

COMMUNITY PARTICIPATION IN TOURISM MICROENTERPRISES AMONG AMANAH IKHTIAR MALAYSIA BORROWERS IN SEMPORNA, MALAYSIA

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ABSTRACT

Tourism industry is seen as a sector that could possibly provide opportunities to the local community by the creation of tourism enterprises. These tourism enterprises are in most likely situations to be micro businesses established and operated by the local community. This paper highlights lack of participation in tourism microenterprises among local community, these self-employed local community run their business as a need for survival and without formal education and entrepreneurial skills. A structured face to face survey was administered to evaluate local community participation in tourism related micro enterprises among Amanah Ikhtiar Malaysia (AIM) borrowers in Semporna, Sabah. The selected borrowers were identified through a multi-stage random sampling methods. Analysis of association and relationship among the socio demographic and enterprises characteristics using chi-square test of independence revealed that their level of participation is associated with level of education, location, number of employees, gross income, capital, assets and loan frequency. The microfinance institution is recommended to incorporate appropriate entrepreneurial skills to suit local environments in tourism and integration with various stakeholders such as local authorities at federal and state government, tourism agencies and non-governmental agencies is essential in its delivery system to facilitate the creation of sustainable entrepreneurship activities especially towards tourism microenterprises.

Keywords: Community Based Tourism; Rural Tourism; Microfinance; Entrepreneurship; Sabah.

1. INTRODUCTION

Tourism industry comprises of many varied network of micro, small and medium sized enterprises (SMEs). Most of the tourism services are delivered through micro and small enterprises usually family run establishments (World Tourism Organization (UNWTO) 2010; 2005). Thus, generate opportunities for local community hosting a specific tourism destination. The potential of this sector has been increasingly recognized as significant in poverty reduction for remote rural areas by international bodies and national governments. The tourism industry was given priority since the

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Eight Malaysia Plan (8MP) to Tenth Malaysia Plan (10MP) (Othman, Mohamed and Aziz, 2012) and the substantial growth in tourist receipts in 2013 is in line with Malaysia Economic Transformation Programme (ETP) which was launched in 2010 to achieve Malaysia's objective of being a high-income earning nation by the year 2020. Tourism has been identified as one of the twelve national key economic areas (NKEAS) to drive the economic growth (Performance Management and Delivery Unit (PEMANDU), 2014).

The industry's significant contribution to the economic development of many countries is reflected in Malaysia where it has been hosting large numbers of tourist arrivals for business and vacation purposes. Malaysia Gross Domestic Product (GDP) contribution from Travel and Tourism in 2013 was MYR158.2bn, (16.1% of GDP) and has created 1,857,490 jobs (14.1% of total employment) (World Travel and Tourism Council (WTTC), 2014). Malaysia was one of the world's top 10 tourist destinations in 2012, making it the only South-East Asian country to make the list in the United Nations World Trade Organization (UNWTO Tourism Highlights, 2012). It was also ranked by Singapore's Crescent Rating as the world's best Muslim travel destination in 2013 (Economic Transformation Programmed Annual Report, 2013).

2. COMMUNITY PARTICIPATION AND TOURISM DEVELOPMENT

The involvement of local community has been accepted as part of the component for sustainable tourism development (Murphy, 1985; Haywood, 1988; Jamal & Getz, 1995; Johari, Ramachandran, Shuib & Herman, 2015). "Sustainability" is a term that has been interpreted in the past as environmental issues that influence economic growth (Baum et al., 2016). The incorporation of local community in tourism planning and development ensured economic returns from the industry benefit the society living in the rural areas (Murphy, 1985). However, tourism development in rural areas obviously involves top down approach in the development which discourages active local community involvement (Catley, 1999). Various agencies such as the World Bank, United Nations and World Tourism Organization have started promoting community involvement, especially in the area of community development for poverty eradication strategy. The initiatives incorporate bottom-up approach which involves local community in planning, decision making and sharing the benefits of the tourism development program (Catley, 1999).

According to Tosun (2000, p.615) "it is a tool whose aim is to readjust the balance of power and to reassert local community views against those of the developers or the local authority". Tosun (2006) further reiterates that ensuring local community involvement will enable wider opportunities for the local people to reap the benefits from tourism development that is happening at their locality. Therefore, will inculcate positive attitudes and increase the level of awareness in conservation of local resources.

An inclusive belief of most scholars is that tourism development will not be able to reflect their true values and will be unlikely to generate sustainable outcome if lack of participation and empowerment from local community (Lea, 1988). This increased participation of local community should incorporate the low income community in both rural and urban areas (Agrawal & Gupta, 2005; Lea, 1988). In addition, local community will have the ability to contribute in providing inputs in decision making processes and eventually involved in tourism planning and developments (Murphy, 1985). There is a need for the community to participate during decision-making so as to safeguard personal

interest and ensure that society benefits more broadly, as planning activities and their impact on the community are explained in detail (Sudesh, Vikneswaran & Ramachandran, 2016).

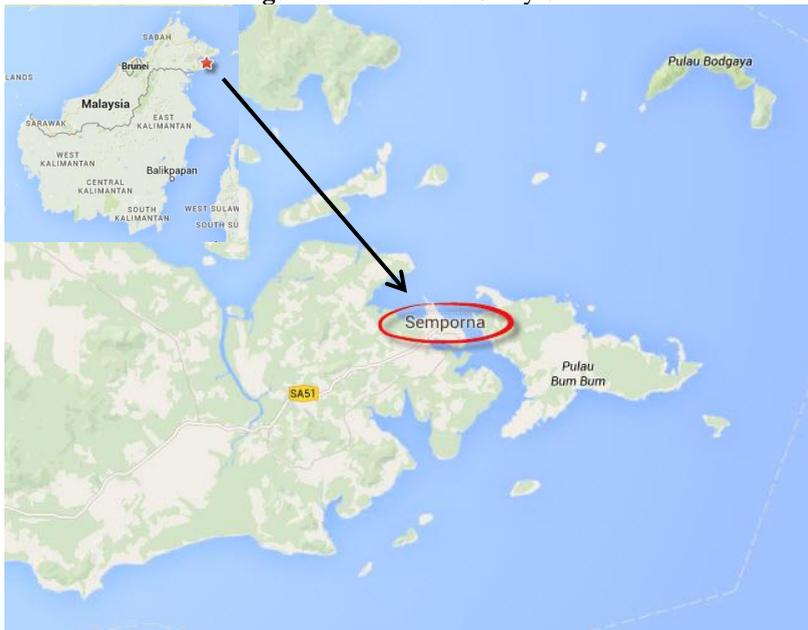
The growth in the tourism sector in many developing countries is still held back by lack of financial support and because it is difficult for the poorest population to gain access to appropriate financial leverage. However, the steep increase in microcredit products and services available suggest that it will move into new sectors apart from small-scale retail, repairs and handicrafts (UNWTO, 2010; 2005). Tourism, which is largely made up of small and medium enterprises (SMEs) with many individual entrepreneurs and family businesses, could be considered a sector in which microcredit could be introduced on a large scale (Getz & Carlsen, 2000; UNWTO, 2010; 2005). If tourism is developed and managed in a sustainable manner from the economic, environmental and socio-cultural points of view, it can significantly help to improve living conditions for local populations in different destinations (Manyara and Jones, 2007).

Local community participation is vital to the success of tourism industry (Choi & Sirikaya, 2006). Its core idea is the integration of hospitality and tourism related activities involvement by the local community such as in accommodation as well as food and beverages services. Barriers to community participation in operational (centralization of public administration of tourism), structural (attitudes of professional bodies and expertise), cultural (limited capacity of poor people) and economic (financial and trained human resources) (Tosun, 2000) need to be integrated with comprehensive assessment to stimulate the establishment of tourism related entrepreneurs. Entrepreneurs motive and entrepreneurship education (knowledge and skills) among local community have a positive link with entrepreneurial performance (Raposo & Paco, 2011; Getz & Carlsen, 2000). In addition, other basic public services such as basic infrastructure or accessibility to the specific location, clean drinking water supplies, electricity, health services, education, communication channel and sense of ownership among local community can be considered as the main characteristics for community participation. These attributes enable interrelationship among local community and visitors in the creation of tourism product (Cioce *et al.*, 2007). These elements are the main factors for a successful and effective tourism venture in developing countries (UNWTO, 2010; 2005).

3. STUDY LOCATION

The study location (Figure 1) for this paper is in Semporna, Malaysia. It is a district located in Tawau Division, in the east coast of Sabah, Malaysia on the island of Borneo. The district has an area of 1145 KM² and is divided into two sections, Semporna mainland and island areas (Siow, Ramachandran, Shuib & Mohammad Afandi, 2014). Semporna is unique due to its diverse ethnics groups. Bajau's ethnic group is among the main population, they live in stilt houses along the coastal area of Semporna's town (Siow *et al.*, 2014). Its population was estimated to be around 133,164 with 19,860 total numbers of households. 68 percent of the population are local bumiputra, 2 percent are non-bumiputra and 30 percent of the population are non-Malaysian (Department of Statistics Malaysia, 2012). These are the Sea Gypsies (Bajau Laut) who spend most of their lives on boats and earn a living from marine resources (Siow *et al.*, 2013). Choo, Kassem, Sumampouw (2012) indicate Semporna as a major dive tourism site with the biggest coral focus in Malaysia and Sipadan is one of the famous diving spots in Semporna district.

Figure 1: Location of Study Site



Source: Adapted from Google Maps, (2015)

4. RESEARCH CONTEXT

Sabah include the district of Semporna is the second most visited state by domestic visitors which recorded 17.3 million visitors in 2012 according to the Domestic Tourism Survey (Department of Statistics, Malaysia, 2013). According to the Industrial Development Minister Datuk Raymond Tan, tourism, agriculture and manufacturing are the main engines of the State's growth under the Sabah Development Corridor (SDC) (The Borneo Post, 2011). The establishment of SDC in 2008 is based on the alignment with the national agenda under the Economic Transformation Programme (ETP) and Sabah Economic Development and Investment Authority (SEDIA) as the entrusted authority to drive the development in Sabah (SEDIA, 2012). SEDIA has indicated that the proposed RM2.5 billion tourism-based integrated development project will be situated in Semporna (The Borneo Post, 2014).

However, Semporna's local communities have been observed not to actively participating in tourism microenterprises despite of its tourism sector potential and the availability of micro financing services. The Ministry of International Trade and Industry (MITI) (2014) reported in budget 2015 which "focuses on capital economy (macro policies, GDP growth, private sector investment, financial markets, etc.) as well as people economy (wage growth, small and medium enterprises (SMEs), household expenditure, cost of living, jobs and family well-being). In line with this focus, the 2015 Budget has been very encouraging with continued support on SMEs and entrepreneurship development. A total of 18 specific programmes with financial allocation amounting to RM14.3 billion (vs RM2.8 billion in 2014) were announced for SME development covering services sector,

Bumiputera entrepreneurs; youth; graduates; microenterprises; petty traders; women; smallholders; cooperatives; and associations”.

Amanah Ikhtiar Malaysia (AIM) was allocated with RM1.8 billion for financing to benefit 346,000 members of AIM. An additional amount of RM30 million allocated through AIM to inculcate the spirit of entrepreneurship among Indian women (Ministry of International Trade and Industry, 2014). Panel data (Ageing Report as at July, 2014) from AIM in Semporna indicates that 70 per cent of its members are involved in micro businesses and services sector and the majority of them are involved in running a groceries shops, sewing services, direct selling, transportation, wet market traders and hawkers (AIM, 2014) and these are among the common type of businesses ventured by its members. These self-employed poor among the local community run their businesses as a need for survival without any entrepreneurial skills (Sterren, 2008).

The aim of this paper is to describe the socio demographic and microenterprise characteristics of Amanah Ikhtiar Malaysia (AIM) borrowers and to identify its association and relationship with participation in tourism microenterprises. Socio demographic factors include; age, ethnic group, marital status, no of households, education level and number of years as a member of AIM. In addition, microenterprise characteristics include; Type of project and activity, location, license, family assistance, side income project and activity, years of involvement, number of employees, gross income, assets and loan frequency.

5. MATERIALS AND METHODS

5.1. *Sampling*

This study employed a multi-staged random sampling method and a structured questionnaire consisted of closed and open-ended questions were utilized as the main instrument to obtain responses from the targeted group of AIM's borrowers. Stage one: Identify research population and random sampling; AIM divided its members based on 10 specific allocated blocks which comprises of 86 centers (3,521 borrowers) scattered around three constitution areas of Semporna's district; namely Sulabayan, Senallang and Bugaya. A simple random sampling technique was executed manually and 18 centres (21%) out of 86 centres were selected which comprises of approximately 835 borrowers.

Stage two: Determine sample size; sample size formula developed by Krejcie and Morgan (1970) (as cited by Castillo, 2009, Babbie, 2001) was employed and as a result 346 borrowers were chosen for the survey. Stage three: Proportionate sampling method; 346 borrowers were proportioned across 18 randomly selected centres. Stage four: Systematic random sampling method; first name from the list was chosen and proceed with every second from the borrowers name's list for respective centres (Castillo, 2009, Babbie, 2001). As a result, a total of 433 responses were collected for this study from the list of borrowers provided by AIM as at 31st July 2014. 429 samples were considered for normality test after 4 samples were eliminated due to incomplete responses.

5.2. *Survey Instrument*

A modified face to face questionnaire was prepared and adopted for the study based on 'Four Dimensions of Community Participation' (Wilson and Wilde, 2003, Yorkshire Forward, 2000) to measure community's participation in tourism microenterprises. The questionnaire consisted of 18

items in four sections of the dimension namely; influence; inclusivity, communication and capacity were modified and developed to measure participation in tourism related micro enterprises. A 5-point self-rating scale (Beaumont, 2001) was used to measure respondent's participation. Response choices to these items start from (1) strongly disagree to (5) strongly agree. Test on reliability of the participation dimensions, internal consistency scores (Cronbach Coefficient Alpha) were computed and results for all the dimensions were above .70. Correlations between items were examined to avoid highly correlated items within the same construct. As a result, six items were removed and the rest of the items were used for this study. Nine items used to measure participation showed a satisfactory reliability with Cronbach alpha of .818.

5.3. Participation Index

Participation index was computed through an arithmetic average of the score of the indicators using self-rating methods (Beaumont, 2001). These index scores were then transformed to participation level in a ranking form (Maxham III, 2001) for analysis purposes (1 = Low, 2 = Moderate, 3 = High). The transformation of each participation level is equivalent to the average of the scores of the associated criteria (Table 1). The range in between each level is determined using class interval which is the maximum participation value minus the minimum value and divided by three participation level (Lind, Marchal and Wathen, 2015 p.26). This method has been used in the assessment of environmental knowledge, perception, awareness and psychology research (Beaumont, 2001; Benyamini & Idler, 1999; Sherer et. al., 1998; Borg, 1990). Data were analysed descriptively using the data analysis and charting functions of SPSS software.

Table 1: Participation Index Transformation

<i>Participation Index Scores</i>				
Mean = 2.3065	Median = 2.4444	Mode = 2.78	Min = 1.11	Max = 3.67
Low = 1 – 2.339	Moderate = 2.4 – 3.669		High = 3.7 – 5.00	
<i>Participation Level (Frequency / %)</i>				
1 = Low	2 = Moderate		3 = High	
178 (45%)	220 (55%)		0 (0%)	

6. RESULTS AND DISCUSSION

6.1. Socio demographic Profiles

The demographic and enterprise characteristics of the samples are presented in Tables 2 and 3 respectively. Female borrowers are the main dominated gender of 398 surveys utilized for this study. This is one of the requirements by AIM to be eligible for the financial aids and all of them are Muslim. The majority of the respondents are from Bajau ethnic group 363 (91%) with an age range from 19 to 69 years of age. More than half of the respondents 264 (66%) are within the age group of 30 to 51 years of age and 340 (85%) are married with a minimum number of household from 2 to 12 people. Respondents with no formal education 141 (35%), 111 (28%) attended primary school education, 136 (34%) completed up until their secondary school and only 10 (3%) pursued post- secondary school level. The number of years spent in school is from 1 to 12 years.

Table 2: Socio Demographic Profiles

Demographic Features (N=398)			
Age	Min = 19	Max = 69	Mean = 42.8
	Frequency (%)		
19 – 29	43 (11)		
30 – 40	129 (32)		
41 – 51	135 (34)		
52 – 62	77 (19)		
63 – 69	14 (4)		
Ethnic Group	Frequency (%)		
Bajau	363 (91)		
Suluk	20 (5)		
Others	15 (4)		
No. of Household	Min = 2	Max = 12	Mean = 6.21
	Frequency (%)		
2 – 4	91 (23)		
5 – 7	207 (52)		
8 – 10	83 (21)		
11 – 12	17 (4)		
Education Level	Frequency (%)		
No formal education	141 (35)		
Primary	111 (28)		
Secondary	136 (34)		
Post-secondary	10 (3)		
Memberships	Min = 1	Max = 15	Mean = 5.58
	Frequency (%)		
1 – 5	247 (62)		
6 – 10	85 (21)		
11 – 15	66 (17)		

6.2. *Microenterprises Characteristics*

Borrowers are engaging themselves in numerous entrepreneurial activities and the most common type of involvement is in petty trader project (51%). Other types of enterprises include agriculture; fishery; services and livestock project (Table 3). Operating a sundry shops are more obvious entrepreneurial activities among the borrowers. 71% are involved in running sundry shops from petty trader's category. Others are involved in operating miscellaneous local delicacies and food stalls, restaurant, direct selling and clothing. Obtaining loan from AIM can easily be approved and managed by the borrowers as they can operate from their home (44%) without any worries to obtain any license or paying any rental or hiring any employees (82%). AIM's condition for obtaining the loan is to engage in any entrepreneurial activities for socio economic improvement for the household (AIM, 2014). Therefore, they are allowed to borrow for their husbands to operate their enterprise. As a results, most of the enterprises are operated by their husbands and children (96%) and 132 (33%) are working on other sources of income besides their main purpose of obtaining the microfinance facilities. It is common for a family business in rural areas to have spouses and children running the business. However, Kousis (1989) found females ran most of the business activities while men working somewhere else.

Table 3: Enterprise Characteristics

Entrepreneurial Character (N=398)			
Enterprise Type	Frequency (%)		
Petty Traders Project	202 (51)		
Agriculture Project	80 (20)		
Fishery Project	79 (19)		
Services Project	30 (8)		
Livestock Project	7 (2)		
Location	Frequency (%)		
Own House	174 (44)		
Own Land	71 (18)		
Jetty/Port/Sea	46 (12)		
Designated Area	43 (11)		
Own Shop	26 (6)		
Road Side	17 (4)		
Rented Shop	12 (3)		
Others	9 (2)		
No. of Employees	Min = 0	Max = 4	Mean = .32
	Frequency (%)		
0	326 (82)		
1 – 2	60 (15)		
3 – 4	12 (3)		
Gross Income	Min = 150	Max = 6000	Mean = 2010.68
	Frequency (%)		
Below RM2000	252 (63)		
RM2001 – RM5000	130 (33)		
Above RM5000	16 (4)		
Assets	Min = 0	Max = 50000	Mean = 2327.89
	Frequency (%)		
Below RM2000	303 (76)		
RM2001 – RM5000	61 (15)		
Above RM5000	34 (9)		
Loan Frequency	Min = 1	Max = 15	Mean = 4.65
	Frequency (%)		
Below 3 times	168 (42)		
4 – 6 times	146 (37)		
7 – 9 times	54 (14)		
Above 9 times	30 (7)		
Memberships	Min = 1	Max = 15	Mean = 5.58
	Frequency (%)		
1 – 5	247 (62)		
6 – 10	85 (21)		
11 – 15	66 (17)		

Duration of memberships ranging from 1 to 15 years with a mean of 5.58 years and 247 (62%) of the respondents are within this particular group mean with a multiple frequency of borrowings being made (Table 3). Based on the findings, it is observed that most of the respondents are comprise of

new borrowers with at least obtaining a loan twice a year (42%). Senior members (38%) have also been making frequent number of loans which is almost equivalent to the years of memberships. AIM allowed them to borrow as many times as they want from a minimum of RM1,000 to maximum of RM20,000 as long as they do not have any outstanding loan amount and have a good loan repayment track record with the recommendation from other borrowers within the same group (AIM, 2014).

An average entrepreneurial income generated by the borrowers is below RM2,000 (63%) and assets accumulation by their enterprises is also below RM2,000 (76%). This is evidence from the type of enterprise and kind of entrepreneurial activities engaged by the borrowers. Sterren (2008) indicates that borrowers run their businesses as a need for day to day survival and they will get themselves involved in any entrepreneurial activities regardless of specific type of industries.

6.3. Statistical Analysis

Chi-square test of independence was carried out accordingly between socio demographic profiles with four dimensions of community participation (Wilson and Wilde, 2003) comprising of 9 items. This construct is used to compute and transform to participation level in tourism related microenterprises. Participation levels were tested for association with socio demographic profiles (age, ethnic group, no of households, and education level) for 398 samples collected (Table 4). Chi-square test of independence is used to test whether observed nominal or ordinal data conforms (or is statistically different) to some theoretical or expected distribution.

Table 4: Chi-Square Tests of Independence: Socio demographic

Variables	Chi ² Value	df	Asymp. Sig.
Age*Participation Level	.527	4	.971
Ethnic group*Participation Level	2.057	2	.357
No of households*Participation Level	2.884	3	.410
Education Level*Participation Level	10.686	3	.014

Past literatures highlighted positive association between education with entrepreneurial venture creation, intentions and opportunity recognition (McLarty, 2005; Brannback et al., 2005). Result indicates there is a difference in participation with education level and there is a significant association between participation level and education level ($X^2(3) = 10.686, p = .014$) with a negligible relationship (Cramer's $V = .164$). Data inspection suggests that respondents without any formal education tended to have low (52%) and moderate participation (48%) respectively. Intention to participate does not make any difference between primary to secondary level of education and respondents at post-secondary level only showed low (2%) and moderate (3%) participation respectively. None of the respondents are highly participating in tourism microenterprises due to lack of formal education and were not exposed to entrepreneurial knowledge. Entrepreneurship education obviously taught at university level (Raposo, Ferreira, Paco, & Rodrigues, 2008) or in the secondary school (Rodrigues, Dinis, Paco, & Ferreira, 2008; Paco, Ferreira, Raposo, Rodrigues, & Dinis, 2011). Therefore, formal education can contribute to positive attitude towards entrepreneurship (Gormon, Hanlon and King, 1997).

In Table 4, chi-square tests of independence tested at .05 (alpha) on other demographic profiles (age, ethnic group and number of households) shows that there is no significant difference with participation level. [Age ($p=.971$), Ethnic group ($p=.357$), Number of households ($p=.410$)]. Therefore, it can be concluded that there is no significant association with their participation.

Entrepreneurial characteristics were also examined (type of enterprise; location; number of employees; gross income; asset; loan frequency and duration of memberships) in order to evaluate the association with the borrowers' participation level (Table 5).

Table 5: Chi-Square Tests of Independence: Enterprise characteristics

Variables	Chi ² Value	df	Asymp. Sig.
Enterprise type*Participation Level	8.646	4	.071
Location*Participation Level	25.961	7	.001
Employees*Participation Level	11.964	2	.003
Gross income*Participation Level	23.239	2	.000
Asset*Participation Level	6.946	2	.031
Loan Frequency*Participation Level	11.302	3	.010
Memberships*Participation Level	5.914	2	.052

Type of enterprises (petty traders/agriculture/fishery/services/livestock), have no significant relationship with participation and the possible reason is normally small family businesses are set up by females in a family as a side-line or hobby (Kousis, 1989; Lynch, 1996; Oppermann, 1997). Most of the rural tourism business studies have indicated that local community goals is to improved social lives and social standing (Pearce, 1990) and not to maximise a long term profits or for personal revenue (Dunn, 1995).

Operating tourism related enterprises will benefit those with capital and empowering assets accumulation (Mendonsa, 1983). Borrowers mean of total assets accumulation is RM2,327.89, which is low in monetary value. Findings indicate that there is no difference in participation with the average asset accumulation ($X^2(2) = 6.946, p = .031$) with a negligible relationship (Cramer's $V = .132$). Others within the same group might not have sufficient capital and assets to start tourism businesses. It is also common for family businesses to gain a small amount of income and does not anticipate a fast return from their investments (Dunn, 1995). Sustaining a day to day life is the main priority rather than maximizing profits that requires a long period of time. There is a difference in respondents participation with their monthly gross business income ($X^2(2) = 23.239, p = .000$) with a low relationship (Cramer's $V = .242$). Their average monthly gross business income is only RM2,010.68, which is again can be considered as low and small businesses normally operate with lack of adequate revenue and eventually failed (Getz and Carlsen, 2000). Families in rural areas consciously changing in what they are doing to adapt and cope up with the benefit from tourism industry and other arising opportunities to survive (Mendonsa, 1983).

Other findings indicate there is a difference in participation with location ($X^2(7) = 25.961, p = .001$); number of employees ($X^2(2) = 11.964, p = .003$); loan frequency ($X^2(3) = 11.302, p = .010$); and duration of memberships ($X^2(2) = 5.914, p = .052$) with negligible relationship (Cramer's V value below .200). The establishment and participation in rural tourism businesses among local rural community offer costs and benefits that can be very tough for less educated entrepreneurs to weight upon. Most of the population in the third world country prefer to be employed in the hotels and resorts instead of becoming self-employed entrepreneurs and operate their own hotels and resorts (Smith, 1988). Forty four percent of the respondents operate their business at their own houses indicates that their enterprises are just a side-income selling sundries to meet the daily needs of their surrounding housing areas without having to hire any employees (82%). The finding is consistent with past studies from Kousis, (1989); Lynch (1996) and Oppermann (1997). Moreover, the entrepreneurial activities engaged by the borrowers are more towards their traditional lifestyle and related to their culture

influence and environment (agriculture/fishery/livestock). Despite the length of membership and frequency of borrowing the amount of investment in their business is less if compared to starting a new enterprise focusing on tourism business which they may have to start from scratch (Getz and Carlsen, 2000).

7. CONCLUSION AND RECOMMENDATION

Tourism and hospitality industry comprises of many microenterprises which involve directly or indirectly towards fulfilling visitors need at tourism destination. Individual and enterprise characteristics of Amanah Ikhtiar Malaysia (AIM) borrowers were examined with participation in tourism microenterprises. Despite of Semporna's tourism potential which is the getaway to island tourism destination, it can be concluded that the entrepreneur characteristics or behaviour would determine the type of entrepreneurial activities among AIM's borrowers (Holmgren, From, Olofsson, Karlsson, Snyder, & Sundtrom, 2005; Sanchez, 2011).

Most of the borrowers are without any formal education and are not exposed to entrepreneurship training. Education level has an association with a significant relationship with the participation level (Tosun, 2006; Agrawal & Gupta, 2005; Stem et. al., 2003; Baum et. al., 2000). As a result, they are operating their enterprises without any knowledge and specific entrepreneurial skills. Formal education is considered to influence the transformation of knowledge and abilities and entrepreneurship education will enable the change in attitudes and motives of operating a business (Hansemark (1998). Therefore, most of the respondents are doing and accepting business activities that are closed to their norms and culture. According to Getz (1994), lifestyle considerations were extremely important among the newcomers in tourism enterprises and they were more inclined to support conservation and to oppose tourism growth.

Products and services offered by their business activities are not specifically directed to visitors of tourism destination. The amount of money invested and income generated are very small that could possibly meet their day to day needs for survival. Their motives/goals are to earn quick cash and the tendency of changing their business activities is possible. Tourism and hospitality distinctive features such as seasonality of demand, high fixed costs, and skilled employees will be the barrier for participation in tourism microenterprises. Rural family business owners might not be adequately prepared for their tourism business ventures and many will not be growth oriented (Getz & Carlsen, 2000).

Integration with operational (public administration of tourism industry and local authorities) and structural (professional bodies and tourism expertise, legal system and microfinance institutions) is needed to overcome the barriers for community participation in tourism microenterprises. Amanah Ikhtiar Malaysia's role in educating their borrowers with entrepreneurial knowledge and skills is essential instead of just being a financial provider. Entrepreneurship education is important to stimulate sense of independence and self-confidence among less formal educated borrowers and will eventually create awareness of other alternative choices of business ventures. In addition, it can be used by each and every individuals to develop a new entrepreneurial opportunities, especially in tourism related microenterprises (Sanchez, 2011; Reynolds, Bygrave, Autio, Cox & Hay, 2002).

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