

# **The Effects of Perceived Local Economic Conditions on Support for Sustainable Tourism Development at a World Heritage Site Destination**

**\*<sup>1</sup>Ahmad Edwin Mohamed,**

**<sup>1</sup>Nurhazani Mohd Shariff & <sup>2</sup>Kalsom Kayat**

*<sup>1</sup>School of Tourism, Hospitality and Event Management,  
College of Law, Government and International Studies,  
Universiti Utara Malaysia*

*<sup>2</sup>Othman Yeop Abdullah Graduate School of Business,  
Universiti Utara Malaysia*

\*Corresponding author: edwin@uum.edu.my

## **ABSTRACT**

*In general, tourism is often perceived as a catalyst for economic development at tourist destinations, especially in the developing countries. However, very little studies have systematically examined this relationship. Therefore, this study attempts to confirm the relationship between perceived local economic condition and residents' support for sustainable tourism development. For that purpose, a structured questionnaire was administered to gather responses from local residents who live in Lenggong district, one of Malaysia's World Heritage Site destinations. The data was then treated with statistical analysis including descriptive analysis and simple regression. The outcomes of the study indicated that, perceived local economic condition was found to establish an inverse relationship with support for sustainable tourism development. In other words, when the local residents perceived the local economic as poor, they became very supportive of tourism development as an alternative to boost the local economy.*

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## **INTRODUCTION**

As of lately, perceived local economic condition has been introduced as a factor in the study of tourism attitudes and supports (Gursoy, Chi, & Dyer,

2009; Sinclair-Maragh & Gursoy, 2015). In general, Var, Kendall & Tarakcoglu (1985) argued that residents in regions with poor economic condition would happily accept tourism as an economic catalyst regardless of its negative consequences. This is especially true when tourism often perceived as a tool for national or regional development, especially in many developing countries (Liu & Var, 1986; Sinclair-Maragh & Gursoy, 2015). One of the key issues with this construct is related to the measurement instrument which is far from comprehensive as it focuses merely on the availability of job opportunity as indicator for economic condition. There are more variable items that could be included in order to better capture this construct, e.g. business opportunity as attempted in this study.

Based on social exchange theory, residents' support for tourism development could indicate their willingness to enter into exchange as a result of evaluated consequences (Ap, 1992). In this study, the operationalization of support is - residents' endorsement and inclination towards policies, programs, plans, projects, and any social change processes invoked by those interventions as modified from Long (2006). Perceived local economic condition on the other hand refers to how local residents evaluate the condition of local economy according to both quantitative and qualitative aspects including human capital, critical infrastructure, regional competitiveness, environmental sustainability, social inclusion, health, safety, literacy and others (Mathieson & Wall, 1982). In this study, the operationalization of this concept focuses on the current job and businesses opportunities available in the destination as borrowed from Gursoy and Rutherford (2004).

## **LITERATURE REVIEW**

This section discusses the understudy variables based upon existing literature, namely support for sustainable tourism development, and perceived local economic condition.

### **Support for Sustainable Tourism Development**

The term 'support' although has been used extensively in the literature yet little was explained about its conceptual definition. According to social exchange theory, support represents the consequence of exchange (Ap, 1992). In social exchange process, a person will evaluate the consequence of exchange before he or she make a decision whether or not to enter into exchange. If the impact is judged more positively than its costs, they will

then enter into the exchange (e.g. engage in tourism activities, support etc.). The consequences of the exchange will be in the forms of output, actions, or outcomes. In other words, people who believe tourism is beneficial for them will act in the best interest of tourism. Their action or behaviours can be in the forms of collaboration, cooperation, involvement, commitment to the development policy and even support for tourism development. In overall, social exchange theory infers that residents' support for tourism development could indicate their willingness to enter into exchange as a result of evaluated consequences (Ap, 1992; Jurowski, Uysal, & Williams, 1997; Long & Kayat, 2011).

On the other hand, Deery, Jago & Fredline (2012) in their seminal work defined 'support' as the behavioural outcomes as a result of perceived impacts. According to their study, the outcomes of an evaluated social impact (e.g. support or no support) can be determined by a number of variables such as host-guest relationships, resident characteristics, residents' perceptions of tourism impacts, and also destination characteristics. The perception towards tourism impacts including economic benefits and costs, recreational opportunities, delinquent behaviours, pride, and development of infrastructure acting as the major factors for support or opposition for tourism development.

Using the above theoretical definitions as a guideline, this study operationalizes support as residents' endorsement and inclination towards policies, programs, plans, projects, and any social change processes invoked by those interventions as modified from Long (2006). Such endorsement and inclination are formed by the influence of various determinants such as perceptions and trust. Without endorsement and inclination by the public, sustainable tourism development planned by the government will face great difficulties.

To date, studies examining support towards tourism development has been the focus among scholars due its sheer importance (Gursoy, Jurowski, & Uysal, 2002; Gursoy & Rutherford, 2004; Lee, 2013; Long & Kayat, 2012; Nicholas, Thapa, & Ko, 2009; Nunkoo & Gursoy, 2012). Based on the above studies, this construct mainly revolves around how local residents support or oppose tourism development plans or programmes including economic activities, community development, cultural heritage preservation, tourist arrival, and participation in tourism industry.

### **Perceived Local Economic Conditions**

People who live in regions with low level of economic activities are more favourable towards tourism development than others (Sharpley, 2014; Sinclair Maragh & Gursoy, 2015). In fact, they tend to underestimate the costs and overestimate the economic benefits (Gursoy & Rutherford, 2004; Kim, Uysal, & Sirgy, 2013). For example, residents in Turkey acknowledge their willingness “to put up with some inconvenience in exchange for tourist money” (Var, Kendall, & Tarakcioglu, 1985, p. 654). One reason for this phenomenon is because tourism often perceived as a tool for national or regional development, especially in developing countries (Liu & Var, 1986; Sinclair-Maragh & Gursoy, 2015).

Thus far, only three studies have been found in the published literature to empirically examine the influences of local economic conditions on support for tourism (Gursoy et al., 2002; Gursoy et al., 2009; Gursoy & Rutherford, 2004). Early studies (Allen, Hafer, Long, & Perdue, 1993; Perdue, Long, & Allen, 1990) suggested that this factor may explain the variance in support for tourism development. In addition, Cater (1987) also argued that many destinations with poor economic condition will be more than happy to embrace tourism as their economic boost.

## **METHODOLOGY**

This section describes important research protocols including the instrument development, sampling procedure, data collection, and data analysis. The field work for this study took place in Lenggong District between February and May 2013.

### **Study Site**

The study site is Lenggong district situated in the rural Perak, Malaysia. Lenggong has been designated as a WHS by United Nation Educational, Scientific and Cultural Organization (UNESCO) in 2012. Lenggong WHS is one of the most important archaeological sites in the world as it provides evidence of early human inhabitants in South East Asia dating back as early as 1.8 million years ago. The carbon dating tests also found many other archaeological finds including pre-historic stone tools and early human skeletons. Since its designation, Lenggong has been receiving a growing

number of visitors and funding from federal government agencies to improve its tourist-related infrastructures (Rasoolimanesh, Jaafar, Kock, & Ramayah, 2015). Based on existing official record, the population of Lenggong District was 18,086 people or 3,759 households dispersed into 18 villages (Lenggong District Council, 2010).

### **Instruments Development**

This study utilised four items of perceived local economic condition as adopted from Gursoy and Rutherford (2004). Lower score reflects poor local economic condition and vice-versa. Meanwhile, eight measurement items used to measure support for sustainable tourism development were adapted from a study by Nicholas et al. (2009). In this case, the higher score reflects the stronger support for sustainable tourism development in the local area. The measurement scale for perceived local economic condition was in the form of continuous scale, where 1 indicated 'strongly agree' and 7 as 'strongly disagree'. Meanwhile, for support for sustainable tourism development, the continuous scale was according to this; 1 indicated 'strongly disagree' and 7 as 'strongly agree'.

### **Sampling Procedures**

The sample unit of this study were the households who live in villages within and adjacent to the WHS. In this case, only five villages and a town were purposely selected. From that, a total of 450 households were chosen using the systematic random sampling procedures of every 5th house.

### **Data Analysis**

The data from this study was subjected to multivariate analysis techniques including descriptive analysis, and simple regression using Statistical Packages for Social Science (SPSS version 21). Before the analysis, all the data were subjected to normality test, univariate and multivariate outlier detections, reliability test, linearity of phenomenon, homoscedasticity, and multicollinearity tests to ensure its appropriateness.

## **RESULTS AND ANALYSIS**

The following section discusses the findings of data analysis namely the profile of respondents, descriptive analysis, and simple-regression.

**Profiles of Respondents**

A total of 450 questionnaires were personally distributed to household’s representatives over five selected villages and a town within the Lenggong District. The response rate was almost 100% as the distribution of questionnaires were carried out personally by trained enumerators from house to house based on systematic random sampling approach. In total there were 450 questionnaires collected. However, 49 cases were eliminated after data screening due to incomplete responses and the presence of outliers. Hence, only a total of 401 cases were included for further analysis. The following table showcases the profiles of respondents in details.

*Table 1*

Socio-demographic Characteristics of Respondents

Parameter	Percentage (%)	
Gender	Male	48.3
	Female	51.7
Age	21 – 30	38.0
	31 – 40	21.7
	41 – 50	19.0
	51 – 60	13.0
	Above 60	8.3
Ethnicity	Malay	94.5
	Chinese	2.8
	Indian	1.2
	Siamese	1.5
Education level	Did not go to school	6.0
	Primary school	13.5
	Secondary school	63.5
	First degree	15.2
	Post-graduate	1.5
	Others	0.3
Income	No income	34.3
	Less than RM1000	27.1
	RM1,001-2,000	23.8
	RM2,001-3,000	11.5
	RM3,001-4,000	2.3
Length of residency	RM4,001-5,000	1.0
	< 5 years	9.2
	6-10 years	7.5
	11-20 years	13.0
	21-30 years	24.4
	> 30 years	45.9

(continued)

Parameter		Percentage (%)
Occupations	Agriculture	18.5
	Fishery	1.0
	Quarry	0.3
	Logging	0.3
	Guano collector	0.3
	Government	18.4
	Restaurant	3.2
	Homestay	4.0
	Local cottage industry	3.0
	Hotel	1.0
	Museum	1.3
	Grocery stores	8.0
	Housewife	24.2
	Student	12.2

**Descriptive Analysis**

The following sections discussed the results of descriptive analysis for each of the under study variable using mean and standard deviation.

*Table 2*

**Descriptive Analysis of the Understudy Variables**

Items	Mean	Standard deviations
Perceived local economic condition	1.33	.693
Government should help to create more jobs in Lenggong	1.38	.687
Lenggong desperately needs more job opportunities		
Lenggong needs more job opportunities to stop young people moving away to cities	1.53	.843
Lenggong desperately need more business opportunities in the local area	1.31	.639
Support for sustainable tourism development		
Development of community-based tourism initiatives	5.88	1.176
Local involvement in tourism planning and development	5.86	1.187

(continued)

Items	Mean	Standard deviations
Cooperation and unity in tourism planning and	5.95	1.057
Promotion of heritage education and conservation	6.17	.960
The designation of Lenggong Valley as UNESCO's WHS	6.63	.760

The analysis of perceived local economic condition indicated that the majority of respondents preferred tourism industry to be developed in the district as it can create economic benefits. This also reflects the economic condition of the district was poor where many are expecting more new jobs and business opportunities as indicated by the lower score on the related items. On the other hand, the majority of respondents were very supportive of sustainable tourism development in Lenggong. Therefore, it can be concluded that, the majority of residents in Lenggong preferred to have sustainable tourism development within their district.

### Simple-Regression Analysis

Perceived economic conditions recorded significant negative relationships with support for sustainable tourism development as expected ( $\beta = -.268$ ,  $t = 7.269$ ,  $p < .05$ ). The lower scores on perceived economic conditions will result in higher support for sustainable tourism development and vice-versa. In this case, residents that perceived the local economic as poor will most likely support sustainable tourism development. The following is the summary of simple regressions between perceived local economic condition and support for sustainable tourism development.

## CONCLUSION

The analysis indicated an inverse relationship between perceived local economic condition and support for sustainable tourism development. The finding implies that residents who perceived the local economic condition in a poor state or very much in-need of improvement are likely to support sustainable tourism development and tend to perceive tourism positively. This finding is consistent with the result reported by previous studies (Gursoy et al., 2002; Gursoy & Rutherford, 2004). Var et al. (1985, p. 654) further pointed out that “residents in Turkey acknowledge a willingness to put up



with some inconvenience in exchange for tourist money”. This means that residents would be very appreciative of tourism when they are economically depressed despite other negative consequences. This is also normally the case for rural areas, especially the ones that located in remote countryside that are marginally left behind from development compared to urban areas. As mentioned earlier, Lenggong District is a rural area that is highly dependent on traditional resource-based economies. Thus, tourism in rural areas is always seen as an alternative economic activity that could give values to the local residents (Pakurar & Olah, 2008). Tourism is widely known to contribute to the economic development of tourist destinations through job creations, business opportunities, direct investments and so forth.

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