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ECONOMIC VALUATION OF CONSERVATION OF LIVING HERITAGE IN MELAKA CITY, MALAYSIA

CHIAM CHOOI CHEA

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By

CHIAM CHOOI CHEA

Thesis submitted to the School of Graduate Studies, Universiti Putra Malaysia, in Fulfillment of the Requirements for the Doctor of Philosophy

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Abstract of thesis presented to the Senate of Universiti Putra Malaysia in fulfillment of the requirement of the Doctor of Philosophy.

ECONOMIC VALUATION OF CONSERVATION OF LIVING HERITAGE IN MELAKA CITY,MALAYSIA

By

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December 2013

Chair: Associate Professor Alias Radam, PhD
Faculty: Economics and Management

Melaka living heritage is a unique living testimony to the multi-cultural heritage and tradition of Asia from the past with great national and international significance, recognized by UNESCO as World Heritage Site in year 2008. Melaka is located at the southern part of Peninsular Malaysia bearing economic functions as a surviving historic city of the country. Despite the great opportunities for conserving the living heritage in Melaka, the city is currently facing threats of high traffic, excessive depletion of the natural environment in the city. This is due to underestimation on the non-market values of living heritage in development decisions. The aim of this study is to estimate the economic benefit of living heritage in Melaka city as the results would be able to provide insight to the value of this unique heritage to the society. The methods employed are Contingent Valuation Method Single-Bounded (Single-Bounded CVM), Contingent Valuation Method Double-Bounded (Double-Bounded CVM) and Choice Experiment (CE). The payment vehicle opted in this study is via accommodation, where a fixed heritage charge per night was included in the total accommodation bill in Melaka. In CVM, the logit model was defined based on dichotomous choice method to estimate the willingness-to-pay (WTP) randomly with five different starting bid value (RM3/RM4/RM5/RM6/RM7). Meanwhile, in CE, four attributes of non-market value of the city were defined; living heritage, natural environment, crowded recreational activities and heritage charge value. A total of 502 respondents were interviewed in person, using random stratified sampling method.

The results demonstrated positive WTP for living heritage conservation by the respondents in this study. The findings also indicated that respondents who are married and of foreign nationality were more likely to pay for the living heritage conservation. The estimated mean for the WTP was RM3.70 per night from single-bounded CVM and RM5.60 per night from double-bounded CVM. While in CE, the attribute for crowded recreational activities in the city provides the highest probability for the respondents for

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this study to pay for an improvement level. While living heritage attribute has a negative probability of the respondents to pay for a higher level of this attribute.

The findings of this study can provide useful information to policy-makers, Majlis Bandaraya Melaka Bersejarah (MBMB), public and communities to better consideration of the consequences of present policies on the real value of living heritage in the city. Besides that, the results of valuation can help to convince the government and other decision makers to allocate more resources for conservation. Quantifying the major benefits provided by living heritage can provide invaluable support to the conservation efforts and the WTP results could encourage policy-makers to set priorities to ensure that the living heritage would be conserved in proper manner.

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Abstrak tesis yang dikemukakan kepada Senat Universiti Putra Malaysia sebagai memenuhi keperluan untuk ijazah Doktor Falsafah

PENILAIAN EKONOMI UNTUK PEMULIHARAAN WARISAN HIDUP DI BANDARAYA MELAKA, MALAYSIA

Oleh

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Disember 2013

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Warisan hidup Melaka adalah satu bukti kehidupan warisan yang unik dengan pelbagai budaya dan tradisi Asia dari masa lalu yang mempuyai kepentingan nasional dan antarabangsa yang besar, yang telah diiktiraf oleh UNESCO sebagai Tapak Warisan Dunia pada tahun 2008. Melaka terletak di bahagian selatan Semenanjung Malaysia yang mempunyai fungsi ekonomi sebagai satu bandar bersejarah untuk negara. Walaupun didapati banyak peluang bermanfaat besar hasil pembangunan secara mapan warisan hidup di Melaka, bandaraya ini sedang menghadapi ancaman yang tidak mapan terutamanya yang berhubungkait dengan ancaman trafik yang tinggi, deplesi yang melampau terhadap alam semulajadi di bandaraya tersebut. Ini adalah disebabkan oleh kegagalan penterjemahan nilai bukan pasaran warisan hidup di Melaka dalam keputusan untuk pembangunan. Tujuan kajian ini adalah untuk mengira pelbagai nilai kewangan daripada warisan hidup ini sebagai satu alat yang sangat berguna untuk memberi gambaran nilai warisan hidup yang unik ini kepada masyarakat. Kaedah-kaedah yang digunakan dalam kajian ini adalah "Kaedah Penilaian Kontinjen Satu Sempadan (CVM Satu Sempadan), "Kaedah Penilaian Kontinjen Dua Sempadan (CVM Dua Sempadan) dan "Kaedah Eksperimen Pilihan" (CE). Kaedah pembayaran yang dipilih dalam kajian ini adalah melalui penginapan, di mana caj warisan tetap untuk setiap malam akan dimasukkan di dalam bil penginapan di Melaka. Di dalam bahagian CVM, model logit didefinisi berdasarkan jawapan "Ya" atau "Tidak" untuk menunjukkan kesanggupan membayar (WTP) mereka secara rawak dengan lima nilai tawaran permulaan yang berbez-beza (RM3/RM4/RM5/RM6/RM7). Manakala, di dalam CE, empat atribusi nilai bukan pasaran didefinasikan iaitu persekitaran semulajadi, warisan hidup, aktiviti rekreasi kesesakan dan nilai caj warisan. Sejumlah 502 responden telah ditemuramah secara terus dengan menggunakan persampelan secara rawak.

Keputusan kajian menunjukkan responden positif dalam WTP untuk pemuliharaan warisan hidup. Hasil kajian juga menyatakan juga bahawa responden yang dah berkahwin dan kewarganegaraan asing adalah lebih bersetuju untuk membayar bagi

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pemuliharaan warisan hidup. Purata taksiran untuk kesediaan membayar adalah RM3.70 semalam untuk CVM satu sempadan dan RM5.60 semalam untuk CVM dua sempadan.

Manakala untuk CE, atribusi aktiviti rekreasi kesesakan di bandaraya memberikan kebarangkalian yang paling tinggi kesanggupan bayar responden daripada kajian ini bagi tahap yang lebih tinggi untuk atribusi ini. Sementara itu, warisan hidup mempunyai kebarangkalian yang negative untuk responden membayar untuk tahap yang lebih tinggi untuk atribusi ini.

Hasil kajian ini boleh memperlengkapkan maklumat-maklumat berguna untuk penggubal polisi, Majlis Bandaraya Melaka Bersejarah (MBMB), awam dan masyarakat. Dengan ini, hasil kajian ini boleh digunakan untuk kesedaran masyarakat yang lebih besar tentang warisan hidup dan kepentingan faedah-faedah warisan hidup termasuk faedah ekonomi yang didapati di bandaraya tersebut. Hasil kajian ini juga berfaedah kepada penggubal polisi dalam mempertimbangkan akibat-akibat polisi sedia ada terhadap nilaian sebenar warisan hidup. Selain itu, ia boleh membantu menyakinkan kerajaan dan pembuat keputusan lain untuk memperuntukan lebih banyak sumber-sumber untuk pemuliharaan. Pengiraan faedah-faedah utama yang terhasil daripada warisan hidup dapat menyediakan sokongan yang tidak ternilai terhadap usaha pemuliharaan. Oleh yang demikian, faedah-faedah dari warisan hidup terhadap masyarakat berdasarkan keputusan WTP dapat menggalakkan pengubal polisi untuk meletakkan keutamaam bagi memastikan warisan hidup dapat dipulihara dengan baik dan betul.

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