

# Beyond Borders: A Comprehensive Exploration

## *of Tumpat, Kelantan's Culture-Infused Economic Landscape*

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### Abstract

The culture-based economy holds a crucial role in rural Southeast Asian regions, yet it remains relatively unexplored. This study delves into traditional food products, handicrafts, and cultural goods, examining their factors and significance in Tumpat, Kelantan. Employing semi-structured interviews with local entrepreneurs and inductive content analysis, the research identifies two main categories: factors influencing business initiation and the significance of a clustered pattern in culture-based enterprises. Business location in Tumpat is notably influenced by familial land heritage, resource accessibility, transportation convenience, and labor availability. Businesses adopt a clustered pattern to reduce production costs, share information, and enhance market reach. Beyond comprehending the driving factors, the study advocates for increased support in developing nations, emphasizing the pivotal role of culture-based economic activities in shaping Tumpat, Kelantan's socio-economic landscape.

**Keywords:** *Southeast Asian Economy, Border Town Economics, Rural Economic Development, Clustered Business Patterns, Local Entrepreneurs*

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## Introduction

The economic dynamics of border towns often transcend geographical confines, integrating cultural elements that shape distinctive economic landscapes. This study embarks on a comprehensive exploration of Tumpat, Kelantan, delving into its intricate Culture-Infused Economic Landscape. Situated in Southeast Asia, Tumpat exemplifies the significance of the culture-based economy, an often understudied sector in rural regions. Traditional food products, handicrafts, and cultural goods constitute the focal points of this investigation, reflecting the multifaceted dimensions of the local economy.

As globalization impacts traditional practices, understanding the unique interplay between culture and commerce becomes imperative for sustainable development. "Beyond Borders" seeks to uncover the nuanced factors influencing business initiation in Tumpat and sheds light on the strategic importance of a clustered business pattern adopted by enterprises. Through semi-structured interviews with local entrepreneurs and employing inductive content analysis, this study identifies key elements contributing to the economic fabric of Tumpat, including familial land heritage, resource accessibility, transportation convenience, and the availability of skilled workers.

In every community, there exists a unique set of customs and values encapsulated in its culture. Culture encompasses both tangible and intangible elements that mirror human perspectives, principles, and outlooks in daily life (Haviland, 2002). The coexistence of diverse cultures within a region yields positive ramifications for the economic advancement of its suburban inhabitants. Notably, the infusion of creative tourism emerges as a catalyst for generating revenue, thereby enhancing the overall quality of life for the local community (Dias et al., 2021). Within the local tourism industry, culture-based economic activities, such as the production of handicrafts, traditional food, and art, play a pivotal role (Mitchell et al., 2007).

A comprehensive understanding of this industry can be achieved by employing various analytical frameworks, including the sectoral delineation of the cultural economy, the labor market and production organization approach, the creative index definition, and the convergence of formats – key defining features proposed by Gibson and Kong in 2005. These frameworks provide valuable insights into the intricate interplay of cultural elements within the economic landscape. Moreover, cultural activities and heritage contribute significantly to the formation of a distinctive regional identity (Raagmaa, 2002; Mitchell et al., 2007). As this article unfolds, it navigates through the complexities of the cultural economy, shedding light on how cultural pursuits and heritage can shape a profound sense of regional identity while concurrently fostering economic development.

The theoretical foundation of a culture-based economy, as formulated by Ray and Sayer in 1999, offers a structured framework for recognizing the natural resources and cultural knowledge essential for fostering regional economic development. As articulated by Crang (1997), the economy is intricately interwoven with cultural elements and finds expression through social media platforms. Crucial determinants influencing the choice of business location encompass the appropriateness of the locale and the accessibility of resources. Notably, the absence of adequate infrastructure and the limited availability of skilled labor pose potential impediments to the advancement of cultural industries, particularly in

developing nations. This article delves into the theoretical underpinnings of the culture-based economy, illuminating how these concepts shape the identification and utilization of natural and cultural assets for regional economic progress. Additionally, it underscores the challenges arising from insufficient infrastructure and skilled labor, shedding light on their potential impact on the growth of cultural industries, particularly within developing countries.

Tumpat, situated in the Kelantan province on the east coast of Peninsula Malaysia, is renowned for its cultural richness, abundant natural resources, local traditions, and distinctive traditional cuisine (Hanan et al., 2017). This region boasts a diverse array of cultural activities, including shadow puppetry (Yusof and Khor, 2017), kite-flying (Nihau and Radzuan, 2019), and woodcarving (Shaffee and Said, 2013), alongside musical performances like Mak Yong (Harwick, 2020) and Dikir Barat (Shuaib and Olalere, 2013). These cultural endeavors significantly contribute to the overall economic prosperity of Kelantan. Notably, Kelantan is renowned for its production of batik and songket fabrics, which hold significance in both traditional and contemporary fashion industries across Southeast Asia. The perpetuation of these industries is of paramount importance, serving as a dual-purpose mechanism by providing income to the local populace while safeguarding and transmitting cultural heritage to successive generations (Yusof et al., 2013). This article delves into the multifaceted cultural landscape of Tumpat, shedding light on its diverse cultural activities and the economic contributions of its traditional industries, emphasizing the crucial role played by these endeavors in preserving both economic sustainability and cultural legacy.

The Tumpat district stands out due to the synthesis of Malay and Siamese cultures, particularly evident in the unique cultural products, notably traditional foods (Ahmad, 2011). The close interaction between these ethnic groups has given rise to a distinctive culture, with a significant portion of the population conversing in Thai alongside a blended Kelantanese accent (Ismail et al., 2021). This linguistic and cultural amalgamation distinguishes Tumpat, attracting the attention of researchers. The artistic landscape also reflects this fusion, with some Siamese residents engaging in Thai traditions and performing Siamese dance. This cultural assimilation renders Tumpat an exceptional study location. The research aims to unveil the factors and importance of culture-based economic activities in Tumpat, shedding light on its unique cultural identity. Moreover, by promoting tourism and attracting potential investors, the study advocates for increased support from government agencies to foster the expansion of these distinctive economic endeavors in Tumpat.

The research not only seeks to contribute to the academic discourse on culture-based economies but also advocates for practical implications. By emphasizing the clustered business pattern's role in reducing production costs, fostering information sharing, and expanding market reach, this exploration extends beyond theoretical understanding to propose actionable strategies for economic development. In a global context where local economies are at the crossroads of tradition and modernity, "Beyond Borders" positions itself as a vital resource for policymakers, researchers, and stakeholders, urging increased support and promotion of culture-infused economic activities in developing nations. This

study, grounded in empirical evidence and methodological rigor, aims to navigate the complexities of Tumpat's economic landscape, fostering a deeper appreciation for the symbiotic relationship between culture and economic sustainability.

### Aim of This Study

This study is a follow-up to an earlier research on the border town's culture-based economy, with a focus on Tumpat, Kelantan (Yap and Ng, 2023). The earlier study, conducted between September 2019 and February 2020, laid the foundation for the current research. Notably, the current study revisits the same cohort of respondents to comprehend alterations or developments within this group in the year 2023. This longitudinal approach enables a nuanced understanding of how the cultural and economic dynamics of Tumpat have evolved over time, providing valuable insights into the sustainability and adaptability of culture-based economic activities. By exploring the changes within the same group of respondents, the study seeks to capture the ongoing narrative of Tumpat's economic landscape and the resilience of its cultural enterprises. The data collected during this period serves as a comparative lens, offering a comprehensive perspective on the trajectory of the culture-based economy in Tumpat over the years.

The research aimed to examine the determinants influencing the selection of locations for a culture-based economy and assess the significance of clustered culture-based economic activities in Tumpat, Kelantan.

### Materials and Methods

In this study, we employed in-depth interviews and grounded theory techniques to gather insights and perspectives from industry entrepreneurs regarding the aforementioned inquiries. Open-ended questions were developed to elicit expansive data, complemented by observational methods to enrich our understanding of the research inquiries. Our investigation centered on Tumpat, a province within Kelantan on the eastern coast of Peninsular Malaysia. Data collection occurred between September 2019 and February 2020. Kelantan's culture-based economy primarily emphasizes handicrafts, arts, and traditional food. To acquire pertinent data, information was sourced from the Kelantan State Economic Department and the Kelantan State Arts and Culture Department. Following data acquisition, targeted screenings were conducted within the Tumpat district to identify actively engaged entrepreneurs involved in the culture-based economy.

Subsequently, interview questions were formulated for these entrepreneurs, facilitating the interview process. From an initial pool of 25 identified entrepreneurs, 20 willingly participated in the interview phase. Utilizing content analysis, interview transcripts underwent coding and subsequent categorization based on various thematic elements. An intriguing observation emerged during the analysis: businesses within the culture-based economy exhibited a tendency to cluster geographically. Consequently, we employed coded scripts to delve into the significance and implications of these clustered patterns among culture-based enterprises.

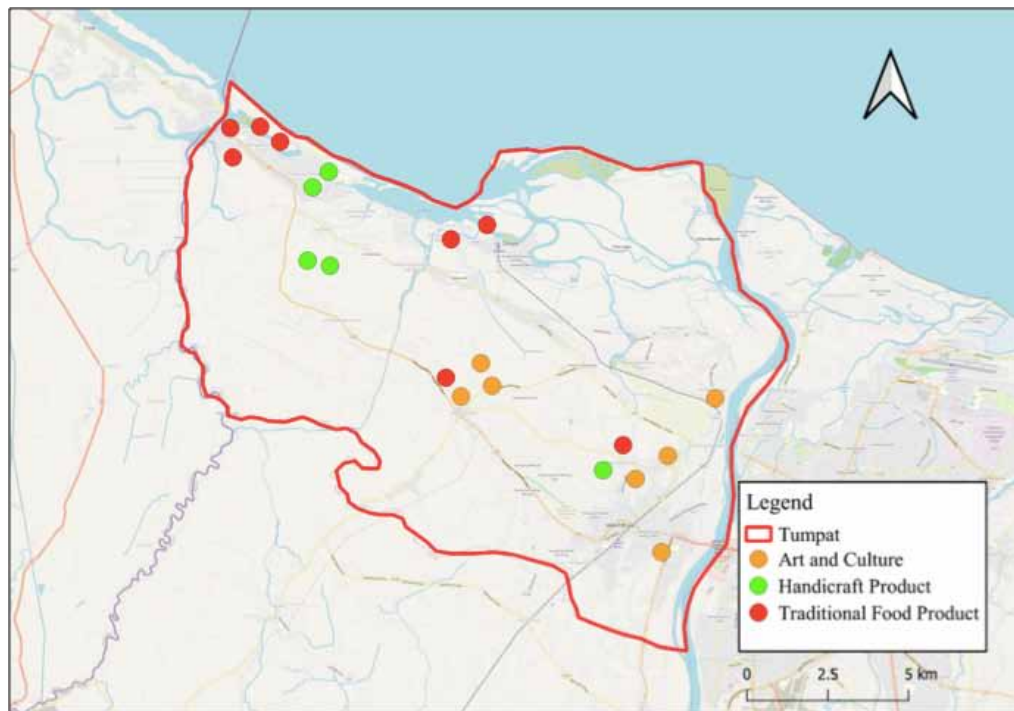


Figure 1. Geographical placement of businesses involved in art and culture, handicraft products, and traditional food products in Tumpat, Kelantan (Yap and Ng, 2023).

The study focused on Tumpat district, situated along the border with Thailand in the northern part of Kelantan, a state renowned for its distinctive culture and traditional values (Ahmad, 2011). Tumpat was selected as the research site due to its divergence from other Kelantan districts in terms of traditional and cultural practices. The 2010 census reported a population of approximately 143,793 individuals in the study area (Department of Statistics Malaysia, 2010). The distinctive local economy, culture, and traditions of Tumpat stem from its unique geographical attributes. Notably, Tumpat's traditional foods share more similarities with Thai society in terms of types and preparation methods. Examples of traditional foods in Tumpat include lekor chips, budu, dried fish, mango glutinous rice, mango kerabu, and smoked etok salai. This selection of Tumpat as the study location facilitates an exploration of its exceptional cultural and traditional characteristics within the broader context of Kelantan.

## Results and Discussion

No.	Product	Age	Education level	Reason for starting business	Net monthly income (RM)	Total worker	Reason choosing location	Satisfied to the location	Importance of location
F1	Dried fish	58	Form 3	Interest	4,000	6	Near to beach	Yes	Near to beach
F2	Dried fish	45	Form 3	Family business	3,500	4	Near to port	Yes	Customers can find this place easily
F3	Dried fish	67	No	Interest	3,700	8	Near to port	Yes	Customers can find this place easily
F4	Fish cracker	80	No	Support family	8,000	18	Family inheritance	Yes	Spacious land and there is no need to pay rent
F5	Fish cracker	76	No	Support family	5,000	7	Family land	Yes	Customers can find this place easily
F6	Budu	80	Primary school	Interest	6,000	7	Near to local villagers	Yes	No need to pay rent
F7	Budu	58	Form 3	Support family	30,000	50	Many employees	Yes	Easy to get employees
F8	Laksam	72	No	Support family	2,800	5	Family land	Yes	Near to the main road
A1	Rebana Kercing	73	Standard 6	Interest	1,000	20	Family inheritance	Yes	Near to home
A2	Traditional music instrument seller	81	Bachelor's degree	Interest	1,000	15	Near to road	Yes	No
A3	Shadow puppetry	62	Bachelor's degree	Interest	2,000	20	Near to road and industrial area	Yes	No
A4	Shadow puppetry	37	Secondary school	Family business	2,500	5	Own land	Yes	Near to resources
A5	Serunai	87	Primary school	Family business	2,000	2	Near to forest	Yes	Accessible to new machines
A6	Menora	89	Bachelor's degree	Interest	2,500	20	Labor available	Yes	Students can easy find this place
A7	Dikir barat	42	Secondary school	Interest	1,000	20	Labor available	Yes	Many charcoals and costumers can find this place easily
H1	Batik	58	Diploma	Family business	5,000	25	Family heritage land	Yes	Accessible to new marketing strategy
H2	Krat Buluh	44	Secondary school	Family business	3,000	3	Family heritage land	Yes	Easy to obtain resources
H3	Jebak Puyuh	91	Primary school	Interest	3,000	4	Near to forest	Yes	Customers can find this place easily
H4	Wau	78	Primary school	Interest	3,500	2	Near to beach	Yes	Customers can find this place easily
H5	Batik	48	Secondary school	Family business	4,000	16	Own land	Yes	Easy to get employees

Figure 2. Summary of participant's characteristics (N=20; F-traditional food product, A-art and culture, and H-handicraft).



Figure 3. Left, Ikan kering (dried fish) (Zulkiefli, 2023). Right, Keropok (fish cracker) (Ramli, 2019).



Figure 4. Left, Budu (fermented anchovie sauce).\* Right, Laksam (Nadzi, 2021).\*



Figure 5. Left, Rebana Kercong (traditional dance).\* Right, Wayang kulit (shadow puppetry).\*



Figure 6. Left, Serunai (traditional musical instrument).\* Right, Menora (Azlan, 2021).



Figure 7. Left, Dikir barat (traditional performance).\* Right, Batik (colored cloth).\*



Figure 8. Left, Kraf buluh (Rottan handicraft).\* Right, Jebak Puyuh (bamboo handicraft).\*



Figure 9. Wau (traditional kite)\* (Note: \* Pictures taken by the authors, 2017).



## Location Factors Influencing Business Location Selection

### *Family Heritage Land*

Inheritance land, also referred to as family heritage land, denotes property passed down through generations from ancestors. Interviews with respondents revealed that the entrepreneur's choice of location is influenced by the following factors:

- a) Inheritance land/family gifted land
- b) The original site of the family business
- c) Own land

A significant number of culture-based business owners cited the selection of their business location based on family land. The rationale behind this decision lies in the inheritance of business premises within the family, facilitating a straightforward utilization of the land for entrepreneurial purposes. For instance, Respondent K4, engaged in the art business, expressed, "...this is family-owned land, so it is easy to start my own business..." [A4, 35 years old]. Another respondent, A1, aged 71, shared, "...Since childhood, I have been interested in rebana kercing following my uncle, since then I have followed his footsteps until I am over 34 years old now..." This underscores the significance of familial ties and inherited property in shaping the entrepreneurial landscape.

#### *a. Inheritance Land/Family Gifted Land*

Inheritance land, also known as family heritage land, is land passed down from ancestors to the next generation. According to interviews with respondents, the following factors influence the location of the entrepreneur. "Family heritage land" denotes the ancestral property passed down through generations, playing a pivotal role in influencing local business location selection within Tumpat, Kelantan. This factor holds significance as it simplifies access to land for entrepreneurs, facilitating business establishment and operations. The familiarity and ownership of this land by families not only streamline the process but also contribute to the preservation of cultural and economic legacies within the region.

In Tumpat, Kelantan, the selection of business locations is notably influenced by "Inheritance land/family gifted land." The importance lies in the historical and familial ties associated with the land, making it an integral factor for entrepreneurs. This type of land, passed down through generations, not only simplifies the process of acquiring a location for business but also preserves and perpetuates cultural and familial legacies. The connection to inherited land fosters a sense of identity and tradition, aligning business operations with the cultural fabric of Tumpat, thus contributing to the region's unique economic landscape.

In Tumpat, Kelantan, the preference for "Inheritance land/family gifted land" in business location selection is exemplified by entrepreneurs like F4, a 74-year-old who operates a cracker company. Choosing a location on family-owned land not only simplifies operations but also eliminates concerns about rental costs. This reflects the enduring legacy of family businesses, as seen with F2, 43 years old, who processes dried fish on family land, emphasizing the ease of continuing a multigenerational tradition. The cultural and familial significance of inherited land not only streamlines business endeavors but also contributes to the rich tapestry of local traditions and economic sustainability in Tumpat.

### *b. The Original Site of the Family Business*

The selection of a site for culture-based economic enterprises in the study area was influenced by various factors, with the location of family businesses playing a significant role. Specifically, three respondents (F8, F4, and F2) highlighted their continuation of family businesses in traditional food sectors like laksa and dried fish due to the established business location. These individuals, engaged in businesses passed down through generations, expressed a commitment to family traditions. For example, respondent F2, aged 43, mentioned, "... I started just assisting the family, but as time went on, I got accustomed to the task of processing dried fish and carried on the family business...." Similarly, respondent F8, aged 70, emphasized, "...this business has been operating for more than 30 years and was originally family-owned...." These quotes illustrate a multi-decade legacy of family-owned enterprises, emphasizing the enduring nature of cultural businesses rooted in familial traditions.

The original site of the family business signifies the historical site where a family enterprise was initially established in Tumpat, Kelantan. This factor bears significance as it symbolizes continuity and tradition. Entrepreneurs often favor this location for new ventures due to its historical ties and established customer base. The familiarity of the locale, rooted in familial history, fosters trust and brand loyalty among patrons. Choosing to set up businesses at this original site not only honors family legacies but also leverages existing community connections, positioning the business within the fabric of local culture and reinforcing its place within Tumpat's economic landscape.

The significance of "The original site of the family business" is exemplified by a family's long-established batik shop in Tumpat, Kelantan. The family's ancestral storefront, dating back generations, remains the hub for batik production. Entrepreneurs, like Aisha, choose to open a new batik venture at this site to honor familial heritage. This location not only embodies tradition but also attracts loyal customers due to its historical prominence. By preserving the family legacy at this original site, businesses maintain cultural authenticity, fostering community ties and sustaining the legacy of batik craftsmanship within Tumpat's economic tapestry.

### *c. Own Land*

The ownership of private land affords the landowner the flexibility to modify the business scope, facilitating potential expansions. A 78-year-old respondent (F4) emphasized this advantage, stating, "... I chose this location because it is my land, making it simple for me to expand the business size in the future...." Furthermore, some respondents considered the selection of location to be influenced by private land policies, leading to reduced land rental costs. A 74-year-old respondent (F4) elucidated, "...because the land site is our property, this location is suitable for a cracker company. We do not have to worry about the rental cost on our land site...." Despite being in an area susceptible to annual severe monsoon flooding, these Kelantanese landowners asserted that their land and property held stable values. Notably, evidence suggested that property values in flood-prone neighborhoods had, in fact, continued to appreciate over time (Abd Hamid et al., 2020).

The importance of "Own land" is exemplified by a local entrepreneur, Rahim, establishing a traditional handicraft workshop in Tumpat, Kelantan. Rahim utilizes his personally owned

land for crafting intricate woodcarvings. This ownership grants him autonomy and flexibility in business expansion. His business's strategic location on his own land minimizes overhead costs, enabling long-term sustainability. Rahim's decision not only aligns with local cultural practices but also underscores the economic advantages of utilizing personal land. The ownership aspect contributes to the preservation of cultural heritage while fostering a self-sustaining and economically viable enterprise within the unique fabric of Tumpat.

### *Near To Resources*

The availability of natural resources plays a crucial role in fostering cultural and economic development, as highlighted by scholars like Porter (1996) and Scott (1999). The study's findings reveal that five entrepreneurs specifically cited proximity to raw materials as a key factor influencing their choice of business location. This underscores the strategic importance of geographical proximity to natural resources, emphasizing its direct correlation with entrepreneurial decisions. In essence, entrepreneurs recognize the significance of being in close proximity to essential raw materials, indicating a conscious and strategic alignment of their businesses with the geographical abundance of necessary resources. This alignment not only influences their operational efficiency but also speaks to the symbiotic relationship between the utilization of local resources and the growth of both culture and the economy.

#### *a. Resources Are Available*

Resources encompass materials originating from nature and provided by the Earth, serving as instrumental agents in the realm of economic development within the cultural economy context. Among various natural resources, both forest and marine resources stand as prime examples significantly contributing to the advancement of the cultural economy. Notably, businesses involved in traditional foods, handicrafts, and artistic endeavors heavily rely on these natural resources as their primary raw materials, illustrating their integral role in shaping economic activities.

The quote, "... I could get rattan sources in the backyard of my house..." [H2, 79 years old], reflects the accessibility and proximity of necessary resources for production. This accessibility expedites the manufacturing process, aligning with the findings of Cissé et al. (2020). Their research highlights how location choices for new primary sector businesses are intrinsically linked to the advantages derived from the availability of natural resources used as raw materials by entrepreneurs.

This circumstance showcases the strategic significance of localized access to raw materials, facilitating efficient production cycles and cost-effective operations for entrepreneurs. Additionally, it validates the premise that proximity to natural resources positively impacts decision-making in establishing businesses within the primary sector. This symbiotic relationship between resource accessibility and entrepreneurial activities underscores the pivotal role of natural resources in driving economic growth within the cultural economy domain. Ultimately, the utilization of readily available resources plays a fundamental role in the efficiency and sustainability of cultural businesses, shaping their operations and contributing significantly to the economic development of the cultural economy.

#### *b. Resources Near the Port*

The proximity of marine resources significantly streamlines the production processes for goods like dried fish and budu in Tumpat, Kelantan. Respondents M6 and M3 highlighted

that a location near a beach or fishing pier is often deemed suitable for such businesses. This strategic proximity, as emphasized by respondents F6 and F3, enables easier access to a diverse and fresh selection of fish, crucial for budu processing and dried fish businesses. This finding aligns with research conducted in Indonesia's coastal area of Kejawan, which underscores fishing ports as integral components of a centralized supply chain system for local fish businesses (Gumilang and Susilawati, 2019). In essence, the optimal business location is intricately linked to the accessibility of marine resources, enhancing efficiency in production activities.

An example of resources near a port is illustrated by a family-owned dried fish processing business in Tumpat, Kelantan. Situated close to the fishing port, this enterprise benefits from easy access to a variety of freshly caught fish. This proximity enables the business owner to procure diverse fish selections promptly, crucial for high-quality dried fish production. Being near the port facilitates cost-effective sourcing of raw materials, ensuring the freshness and abundance of resources necessary for the business, thereby optimizing production and maintaining the business's competitive edge within the local market.

### ***Transportation Network***

The analysis indicates that the accessibility of the transportation system significantly influences the choice of business location in Tumpat, Kelantan. For instance, a 79-year-old respondent (A2) involved in traditional musical instruments emphasizes that proximity to a road network streamlines product transportation for suppliers. Moreover, respondents, like K3, engaged in wayang kulit, consider infrastructure like roads and boats crucial for the promotion of their art form. According to a 60-year-old respondent (A3), locations with easy access to roads simplify audience attraction. Therefore, a well-developed road network not only aids resource transportation but also plays a pivotal role in marketing strategies, impacting the selection of economic and cultural locations in Tumpat, Kelantan.

The transportation network in Tumpat holds paramount importance for local enterprises due to its influence on logistics and market access. For instance, a handicraft business, situated near a well-connected road, efficiently sources raw materials and distributes finished products. Similarly, a traditional food stall benefits from its proximity to transport hubs, enabling easy access to diverse ingredients and attracting a broader customer base. A robust transportation network streamlines resource procurement, product distribution, and customer reach, significantly bolstering the operational efficiency and market competitiveness of local enterprises in Tumpat, Kelantan.

### ***Availability of Labour/Students***

The catalyst for advancing culture-based economic development lies in the workforce. The engagement of a local labor force, especially within operations intertwined with the community, acts as a driving force for both economic and cultural growth. In Tumpat district, Kelantan, the study reveals a prevailing practice among culture-based economic enterprises – hiring local workers residing in close proximity. This strategic employment approach not only propels economic activities but also fosters a deeper connection between the workforce and the cultural fabric of Tumpat, amplifying the symbiotic relationship between local employment and the advancement of the region's economic and cultural landscape.

#### *a. Easy to Recruit Labour/Students*

Locals and inhabitants of neighboring villages make up the labor force used in the economic and cultural activities of Tumpat. Due to the diversity of its communities and races, Tumpat has developed its own distinctive culture, particularly in its artistic endeavors. The development of Siamese villages, particularly in Kampung Kok Seraya and Kampung Jong Bakar, is a result of the proximity to the Thai border. The residents of these rural areas are mainly of low-income families, which are suitable human resources in the study area because they understand the local cultures and need a job to earn money. At the same time, these business operators need more workers to support the business.

#### *b. Lower Labour Costs*

Additionally, the lower living cost of the suburban area also causes local employees to be satisfied with a lower income compared to big cities such as Kuala Lumpur. Therefore, low labor costs influence where businesses locate their operations in the study area. For instance, the average monthly wage for employees at the budu factory is only RM650, and the maximum is no more than RM1,000.

### **The Importance of the Clustered Culture-based Economy**

When analyzing the pattern of the location of these businesses, the researchers noticed similar types of culture-based businesses near each other. Therefore, we suspected that there could be some reasons and importance for having clustered patterns in the study area.

#### **Reduce Production Costs**

The arrangement of the concentrated cultural economy in Tumpat, Kelantan, holds importance for businesses, notably in minimizing expenses linked to the production of goods. Production costs pertain to the expenditures involved in the manufacturing process. According to H2 (42 years old), abundant forest resources, such as rattan and bamboo, are accessible in Kampung Talak, collected predominantly by elderly individuals and young men from the community. Additionally, businesses engage in sharing information and resources with neighboring counterparts, contributing to a reduction of material & production costs.



Figure 10. The Budu fermentation enterprise is situated in proximity to the port jetty.

Moreover, the concentration of traditional food businesses around the port jetty in Tumpat has resulted in increased access to marine resources such as anchovies and gelama fish at more affordable rates, as depicted in Figure 10. This proximity allows businesses to manage production costs effectively, benefiting from lower labor and resource expenses. According to F7, the favorable economics of this arrangement is reflected in an average net profit of RM1000 for producing one large budu, contributing to a monthly net return exceeding RM5000. The affordability of fish prices near the jetty, coupled with daily wages for fish processing, enhances the overall economic viability for entrepreneurs like F5, F2, and H2.

These responses illustrated that the price of fisheries is lower at the port compared to the wet market because of the logistic and human costs incurred in the price of these fisheries at the wet market. Apart from producing dried fish and other local works, they also collect edible natural resources from forests and sell them to the neighborhood that needs these forest products. They often did this in a group to save transportation costs.

### *Technology and Information Exchange*

The dissemination of information and technology is facilitated by the accessibility of a well-connected transportation network in Tumpat. The concentrated economic and cultural activities along the road network amplify the ease of spreading information and technology. Quah's (2002) insight aligns with this pattern, emphasizing that economic clusters induce heightened competition, subsequently driving the adoption of new technology and fostering innovation. In Tumpat, the intertwined relationship between a robust transportation network, economic concentration, and the swift diffusion of information underscores the role of infrastructure in catalyzing technological advancements and innovation within cultural economies.

Due to the intense competition, business owners had to invest money to upgrade equipment and production techniques.

“...we are still using machines to make Lekor crackers after the pandemic lockdowns because of competition and more people knowing about it. Before, they used to make them by hand. Now, there are more and better Lekor crackers because of these machines.” [F4, 78 years old].

Modern machinery is capable of efficiently producing standardized food items in a short timeframe, concurrently mitigating labor costs by requiring fewer workers for operation. Quah (2002) contends that the clustering of cultural economies fosters heightened competition, incentivizing businesses to adopt new technologies and innovate. However, this competitive atmosphere also promotes collaboration, with businesses sharing knowledge, raw materials, and products among nearby counterparts. The integration of advanced technology in Tumpat's cultural economy not only streamlines production but also aligns with Quah's observations on the symbiotic relationship between competition, innovation, and the collaborative exchange of resources. This convergence of competition and collaboration within cultural clusters not only propels technological advancements but also nurtures a cooperative ecosystem where businesses thrive through shared expertise and resources.



Figure 11. The introduction of keropok lekor processing machine.

The introduction of new machinery and technology in the study area resulted in a notable improvement in production scale and revenue, as depicted in Figure 11. This advancement signifies a substantial increase in productivity and earnings, likely attributed to the efficiency and capabilities brought about by the adoption of modern equipment and technological innovations. The visualization in Figure 11 likely demonstrates the correlation between the implementation of these new tools and the subsequent growth in production capacity and financial gains within the studied cultural economy of Tumpat, Kelantan.

Modern machinery revolutionizes the production of standardized food items, significantly cutting down on time while concurrently reducing labor dependency and costs. Quah (2002) emphasizes that clustering within the cultural economy intensifies competition, prompting businesses to adopt innovative technologies. However, this competitive environment also fosters collaboration among neighboring businesses, sharing insights, resources, and products. For instance, intense competition compelled entrepreneurs, like respondent F4, to invest in machinery and innovative processes. In the case of lekor crackers, the shift from manual to machine-based production emerged due to competitive pressures and shared industry knowledge. Furthermore, consumer demands drive packaging innovations, as highlighted by respondent F6. These insights demonstrate how competition within the cultural economy of Tumpat propels technological advancements, encouraging businesses to embrace machinery and innovate in response to market demands, thereby shaping the industry's evolution.



Figure 12. The alterations in budu packaging are demonstrated by the business owner.

The uses of new machines and technology enhanced the production scale and revenue of the businesses in the study area. Additionally, the advancement of technology and information has enhanced product marketing strategies. For example, the packaging for traditional food items has been improved by using new technology, for instance, the packaging of budu was switched from bottle packaging to tube packaging (Figure 12).

When information exchange of ideas occurs, the purpose of this new packaging, according to F6, is to make it simpler for users to transport budu when traveling. As a result, the conversion of information and technology by the clustered culture-based economic distribution. Entrepreneurs have benefited from this situation in increased marketing and product production.

### **Increase Market Size**

The findings revealed that cultural economy businesses have been in operation for more than 30 years, and their locations have long been known for their uniqueness. The specialness of this location has increased the functionality and enhanced the local economy. Traditional food businesses in the Genting Tumpat neighborhood are close to the port pier and beach area, such as the clustered distribution pattern in the Kampung Laut and Kampung Morak areas. The businessmen nearby cooperated to promote products and built friendship with each other. The region has become well-known for its distinct purpose and serves as a business marketing tool.

Establishing familiarity with a business location is a key strategy for market expansion. In Tumpat, for instance, the dried fish products industry in Kampung Genting benefits from a well-thought-out marketing plan that taps into local and tourist demand. The post-COVID-19 period witnessed an increase in local tourist traffic, boosting accessibility. Seasoned businesses, like one operating for over 30 years, leverage their reputation, drawing both tourists and locals. This familiarity not only facilitates easier navigation for shoppers but also transforms the location into a destination, enhancing the visibility and consumer reach of these enterprises. For instance, the promotion of Pak Daim's wayang kulit is strategically situated in a known area, fostering a deeper connection with the audience. Despite geographical distance, the ingrained awareness of the location among buyers underscores the significance of a well-established presence in driving sustained business growth.

As a result, this clustered cultural-based economic activity is critical to the development of the business, particularly in terms of lowering production costs, sharing information among business owners, and expanding market size. According to Porter (1996) and Quah (2002), government agencies have less influence on the economic distribution of culture in small towns such as Tumpat. State authorities, such as the Kelantan State Fisheries Department in Tumpat, only provided financial and physical assistance, such as fish and budu storage bins, and did not interfere with government policies such as zoning.

The comprehensive exploration of Tumpat, Kelantan's Culture-Infused Economic Landscape sheds light on the integral role culture plays in local economic development. The study delves into factors influencing business location choices, emphasizing family heritage land, resource accessibility, and transportation networks. The clustered pattern of businesses is revealed as a cost-effective strategy. Recommendations include improving infrastructure and advocating for regional projects. The study not only contributes to un-



derstanding Tumpat's unique economic dynamics but also calls for increased support from state agencies to sustain and promote these culturally rooted enterprises in the evolving economic landscape.

The study spotlights the influence of proximity to marine resources on businesses such as dried fish production. Respondents, like F6 and F3, underscore the importance of being near a fishing port or jetty, ensuring a readily available and diverse selection of fresh fish for processing budu and dried fish. This aligns with the coastal area research in Kejawen, Indonesia, emphasizing the centrality of fishing ports in local fish businesses.

Transportation infrastructure, including road networks, proves vital. Respondent A2, engaged in traditional musical instruments, emphasizes that a location close to a road facilitates the easy transportation of instruments, showcasing the direct impact of infrastructure on business operations. Additionally, wayang kulit practitioners, like respondent K3, stress that access to roads is pivotal for attracting audiences, underscoring how infrastructure directly influences cultural promotions.

The study's insights advocate for infrastructure improvements, demonstrating that a well-developed road network not only supports logistical aspects but also plays a crucial role in cultural and economic development in Tumpat.

### Recommendations

The ongoing growth of culture-based businesses in Tumpat, Kelantan, post-COVID-19 remains slow. The pandemic likely posed challenges such as restricted tourism, supply chain disruptions, and economic slowdowns, potentially impacting these businesses. However, the resilience of cultural enterprises, innovative adaptations, and supportive measures from stakeholders might have contributed to recovery or sustained growth. To ascertain the current status, recent data, local reports, and insights from business owners or community members directly involved in these enterprises post-pandemic would provide a clearer understanding of the situation.

To enhance the growth of culture-based economies in rural areas, it's imperative for affiliated state agencies to focus on improving accessibility and enhancing infrastructure quality. This initiative aims to bridge the developmental disparity between urban and rural areas within developing cultural economies like Tumpat, Kelantan. One significant recommendation involves advocating for and supporting regional infrastructure projects, such as the expansion of the East Coast Expressway Project. This effort intends to augment the current central spine federal road and enhance coastal roads, thereby fostering increased connectivity and accessibility. By bolstering transportation networks, these upgrades aim to attract a larger influx of visitors and investors to the region. Ultimately, these improvements in infrastructure seek to stimulate economic growth, promote tourism, and incentivize investment within Tumpat and similar rural cultural hubs.

### Conclusion

The cultural-based economy in Tumpat, Kelantan, is experiencing a noteworthy expansion in tourism activities, underscoring its pivotal role in local economic development. The geographical location and active involvement of local residents emerge as influential factors

shaping the existence and progression of economic growth within this cultural context. The study identifies family heritage land ownership, resource accessibility, and labor availability as key determinants influencing economic and cultural distribution. The observed significance of clustered patterns in business operations, known for reducing production costs and fostering information exchange and market expansion, further accentuates the potential for sustainable economic development. As a comprehensive exploration of the current state of the culture-based economy, this study advocates for increased support from state agencies. The hope is that robust efforts will be directed towards implementing tailored development plans, especially for smaller towns susceptible to monsoon floods, to fortify and sustain the growth of these culturally rooted industries.

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