Challenges and Opportunities among Local Entrepreneurs in Malaysian Arts and Crafts Industries following Post-COVID-19 Pandemic

Azhari Md Hashim¹*, Muhamad Razib Saruddin²

¹ College of Creative Arts, Universiti Teknologi MARA (UITM) Kedah branch campus, Kedah, Malaysia
² Perbadanan Kemajuan Krafangan Malaysia, Langkawi, Kedah, Malaysia

azhari033@uitm.edu.my, razib@krafangan.gov.my
Tel: +60194666491

Abstract
The Malaysian art and craft industry contributes to people’s social well-being through job opportunities and income generation. The implementation of the lockdown has jeopardized the sustainability of these industries due to canceled and postponed activities to curb the spread. Despite this situation, Malaysian entrepreneurs have maintained and increased sales by adapting marketing strategies to be flexible in difficult moments. This study aims to gain the inside of local entrepreneurs through an initial observation during a craft festival after post-COVID-19. It summarizes the strategies to overcome the situation, including the development of products, promotion, digital skills, and marketing.

Keywords: Art and Craft industry; Post-COVID-19; Digital entrepreneurs; Digital marketing

1.0 Introduction
Implementing lockdown and physical distancing measures has jeopardized the survival of art and craft events and projects in Malaysia and worldwide. Limitations impacted local businesses’ everyday activities and programs, which have been canceled, postponed, or reduced to avoid physical contact and slow’s spread of COVID-19 throughout communities. With the national enforcement of the Movement Control Order (MCO) during the increasing COVID-19 cases, art and craft consumers have no choice to get the products and the limitation of choice and distance risk to get the supply. Thus, according to Malaysia’s Deputy Minister of Tourism, Arts, and Culture, Santhara Kumar, 150 of the 6,220 craft entrepreneurs who enlisted with ‘Malaysian Handicraft’ abandoned the sector after COVID-19 struck the nation on August 31, 2020. He further said that these craft entrepreneurs quit for several reasons, such as age, health, potential in other sectors, and the challenges posed by the COVID-19 pandemic (Bernama, 2021). The pandemic also affected the 3,060 homestay providers registered with the Malaysian Homestay Experience Programme. The COVID-19 pandemic, which has been affecting the country since last year, has resulted in changes with the full deployment of the Movement Control Order (MCO), and it has affected all levels of society, including craft businesses and homestay operators (Bernama, 2021). Hence, this study intends to inform art and craft entrepreneurs about the most severe difficulty affecting their businesses following COVID-19, as well as how the government effort has begun its strategy to achieve its targets. This paper highlights the problems and opportunities among the local entrepreneurs in the Malaysian arts and crafts industries post-COVID-19 period. The objectives of this study were 1) to determine the problems and challenges that faced the arts and crafts entrepreneurs after the COVID-19 pandemic and 2) to identify the initiatives of the government to assist them.
2.0 Literature Review

The involvement of arts and crafts entrepreneurs in craft promotion throughout the year decreased during 2020 affected by the pandemic (Portal Data Terbuka Malaysia, 2020). Referring to Table 1, the promotion activity and the involvement of the entrepreneurs dropped drastically in 2020 regarding the promotion location and the quantity of entrepreneurs' participation.

Table 1: Crafts promotion activity and entrepreneurs' involvement in 2015-2020 (September)

<table>
<thead>
<tr>
<th>Places of promotion</th>
<th>Year</th>
<th>Quantity of Promotion</th>
<th>Quantity of entrepreneurs' involvement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Domestic promotion</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Themes promotion</td>
<td>3</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Shopping Mall Promotion</td>
<td>46</td>
<td>12</td>
<td>7</td>
</tr>
<tr>
<td>Malaysian Craft Promotion</td>
<td>13</td>
<td>4</td>
<td>1</td>
</tr>
<tr>
<td>Special Event Promotion</td>
<td>1</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>State level promotion</td>
<td>83</td>
<td>66</td>
<td>45</td>
</tr>
<tr>
<td>International promotion</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Local</td>
<td>3</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Overseas</td>
<td>12</td>
<td>0</td>
<td>1</td>
</tr>
</tbody>
</table>


The decreasing pattern of the promotion activity and the involvement of the entrepreneurs were continuously dropped in 2021, resulting in craft promotion activities and special event promotion. This affected the participation of the crafts entrepreneurs in Malaysia via direct marketing and physical participation with the consumers. Referring to Table 2, the numbers of activity and involvement showed the differences compared to six years before.

Table 2: Crafts promotion activity and entrepreneurs' involvements in 2015-2021

<table>
<thead>
<tr>
<th>Places of promotion</th>
<th>Year</th>
<th>Quantity of Promotion</th>
<th>Quantity of entrepreneurs' involvement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Domestic promotion</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Themes promotion</td>
<td>3</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Shopping Mall Promotion</td>
<td>46</td>
<td>12</td>
<td>7</td>
</tr>
<tr>
<td>Malaysian Craft Promotion</td>
<td>13</td>
<td>4</td>
<td>1</td>
</tr>
<tr>
<td>Special Event Promotion</td>
<td>1</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>State level promotion</td>
<td>83</td>
<td>66</td>
<td>45</td>
</tr>
<tr>
<td>International promotion</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Local</td>
<td>3</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Overseas</td>
<td>12</td>
<td>0</td>
<td>1</td>
</tr>
</tbody>
</table>


However, throughout the COVID-19 pandemic, Malaysian arts and crafts entrepreneurs have maintained and increased sales by modifying their business strategies to adapt to challenging times (Landau, E., 2021). According to Tourism, Arts, and Culture Minister Nancy Shukri, based on 2019 data, Malaysian Handicraft has 5,816 firms with a volume sale of RM519,74 million. Nonetheless, Malaysian Handicraft established a new sales volume of RM200 million in 2020, compared to RM500 million in 2019, a 54% increase from the earlier aim (Landau, E., 2021). She also stated that as of November 30, 2020, Malaysian Handicrafts has 6,032 registered entrepreneurs with a total business sales value of RM215.05 million. The government had to make intelligent decisions and find ways of improving the industry during a pandemic to help entrepreneurs in the field by focusing on digital and online marketing channels to promote products to help people in rural areas who have difficulty accessing the Internet.
Everyday activities and events at local businesses have been canceled, postponed, or limited to prevent physical contact and restrict the spread of COVID-19 throughout communities. With the countrywide execution of the Movement Control Order (MCO) during the rising COVID-19 cases, art and craft buyers have no alternative but to buy the items, limiting their options and putting their supply in danger. According to Malaysia's Deputy Minister of Tourism, Arts, and Culture, Santhara Kumar, 150 of the 6,220 craft enterprises that joined with 'Malaysian Handicraft' abandoned the industry once COVID-19 hit the country on August 31, 2020. The challenges the arts and crafts entrepreneurs face in marketing their products physically transform into digital marketing and online business via electronic platforms in surviving the dry economy. Malaysian Handicraft set a new sales volume of RM200 million in 2019, compared to RM500 million in 2019, a 54% decrease from its target sales (Landau, E., 2021).

This is due to the uncertain market and the challenges faced by the pandemic. According to Malaysia's Deputy Minister of Tourism, Arts, and Culture, 150 of the 6,220 craft entrepreneurs who enrolled with Kraftangan Malaysia or Malaysian Handicraft Development Corporation 'Malaysian Handicraft' since COVID-19 struck until August 31, 2020, had already left the industry (Bernama, 2021). He said these craft entrepreneurs left for various reasons, including age, health, potential in other fields, and the challenges posed by the COVID-19 pandemic. However, despite the COVID-19 pandemic, Malaysian art and craft entrepreneurs have managed to keep and increase sales by adjusting their marketing strategies to be versatile in difficult moments. This study aims to know the inside of art and craft entrepreneurs on the most significant problem affecting their business after COVID-19 and how the government initiative has embarked on their plan to fulfill their objectives. It also intends to highlight the challenges and prospects among art and craft entrepreneurs during the post-COVID-19.

2.1 Past Government Implementations

Since 1984, the Malaysian Rural Development Plan was presented under the Halacara Baru (New Direction) program that emphasized the strategy of rural urbanization, and the growth of the handicraft sector became increasingly significant. The approach focuses on developing socioeconomic infrastructure to increase peasant and rural worker productivity and profitability. The concept emphasizes the regrouping of communities to promote rural growth development. In Malaysia, particularly in the 1950s, rural development was dominated by productivity and output-raising tactics, supplemented by infrastructure and technical advancements, as well as the provision of socioeconomic services and amenities (Redzuan & Aref, 2011). Malaysia's handicraft sector is a significant aspect of the country's economy. The Malaysian government has given appropriate resources and facilities for developing arts and crafts. The institutional endeavor to expand the handicraft sector began in 1951 with the founding of the Rural and Industrial Growth Authority. This institute supports small-scale development in rural regions on a large scale. There are now several organizations that help the sector with promotion and growth. Meanwhile, revenue from handicraft exports has increased. The most rapid expansion occurred between 1980 and 1983 when batik cloth sales skyrocketed (Pye EA, 1988).

After 1970, the Malaysian government implemented various initiatives to help handicraft entrepreneurs/artisans overcome the limits they confronted. However, in the Fourth Malaysia Plan (1981-1985), handicrafts were given official status as a sector as part of the broader goal of eradicating poverty, particularly among the rural population. The objective was to reinvigorate the cottage industry, which had long been ignored in economic development (Redzuan & Aref, 2011). The Ministry of National and Rural Development is the primary entity in charge of growing the industry, with several programs, agencies, and organizations formed under its auspices. The Village Industries Division, the Community Development Department, the Malaysian Handicraft Development Corporation, the Karyaneka Marketing Sendirian Berhad, the Batik Malaysia Berhad, and the Council of Trust for Indigenous People are among essential government agencies in promoting the development of the handicraft industry. The agency aims to develop, promote, and strengthen handicraft production activities while encouraging their expansion into small-scale enterprises. Arts and crafts are often classified as "anything manufactured by hand, frequently using rudimentary tools, and are generally creative and traditional in nature" (Yojana & Sans, 2006). The village people of the Malay Peninsula's north-eastern coasts are responsible for passing down centuries-old traditions and heritage to future generations. The villages' most notable handicraft industries in Kelantan and Terengganu include Batik, Songket, silversmith, and Wau (large kite). Furthermore, women make up most of Malaysia's micro-industry, such as handicrafts (Hussein, Omar, & Surin, 2021).

2.2 Malaysian handicrafts overview

Malaysia is well-known for its rich heritage as well as its stunning handicrafts. Malaysian handicrafts reflect a combination of cultures and tribes in the country. Every handicraft has a story to share and a purpose for being the way it is. Malaysia also provides workshops for several handicrafts, which are well worth the experience (Shah, 2021). Among the popular arts and crafts in Malaysia was Malaysian Batik. Malaysian Batik is entrenched in Malay culture as one of the world's oldest types of craft (Nordin & Abu Bakar, 2012). Batik is a type of art that uses wax-resist dyeing processes to convert a plain white cloth into brilliant hues. The most common motifs are leaves and flowers. Humans and animals are not shown in Malay batik since it is against Islamic principles; however, butterflies are a notable exception. It is well-known for its geometrical motifs, mainly spirals (Syed Shaharuddin et al., 2021). It is now widely accepted as national clothing among the general public, reflecting the Malaysian concept with the assistance of local designers. Over time, this kind of art has established its own identity, distinguishing it from Javanese conventional hand-printed Batik (Shah, 2021). Songket is another Malaysian traditional art and craft product, a handwoven fabric of silk or cotton that is intricately plated with gold or silver threads to create a shimmering effect, and it is inseparable from the lives of people of the Palembang tradition.

Meanwhile, Pewter is a well-known alloy in Malaysia. Pewter artifacts are used in people's daily lives in Malaysia, primarily as religious ornaments. Its glamorous and lavish appearance, as well as its long-lasting dazzling shine, make it appealing. Other products, such as candle holders, keychains, bookmarks, dinnerware, and even accessories, are also made of Pewter (Y. Yusof, Yusof, & Ibrahim, 2021).
2018). Pottery is another example of an art and craft product. Malaysian pottery is more than simply kitchen items. It is a fantastic exhibition of talent, beauty, and cultural beliefs. It takes outstanding commitment and a sense of harmony with nature. Nyonya Beadwork and Embroidery originated from the Straits of Melaka and is associated with the Peranakan Community. Apply into a type of shoes, Nyonya shoes, Peranakan shoes, or Manek shoes in Malay, were an essential part of Nyonya culture. These shoes are intricate and can take up to three months to finish. This artwork is also found in various settings, from everyday interior decoration to more ornamental pieces for special occasions such as wedding ceremonies. It makes use of a variety of glass and metal seed beads. The more complicated the design, the more expensive it is and the more tedious the eye work (Haron & Abdul Mutalib, 2013).

Kris, an asymmetrical dagger used to protect the owner as a defense and assault weapon, is a traditional weapon in Malay culture. They were also used as a weapon, a talisman with magical powers, and accessories for ceremonial dresses to indicate social status (Woolley, 1938). Rattan weaving is also famous for arts and crafts, mainly in the Malaysian market. It is exceptionally durable and splinter-resistant and has been used to make rocking chairs, tables, baskets, and other household items. It is best suited to hot and humid tropical climates. Pua Kumbu is a traditional multi-colored patterned cloth based on the legends of Menggin and Tara Tinchin in East Malaysia's Sabah and Sarawak. The natural resources for its dye are harvested in the surrounding rainforests. It is a sacred symbol of material wealth, social rank, and prestige that the Iban people have used for centuries. The intricate motifs are inspired by nature and their beliefs. This type of craft-making is time-consuming and can take between three weeks to two months to complete. Its motifs are intertwined to tell stories about spiritual and ritual powers. Another type of traditional Malaysian embroidery is Tekat or Tekatan, achieved with gold thread on rich velvet, usually maroon. Its origins can be traced back to Perak, and the state continues to lead Tekat production. Tekat is commonly used to decorate Malay wedding items such as clothing, bedspreads, pillow and bolster cases, betel nut boxes, tray covers, hand fans, and shoes. It entails intrinsic work to ensure that only a tiny amount of gold thread will wasted. Its motifs are inspired by native plants such as jasmine and hibiscus flowers, paddy stalks, and bamboo shoots (Yusoff, Aris, & Sajar, 2018).

Wau Bulan, a crescent moon-shaped kite reflecting Malaysia's national symbol, is another iconic Malaysian craft. There are several types of Wau kites, each famous for its distinct shape and size, distinguishing it from others by its colors. The kite motifs are usually floral patterns adorned with paper tassels to make them more appealing. It is a traditional craft made in Malaysian states such as Kelantan, Terengganu, and Perlis. Because they are made of bamboo, these kites produce a humming sound. It remains in traditional Malay states such as Kelantan and Terengganu, particularly during harvest season (Yusoff, Samsuri, Ayob, & Chang, 2019). Labu Sayong is another well-known Malaysian craft that originated in Perak. Glossy Labu Sayong is a gourd-shaped jar made of fine black clay. It is a traditional water pitcher with excellent craftsmanship. It is valued not only for its utility but also for its aesthetic value. Aside from being used as a water pitcher to store cool water, it can also be transformed into lamp stands and vases for decorative purposes. Lampshades are the most popular decorative items. Aside from the traditional glossy black, they are available in various intricate detailing and colors, and their prices vary accordingly. Another iconic Malaysian craft is the Sape, a traditional musical instrument. It is derived from the Orang Ulu of the Kayan and Kenyah communities of Central Borneo and resembles guitars. Sapes are carved from a single wood bole and are extremely beautiful, displaying the maker's creativity (Shah, 2021). These were among the Malaysian art and craft products available in the Malaysian market and were made traditionally by ancestors and are now made by the current generation, whether through self-thought and skills training from institutes that offer training and skills courses to learn these crafts.

2.3 Malaysian Government Initiatives

The Malaysian government has launched the National Economic Recovery Plan, or Penjana, which will include a skill-building program for local artisans and individuals at all levels affected by the pandemic (Esther Landau, 2021). The other opportunities were offered in nonfinancial forms, such as the Skills and Upgrading Programme, the Craft Community Skills Development Programme, and a one-time funds support of RM1.836 million under the People and Economic Strategic Empowerment Programme (Pemerkasa) (Bernama, 2021). In addition, the Skills Apprenticeship Development Programme (PPKK) was developed to offer training facilities for a new workforce comprised of youths, the unemployed, and individuals at all levels impacted by the pandemic. Meanwhile, the Community Skills Development Programme (PPKK) targeted youths, poor, disabled, single mothers, senior citizens, underemployed individuals, and ethnic and indigenous groups from Sabah and Sarawak who would like to make crafts a source of income. This program offers training and facilities with expert trainers to provide them with complete techniques and knowledge of the art and craft business. In supporting the human resources and skills workers for the industry, the National Craft Institute (IKN) offers training programs in six-course fields, including Batik, wood, ceramic, weaving, metal, and rattan, as well as upskilling and reskilling the development of products and production, the development of technical and digital skills, as well as marketing and promotion in their facilities. Since the inception of IKN, there have been 2,653 graduates, with 83% of them working in the industry (Halim, Malim, Hamdan, Salehan, & Kamaruzzaman, 2019). In supporting the industry during the pandemic outbreak, the Malaysian Handicraft Development Corporation launched 'E-Kraf Bazar' to assist crafters in promoting and marketing local craft products such as textiles, forest-based, metal-based, earth-based, and other craft items. Other online platforms, such as 'Mycraftshoppee' were launched to offer services for online trading and serve as a resource for the country's craft industry.

It entails the craft industry's supply chain, including product sales, product designs, video processing information, after-sales services, raw material suppliers, and Blended Learning and Digital Craft Museum development stages. It is estimated that approximately 300 industry players, including craft entrepreneurs, suppliers, and the craft community, have joined the 'Mycraftshoppee' platform with over 2,900 craft products on offer as of November 30, 2021 (Landau, 2021). As for mobile applications, the app created 'CraftOnTheGo,' a digital mobile app for crafters' directory, product info, and outlet location can be accessed by the consumer to search for the craft and information associated with the apps. Meanwhile, Google Art and Culture was launched as a sharing platform for exchanging craft
information using cutting-edge technology while promoting local craft products internationally (Malaysian Handicraft Development Corporation, 2022). As support for these approaches from a variety of platforms, "Virtual HKK 2021" was launched which consists of the virtual series features an exhibition hall, a showcase hall, an auditorium hall, a craft business center (CBC), and a digital craft museum and exhibit over 25,000 craft products and 500 crafter entrepreneurs from the Malaysian market.

3.0 Methodology
This study informs art and craft entrepreneurs about the most significant problem affecting their business after COVID-19 and how the government initiative has embarked on their plan to fulfill their objectives. It also intends to highlight the challenges and prospects among art and craft entrepreneurs during the post-COVID-19. In achieving these objectives, a method applied in this study utilized an initial observation and informal interviews of respondents consisting of art and craft entrepreneurs, which were determined during a craft festival organized by Malaysian Handicraft after post-COVID-19 throughout the year. A total of 16 respondents (N=16) consists of art and craft entrepreneurs in Langkawi Craft Complex involved in this study according to the non-probability sampling of voluntary response sampling. Among the respondents were involved in various events, including the Langkawi Craft Musical Fest organized in Langkawi Craft Complex in December 2021. A total of 51 craft entrepreneurs were involved in this event, along with 15 groups of 'Seruna' flute bands from Kedah, 'Gambus' from Johor, 'Rebana' from Perak, 'Sompoton' from Sabah, and 'Sape' from Sarawak. The program includes craft product sales, craft demonstrations of traditional musical instruments with Adiguru Krai, craft exploration, stage performances, and traditional games (Idros, 2021).

4.0 Results and Discussion
The outcome summarises the government's plans and strategies for assisting the local arts and crafts industry in overcoming the situation, including product and production development, technical and digital skill development, and marketing and promotion. The lack of natural sources of raw materials for making arts and crafts would be one of the challenges in the industry. Most respondents voice out the problem facing them in the declining number of skilled artisans with limited or no apprentices to continue their business. The respondents also highlight the challenge of new markets' unfamiliarity and ability to try new markets. The challenges also include the need for online marketing skills and sales via online platforms. The education barrier and technology constraints would be their most challenging factors to break. The other aspect would be their economic status. Most still rely on capital and credit facility financing to support their business. However, these challenges can change as a prospect to specific populations, for example, new and young generations. Their potential as apprentices and successful entrepreneurs would overcome these challenges as their advantage in online marketing and social platforms. It would likely explore new market segments for the art and craft business. The latest skills and knowledge of information technology would allow this generation to survive the potential market and prospect channel. The innovation in alternative materials and modern technology would uplift creativity and increase the productivity of this business to compete in the market.

5.0 Conclusion
The importance of the arts and crafts industry in generating income for the community and the nation is optional. What is more vital, however, is to provide work possibilities for artisans and villagers from various groups, including B40, to earn an income. Despite the importance of handicraft industries, more is needed about the components that comprise the ecosystem and contribute to the business's success. According to the study's findings, digital marketing, or digital talent, is one of the abilities that is important in the context of surviving in the new digital world. As a result, the government and affiliated agencies must exert more effort to ensure the industry's long-term viability and success. It is hoped that Malaysian artists and crafters will become more competitive, resilient, and innovative as the promotion and marketing environment in the crafts industry evolves.

Acknowledgments
The authors would like to extend their appreciation to the grant 600-RMC/GSS (043/2022) and the opportunity to give the presentation and publication.

Paper Contribution to Related Field of Study
This article contributes to the field of study in the arts and crafts industry and community entrepreneurship.

References


