

# Globalisation and its Economic Contribution to Leisure and Sport Tourism in Malaysia

By:

Mohd. Salleh Aman

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## GLOBALISATION AND ITS ECONOMIC CONTRIBUTION TO LEISURE AND SPORT TOURISM IN MALAYSIA

Author

Mohd Salleh Aman, Ph.D

Sport Center, University of Malaya, Kuala Lumpur

[amanms@um.edu.my](mailto:amanms@um.edu.my)

### Abstract

*The globalisation theorists argued that as more countries get drawn into the 'capitalist nexus' and compete with one another economically in a deregulated global market place, and as the world 'shrinks' following advances in transport and communication, so countries become more like one another politically, socially and even culturally as they subject themselves to common economic standards. The development of international sporting competitions and the emergence of international organisations which embrace Malaysia are Youth Soccer World Cup, Olympics and Commonwealth Games. Leisure, sport and tourism sectors are becoming important and make significant contributions to the national economy. The data confirm that leisure lifestyles are urban based, household centred, entertainment focussed and electronically mediated. The merger of sport and entertainment offers major opportunities for further commercial expansion as well as providing links to the hospitality and tourism industries in Malaysia.*

### INTRODUCTION

Globalisation<sup>1</sup> theorists argue that national boundaries are of decreasing importance as 'markers' of economic 'territories'. As part of global economic production and consumption processes, the globalisation of leisure and sport activities forces a greater diversity of products and services towards trans-national franchise relationships in retail provision (Tomlinson, 1999). Following this movement, Malaysia puts effort into internationalising its various sporting events (e.g. Commonwealth Games, 1998; Formula One, 2002; Le Tour de Langkawi, 2003) which having an integral focus of much contemporary tourism as part of the national economic development.

### GLOBALISATION IN LEISURE AND SPORT

Developments in leisure<sup>2</sup> and particularly in sport<sup>3</sup> would appear, at an initial glance, to support the globalisation trends. The trends are includes the development of international sporting competitions (e.g., World Championships in various sporting codes), the emergence of international organisations and a worldwide acceptance of common sporting rules.

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<sup>1</sup> Globalisation represents "...the crystallisation of the entire world as a single place, and the emergence of a 'global human condition'" (Arnason, 1990: 220). Noble's (2000) discussion addresses the impact of computers and information technology on world trading through, for example, stock markets, and the growth of supranational governmental organisations like the World Bank.

<sup>2</sup>This paper follows the 'compound' definition of leisure given in the Sao Paulo Declaration, 1998, according to which "Leisure (including play) is that time wherein there is choice limited by certain constraints in which people pursue enjoyable and fulfilling experiences in harmony with society's norms and values that enhance individual and social development".

<sup>3</sup> In the typology of leisure activities offered by Haywood *et al.* (1991), sport is identified as 'recreation' and involves the active production of leisure experience with participants having some control over the process. This applies to participation in sport by a player or performer. However, as leisure activity, sports extend beyond this active involvement of 'producers' to include consumption by non-participants.

Examples which embrace Malaysia are the Soccer World Cup, the Olympics (the largest and most famous event worldwide), and the Commonwealth Games (Maguire, 1993). Other examples, apart from sport, are the development of international awards in science, literature, film and music, which recognise merit achieved in the global community.

A major reason for the development of commonalities between nations is that sport and its major event, the Olympics<sup>4</sup>, are now major economic forces. They are identified as strong marketing vehicles and proven at meeting and shaping the needs of de-regulated global markets (Silk & Andrews, 2001). Harvey & Houle (1994: 346) describe the Olympics and a range of World Cup events as "... ideal vehicles for multi national firms in their world market penetration strategies". The Olympics provide a key to unlock local markets and promote universal sentiments of national pride in competition. By requiring that host nations to provide world standard sporting venues, they directly change the urban landscape (e.g., Sydney, Barcelona, Seoul).

The speed with which the development of sport and leisure in the global world has taken place runs parallel to the global flow of people, technology, finance, images and ideologies. Multi million-dollar businesses have been created in relation to sporting equipment, goods and landscapes, such as golf courses and artificial turf. Sporting images have been projected throughout the world by the 'media-sport production complex' including trans-global news. The media disseminates the 'brands' (e.g. Coca-Cola, Mastercard, Adidas, etc.). This is essentially the way in which sport has been globalised via the media, in particular television and satellite communications (Maguire, 1993). 'Homogeneity' is present in the globalisation process in the sense that Western products and the increasing act of consumerism have spread worldwide.

## **THE ECONOMIC CONTRIBUTION OF LEISURE AND SPORT TOURISM IN MALAYSIA**

Government intervention in Malaysia and the State's economic development and practice play a significant role in leisure, sport and tourism sectors. Forms of commercial leisure activity such as tourism and commodification of leisure have increased significantly over recent years. Leisure and tourism settings are being developed to accommodate consumption experiences including consumption sites, the commodification of leisure at "... waterfronts, shopping malls and festivals" (Pawson & Swaffield, 1998:260). Leisure, especially commodified leisure and sport, was firmly emphasised by the Malaysian government in the Eighth Malaysian Plan, 2001. Tourism promotion is seen as a key to regional economic development and, arguably, minority cultural practices, such as music, arts and crafts, stand to be rejuvenated by this promotion.

In Malaysia, leisure and sport make significant contributions to the economy. According to the *Household Expenditure Survey 1998/1999* (Department of Statistics, Malaysia, 2000), 5.9% of total household expenditure went on recreation, entertainment, education and cultural services. In detail, under this category, only about 4% was spent on sports but more than 60% on TV sets; video and cassette recorders (18%), radio, hi-fi sets, computers, etc. (22%) and lotteries, and other gambling (22%). These data further confirm the picture of

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<sup>4</sup> The Olympics has brought about the formation of a new standardised global 'space'. The Olympic participants compete in standardised 'fields' in the Olympic arena in different locations all around the world. Athletic tracks, swimming pools, and gymnasias are standardised under the Olympic flag. Rules and the rewards of competition are similarly globally understood. The Olympic village, for example, is complete with religious centres, hair salons, night-clubs, movie theatres, daily newspapers and even a Mayor (Iyer, 2000).

leisure lifestyles as urban based, household centred, entertainment focussed and electronically mediated.

Leisure activity has become the primary economic base for many large cities and their citizens, including Kuala Lumpur. The quality of urban life now has much to do with leisure (e.g., parks, the arts, sport, entertainment, opportunities for tranquillity, and the qualities of the natural environment). Leisure, recreation and sports have changed urban lifestyles. M. Jegathesan (Interview: 2001) gives an example of this change in Kuala Lumpur:

... social sports club used to be a place for socialising, now it no longer gets income from the bar, as people are more aware of alcohol consumption while driving. So lots of sports clubs are affected and they're putting in poker machines, which is a big change. As a result most clubs face dropping membership because they can't provide other facilities required. So people choose to stay at home – enjoy family life, have a drink at home, watch TV, etc.

Ungku Aziz (Interview: 2001) added, most people "... fill [their] leisure time with 'creative' activities, which are not as physical, like writing or reading or listening to music.....watching TV or using the play station". The merger of sport and entertainment offers major opportunities for further commercial expansion - videos, clothing, souvenirs, music, etc. - as well as providing links to the hospitality and tourism industries. Sport and recreation as well as cultural activities such as folk-dancing, have been manipulated to provide a source of entertainment for visitors and a major form of economic revenue to State and central government of Malaysia.

Commercialised leisure and sport are becoming important tourism 'products' in Malaysia. Malaysia's nature-based sports activities, such as scuba diving are being encouraged because of their links with tourism marketing.

We [in Malaysia] have a unique environment – rivers, mountains, lakes, islands and the sea. All these have the potential for nature-based recreational activities like kayaking, caving, mountaineering, scuba diving, etc. In terms of events and activities, I think we [Malaysian tourism] almost 100% depend on sport and recreation events. In the year 2001, there were 696 events – water festivals, regattas, kite festivals – in the form of competition, but of course related to the place and culture. (M. Salleh Othman, Interview: 2001.)

Hosting international events such as the Commonwealth Games 1998, involves a vast financial outlay. Sieh Kok Chi (Interview: 2001) informed me that the Malaysian government spent billions of dollars in hosting this event as they considered this to be an investment in economic development and nation building. The 1998 'Malaysia' Games (The 16<sup>th</sup> Commonwealth Games) attracted 6,670 athletes and officials and there was a substantial number of media and visitors from abroad, as reflected by the 4.4% increase in tourist<sup>5</sup> arrivals in September 1998 compared with the corresponding period in 1997 (Eighth Malaysia Plan, 2001). Other annual world-class events held in Malaysia include the Formula One Grand Prix, World Motorcycle Grand Prix and Mount Kinabalu International Climbathon. Certainly, the enormous involvement of the Malaysian government in hosting

<sup>5</sup> The number of tourist arrivals to Malaysia declined 13% in 1997 and 10.6% in 1998. This decline was mainly due to occurrences of haze, localised outbreaks of Nipah and Coxsackie viruses, as well as the Asian financial crisis. After the Commonwealth Games 1998, the tourism industry recovered quickly as reflected by the rapid increase in the number of tourists to 7.9 million in 1999, which represented an increase of 43.6% over 1998. In 2000, the number of tourists increased to 10.2 million (Eighth Malaysia Plan, 2001).

such events, in cooperation with sports associations and private companies, has contributed to economic and tourism industry development in the country.

## CONCLUSION

The globalisation of leisure and sport is increasingly based on internationally agreed rules that defy the ability of national governments to change leisure and sport at will. Global events like the Commonwealth Games impose a degree of uniformity on those who adopt its charter, including Malaysia. However, government intervention in the leisure, sport and tourism sector in Malaysia is increasingly important. The development of such intervention presupposes that there are problems that need to be solved collectively. The dynamics of many passive leisure symbols and rituals, for example, demonstrate that these are global phenomena that need to be mediated by the authority. These trends have led Malaysian Government encourage sport and physical activity for people health benefits. Leisure and sport play a very important part in the development of the national economy, as when sporting events are linked to tourism promotion.

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## Semi-structured interview: Malaysian leisure and sport key players

1. Datuk Dr. M. Jegathesan
2. Mr. M. Salleh Othman
3. Professor Ungku Aziz
4. Mr. Shaikh MS