## Malaysia's experience in tourism investment and its implications for poverty

## and unemployment

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#### **Abstract**

Investment in the tourism sector and related projects, whether financing these projects with foreign or national capital, provides new job opportunities and increases the income of individuals, which contributes to reducing unemployment and poverty. According to the estimates of the World Tourism Organization, the completion of two beds will lead to the creation of one direct job and three indirect jobs in sectors related to the tourism sector with front and back links. Therefore, the tourism sector plays a positive role in alleviating unemployment and poverty.

The two researchers used the descriptive analytical approach to analyze the evolution of the indicators under study and to reach the desired results of the research.

The most important outcome that was reached in this regard was that the employment rates in the tourism sector in Malaysia, whether direct or indirect, have generally witnessed an increase during the study period, which shows the positive role of investment in the tourism sector in maintaining low unemployment rates, and the same is the case As for poverty, and since it is linked with unemployment in a positive relationship, it is noted that poverty rates in most years of study were low, which means the positive impact of tourism investment.

#### Introduction

The Malaysian experience is considered one of the successful international experiences in the field of development after its great advancement in the field of economy, and tourism investment has played an important role in achieving the development process, as it contributes to the country's foreign exchange earnings and the increase in domestic product, as it comes in second place in the proportion of its contribution to the output, and ranked (25) globally in employment in the tourism sector, and it contributed (12%) of the total employment in Malaysia in 2019 by creating job opportunities directly or indirectly, which was positively reflected on its poverty rates in most years, the study.

The importance of research: The importance of research lies in knowing the positive impact of tourism investment in creating direct and indirect job opportunities, which is reflected positively on reducing poverty and unemployment rates.

Research Objectives: The research seeks to achieve a set of objectives, the most important of which are:-

- 1-Knowing what tourism investment is and its most important goals
- 2- Reviewing the most important assets that Malaysia possesses and contributes to attracting tourists and increasing the revenues generated as a result.
- 3- Reviewing the development in the volume of investments and the capacity of accommodation in Malaysia during the study period.
- 4- Analysis of the development in the size and proportions of direct and indirect employment and its impact on reducing poverty and unemployment in Malaysia.

**Research problem**: The research problem starts from raising the following questions:

- 1-Does the increase or decrease in tourism investment in Malaysia have an impact on the employment rates in this sector and other sectors?
- 2- What is the impact of the increase in the employment of manpower in the tourism sector on unemployment and poverty rates in Malaysia?

**Research hypothesis:** The research stems from the hypothesis that "tourism investment contributes positively to increasing the employment of manpower in the tourism sector and other sectors, which leads to reducing unemployment and poverty rates or maintaining their low rates,"

**Research Methodology:** For the purpose of verifying the research hypothesis and reaching the desired results, the two researchers adopted the descriptive analytical approach in analyzing the evolution of the indicators under study through the available data from official sources, research and studies available on the subject under study.

**Structure of the research:** For the purpose of reaching the objectives of the research, it was divided into four demands that dealt with tourism investment in terms of concept, objectives and fields, while the second dealt with the elements of tourism investment in Malaysia. Fourth, the effects of tourism investment on poverty and unemployment in Malaysia during the study period, and the research concluded with a set of conclusions and recommendations.

## The first requirement: tourism investment: - (concept, objectives, areas) First: the concept of tourism investment.

Investment is one of the components of the macro economy that works to employ the available funds in investment opportunities that investors expect to achieve the highest return with the lowest level of risk, and there are many factors that affect it, namely supply and demand, inflation rates, interest rates and exchange rates. (Mona Younes, 2018: pg. 17)

As for tourism investment, it is part of the total investments of countries and is represented by the capital allocated to finance tourism sector projects. As it is considered one of the most promising activities that provide investment opportunities capable of competing in the global tourism market (Hawshin Ibtisam, 2020: p. 308).

Tourism investment is defined as that part of the productive capacity directed to the formation of the physical and human tourism capital in order to increase the country's tourism capacity, and it is represented in the construction of hotels, tourist cities, universities, tourism institutes, and anchor structures that support tourism (Al-Dabbagh, Elham Khudair, 2013: pp. 134-136).

The World Tourism Organization defined it as that integrated system of tourism investment relations and activities associated with the provision of various tourism services, starting from the reservation process, obtaining data for the country under the visit, transportation to and from the place of residence of the tourist, as well as obtaining food, drink, fun, entertainment and entertainment services, and ending with other complementary services. WTO,tourism).

We conclude from this that tourism investment is an intertwined series of complex processes that define the aspects and areas of spending and investment financing aimed at developing and improving the components of the tourism product to suit the expected demand for it in order to serve the goals of sustainable sustainable tourism development under environmental conditions with social, heritage, cultural, economic, civil and material dimensions. Very complex in order to ensure the enhancement of the total added value at the economic level (Mustafa Ahmed El-Sayed, 2019: pg. 16).

## Second: the objectives of tourism investment.

There is a set of goals that the state seeks to achieve through investment in the tourism sector, which are the following: (Siham Belkacem, 2018: pg. 46)

- **1- Economic objectives:** The economic objectives of tourism investments are reflected in the following:
- A- Providing the necessary capital to drive economic growth and increase production capacity in any country in the world.
- B Creating development projects that secure economic returns to the country and stimulate the economic cycle.
- C- Developing and rehabilitating tourist attractions with the aim of increasing tourism revenues that contribute to increasing national income and improving the balance of payments.

### 2- Political goals: They are as follows:

- A Raising the status of the state politically by increasing the security capacity and the strong performance of the political system
- B Strengthening the negotiating capabilities of the state with other states and organizations
- C- Changing the behavior of individuals and their regularity in organizations and projects. makes them an effective force in society.

#### 3- Social goals: It aims to:

- A Raising the standard of living of members of society
- b- Closing the economic development gap between the developed and undeveloped regions of the country by limiting internal migration.
- C Elimination of all forms of social corruption and serious social diseases caused by unemployment and poverty.

#### Third: The areas of tourism investment.

The fields of tourism investment are represented in the following elements: (Fatima Faraj Saad, 2015: p. 25)

- 1-Tourist accommodation: It is related to investment operations in hotels, tourist buildings, rest houses, complexes, villages, cities, apartments and other complementary accommodation places.
- 2- Places of entertainment and leisure: These are related to investment operations in cafes and restaurants, swimming pools, casinos, tourist rest stations and therapeutic mineral water pools.
- 3-Transportation, transportation and communications: It is considered one of the most important areas of tourism investment, and it is
- A- Government investments related to the establishment of civil airports, ports, riverboat stations and ferry and boat stops.
- B Investments in land roads designated for tourism purposes.
- C- Investments in postal and telecommunication service points within the tourist facilities.
- 4-Education and scientific research: where investment is made in colleges, institutes and professional study centers to prepare tourism cadres capable of developing and creating new tourism products that contribute to raising the value of the sector.
- 5- Complementary tourism management: It mainly concerns the construction of buildings and departments concerned with tourist facilities, their maintenance and equipping them with equipment and other supplies.
- 6-Tourism promotion and information: includes investments directed to information centers, tourism services, tourist reservation offices, and all expenses allocated to promotional campaigns, printing posters, information services and tourism education.

## The second requirement: the elements of tourism investment in Malaysia.

Malaysia is one of the countries rich in its heritage, which combines different civilizations, and constitutes a mixture of eastern and western civilizations, so it has become one of the best tourist destinations for Muslims, as it ranked first in the world during the period (2011-2017) according to the Global Halal Tourism Index issued by my company "MasterCard". And Crescent Whiting, as it is considered the second best tourist destination for shopping globally for Muslim tourists, after Dubai, which ranked ninth in the global ranking, and provides the country with about (15%) of the national income. The reasons for tourists' demand for Malaysia can be summarized as follows: (Khadija Arqoub, 2018: p. 81).

First - it has many natural ingredients: it is one of the diverse countries in terms of environmental systems, and this diversity is represented by the presence of plant and animal diversity, water bodies and mountains, in addition to the presence of rainforests that occupy about two-thirds of the area of Malaysia, and are home to about (20%)) of the total animals in the world and this diversity of plants and animals made it among the (17) most diverse countries in the world, which made it a destination for lovers of wild trips.

Add to that its distinguished geographical location as it is located in Southeast Asia and shares land borders with Thailand, Indonesia and Brunei, while the maritime borders it shares with Singapore, Vietnam and the Philippines. About (40%) of the country's land area is (329,758) km2, so it is characterized by a wonderful geographical location and a mild climate at most times of the year (Malaysia map, 2018).

Malaysia is a diverse country in terms of environmental systems, and it is one of the twelve biologically diverse countries in the world. It also contains large green areas and diverse tropical forests, as well as rubber trees that were planted during the British occupation and cover large lands of this country, and are used in the production of Rubber is one of the most prominent Malaysian products exported to the world. The World Tourism Organization has nominated Malaysia among 38 countries as the best emerging tourist destinations in the world. The country has great opportunities to develop tourism in order to achieve economic and spiritual sustainability (bhuiyan, mah, 2011).

Second - Cultural and civilizational elements: It is characterized by a unique mixture of different customs and religions, where Malawian, Indian, Chinese and others live in peace and harmony among themselves (Hikmat Naimi, 2020: pp. 29-30), in addition to the presence of many huge buildings and distinctive landmarks. And the magnificent one in the capital, Kuala Lumpur, including the Kuala Lumpur Tower, which is one of the highest communication towers in the world. This tower is located in the center of the city of Kuala Lumpur and has a height of (421) meters. At its top there is a mobile restaurant, souvenir shops, and a platform for artistic performances in the ground floor (Mohammed Sadiq Ismail, 2014: p. 16), The Petronas Twin Towers are the tallest buildings in the world. They are owned by the Malaysian National Oil Authority Petronas. They were established in 1997. They are 452 meters high and consist of (88) floors. They are located in the center of the city, surrounded by gardens, fountains, marketing centers, restaurants, cinemas, and platforms for artistic and cultural shows. There is also the Sultan Abdul Samad Building, which is an intricate edifice built with a wondrous mixture of Mongolian, Berber, Arabic, and classic British architectural styles. Nowadays it has become a complex of Malaysian courts, Among the cultural landmarks in which Malaysia is distinguished is the Kuala Lumpur Bird Garden, which is one of the largest gardens in Southeast Asia, and contains thousands of birds representing almost every major type of bird in the world.

On the other hand, it is noted that Malaysia is rich in traditional Islamic heritage, as there are some heritage and historical monuments in the areas of the eastern coast of Malaysia, which are represented by the buildings and mosques that were built in this area, including the Village Museum of Handicrafts, the Royal Museum, the State Museum, the palace in the city of Kota Bharu and the buildings Diverse in the royal city of Pekan and the center of arts and culture in the state of Pahank, and a lot of Islamic heritage, holy places and huge mosques, which represent a suitable destination for Islamic tourism, The Malaysian constitution granted complete freedom to practice religious rites for all religions besides Islam, Christianity, Buddhism and Hinduism, and this ethnic coloration was reflected in the customs and traditions of the Malaysian people, which represent a folkloric material that attracts tourists, especially cities and resorts, in addition to the establishment of cultural and commercial exhibitions that attract a large number Of the tourists looking to enjoy the scenery, the various events and artistic performances. (department, 2015:p11).

One of the prominent cities in Malaysia is the Malaysian city of Johor, located on the far north of the Malaysian peninsula, which is characterized by being one of the commercial and tourist cities and contains marketing centers and art and culture exhibitions, in the middle of the Sultan Abu Bakr Mosque. The omission of the city of Malacca, which is one of the historical archaeological cities and is located 150 km south of Kuala Lumpur. It is said that its name Malacca is taken from an Arabic word, which is a meeting place, as it was in the fifteenth

century AD a port where Arab, Indian and Chinese merchants meet, and it is now one of the most beautiful historical cities in Malaysia .

Third - the physical components: it includes the structures, infrastructure and tourist facilities that include chains of hotels, tourist resorts, entertainment cities, shops, means of transportation and airlines, which made it a tourist country that ranks first in tourist attractions, as Malaysia sought after gaining independence to find an integrated infrastructure Including development projects, infrastructure development, public services, airports, railways, water, electricity, sewage, health and educational services, a communications network, etc., and the creation of tourist resorts on beaches to meet the recreational needs of tourists, as it has a road network of the most comprehensive networks in Asia and covers an area of (144,403) km, Rail transport in Malaysia consists of urban rapid transit system and mountain railways and covers most of the (11) states in the Malaysian Peninsula with an area of (2783) km according to statistics in 2018, and (767) km, including dual-track and electric railways And there are (118) airports. Kuala Lumpur Airport is one of the busiest airports in international passenger traffic and is ranked (13) in the world and ranked (20) in terms of traffic, and it has (7) major ports and two of them are included in the list of the largest (20) A port in the world according to 2013 statistics.

All this has encouraged the establishment of various tourism projects, whether these projects are through foreign direct investments, local investments, or government projects, especially in light of the existence of a legal environment that encourages and protects such investments, and it also focused on the need to improve the quality and efficiency of infrastructure and related basic services. In tourism, such as hotels, roads, public facilities, transportation, communications, tourist information, and country entry visa regulations based on international standards to provide services to visitors and tourists that are up to the level of international standards. And investing in these services will not only help in hosting more tourists, but will also increase their satisfaction with the quality of services that will enhance the country's tourism image (OIC, 2020: pg. 52).

# The third requirement: analysis of the development in the indicators of the tourism sector in Malaysia during the study period.

## 1- Analysis of the development in the number of tourists and tourism revenues in Malaysia.

Since Malaysia possesses the great tourism qualifications, the most important of which have been mentioned, as well as the other important factor, which is that the Malaysian people are friendly and loving to their visitors and provide a smile with the service they provide to them. It is less important than the existing tourist qualifications, so we find that the number of tourists is constantly increasing throughout the study period, which is limited to (2000-2019), which can be seen in Table (1). As these advantages helped to increase the number of tourists in Malaysia and made it an attractive area for tourism resources and a path for the prosperity of tourism in Malaysia, so that the arithmetic average of the number of tourists during the study period reached about (20802.65) thousand tourists as a result of the increase in the number of tourists coming to Malaysia from (10222) thousand tourists in the year 2000 to (16431) thousand tourists in 2005, with a growth rate of (53.51%) over the previous year, and the

number of tourists continued to grow continuously with fluctuation in annual growth rates from year to year mainly as a result of the global economic conditions, the number of tourists increased to (23,646) thousand tourists in 2009, and the annual growth rate was (7.22%) over the previous year.

Despite the continued increase in the number of tourists in Malaysia, the growth rates were in a continuous decline until 2014 as a result of the exposure of the countries of the world to the global financial crisis, which affected most activities and various economic sectors. Despite the increase in the number of tourists to (27,437) thousand tourists in 2014, while The annual growth rate was about (6.69%), while Malaysia achieved a decrease in the number of tourists, and the annual growth rates during 2015 and 2017 amounted to (-6.25%) and (-3.02%) due to the drop in oil prices and the fact that many tourists are from countries Islamic, especially oil, and in 2018, the growth rate was (-0.44%) due to the emergence of emerging tourist destinations in Southeast Asia, such as Vietnam and Indonesia, which began to attract increasing numbers of tourists at the expense of Malaysia, And the spread of epidemics such as swine flu and others contributed a lot to changing the destinations of tourists, which calls for a review of the methods of tourism promotion, the adoption of modern technology and social media, and the adoption of additional budgets for tourism marketing.

Table (1)

The development in the number of tourist arrivals and tourism revenues in Malaysia for the period (2000-2019)

the period (2000 2015)				
annual growth %	Tourism revenue is	annual growth %	Number of tourists	the year
rate	one million dollars	rate	((thousand	-
-	5011	•	10222	2000
37.05	6868	24.97	12775	2001
3.64	7118	4.04	13292	2002
17.09-	5901	20.42-	10577	2003
39.04	8205	1.19	10703	2004
7.81	8846	53.51	16431	2005
17.87	10427	6.79	17547	2006
34.77	14053	19.52	20973	2007
8.82	15293	5.14	22052	2008
0.69	15400	7.22	23646	2009
10.58	17030	3.93	24577	2010
15.37	19649	0.55	24714	2011
3.06	20251	1.29	25033	2012
3.82	21026	2.72	25715	2013
7.48	22600	6.69	27437	2014
15.07-	19194	6.25-	25721	2015
2.54	19682	4.02	26757	2016
3.19	20311	3.02-	25948	2017
7.20	21775	0.44-	25832	2018
3.55-	21000	1.04	26101	2019

Source: https://datacatalog.worldbank.org/dataset/world-development-indicators

Regarding tourism revenues, Malaysia has achieved significant financial revenues as a result of its interest in this sector in general, according to the state's orientation and future plans towards economic diversification. Table (1) shows that the arithmetic average of tourism revenues amounted to about (14.982) million dollars during the study period, as a result of the high The volume of tourism financial revenues from (5,011) million dollars in 2000 to (6868) million

dollars in 2001, with a growth rate of (37.05%), then it rose modestly to (7118) million with a growth rate of (3.64%) in 2002, as a result of the turmoil political and global economic instability, Therefore, we find that the volume of tourism financial revenues decreased significantly to (5901) million in 2003, with a negative growth rate of (-17.09%), as international tourism faced more difficulties represented in the war on Iraq and terrorist attacks on some Arab countries and the fear of global terrorism after The events of (11) September in the World Trade Towers and the US Pentagon, as well as the spread of SARS disease in Asia, which had a significant impact on the weak performance of the global economy (economic stagnation), and led to a decline in the number of international tourists in 2003, as detailed in the table. 3) Hence, tourism revenues declined significantly in most countries of the world, including Malaysia, In 2004, tourism revenues rose again, amounting to (8205) million dollars, and it achieved a growth rate of (39.04%). In the period 2005 to 2010, Malaysia achieved positive growth rates in the volume of revenues, despite the impact of its tourism on what the world faces from Difficult economic conditions as a result of the global crisis in 2008, but the volume of financial revenues for tourism was not affected, as it achieved an amount of (15,400) million dollars, but the annual growth rate decreased from the previous year and amounted to about (0.69%) in 2009, but it quickly The volume of tourism revenues increased to (17,030) million in 2010, to achieve a growth rate of (10.58%), then the volume of tourism revenue continued to achieve positive growth rates until 2015, bringing the volume of tourism revenue from (22,600) million dollars in 2014. The year 2015 witnessed a negative growth rate of about (-15.07%) as a result of the effects of the global financial crisis that occurred in 2014 and its effects continuing until 2015, while in 2016, the revenues achieved a positive growth rate at a very modest rate of (2.54%) as a result of the increase Revenues amounted to (19682) million dollars in 2016, and the growth rate remained constant in the following year as a result of the stability of tourism revenues by (20311) million dollars in 2017.

The situation has improved relatively in 2018, as financial revenues amounted to about (21775) million dollars, with a growth rate of (7.20%), while revenues decreased in 2019 as a result of the onset of the impact of the Corona pandemic at the end of 2019, which negatively affected the achievement of tourism revenues to decline to (21,000) million dollars over the previous year, with a negative growth rate of (-3.55%) as shown in Table (1), which shows that the volume of financial revenues derived from tourism is increasing in importance annually, as it is affected by external economic conditions as a result of the exposure of the countries of tourists to economic crises and their impact on global crises.

## 2- The volume of tourism investments in Malaysia.

Malaysia ranks 28th in the world in terms of investment spending on the tourism sector for the year 2019. It is noted from Table (2) that the volume of investment spending on the Malaysian tourism sector ranged between high and low during the study period and this is due to its impact on the economic situation like the rest The countries of the world, as the volume of investment in the tourism sector in Malaysia decreased from (5.2) billion in 2000 to (3.5) billion in 2005, due to many reasons, including being affected by the international conditions represented by the slowdown in global economic growth and the wars that arise between some of the countries of the world And the emergence of terrorism and various global turmoil. As for the year 2010, Malaysia achieved a growth in the volume of tourism investment, which

amounted to (4.0) billion dollars, and by (0.14%) from 2005, However, it decreased in 2011 to (-0.03) and then returned to improvement in the following years until it reached (5.3) billion dollars, with a growth rate of (0.10%) over the previous year, and the highest value of the volume of investments in this sector was concentrated in the years (2017 and 2019) and amounted to about (6.0) billion with a growth rate of (0.05%) and (0.02%), respectively, due to the national policies pursued by Malaysia in attracting local and foreign investments in the tourism sector, which is represented by the government's encouragement of the establishment of tourism investment areas and the development of smart tourism And the promotion of sustainable tourism, while the investment growth rate in 2018 recorded a negative growth of (-0.02%) due to the emergence of competing tourist destinations represented in many Southeast Asian countries such as Vietnam, Indonesia and Myanmar.

Table (2)
The volume of tourism investments in Malaysia for different years

%annual growth rate	Tourism investment volume ((billion dollars)	the year
-	5.2	2000
0.33-	3.5	2005
0.14	4.0	2010
0.03-	3.9	2011
0.15	4.5	2012
0.07	4.8	2013
0.10	5.3	2014
0.02	5.4	2015
0.06	5.7	2016
0.05	6.0	2017
0.02-	5.9	2018
0.02	6.0	2019

Source: https://datacatalog.worldbank.org/dataset/world-development-indicators

# 3-: Analysis of the development in the capacity of tourist accommodation in Malaysia during the study period.

As Malaysia enjoys diverse tourist attractions, and as a result, it has sought to develop its tourist accommodation capacity by opening investment and providing the necessary facilities. Various types of tourism in order to diversify the tourism supply and increase the demand for it and provided good incentives for foreign direct investment, which made it one of the most successful developing countries in using incentives to attract and direct foreign direct investment and multinational companies to specific sectors and industries, including the tourism sector (European journal, 2014:p6), And by providing tax exemptions and allowing foreigners to own companies in an integrated manner, as well as signing agreements to guarantee investment with various countries to protect foreign companies from compulsory nationalization and the possibility of multinational companies resorting to the international dispute settlement system and obtaining legal compensation and the freedom to transfer their profits, returns and capital abroad (Adel Abdel Azim, 2011: p. 9, all of these granted facilities mainly helped to improve and develop the capacity of tourist accommodation in Malaysia, and this can be seen by following up the table (3), which shows that the capacity of tourist

accommodation in Malaysia has witnessed a continuous increase during the study period, This is evidenced by the annual increase in the number of rooms with a positive growth rate, which increased from (124413) thousand rooms in 2000 to (155356) thousand in 2005, and the occupancy rate of these rooms increased from (61%) in 2000 to (74.8%) in In 2005, the number of hotels witnessed an increase in general during the study period, as their number increased from (1492) thousand hotels in 2000 to (2269) thousand hotels in 2005, and these rates remained in a state of continuous increase with a halt in some years, including due to economic conditions The increase in the accommodation capacity continued until it reached (340,547) thousand rooms in 2019, with a growth rate of (10.49%). ) in 2019, after it was (-0.42%) in 2018, This comes as a result of the Malaysian Ministry of Tourism's keenness to continue developing the infrastructure and capacity for tourist accommodation in Malaysia to accommodate the increasing numbers of tourists and arrivals to Malaysia (Mastura Jaafr, 2019: p49).

Table (3)
Number of hotels and rooms and their occupancy rate in Malaysia for the period (2000-2019)

<b>Periou</b> (2000 2013)					
room	annual %	Number of	annual %	Number of	the year
occupancy rate	growth rate	rooms	growth rate	hotels	
%		thousand			
61.2	-	-	-	1492	2000
60.9	5.96	19.16	19.16	1778	2001
61.2	4.04	5.62	5.62	1878	2002
60.5	5.06	5.96	5.96	1990	2003
67.4	4.87	11.75	11.75	2224	2004
74.8	2.79	2.02	2.02	2269	2005
70.5	1.21	2.95	2.95	2336	2006
77.2	1.95	1.02	1.02	2360	2007
66.8	3.37	0.50	0.50	2372	2008
62.7	1.87	0.04	0.04	2373	2009
66.9	0.02-	0.25-	0.25-	2367	2010
68.6	14.53	14.36	14.36	2707	2011
69.3	1.08	0.62	0.62	2724	2012
69.5	7.20	13.58	13.58	3094	2013
69.7	25.05	31.60	31.60	4072	2014
67.1	16.29	17.85	17.85	4799	2015
66.1	0.08	3.37	3.37	4961	2016
66.1	0.04	0.20	0.20	4971	2017
63.3	1.01	0.42-	0.42-	4950	2018
59.9	10.49	8.72	8.72	5382	2019

Source: http://mytourismdata.tourism.gov.my/?pageid=348#!from=2000&to=2020

## The fourth requirement: the effects of tourism investment on poverty and unemployment in Malaysia.

It is ranked (25) in the world in the employment of manpower in tourism, and employment includes providing all services to tourists and in a place within the borders of the state, and we find from table (6) that Malaysia is greatly interested in employment opportunities for members of society, especially in The tourism sector, the contribution of tourism to employment increased from (571.4) thousand in 2008 to (790.5) thousand in 2014, this improvement, as a result, the government of Malaysia, towards achieving economic diversification and supporting sustainable development in Malaysian 2015, the contribution of tourism to employment decreased to (774.0) thousand employees. This resulted from a decrease in the number of arrivals to Malaysia due to the emergence of new tourist destinations, and a decrease in the number of arrivals from oil countries as a result of the drop in oil prices, which negatively affected employment in the tourism sector. While it is noted that the period between (2016-2019) has witnessed an increase in the contribution of tourism in employment to rise from (809.3) thousand in 2016 to reach (848.6) thousand employees in 2019. As for the direct and total employment rates in this sector, and because it is linked to intertwined relations with other sectors, we find that its direct contribution rates ranged between (5.2%-5.7%), which means that the tourism sector maintained stable employment rates during a period of time. The study, with regard to the percentage of the total contribution of the tourism sector to employment and given its link to front and back links with other sectors such as agriculture, industry and transportation, we find that this percentage ranged between (11.3%-12.4%), which reflects the positive role played by the tourism sector In raising the overall employment rates, which is a great evidence that reflects the extent of the Malaysian government's interest in providing diverse job opportunities and developing the skills of individuals (Merete lie, 2013: p129), and this was reflected positively in maintaining low unemployment rates in Malaysia.

There is no doubt that tourism has a prominent role in reducing the unemployment rate in Malaysia by providing job opportunities and incomes for individuals, and given the importance of this sector within the government's directions to diversify the economy, and because it relies heavily on it in addressing its economic and social problems, including poverty and unemployment. During the follow-up to Table (4) to know the changes in unemployment rates as a reflection of the changes that occurred in the rates of employment in the tourism sector during the study period. The desire of individuals to leave work or because of moving from one job to another, and as this comes in line with the requirements of sustainable development that Malaysia is committed to implementing, We note that the unemployment rate was about (3.3%) in 2008, and rose slightly in 2009 to reach (3.7%) to decrease again to (3.4%) in 2010, and then decreased to (3%) in 2012, and with the increase in the population and changes In other social and economic conditions, it increased slightly at a decimal level to (3.5%) in 2017, while it decreased to (3.3%) in 2018 as a result of the improvement of the Malaysian economy and the growth of the size of the gross domestic product, in addition to the improvement in the volume of tourism revenues, as mentioned above, at a rate of (7 %), but in 2019, the size of the gross domestic product decreased and the growth rate of tourism revenues decreased, and this was reflected in the unemployment rate to become (3.7%), however, this percentage remained within the safe limits. Which affects the positive impact on the high contribution of the tourism sector in employment as a result of the increase in investments directed towards this sector, which reflected positively on maintaining the low rates of unemployment rates in Malaysia.

Table (4)
Tourism's contribution to employment and unemployment rate in Malaysia (2008-2019)

	• •			•
Unemployment	The percentage	% direct	Tourism's direct	the year
rate %	of the total	contribution to	contribution to	•
	contribution to	employment	employment	
	employment			
3.3	11,4	5.2	571.4	2008
3.7	12,1	5.6	628.1	2009
3.4	11,9	5.5	649.6	2010
3.1	11,3	5.3	656.2	2011
3	11,4	5.3	673.3	2012
3.2	12,2	5.6	767.6	2013
3.1	12,4	5.7	790.5	2014
3.2	12,0	5.5	774.0	2015
3.4	12,4	5.7	809.3	2016
3.5	12,1	5.6	813.0	2017
3.3	11,9	5.5	821.0	2018
3.7	12,0	5.6	848.6	2019

Sorce: <a href="https://knoema.com">https://knoema.com</a>

It should be noted that the relationship between poverty and unemployment is a direct relationship, meaning that a decrease in unemployment rates will lead to a decrease in poverty rates. In the context of talking about the contribution of the tourism sector to reducing poverty rates in Malaysia, it is noted that although it was able to maintain a low unemployment rate, which from One of the reasons is the job opportunities provided by the tourism sector and the remarkable rise in per capita output. However, the poverty rate has witnessed a clear rise, especially in the last years of the study period, as it reached its highest rate in 2019 and was (8.4%), and its percentage ranged in the rest of the years of study. Between (0.5% - 7.6%), which indicates that the tourism sector in Malaysia had a positive role in reducing poverty rates in many years of study, This role is evident from the high per capita output and the maintenance of low unemployment rates throughout the years under study.

able (5)
Poverty rate in Malaysia for the period (2002-2019)

poverty rate	the year
6.0	2002
5.1	2003
5.7	2004
4.5	2005
3.6	2006
3.6	2007
3.6	2008
3.8	2009
3.8	2010
2.7	2011
1.7	2012
1.3	2013
0.6	2014
0.5	2015
0.6	2016
7.6	2017
5.6	2018
8,4	2019

The source was prepared by the researcher, based on

- World Data Atlas, Poverty Rate at the National Poverty Line, available at <a href="https://knoema.com">https://knoema.com</a>.
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## **Conclusions**

- 1- The tourism sector is one of the important sectors that contribute to providing direct and indirect job opportunities through projects established by this sector or sectors related to intertwined relations.
- 2- Malaysia's possession of many components, such as the material and cultural components, had a role in attracting tourists to it, as its tourism revenues increased, which was positively reflected in the increase in investments directed towards this sector.
- 3- The success of tourism in Malaysia was the result of the Malaysian people's distinction with many characteristics, including that they are a multi-religious and multicultural people, as they are a hospitable people who seek to advance and develop their country.
- 4- Malaysia's experience in combating poverty and unemployment is considered one of the most successful experiences in the world, as it was able, through the job opportunities it provided in the tourism sector and other related sectors, to maintain low unemployment rates, which was clearly reflected in the poverty rate in most years of study.
- 5- Good planning and execution on time and ensuring the implementation of projects and not stopping them to achieve the desired goal is one of the important elements in investing in the tourism sector.

### **Recommendations-:**

- **1-** Encouraging investment projects in the tourism field by facilitating obtaining loans and reducing tax burdens on them.
- **2-** Encouraging partnership between the public sector and the private sector in tourism investment.
- **3-** Raising the efficiency of investment, especially in the tourism sector, and developing it in proportion to the huge capabilities in the field of untapped tourism
- **4-** Work to rehabilitate and develop manpower in the tourism and hotel sector
- 5- The need to benefit from Malaysia's experience in reducing unemployment and poverty through the implementation of the programs and policies that it has followed in this regard.

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