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Sustaining and preserving Malaysia's local handicraft industry

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Abstract

Local artisans and entrepreneurs, together with the Malaysian Government have a profound influence in the development of Malaysian handicrafts. The definition of handicraft is any hand-made products (Fabeil *et al.*, 2014) which have both artistic and cultural elements (Development Cooperation Act 1979, 2006) encompassing the raw- materials (which are used in its production), design, and workmanship. Handicrafts which are made by Aboriginals can enhance tourism development, based on their culture and heritage. Daily village income can be generated through handicraft sales when local and foreign visitors are invited to visit their villages. This article is secondary research, which has exposed the challenges faced by Malaysia's local handcrafters and entrepreneurs dealing in handicraft trades. It has also uncovered what are the sustainable measures which could be adopted by the local government in sustaining the handicraft industry for generations to come. The multiple ideas and approaches in preserving Malaysia's handicrafts by adopting new business models and modern technology are also discussed in this research. By strengthening the role of handicraft entrepreneurs, the value of traditional crafts can be maintained and preserved.

Keywords: Handicrafts, traditional Malaysian handicrafts, handicraft culture, Malaysian artisans, maintenance, and preservation of handicrafts, RM (Ringgit Malaysia)

Introduction

Malaysia possesses a wide variety of interesting traditional crafts, which are based on ethnicity, region, and culture. The common designs found in the handicraft products comprise of Islamic, Chinese, Sabah and Sarawak's native and aboriginal designs. The word batik ^[1] describes the process of decorating cloth using the block printing (Cap) or hand-drawn (canting) techniques, or a combination of both (Sumardianshah, Badrul I, Pomimin, 2021). However, as in the Malaysian Indian community, their handicrafts would be silver beads and pottery. Most handicraft designs depict natural elements such as interwoven leaves, tendrils, flowers, and animals (Tourism Malaysia 2017) ^[14] as Malaysia's official religion, which is Islam, prohibit the depiction of figures on handicraft products.

Handicrafts are produced worldwide (Mutua *et al.*, 2004) ^[1] and are considered as a tourism-related commercial sector which indirectly supports the tourism market in developing countries. Some handicrafts which are designed as home or work-place displays would entice tourists to buy them (Berma 2001; Fabeil 2012) ^[16, 24]. They admire handicrafts as unique, original, and convenient products to be brought home as gifts and memorabilia (Mogindol and Bagul, 2014). Visitors contribute between 7% to 10% of their expenditure at buying handicrafts when visiting Sabah (Sabah Development Corridor, 2006), and it definitely have a positive multiplier effect on the socioeconomic community which reflects on the state's diverse culture.

Attracting tourists to buy our local handicrafts through present and future marketing strategies are essential. Selling handicrafts in a tourist attraction center rather than a remote location poses a big difference in terms of sales volume and revenue. The local market constitutes 86.8% whereas the tourists' market share of it is 13.2%. Most of the handcrafters retail their products directly to customers, retailers, wholesalers, and distributors, using multiple channels such as on-line retail channels or Facebook (Amin, 2006) [17]. Handicraft entrepreneurs could earn a higher revenue by retailing their products directly to customers or through individual orders (Fabeil *et al.*, 2012) [16]. If tourists could buy handicrafts directly from producers, they would be able to converse and observe how the crafters craft their products.

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¹ The word batik originates from the Javanese word "tik" which means to dot.

(Mogindol and Bagul, 2014) [18]. This would be an additional attraction for the tourists.

Literature Review

Handicrafts are an integral part of the Malaysian economy, whether they are purchased by the local populace or tourists which contributes to the country's GDP. Handicrafts are also defined as "a piece of handicraft which is designed artistically and produced traditionally using simple tools" (Yojana and Sansad, 2006) [19]. Local handcrafters cooperate with the Regional Industrial Development Agency (RIDA), which was established in 1951, in supporting the development of their trade on a small-scale basis, particularly in rural areas. There are several institutions which provide support in promoting and supporting the industry, of which 'Kraftangan Malaysia', (Malaysian Handicrafts) is one of them.

The 'batik' industry experienced a significant growth in sales between 1980 to 1983 (Pye, 1988) [20]. Germany and the Netherlands contributed substantially to our handicraft revenue when they imported a substantial amount of our handicraft products within the same period. development of handicrafts is a government initiative under the jurisdiction of the Ministry of Tourism, Arts and Culture. Local Government institutions and ministries are involved in the development of 'handicraft manufacturing' technology, micro-credit financing [2], marketing, enhancing handicraft quality, and skills. Handicraft entrepreneurs and local artisans had to face insurmountable obstacles when they tried to develop and market their crafts. This was brought to the attention of the Malaysian Government in which they launched a few assistance programs at helping this sector in the early 1970s. However, in the Fourth Malaysian Plan (1981-1985), handicrafts were recognized as a sector of poverty, especially with the overarching goal of poverty alleviation among the rural population.

The plan aims to revive handicraft based-cottage industries, a non-mainstream economic development in Malaysia.

Issues faced by the local handicraft industry Lack of entrepreneurial skills and time consuming

The local handicraft industry had another fair share of problems aside from the ones which were mentioned earlier. There was a reduction in the number of skilled craftsmen and an absence of apprentices who discovered it was unlucrative in terms of remunerations. The demand for higher and better wages, decreasing demand for handicraft products, lack of job security in handicraft business, and unstable incomes are some of the major points which have hindered the industry. Malaysia increased its national minimum wage in May 2022 by 25 percent from RM1, 200.00 (US\$273) to RM2, 500.00 (US\$541) (Shira D, Feb 2023). The supply of skilled labor in the handicraft business is also seasonal when stay-at-home spouses had to divert their handicraft production by helping their spouses in the paddy fields during harvesting. Another labor limitation is that most skilled craftspeople are 40 years old and above (Pye, 1988) [20] who may have retired and discontinued their skilled professions altogether. Excellence comes with

² A common form of microfinance that involves an extremely small loan given to an individual to help them become self-employed or grow a small business.

practice, but the younger generation is either disinterested or uninterested in this profession as it does not provide a stable remuneration. Another prohibiting factor is that internship in this industry is time-consuming as it consumes a person's livelihood in perfecting one's own skills and an apprentice would usually begin to learn this trade at an early age. Research has unveiled that the average age of handcraft producers in Sarawak is 45 years old (Berma, 2001a) [24]. This age-related issue is expected to increase as the younger generation prefer better careers in the city for those equipped with tertiary education. This trend could be reversed provided the Government could encourage youths to preserve their local handicraft traditions.

Currently, there are more than 10,000 handicraft entrepreneurs in Malaysia with females forming the majority and most of them are residing in the state of Sabah in East Malaysia (Malaysian Craft Industry Study Main Report, 2001; Shaharudin, 2002) [25]. Most of them work from their homes located in the hinterland of the state (Berma, 2001b; Fabeil *et al.*, 2012) [16, 24]. Their crafting skills are taught by their ancestors (Ngo, 2010) [8] and most of them work part time (Fabeil *et al.*, 2012) [16]. They do not intend to earn a high income from it, but just enough to supplement their existing household incomes. Some full-time entrepreneurs do not earn a higher income than part-time and home-based handcraft producers. This could be one of the compounding problems in producing future skilled handcrafters.

A full-time silversmith must have a strong interest in mastering silver crafting. The Government has established training centers in urban areas to train and compensate for the loss of skilled crafters. The shortage of skilled workers and training facilities will limit skills development and the dissemination of technical knowledge which will hinder Malaysia's economic and industrial development, in which the tourism industry is part of it. The time-consuming factor in producing a piece of handicraft is another matter in which the younger generation may not have the patience to endure. As an example, a piece of traditional handicraft textile such as 'Songket', a traditional hand-woven fabric incorporating gold and silver threads (UNESCO 2021) [15] could take approximately two to three months to produce (Ngo, 2010) [8]. Most Gen Zs' are not keen to spend that amount of time in producing a piece of handicraft for a small and unstable income (Amin, 2006; Ngo, 2010) [17, 8].

Another obstacle which hinders handicraft development in Malaysia is the spiralling production cost which increases frequently. Customers, both local and foreign, are unwilling to pay the extras which has forced handicraft entrepreneurs not to increase their retailing prices (Amin, 2006) [17]. The government is aware that handicrafts could nurture entrepreneurship among the local populace which indirectly supports the tourism industry (Fabeil et al., 2012) [16]. So far, only 1.5% Malaysian handicraft entrepreneurs have participated in government-sponsored entrepreneurship programs while the other 98.5% of them have never done so (Amin, 2006) [17]. These training programs were developed by the Government to support the local handicraft industry and it clearly indicates that most handicraft entrepreneurs prefer to be independent, instead of depending on government support. The lack of awareness of government support could be one of the reasons for this, especially because most entrepreneurs are residing in rural areas and lack formal education.

Stable material supply

The shortage of handicraft-related raw materials and the supply inconsistencies that artisans use to make finished products are another hindrance to this industry. Some of these raw materials such as silver which is used in silver-crafting and batik-dyed paints had to be imported from abroad. Their availability depends on the supply and demand of the relevant materials in the global market.

The production costs of handicrafts have risen over the years, which was caused by an upsurge in the raw material prices used in its productions. The distance between the raw materials sources and their place of production is another contributing factor to this predicament. Together, these constraints pose a severe threat to supply, limiting the production capacity of handicraft related products. Some silversmiths may bypass this supply and high-cost production constraints by crafting silverware from cheaper metal materials such as alloy that resembles silver. The product would be of inferior quality and marketed at a lower price as compared to pure silverware.

Financial Sources

The income of handcrafters is between low to average. Like any other industry, the handicraft industry needs to borrow money from financial institutions to purchase machinery and raw materials for their handicraft productions. Unfortunately, handcrafters face obstacles in obtaining credit lines from financial institutions as they do not prioritize this sector of the economy. Consequently, they had to rely on informal capital resources, ranging from money lenders, pawnshops, and other unorganized financial intermediaries.

Government credit policies usually have little or no direct impact on such capital markets, as interest rates are high and borrowing terms are more stringent. There are some reasons as to why some handicraft entrepreneurs fail to secure any form of loans from formal financial institutions. One of them is the lack of collateral from the crafters themselves which functions as a form of security for the financial institutions should the handcrafter default on their loans. However, there are some rural entrepreneurial handcrafters, being pious, do not believe in seeking financing through credit.

Preservation and sustainable strategies Process innovation and work transformation

Innovation means transforming ideas and knowledge into new products and services, such as Production Automation, AI (Artificial Intelligence) Services and Management (Ramadani and Gerguri, 2011) [21]. A society's culture can be preserved through innovation, in which entrepreneurs ensure that their handicrafts and cultural identity are handed down to the next generation. Small handicraft entrepreneurs could grow their business further by aligning their management process with modern business strategies, based on innovation and modernization to meet their marketing needs (Fabeil et al., 2014) [16]. The Malaysian Government must think strategically and find diverse ways to improve the industry in today's endemic period by lending a hand to the handicraft business, be it the handcrafters, retailers, and exporters (Nancy S, 2021) [22]. The industry must embrace digital and online marketing channels in promoting their handicraft products and think how the local government could help handcrafters in rural areas who face difficulty

accessing the Internet (Nancy S, 2021) [22]. Malaysian Handicraft personnel are dedicated to helping rural people market their goods through online platforms and programs. At the same time, many hand crafters are innovative and creative in the production of excellent quality local craft products (Nancy S, 2021) [22].

The production techniques in the handicraft industry are labor intensive, utilizing simple tools and equipment, and are not dissimilar from the production modes of their ancestors. Meanwhile, most entrepreneurial hand crafters are lowly educated, which hinders or limits their exposures to modern technical knowledge and are still using obsolete technology in their craft productions (Ahmad and Hassan, 1990) [26]. As a result, production is slow, and the quality of the product is low, inconsistent, and unattractive. There are certain factors that contribute to this conundrum, which include handcrafters are insensitive to changes and innovations in technology; lack of innovative ideas and creativity in adopting new designs and the initiative to new handicraft products; the shortage of skilled hand crafters and the lack of attention towards quality control. It is imperative if the mechanization on the production of handicrafts is possible as all crafts are 100% handmade.

There is an absence of production method standards as hand crafters and artisans use various methods to produce their end products. Inconsistency with regards to the quality of the raw materials used, the different skill levels of hand crafters, the obsolete machines used in producing handicrafts, and cutting corners to reduce costs, will eventually produce hand crafted goods with different qualities in terms of value and authenticity.

Sales Involvement of Handicrafts

Successful entrepreneurs must be willing to develop their own businesses without the fear of taking risks. It depends on their personality traits, such as possessing selfconfidence, having the patience to succeed or fail, and are determined to earn more revenues from their business trade (Fabeil et al., 2014) [16]. Handicraft entrepreneurs must not be afraid of embracing the use of computers and state-ofthe-art production machines if they desire to increase the effectiveness and efficiency of their crafts. Machines with advanced technology and engineering skills can be designed to support craft production. Handcrafters could use computer imaging to show 'off' their pre-designed batiks and 3D crafts to potential customers, distributors, and souvenir retailers. Through computers, the entrepreneurs could accelerate their productions and meet the higher-thanexpected demands from customers. Innovation handicrafts must also be increased in line with current trends. For example, Song Salon is now transformed into clothing and fashion accessories such as bags and shoes and household items such as placemats, pillows, tablecloths, and souvenirs (Ngo, 2010) [8].

The local fashion designers are encouraged to incorporate local crafts designs into their apparels. To preserve our traditional culture and heritage, the Ministry of Arts, Culture and Tourism should organize creative competitions for the local handcrafters. Some local state governments in Malaysia organize "Miss Kebaya" contests that help highlight the value of traditional kebaya to the public. A 'kebaya' is a piece of clothing, like a jacket, which is worn by women in Malaysia, Indonesia, and other Southeast Asian countries, and is often made from very thin and light

material. Local craft designs and their motifs could be extended to the design of home furniture, office stationery, kitchen utensils, and other suitable homewares. In this case, the Federal Government should encourage more innovative ideas through handicraft competitions at school, university, and company levels.

Government Support

For the rural regions to prosper, the Central Government must adopt both government policies and feasible implementation process. This includes the reviewing and adoption of industrial and agriculture policies, infrastructure planning and institutional arrangements for the rural areas. The Federal Government and private sectors will have to cooperate closely to ensure that the rural regions prosper through the implementation of these policies as most local hand crafters reside in these regions. Rural industrialization is an essential ingredient in developing a rural locality. It's vitally important per se that that all government and private stakeholders must design a specific development plan to preserve and develop Malaysia's handicraft sector.

There should also be concerted actions and policy between the various government agencies (As mentioned in the above literature) to promote the local handicrafts which could eventually eliminate the constraints faced by it. The handicraft could create employment by utilizing locally available resources (Yojana and Sansad, 2006) [19]. Due to an exorbitant labor cost which includes the employment of foreign laborers, it is without doubt that unemployed locals be trained in handicraft skills (Lim, 2009) [23]. In 2021, the Malaysian Government distributed RM3.98 million to support two handicraft skills training programs namely the Apprenticeship Development Program Community Skills Development Program (Nancy S, 2021) [22]. The first training program established training facilities for a new workforce comprising youths, the unemployed and individuals whose livelihoods were affected by the Covid-19 pandemic by creating job opportunities for selected craft entrepreneurs (Nancy S, 2021) [22]. Twenty-six trainees underwent six months of training in various handicraft vocations from Oct 1 to March 31, 2021. Ten skilled crafters participated in this program providing craft skills training in 'Songket' Weaving [3], Batik, Ceramic, Crystal, Wooden and Leather products (Nancy S, 2021) [22].

Research Questions

- 1. What kinds of challenges that the Malaysian handicraft industry is facing today and how to prevent its demise?
- What are the relevant measures that should be adopted by the local government and handcrafters to ensure its survivability in the future?
- 3. How would modern technologies, innovations and new business models impart values and benefits to the local handicraft industry?

Research Objectives

- 1. To uncover the challenges faced by the Malaysian handicraft industry and how to prevent its demise.
- 2. To uncover what are the measures adopted by the local government and handcrafters in ensuring the survivability of the handicraft industry in times to

come.

3. Explore what are the modern technologies, innovations and new business models that could provide values and benefits to the local handicraft industry.

Research Methodology Quantitative Method

This study uses quantitative research where data are sourced from journals, news articles, academic and handicraft journals, and researchers' websites.

Conclusion

The Government could eradicate absolute poverty in Malaysia's rural areas through the creation of handicraft entrepreneurs among the rural folks. The Government could provide financial assistance to the folks as the first step in 'kick-starting' their own handicraft businesses. This will indirectly create jobs when the folks require more workforce to meet surging demands for their handicrafts in future. The economic gaps among the rural folks can be narrowed, thus allowing them to earn a decent income by retailing their handcrafted products to tourists visiting their production centers. When tourists are willing to spend more in buying their hand-made crafts, it will increase the income of the rural folks (Rashid and Bashir, 2004). Gen Zs' who reside in the rural areas are uninterested in inheriting the handicraft skills of their forebears, which will lead to the demise of Malaysia's handicrafts in future, what more a threat to its survivability and heritage. The local government should educate the vounger generation about the importance of maintaining the nation's handicrafts as it is defined as the country's cultural heritage.

A nation's traditional handicrafts are also recognized as tourism products in the destination in which they are produced. Coincidentally, choosing a career as a handcrafter is often despised by the crafter's orthodox-minded parents and public as they do not command a high remuneration such as a doctor, lawyer, soft engineer, dentist etc. The analysis of this article has revealed that most of the respondents are Malaysians who are talented in their specialized handicraft skills. Most handcrafters have established their identities in the trade but had to contend with the above-mentioned obstacles in the research above. This research is open to future researchers who may be interested in contributing to additional findings that they may have discovered in their studies.

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³ A decorative weaving technique used to make the fabric, which entails inserting gold or silver thread in between the base threads.

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