentially, tourism is a Federal affair and the overall policy planning and monitoring is carried out by Ministry of Tourism and Culture (MOTAC).

While, the state government under the State Economic Planning Unit (SEPU) is entrusted to formulate strategies and policies related to tourism development within each state (Khan, 2014). The SEPU was formed in each of the thirteen states in Malaysia, in order to pursue all economic activities, including tourism, at the state level. As tourism in Malaysia is private-sector led, both the Federal and State governments are only required to provide the infrastructure to facilitate private investments. The provision of tourism infrastructure includes both of hard infrastructure (roads, airports, jetties, etc.) and soft infrastructure in the form of the organization of special events. The state government is also empowered to carry out product development and organizing events with a small operating budget towards their tourism destination area (Hamzah, 2004).

The local authority is the third tier in the government system in Malaysia and responsible in making a local plan as stated in Section 12 (Act 171 & 172). Local authority act as a system of a district, which have their own boundary, legal entity and instructional structure. Tourism is not regarded as core business since, local authority establishment is under the Ministry of Housing and Local Government for the purpose of providing and maintaining infrastructure, public facilities and amenities to the local people (Hamzah, 2004). However, at the same time, the local authority also required to be responsible to generate incomes from the tourism activities by the federal government (Hamzah, 2004; Awang & Azizi, 2011).

Therefore, the three-tier levels of government administration make it easy to represent the power from the federal level to the local level to develop the tourism industry. However, implementation is not quite as smooth as theory might suggest. This raises questions about the effectiveness of the distribution of power among them in Malaysia. For example, the past literature indicates that the federal government has given less empowerment and authorization for tourism administration to the local authorities (Awang & Aziz, 2011; Dredge et al, 2006; Hamzah, 2004).

### **3 Research background**

Perhentian Island is the largest group of islands in Terengganu and in the east coast of peninsular Malaysia. Perhentian Island consists of two islands namely Perhentian Kecil and Perhentian Besar with covering a land area of 1,392.1 hectares. Both of these islands have been gazetted as Marine Parks Area in 1994 under the Malaysian Fisheries Act 985 (amended 1993), to conserve and protect its marine flora and fauna from being damaged by fishing and other human activities. The Marine Park management is funded by the government and tourist needs to pay entrance fees to support the funding (Salmond, 2010). The Marine Park boundary extends for one mile offshore surrounding each island with an aim to protect and restore the marine environment. The island has gained popularity among divers and snorkelers for its unique marine ecosystem and crystal clear water. The number of tourism accommodation businesses in Perhentian Islands is 53 which include the large, medium and small sized establishments. This island is under the administration of local authority (Majlis Daerah Besut) who is responsible to provide facilities, infrastructure and amenities to local community, operator and also tourists (Loganathan and Subramanian, 2005; Salmond, 2010).

### **4 Research methods**

A qualitative methodology is used to explore the role of government involved in policy and programmes implementation in the Perhentian islands. In-depth interviews are seen as being the most effective methods of gathering data. The purpose of the in-depth interviews was to gain a comprehensive understanding of how policy-makers approach to implement the policy and programmes in Perhentian Islands. For a semi-structured interviews, six respondents were selected. One respondent was from the federal government; the Ministry of Tourism and Culture (MOTAC under department Terengganu), three respondents from state level, who involved with Tourism State Department (UPEN), and two respondents from Majlis Daerah Besut that represent the local authority were interviewed. Semi-structured interviews were used as a medium for data collection as it encourages interviewees to share their views on the issues discussed freely and openly. Each interview will end in about an hour and it took place from April 2017 to June 2017.

### **5 Findings and Discussions**

This section discusses the result of government agency interviews about the role of government organizations in implementing the tourism policy and programmes in Perhentian Islands. The study found that three-tier government level, which are Ministry of Tourism and Culture (MOTAC), State Planning Economic Unit (UPEN) and Majlis Daerah Besut that involved to implement the policy and programmes in the Perhentian Islands.

MOTAC as a unit under federal government but was parked under Terengganu state to act on behalf of the state government and provided the link between Federal & State government in tourism related matters. Government agencies at MOTAC were responsible to provide advice on tourism planning and policy implementation, monitoring the planning and development of tourism products and infrastructure by state government as mentioned by respondents. According to Administrative officer of MOTAC, he explained that, *“Actually, we responsible the related to tourism development in Terengganu state in term of managing the allocation of financial, advice and monitoring the state government about tourism project and also providing the programmes towards tourism businesses include the financial support”*.

The State level act as the mediator and an extension of the federal government. Terengganu State has an aim to develop Perhentian Islands as a premier eco-tourism destination in Malaysia and also as the main industry to generate the state income. Thus, state government was responsible to develop Perhentian Islands as well as according to their objective. One of tourism state officials explained that;

*The main responsibility of UPEN Terengganu is to coordinate all programmes and development project for tourism, especially such as planning process, implementing, monitoring, and evaluating development at the local level... We make sure that every planning process is supported by all agencies include the local agencies.*

While, in terms of providing programs, another respondent from state government explained that they also responsible towards promotion and marketing to market the tourism Terengganu to be the high-end tourism destination including the tourism development in the Perhentian Islands. As his quote that;

*“Mostly, MOTAC will arrange the programmes in term of training, consultancy and financial programmes to support the tourism business.... At the State level, we just provide the certain part of training and doing the promotion and marketing specific to state tourism destination, for instance The Beautiful Tourism Terengganu 2017, The Visit of Tourism Terengganu 2016 and others.”*

He further explained, *“We also had collaboration with NGOs and Tourism Industry Players to provide the funding, training, and marketing to implement and ensure that national policies is successful such as Terengganu Tourism Association (TTA), Malaysian Associations of Hoteliers (Terengganu), TESDEC, Perhentian Island Association of Operators Terengganu, PETRONAS and others...”*

This finding found that there was a collaboration and an engagement between state government and private agencies to provide several programs in Perhentian islands such as on the training, promotion and marketing to support local businesses. According to Ozturk and Eraydin (2010), collaboration among stakeholders are important to support the implementation the policies and programmes.

While, Majlis Daerah Besut plays a key role as the local authority that responsible for the physical administration of the Besut area; which include controlling, and planning. In terms of tourism development, the local authority was responsible to provide facilities, infrastructure and public amenities to local business. According to the respondent from Majlis Daerah Besut, his quote that,

*..... Perhentian Island is under Majlis Daerah Besut... Actually, we are responsible for providing the services of tourism infrastructure and facilities to local community and tourist... Besides that, anything development matters related to registration of business premises and building permissions are also under us.*

From the interviews, the level engagement of the local authority was low in tourism planning and implementation. Tourism planning is the purview of the state government and is not seen in the role of local authority. This is findings indicated that the local authority is indirectly involved with tourism matters through its role in development planning, approval of buildings, in licensing of business and also provision of public infrastructure. This was supported by Khalid and Saad (2015) indicated that body of responsible for tourism is the state rather than the local authority.

## 6 Conclusion

In conclusion, tourism is the main economic activity in Perhentian Islands and providing many benefits to Terengganu economic growth. Although there was multiple-tier of government agencies, the relationship between MOTAC, State and Local authority is important and related to each other to ensure the success of the policy implementation. In this case of Perhentian Islands, MOTAC was responsible for formulating, monitoring and providing the budget for the physical development towards the development of the tourism sector; while, state government was acting as body of monitoring all tourism development matters in Terengganu. However, the responsibility of local authorities was found to be limited in Perhentian Islands. Mainly local authority was focused on building regulations, providing the infrastructure and public amenities, operational matters such as cleanliness and licensing but not specifically on tourism planning and implementation. Thus, there is a clear conclusion that tourism policies were decided by the federal government and the state level while local authority only involve in physical development of tourism infrastructure and facilities.

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