

## Chapter 2

# Impacts from Tourism Development in Langkawi Island, Malaysia

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### ABSTRACT

*Based on a study conducted in Langkawi Island, this chapter attempts to track the progress of tourism development of the island since 1986 until year 2004. Although the government and private sector had invested a lot of money in providing public infrastructure and facilities to boost the tourism industry in the island, no study had been conducted to relate tourism spending with the impact of these developments towards the local economy and socio-culture. Nevertheless, results from semi-structured interviews with local stakeholders involving hotel managers, government and non-government organizations representatives, resort and tourism developers and community leaders show two key issues regarding the benefits of tourism development and the costs of tourism development. The analysis also found that despite the limitation and development issues, the benefits of tourism development in Langkawi far outweighed the costs accrued to the local populace.*

### INTRODUCTION

Tourism has been recognised as a key economic stimulant in most developed countries since the middle of the twentieth century. However, developing countries only began to identify the potential of the tourism industry for their national economies only in the 1970s (Alipour, 1996; Sirat, 1993). By 1980s, the tourism industry had grown dramatically in many third world countries (Lea, 1988) but, governments in developing countries only

started formulating plans and investment policies for tourism planning and development by 1990s (Hall, 1995). Prior to that, they were indirectly involved in this industry without any formal structures for tourism planning and development (Lea, 1988). Even without proper planning, citizens in developing countries still gain the benefit of tourism development, but mostly through 'blue collar' employment or petty trading businesses (Tosun & Jenkins, 1996). Most of the profitable businesses were only enjoyed by foreign inves-

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tors or local elites (Bird, 1989; France, 1998). Simultaneously, destination areas also changed rapidly with unplanned and uncontrolled tourism development, and ultimately led to environmental degradation (Green, Hunter & Moore, 1990) and socio-economic imbalance in tourism destination areas (Coomansingh, 2004; de Kadt, 1979; Jafari, 1974; Edelman, 1975; Sadler, 1975).

Many scholars (D' Amore, 1983; Jenkins, 1982; Linton, 1987) pointed out that this problem is caused by the lack of a participation approach in tourism planning and the highly centralised planning system, including with improper public administration (Akama, 2002; Timothy, 1999; Tosun, 1998). For example, Tosun and Jenkins (1996) found that tourism progress in Turkey is threatened by an authoritative public administration system brought about by a centralised administration system, creating differences among the local and central authorities. Several master plans prepared had failed to be realised and many popular destinations had started to lose their unique quality due to over-commercialisations. Therefore, this chapter is attempting to identify the nature of tourism planning and development in the Langkawi Islands, Malaysia. It is also investigated the benefits and costs brought by tourism development to the islands.

## **TOURISM DEVELOPMENT IN LANGKAWI**

Before 1987, 67% of the employment in the Langkawi Islands was in the agriculture and fisheries sectors. About 40% of agriculture land was occupied by rubber plantations, 30% was paddy field, another 20% was mixed crops and the remaining land was coconut plantations (Langkawi District Office, 1992). However, although the principal economic activity of the local population was agriculture, yields were low, especially those of paddy cultivation, because of

the small size of cultivation area. Low yields were also caused by inadequate irrigation facilities and the use of traditional methods of farming, and the fact that small-scale agriculture was usually not for commercial farming. However, the declaration of a duty free island in 1987 not only advanced the development of the tourism industry, but also tremendously changed the socio-economic patterns in Langkawi. By the middle of the 1990s, the service sector became the main contributor to the island's economy (Langkawi Municipal Council, 2002). About 32.3% of the working population were involved in the wholesaling and retailing sector, 21% in social services and only 17.3% were employed in the agriculture and fisheries sector (Langkawi Municipal Council, 2002).

Compared to before 1987, when the majority of the working population (79%) received only RM 500 or less a month (Langkawi District Office, 1992), employment opportunities in tourism industry have provided an increase in monthly income. As Langkawi's economy grew steadily, 68.1% of the working populations received a monthly income between MYR\$ 501 to MYR\$ 2000, 4.1% received more than RM 2001, and another 27.8% received less than MYR\$ 500 a month (Langkawi Development Authority [LADA], 1999). Table 1 explains further the chronology of tourism development in the Langkawi Islands.

The growth of the tourism industry has also changed the migration pattern of the young and educated youth from Langkawi within the age group of 15 to 30 years. Previously, until 1986, about 27.4% of these young people migrated to Pahang in the mainland to participate in the Federal Government land development program and other government resettlement schemes. Another 22.2% went to Penang to work in the industrial sector, 17.9% moved to Kuala Lumpur, and about 16.4% shifted to Selangor (Langkawi District Office, 1992). Moreover, at that time, many low skill job opportunities were available in these states, especially those of factory workers.

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