PRO-POOR TOURISM AND POVERTY ALLEVIATION IN SARAWAK

ABSTRACT

This paper aims to investigate the pro-poor tourism impact of the capacity building, stakeholders’ support and infrastructure development on poverty alleviation. This study focused on Malay, Iban, Bidayuh, Chinese, Kelabit, Penan, Berawan and others local communities; draws upon a sample of 520 from the Kuching and Miri division of Sarawak, Malaysia. Quantitative primary data method is used, and the data analyzed using partial least squares structural equation modeling (PLS-SEM) software. The findings showed the positive effect for capacity building on poverty alleviation (H1), stakeholders’ support on poverty alleviation (H2) and infrastructure development on poverty alleviation (H3). This study makes a significant theoretical contribution to human development theory by investigating how pro-poor tourism impact rise wage, food, education, healthcare, voice and securities in humans’ daily life. Furthermore, this study discussed several practical solutions for the local communities to benefit from pro-poor tourism. Especially on the formal and informal way of regular communication among the local government, private tourism organizations and semi-government tourism departments with local communities to increase the livelihood benefits.

1. INTRODUCTION

The definition of pro-poor tourism is referred as positioning of tourism growth to produce livelihood opportunities between tourism and impoverished people (Mowforth and Munt, 2016). Pro-poor tourism is an approach and it is not a type of tourism or product (Ashley et al., 2000). However, any type and size of tourism business such as volunteer tourism, philanthropic tourism, community-based tourism, cultural tourism, eco-tourism, rural tourism, responsible tourism, urban tourism, sustainable tourism, homestay, bed and breakfast, an urban hotel, tour operator, food and beverage provider, souvenir outlet and infrastructure developer can be categorized under pro-poor tourism (Mitchell and Ashley, 2010). Even though there are several types of tourism under the pro-poor tourism approach, the only objective pro-poor tourism has is to contribute the benefits perceived through tourism to the local community at any tourist destination. Therefore, capacity building, stakeholders’ support, and infrastructure development plays an important role in increasing local peoples’ well-being.
In the 1980s, capacity building from the development strategy is regarded as an important factor for tourism and poverty alleviation (Tassonyi, 2005). Capacity building involves knowledge delivering, in-house work or business training, generation of innovative ideas, exploration of new skills, skill development, and new technology that contributes to the community’s livelihood (Wu and Tsai, 2016). A study in Burundi has observed that training in the tourism industry provides socio-economic enhancement (Novelli et al., 2012). Hence, regular training enables people to move on to better employment and enhance prosperity (Murphy and Halstead, 2003). The literature suggests that capacity building is essential to develop human capital in poverty alleviation. Therefore, pro-poor tourism encourages the local community to invest in training and self-development to increase skills to escape from poverty with the help from stakeholders (Mitchell and Ashley, 2010).

A stakeholder is defined as one who has the capacity to participate in any trade fairs. Stakeholders empower participation from the locals’ in pro-poor tourism businesses, by creating links between farmers and the tourism operators so that the farmers could supply local food produce to tourism operators to increase household income (Manwa and Manwa, 2014). The anti-poverty tourism (APT) model explains that stakeholders, namely the impoverished, governments, private sector, tourists, civil society and donors need equal participatory opportunities to be involved in tourism (Khazaei et al., 2015). Equal participatory within stakeholder encourages the equality in economic gain. In this study, the term stakeholder refers to the local government, private tourism organizations, semi-government tourism channels. On the other hand, the term support refers to the implementation of new policies on poverty alleviation, promoting the local tourism products and services, sharing tourism ideas, conveying information on infrastructure development.

International aids have started funding countries on infrastructure development in the 1960s (Hawkins and Mann, 2007). As infrastructure development is a key development in tourism for tourist comfort travel and contributes to the people’ livelihood (United Nations World Tourism Organisation, 2016). Technology as part of infrastructure development is an important factor of pro-poor tourism. Information and communication technology gives opportunities to promote tourism destinations (Lemmetinen and Go, 2009). Furthermore, revenue from tourism receipts is invested in social infrastructure such as bridges, airports, waste management, telecommunication, public toilet, transportation system, cooking source and supports to the local traditional farmers through giving farming materials to raise the farmers’ income (Keovilay, 2012). On a similar note, the Botswana Forest Reserve eco-tourism revenue has supported infrastructure development such as electricity, clean drinking water, tar roads, education and health-care facilities (Manwa and Manwa, 2014). In total, previous literature has highlighted infrastructure development has an impact on pro-poor tourism.

2. MATERIALS AND METHODS

The human development theory is linked with pro-poor tourism to improve the quality of life including healthcare, education, infrastructure, job securities, access to the market, engaging locals in decision-making and widening people’s choices (Sharpley and Telfer, 2014). Therefore, human development theory is significantly important in this study as part of capacity building, stakeholders’ support and infrastructure development impact on poverty alleviation.

2.1. Development of Hypotheses

2.1.1. Capacity Building and Poverty Alleviation

Capacity building is an investment in human capital to improves the working skills, communication and knowledge that significantly contributes to poverty alleviation. Capacity building is developed through vocational education and training in businesses, entrepreneurial activities, labor skills, leadership, and technology use (Novelli et al., 2012). At the same time, capacity building increases the confidence level of local communities, thus improving the business relations between stakeholders (Rogerson, 2012). Therefore, capacity building is focused on the pro-
poor tourism to increase the local communities’ well-being through household income and job opportunities (Vanegas, 2012). Tourism is also an engine to mitigate extreme poverty which helps women break the poverty cycle through capacity building (UNWTO, 2016). As a result, capacity building is positively linked to poverty alleviation. Based on past studies, hypothesis H1 is structured; H1: There is a positive relationship between capacity building and poverty alleviation.

2.1.2. Stakeholders’ Support and Poverty Alleviation

Pro-poor tourism suggests that a variety of stakeholders’ support functions at a diverse scale of operations to ensure that the tourism is spread broadly to help ease poverty (Scheyvens and Russell, 2012). Meanwhile, the sustainable livelihood approach in developing countries promotes collaboration among stakeholders in tourism projects and in identifying the causes of poverty from the perspectives of the local people (Norton and Foster, 2001). The increasing number of tourist arrivals and tourism receipts globally motivates stakeholders’ to be involved in tourism and contribute to poverty alleviation policies, also help the local communities’ generate income (Spenceley and Meyer, 2012). At the same time, tourism is unable to be a dominant business in a country (Morgan et al., 2003). Therefore, tourism requires driving forces, resources and skills from agriculture, manufacturing, aviation, and construction to alleviate poverty (Sonne, 2010). The support of stakeholders from various directions are essentially important in this study. Especially, the local government, private tourism organizations and semi-government tourism businesses to implement new policies on poverty alleviation, to promote the local tourism products and services, to share tourism ideas and convey information on tourism planning, and development. A study in Costa Rica and the Netherlands have concluded that tourism contributes to communities’ livelihood, especially those with the involvement of stakeholders. The support of stakeholders’ especially those from private sector provides an access to the marketing facilities and linkages to international networks to build the tourism chain worldwide (Duim and Caalders, 2008). Based on past studies, hypothesis H2 is structured; H2: There is a positive relationship between stakeholders’ support and poverty alleviation.

2.1.3. Infrastructure Development and Poverty Alleviation

Infrastructure development is by having basic household appliances, access to the source of energy, water supply, tar roads, bridges, airports, waste management, telecommunication, public toilet, public transportation, cooking source, education and healthcare (UNWTO, 2016). Hence, infrastructure development leads to poverty alleviation specially when the tourism of a country contributes to building new infrastructure and improving the existing infrastructure to invest in tourism (Richter, 1999). In Slovenia, Croatia, the Dominican Republic, New Zealand, and Montenegro, a process of rebuilding, renovating and rebranding of tourism destinations as well as building new infrastructure has attracted foreign direct investments, foreign currency exchanges and domestic and international economic growth (Morgan and Pritchard, 2006). Meanwhile, infrastructure development also creates entrepreneurial activity and employment to generate indirect and dynamic income among the local communities’ (Sasidharan and Hall, 2012). Moreover, the support of the private sector is essential in pro-poor tourism as private companies contribute to infrastructure development namely roads, public toilets, water supply, telecommunications, school, and healthcare to improve the locals’ livelihood (Ashley et al., 2000). Furthermore, the consensus model is one of the community development models in tourism which argue that providing social infrastructure contributes to poverty alleviation among the impoverished people (Viriya, 2009). As such, hypothesis H3 is designed; H3: There is a positive relationship between infrastructure development and poverty alleviation.

2.2. Samples and Procedure

The questionnaire is used to collect data from the local communities in Kuching and Miri, Sarawak. Places such as National Park’, Sarawak Cultural Village, souvenir outlet, travel operator, food and beverage provider, homestay
operator, resort and hotel are the study areas. A total of, 520 questionnaires are imposed in this study for confirmatory factor analysis using judgement and convenience sampling in selecting the respondents. The Likert scale of 1-5 and 1-7 ranging from 'strong disagree' to 'strongly agree' have used to measure the 33 indicators in the questionnaire. The 7-point scale is used to measure infrastructure development. Accompanied by, the 5-point scale is used to measure the capacity building, stakeholders’ support, and poverty alleviation.

3. RESULTS AND DISCUSSION

3.1. Assessment of the Measurement Model

The SmartPLS 3.0 (M3) is used to assess the measurement and structural model. The measurement model consists of convergent validity (i.e., loadings, composite reliability (CR) and average variance extracted (AVE)) and discriminant validity. Firstly, the loading values for capacity building (0.684-0.792); stakeholders’ support (0.624-0.810); infrastructure development (0.775-0.843) and poverty alleviation (0.711-0.742). The loadings of the indicator are exceeded 0.5, besides for SS09 and PA09. Secondly, the internal consistency and individual indicator reliability are measured with CR. The threshold point for CR is 0.7 and above. The CR values are highly reliable for capacity building (0.906); stakeholders’ support (0.931); infrastructure development (0.930) and poverty alleviation (0.900). Thirdly, the AVE values explain the variance of indicators are on average. The values for capacity building (0.548); stakeholders’ support (0.569); infrastructure development (0.657) and poverty alleviation (0.529) are above 0.5 (Hair et al., 2014). Therefore, the convergent validity is achieved in this study (Henseler and Chin, 2010).

<table>
<thead>
<tr>
<th>Construct</th>
<th>Loading</th>
<th>CR</th>
<th>AVE</th>
<th>Convergent Validity (AVE &gt; 0.5)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capacity Building</td>
<td>0.684-0.792</td>
<td>0.906</td>
<td>0.548</td>
<td>YES</td>
</tr>
<tr>
<td>Stakeholders’ Support</td>
<td>0.624-0.810</td>
<td>0.931</td>
<td>0.569</td>
<td>YES</td>
</tr>
<tr>
<td>Infrastructure Development</td>
<td>0.775-0.843</td>
<td>0.930</td>
<td>0.657</td>
<td>YES</td>
</tr>
<tr>
<td>Poverty Alleviation</td>
<td>0.711-0.742</td>
<td>0.900</td>
<td>0.529</td>
<td>YES</td>
</tr>
</tbody>
</table>

Table-1. Convergent Validity

Source: Fieldwork

3.2. Discriminant Validity

Table 2 shows the comparison of the square root values of the independent and dependent variable. The square root of AVE for the capacity building (0.740); stakeholders’ support (0.754); infrastructure development (0.810) and poverty alleviation (0.727) are greater than another variable. Therefore, discriminant validity is achieved (Henseler and Chin, 2010).

<table>
<thead>
<tr>
<th>Construct</th>
<th>Capacity Building</th>
<th>Infrastructure Development</th>
<th>Poverty Alleviation</th>
<th>Stakeholders’ Support</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capacity Building</td>
<td>0.740</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Infrastructure Development</td>
<td>0.493</td>
<td>0.810</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Poverty Alleviation</td>
<td>0.489</td>
<td>0.594</td>
<td>0.727</td>
<td></td>
</tr>
<tr>
<td>Stakeholders’ Support</td>
<td>0.441</td>
<td>0.574</td>
<td>0.635</td>
<td>0.754</td>
</tr>
</tbody>
</table>

Table-2. Discriminant Validity

Source: Fieldwork

3.3. Assessment of the Structural Model Analysis

The structural model measures the hypotheses (t-value). Table 3 indicates that H1, H2, and H3 are significant in this study.

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3.4. Results of the Hypotheses Testing

H1: There will be a positive relationship between capacity building and poverty alleviation.

H1 states a positive relationship between capacity building and poverty alleviation ($\beta = 0.177$, t-value = 4.030) where the t-value is above 1.645. The finding implies that poverty alleviation occurs in the increase of capacity building. The local communities are given knowledge about tourism updates, training in managing tourist, training to learn English language, training on teamwork building, guidance to understand and handle tourist’s expectations, training on skill development (e.g., making handcraft and handing homestay) and knowledge about the technology advances. Therefore, the statistical analysis for hypothesis 1 indicates that capacity building is positively related to poverty alleviation. During the data collection in Mulu National Park Miri, Ms. Jenny who is the freelance tour guide has mentioned that there is training, and workshop organized by the local semi-government departments, private tourism organizations, government and NGOs in Kuching or Miri. The training and workshop shape the local communities’ capacity building in poverty alleviation. In addition, Mathenjwa and Mqobela in South Africa, tourism sectors have carried training and workshop but only for permanent workers (Leur, 2013). As specified by Fairer-Wessels (2017) capacity building is the driving force for the local community to live out of poverty. Hence, sustainability in delivering tourism information, knowledge, education, on-job-training, skill developing, innovations and technology updates should be considered for poverty alleviation. The finding is consistent with human development theory which explains that capacity building positively improves the quality of life among the local communities (Sharpley and Telfer, 2014).

H2: There will be a positive relationship between stakeholders’ support and poverty alleviation.

H2 shows a positive relationship between stakeholders’ support and poverty alleviation. The hypothesis finding shows that stakeholders’ support is positively significant on poverty alleviation ($\beta = 0.397$, t-value = 7.747).
result clearly shows that tourism contributes to the communities' livelihood, especially with the involvement of the local semi-government, private tourism organizations, government, and NGOs. The finding is supported with human development theory which describes that stakeholders' support positively improves communities' well-being through engaging the communities in the decision-making process (Sharpley and Telfer, 2014). The positive finding of the study further supported by Khazaei et al. (2015) who mentioned that the stakeholders' closeness bond among the impoverished people contributes to poverty alleviation. Another study on community-based enterprises has indicated that various partnerships are needed to interact with the communities to provide trust. Partnerships also create commitment among the stakeholders within the structured process in developing the communities' livelihood (Manwa and Manwa, 2014). This study agrees that stakeholders' support contributes to promoting Sarawak tourism. For instance, the implementation of tourism tax in Sarawak is channeled straight to the state government to gain benefit in promoting Sarawak tourism. This tax policy implementation is exempted for homestay, bed and breakfast, the three-star hotel and below. Therefore, the stakeholders' support involving the local people in the context of pro-poor tourism retain the revenue (Ezeuduji, 2017). Stakeholder empowers the participation of the communities in adding values to the local tourism products (e.g., handcraft, pottery, and edible local product) and services for socio-economic development. In addition, stakeholder also has regulatory interventions for the development of new tourism ventures and product innovations to pursue the long-term pro-poor tourism benefits. Hence, H3 is supported.

H3: There will be a positive relationship between infrastructure development and poverty alleviation.

H3 tests the positive relationship between infrastructure development and poverty alleviation. The statistical analysis specifies that infrastructure development is positively significant in alleviating poverty ($\beta = 0.278$, t-value $= 6.403$). The finding undeniably supports that the infrastructure development leads to poverty alleviation especially when the tourism contributes to the economic development (UNWTO, 2016). Economic development supports the infrastructure development of airports, technology, ports, and roads to attract tourist, whereas, in households, the infrastructure development includes providing energy, treated water, waste management, hospital, school and cooking source for the impoverished people (Mensah, 2017). This finding agrees with human development theory for other livelihood benefits such as access to electricity, water, road, school, voice and health care (Sharpley and Telfer, 2014). This study confirms that tourism contributes to a concrete bridge at Annah Rais village, a road at Darul Islam Belimbing village and a jetty at Telaga Air Fishing Village through the homestay project to meet the needs and standards of tourists' arrivals. A phone conversation with Ms. Cr Isabell Julau Ak Mejat who previously the Bidayuh homestay operator of Benuk village, Padawan, Kuching revealed that the homestay operation has closed. According to Isabell, most operators are an older entrepreneur and unable to handle the homestay operations. This study indicates a worrying concern on the younger generation. The younger generation shall handle the homestay operation to preserve the traditional lifestyle of the Bidayuh community. Homestays, bed and breakfast and community-based tourism able to increase the well-being of local communities' directly rather than luxury hotels and resorts in Kuching. The construction of four to five-star hotels and resorts may cause flood, erosion landslides and natural resources deterioration in Kuching and Miri. According to Senah Rayang homestay operator, the village was destroyed by the flash flood which pushed the local community to extreme poverty. This result agrees with De Lange and Dodds (2017) who have said that tourism projects able to apply ecologically responsible decisions to prevent nature deterioration. In brief, tourism helps to enhance the state government policy in improving the efficiency of infrastructure development as a factor of poverty alleviation in Sarawak.
4. CONCLUSION

The study concludes that pro-poor tourism of capacity building, stakeholders’ support, and infrastructure development have positively influence poverty alleviation in Sarawak. However, this study suggests that monetary contribution to raising the capacity building to alleviate poverty by local government, private tourism organizations, and semi-government tourism channels is necessary.

The respondents also agreed that regular meetings and discussions among various stakeholders enhance the livelihood improvement of the local communities. Therefore, this study has selected human development theory to explain pro-poor tourism in the context of Sarawak and the H1, H2, and H3 findings are supported by the theory. A longitudinal study can be considered on poverty alleviation among the local people in tourism. However, a longitudinal study is required more time; but through using the same conceptual framework and results from this study as a baseline, the future researcher can further conduct a longitudinal study that able to monitor on poverty alleviation in Kuching and Miri.

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