



Heritage At Risk: Gentrification, Artisan Displacement, and The Future of Melaka's Living Culture

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ABSTRACT

Gentrification is becoming a significant challenge to the viability of Artisan Family Businesses (AFBs) in heritage cities, where urban transformation may displace the communities that sustain living cultural heritage. This paper examines artisan displacement in Melaka, Malaysia, following its designation as a UNESCO World Heritage Site (WHS) in 2008, with particular attention to tourism-related property pressures and commercial redevelopment within the historic core. An initial inventory identified 25 artisan businesses, which the study later validated through field visits. Eight artisan family businesses met the study's inclusion criteria of being actively operating for more than 50 years and engaged in traditional crafts, and all eight were included in the qualitative study. Thematic analysis of semi-structured interviews and site observations identified three interconnected pressures contributing to artisan displacement: rising rental costs, displacement associated with property sales and redevelopment, and the transformation of heritage shophouses into tourism-oriented businesses. These processes disrupt business continuity, customer relationships, and intergenerational transmission of craft knowledge, while potentially weakening the living cultural heritage of the WHS. Although some landlords provide security to traditional tenants, such arrangements remain informal and uncommon. The findings suggest that WHS designation, while enhancing Melaka's visibility and attractiveness as a heritage destination, may also contribute to socio-spatial reorganisation that marginalises cultural custodians. The paper contributes to heritage urbanism debates by foregrounding artisan displacement as an important consequence of heritage-led gentrification and examining the tension between the commercial transformation of heritage spaces and the continuity of traditional artisan businesses. Policy responses include heritage tenancy protection, incentives for landlords who retain traditional artisan tenants, and more inclusive tourism planning. Preserving AFBs matters not only for maintaining economic diversity but also for sustaining the living cultural practices that contribute to the WHS's heritage significance.

Keywords: Gentrification, Artisan Family Businesses, World Heritage Site, Cultural Sustainability, Melaka

INTRODUCTION

Since Melaka was declared a UNESCO World Heritage Site (WHS) in 2008, the city has experienced significant socio-spatial changes. Although WHS designation has enhanced Melaka's position on the global stage, increased tourism activity, and supported heritage-led urban revitalisation (Du Cros & Kong, 2020), it has also brought rising gentrification pressures that threaten the continued presence of longstanding cultural custodians. This concern is particularly evident among Artisan Family Businesses (AFBs), which are small-scale, often multi-generational businesses engaged in traditional crafts based on intangible cultural heritage. Once embedded in the city's cultural economy, these businesses have increasingly faced tourism-related property pressures, including property speculation, rising commercial rents, and the conversion of heritage shophouses to potentially higher-yield uses such as boutique hotels and cafés (Salim & Abdul Rahman, 2022).

Gentrification in historic cities is a complex process with both positive and negative implications for heritage identity and local communities (Othman, 2017). While urban revitalisation can improve infrastructure, attract



investment, and enhance the visual appeal of historic districts, it may also displace communities that contribute to the cultural authenticity underpinning Outstanding Universal Value (OUV) (González-Pérez & Novo-Malvárez, 2022; Torres Outón, 2020). This tension matters for AFBs because their survival is closely tied to continued access to established locations, customer relationships, intergenerational skills transfer, and visibility within tourism circuits. In Melaka, this transformation is evident in the attrition of artisan enterprises within the WHS core zone, where only one-third remain operational while others have closed, been repurposed, or been displaced. Such changes extend beyond the loss of individual businesses, as the displacement of artisan enterprises may weaken intangible heritage, local identity, and the socio-cultural fabric of the heritage city.

Existing studies on WHS impacts has predominantly examined tourism growth, heritage commodification, and architectural conservation (Foo & Krishnapillai, 2019; Hosseini et al., 2021; Jimura, 2011). While these studies highlight the economic and physical transformations of heritage districts, they have paid comparatively less attention to the lived experiences of artisans facing gentrification and displacement within Southeast Asian WHS contexts. This gap matters because AFBs support the continuity of traditional cultural practices and the living character of heritage places. The displacement of these businesses therefore raises concerns not only about economic sustainability but also about the continuity of the cultural practices and community relationships embedded within heritage spaces. Without targeted interventions, the continued displacement of AFBs risks transforming WHS cities into curated heritage environments in which historic buildings remain, but the living cultural practices associated with them become increasingly diminished.

This paper addresses this gap by examining how gentrification displaces artisan family businesses in Melaka's WHS zone and the implications of that displacement for business continuity and living cultural heritage. Anchored in the intersection of urban political economy, cultural sustainability, and heritage tourism studies, the study asks: How does gentrification influence the displacement and continuity of artisan family businesses in Melaka's WHS zone? Using qualitative case studies, this research foregrounds artisan experiences to provide a deeper understanding of the processes through which gentrification affects established artisan businesses and their relationship with heritage spaces. In doing so, the study contributes to discussions on heritage-led urban change by highlighting the importance of retaining cultural custodians as part of sustainable and inclusive heritage management.

LITERATURE REVIEW

Gentrification in Heritage Cities

Gentrification was initially conceptualised as the influx of wealthier residents into working-class neighbourhoods (Bertacchini et al., 2024). However, the concept has evolved to encompass broader forms of urban transformation, including tourism-led, state-led, and heritage-led gentrification (Whalen & Bowen, 2023). In heritage cities, tourism and heritage-led investment can intensify competition for centrally located properties, as increasing visitor demand and commercial investment enhance the economic attractiveness of historic areas. Gotham (2005), for example, highlights how the interaction between gentrification, tourism, and corporate investment can increase property values and transform neighbourhoods into spaces oriented toward consumption and entertainment. In World Heritage Sites (WHS), heritage designation can further increase the attractiveness of historic areas to tourists, investors, and property owners. Previous studies have associated WHS designation with increased tourism activity, property speculation, investment, and changes in local economic structures (Al-Bqour, 2020; Jimura, 2011; Torres Outón, 2020). Although these processes can generate positive outcomes through improved infrastructure, urban revitalisation, and heritage conservation, they can also pressure existing communities and small businesses when commercial uses become more profitable than traditional local activities. Consequently, heritage-led development may produce a tension between the economic revitalisation of historic areas and the continued presence of the communities and businesses that contribute to their living heritage (González-Pérez & Novo-Malvárez, 2022).



This tension is particularly evident when established businesses are displaced or replaced by tourism-oriented commercial activities. Studies have documented the displacement or closure of original businesses in heritage areas, including George Town in Malaysia, Ibiza in Spain, and the Cham community in Vietnam (Salim & Rahman, 2022; González-Pérez & Novo-Malvárez, 2022; Quang et al., 2022). As locally embedded businesses give way to tourism-oriented establishments, the economic function of heritage spaces may change from serving local communities towards serving visitors and higher-value commercial markets. Such transformation can contribute to the commodification of heritage, whereby the cultural characteristics that make historic areas attractive become incorporated into commercial development. This raises an important concern about whether heritage recognition can support conservation while also driving socio-spatial changes that marginalise the communities and businesses that sustain living heritage.

Artisan Family Businesses in Heritage Economies

Artisan Family Businesses (AFBs) occupy a distinctive position within heritage economies, where traditional craftsmanship intersects with family entrepreneurship and cultural continuity (Budiyo et al., 2023; Hasanah et al., 2023; Solomon & Mathias, 2020). Typically small-scale and family-owned, these businesses rely on handmade production, accumulated craft knowledge, and skills transmitted across generations (Marques et al., 2019). Their significance therefore extends beyond their economic function, as their continued operation contributes to the preservation of intangible cultural practices, local identity, and the sense of place associated with historic environments (Dasmit et al., 2017; Habbershon & Williams, 1999).

Unlike growth-oriented businesses that may prioritise market expansion and financial returns, many AFBs place considerable value on maintaining their craft traditions and family heritage. Although some artisans develop into growth-oriented Artisan Family Business Entrepreneurs (Ratten & Ferreira, 2017), the preservation of craftsmanship and cultural identity remains an important consideration for many family-based artisan enterprises. This orientation may limit their ability to compete for increasingly expensive commercial space in heritage districts, particularly when tourism-oriented businesses can generate higher returns from centrally located properties.

The location of AFBs is therefore important to their continuity. Long-established artisan businesses often depend on established customer relationships, local networks, visibility, and the connection between their craft and the historic environment in which it has developed. Relocation may consequently involve more than a change of premises. It can disrupt customer access, weaken place-based relationships, and affect the transmission and visibility of traditional craft practices. In this context, the vulnerability of AFBs to gentrification lies not only in their limited financial capacity but also in their strong dependence on the social, commercial, and cultural characteristics of established heritage locations.

When tourism-led development increases the commercial value of heritage properties, AFBs may consequently face growing pressure to relocate, adapt, or cease operations. The displacement of such businesses may have implications beyond individual business survival because the removal of long-established artisans can also reduce the presence of living cultural practices within heritage districts. Understanding this relationship is therefore essential when examining gentrification in World Heritage Sites, particularly where heritage conservation seeks to retain not only historic buildings but also the communities and practices that give these places their cultural meaning.

Gentrification's Impact on Artisan Family Businesses

The relationship between gentrification and artisan displacement remains insufficiently examined, particularly in Southeast Asian heritage cities. Existing studies indicate that artisans may experience different outcomes depending on the intensity of tourism development, market pressures, institutional support, and their capacity to adapt. In the Honghe Hani Rice Terraces in China, for example, artisans have responded to tourism growth by adapting their products to tourist preferences, a process that may increase commercial opportunities but can also

create tensions with traditional forms of craftsmanship and authenticity (Chan et al., 2016). Similarly, research at Nepal's Pashupatinath heritage site indicates that artisans are more likely to sustain their livelihoods when tourism management and heritage planning explicitly incorporate them (Ghimire et al., 2023). These cases suggest that tourism does not necessarily displace artisans; rather, its effects depend on how tourism development is governed and how artisans are incorporated into the evolving heritage economy.

In contrast, evidence from George Town, Penang, shows more direct displacement pressures linked to rising property values and changing commercial uses. Traditional craftspeople have reportedly been forced to relocate or close as property values and commercial pressures increase within the heritage area (Amat, 2019; Foo & Krishnapillai, 2019; Salim & Abdul Rahman, 2022). This suggests that gentrification can affect artisan businesses through several interconnected mechanisms, including rising rental costs, property transactions, redevelopment, and replacing traditional businesses with activities perceived to generate higher commercial returns. For AFBs, these pressures matter more because their competitiveness is not determined solely by financial returns. Their value is also embedded in accumulated craft knowledge, established customer relationships, family traditions, and long-term connections to particular places.

Evidence from Melaka similarly points towards increasing pressures on established artisan businesses following the city's World Heritage designation. Existing research has identified rising rents, property sales associated with redevelopment, and the conversion of heritage buildings into tourism-oriented accommodation and food and beverage establishments (Wee Kah Man, 2023). These transformations may disrupt business continuity and weaken the spatial relationships through which artisan practices are maintained and transmitted across generations. However, existing studies have largely addressed these processes at the level of heritage transformation, tourism development, or urban change, with limited attention to how individual artisans experience and respond to displacement.

Taken together, the literature suggests that the impact of gentrification on AFBs is not a uniform process. Tourism and heritage development can create new markets and opportunities for artisans, but they can also increase competition for heritage space and expose established businesses to displacement when tourism-oriented uses become more commercially attractive. The outcome therefore depends on the interaction between market pressures, property conditions, tourism development, institutional support, and the capacity of artisans to remain within or adapt to changing heritage environments. This highlights the need to examine artisan displacement not simply as a consequence of physical redevelopment, but as a process that can affect business continuity, place-based relationships, and the transmission of living cultural heritage.

Research Gap and Theoretical Positioning

Existing literature shows that World Heritage Site designation can generate economic, tourism, and conservation benefits while also contributing to socio-spatial transformation within historic areas (Jimura, 2011; Torres Outón, 2020; González-Pérez & Novo-Malvárez, 2022). However, less attention has been given to the consequences of these transformations for small, long-established artisan businesses that depend on continued access to heritage locations. In particular, the processes through which rising property costs, property transactions, redevelopment, and tourism-oriented conversion contribute to the displacement of Artisan Family Businesses (AFBs) remain insufficiently understood in Southeast Asian World Heritage contexts (Amat, 2019; Foo & Krishnapillai, 2019; Salim & Abdul Rahman, 2022).

A further gap concerns the relationship between business displacement and living cultural heritage. Existing studies frequently examine gentrification through changes in property markets, physical environments, tourism development, and community displacement (Gotham, 2005; Whalen & Bowen, 2023). Less attention has been given to the displacement of culturally embedded businesses whose activities contribute to the continuity of traditional practices and place-based cultural identity. For AFBs, displacement may therefore have consequences that extend beyond the loss of commercial premises, including disruption to customer relationships, local



networks, intergenerational knowledge transfer, and the continued visibility of traditional crafts within heritage areas (Marques et al., 2019; Daspit et al., 2017).

This study addresses these gaps by positioning artisan displacement as a critical outcome of heritage-led and tourism-related gentrification. The study draws on the intersection of urban political economy, heritage tourism, and cultural sustainability to examine how changes in the economic and spatial conditions of Melaka's World Heritage Site affect the continuity of established artisan businesses. Rather than treating displacement solely as a physical relocation process, the study considers how changes in property conditions and commercial uses may influence business continuity and the ability of artisans to remain connected to the heritage environment in which their practices have developed.

The study therefore contributes to the literature by providing empirical evidence on the mechanisms through which gentrification affects AFBs in a Southeast Asian World Heritage context. By foregrounding the experiences of artisans, it demonstrates how property-market pressures and tourism-oriented redevelopment can reshape the relationship between traditional businesses and heritage spaces. This perspective supports a more people-centred understanding of heritage management in which the preservation of historic buildings is considered alongside the retention of the businesses, practices, and communities that contribute to the living character of heritage places.

Building on Smith's (1987) rent gap perspective, this study uses the concept of a "cultural rent gap" as a conceptual lens to interpret the displacement of artisan businesses from heritage properties. The cultural rent gap refers to the potential difference between the economic value generated by a heritage property when occupied by a traditional artisan business and the higher commercial value that may be obtained when the same property is converted to tourism-oriented uses. The gap is cultural as well as economic because the commercial attractiveness of heritage-oriented uses may depend partly on the authenticity, historic character, and cultural associations accumulated through long-term artisan occupation. In this study, the cultural rent gap is not directly quantified because the research did not collect comparable property-level revenue or rental-value data. Instead, the concept is used interpretively to connect observed processes of rising rents, property transactions, corporate acquisition, and conversion of artisan premises into tourism-oriented uses. Future research could operationalise the concept using indicators such as comparative revenue per square metre, the frequency of corporate acquisition of heritage properties, and the time interval between artisan displacement and subsequent tourism-oriented conversion.

METHODOLOGY

This study investigates the impact of UNESCO World Heritage Site (WHS) designation on Artisan Family Businesses (AFBs) in Melaka, Malaysia. Melaka was inscribed as a WHS in 2008 in recognition of its rich multicultural heritage. Artisan Family Businesses, many of which have operated across multiple generations, contribute to the continuity of traditional crafts and the city's living cultural heritage. The study adopts a qualitative case study approach to examine how gentrification and associated changes in the heritage environment affect the continuity and spatial presence of established artisan businesses.

The study developed an initial inventory of artisan businesses using secondary information from the Majlis Bandaraya Melaka Bersejarah (MBMB). The inventory identified 25 artisan businesses within the study area. The study then field-validated these businesses to confirm their current operational status and eligibility for inclusion. The inclusion criteria required businesses to: (i) be actively operating at the time of field validation; (ii) have operated for more than 50 years; and (iii) be engaged in traditional craft activities. Following field validation, eight businesses met all three inclusion criteria and constituted the complete population of eligible AFBs identified within the study area. Accordingly, the study included all eight eligible businesses rather than purposively selecting from a larger pool of qualifying businesses.



The field inventory (refer Table 1) provided an overview of the status of the 25 identified businesses. Of these, eight (32%) remained operational in their original form, seven (28%) had been converted to other uses, six (24%) had permanently closed, three (12%) were unavailable or unwilling to participate, and one (4%) did not meet the eligibility criteria. The eight operational businesses that met the inclusion criteria then formed the core cases for the qualitative investigation.

Table 1: The Inventory of Artisan Family Business in Melaka

No.	Type of Artisanship	Note	Case Studies
1.	Blacksmith	Operating	No
2.	Blacksmith	Business close	No
3.	Blacksmith	Business close	No
4.	Blacksmith	Operating	No
5.	Rattan Weaving	Business Close	No
6.	Rattan & bamboo Weaving	Operating	Yes
7.	Woodcarving	Operating	No
8.	Metalsmith	Business close	No
9.	Metalsmith	Business close	No
10.	Ceramic	Business close	No
11.	Gold & Silversmith	Operating	Yes
12.	Silversmith	Operating	Yes
13.	Gold & Silversmith	Operating	Yes
14.	Bounded & Beaded shoes	Operating	Yes
15.	Tailor	Business close	No
16.	Kite maker	Business Close	No
17.	Woodcarving	Business close	No
18.	Ceramic	Not relevance	No
19.	Beaded shoes	Operating	Yes



20.	Tailor	Operating	No
21.	Cobbler	Operating	No
22.	Tailor	Operating	Yes
23.	Tailor	Business Close	No
24.	Kebaya Nyonya	Operating	Yes
25.	Kebaya Nyonya	Operating	No

Source: Authors

Semi-structured interviews were conducted with representatives of the eight AFBs (refer Table 2). Each interview lasted approximately 30–45 minutes and was audio-recorded with participants' consent. The interviews explored the history and continuity of the businesses, changes in their operating environment, property and rental conditions, experiences of relocation or displacement, and responses to changing tourism and heritage conditions. Field observations and the business inventory complemented the interview data and supported triangulation. The interviews were transcribed and analysed thematically to identify recurring patterns related to gentrification, artisan displacement, business continuity, and living cultural heritage. Participant validation was also undertaken to enhance the credibility of the findings.

Table 2: The Profile of Artisan Family Business in Melaka

No	Case	Age	Gender	Race	Business Founded	Generation
1.	A1M	60	Male	Chinese	1927	4
2.	A2M	66	Male	Chinese	1918	3
3.	A3M	60	Male	Chinese	1920	3
4.	A4M	65	Male	Chinese	1920	3
5.	A5M	35	Male	Malay	1959	3
6.	A6M	40	Male	Chinese	1933	3
7.	A7M	43	Male	Chinese	1960	2
8.	A8M	80	Female	Chinese	1961	1

Source: Authors

ANALYSIS AND FINDINGS

The thematic analysis identified three major impacts of gentrification on Artisan Family Businesses (AFBs) in the Melaka World Heritage Site (WHS): (i) rising property values and rental costs, (ii) displacement associated

with property sales and redevelopment, and (iii) conversion of heritage buildings to tourism-oriented uses. These pressures affected the ability of established artisan businesses to remain in their existing locations and, in some cases, disrupted business continuity and customer relationships. The findings indicate that gentrification operates through interconnected property-market and tourism-related changes that reshape the spatial and commercial

environment in which AFBs operate.

Rising Property Values and Rental Costs

The most urgent pressure came from rising property values and rental costs. A2M, who pays RM2000 per month, acknowledged that while rents outside the WHS zone are cheaper, tourist footfall is concentrated within the heritage core. Similarly, A3M, A4M, and A8M have had to endure rising rental charges in order to maintain their presence in current shop. Referring to A2M and A3M,

“The rental outside WHS is cheaper if you want to compare it with. But the customers, who are the tourists, are coming to this area. They don’t go outside of WHS. So, I made a decision to rent here even though it is pricey, but I can continue my business legacy here and show them the uniqueness of my products.” (Participant A2M)

“I rent this shop for around RM700 monthly. In the past, the rent was cheaper. Sometimes, my sales in a month are less than RM700.” (Participant A3M)

This evidence demonstrates the tension between the economic necessity of remaining in a tourist-accessible heritage location and the financial burden of maintaining that location. For AFBs with limited financial resources, increasing rental costs may therefore become a significant constraint on continued operation.

Displacement due to Excavation Activities

Physical redevelopment also contributed to the displacement of artisan businesses. Participant A5M reported that the business premises were located within an excavation area, requiring the business to relocate approximately 100 metres away once the excavation work commenced. Although the relocation distance was relatively short, the move disrupted the established business location and customer flow.

“Previously, our shop was located in the excavation area. But we had to move when the excavation started.”
(Participant A5M)



Figure 1: The excavation site and the new shop for A5M are within 100 meters..

Source: Authors

This case demonstrates that displacement does not necessarily involve relocation to a distant area. Even short-distance relocation can affect the spatial continuity of an established artisan business when its customer relationships and visibility are closely associated with its original location.

Conversion of Heritage Buildings to Other Uses

The conversion of heritage buildings to tourism-oriented and commercial uses represented another significant displacement pressure. The findings indicate that heritage premises previously occupied by artisan businesses had been converted into boutique hotels, restaurants, art studios, antique shops, and other commercial uses. In one case, a large corporation acquired A2M's previous rental premises and converted them into a hotel, forcing another relocation and making it harder for customers to find the business.

"I have relocated for 3 times because owner want to sell their property. Then, it caused the customer struggle to find us. The previous rental shop now turning into hotel. The MAMEE company buy it. Actually, I just rent only and I think this shop (at Jalan Tun Tan Cheng Lock) is the last, because the owner said he don't want to sell the shophouses. He wants us to stay here for the whole life. He promises me". (Participant A2M)



Figure 2: The relocation of the A2M's shop due to the conversion to a boutique hotel

Source: Authors

The inventory data further demonstrate the extent of this transformation. Of the 25 artisan businesses identified, seven (28%) had ceased their original artisan activities and their premises had been converted to other uses. These included conversions from blacksmithing to a Nyonya Art Studio, metalsmithing to Colour Nyonya House and Waree Thai Kitchen, ceramic production to an antique shop, beaded-shoe production to a boutique hotel, tailoring to a Thai ice cream business, and woodcarving to a boutique hotel. These transformations indicate that the displacement of AFBs is associated not only with changes in business ownership or location but also with changes in the function of heritage spaces. Traditional craft activities may be replaced by tourism-oriented uses that respond to changing commercial demand within the heritage area. Table 3 shows the conversion of heritage buildings to other purposes.



Table 3: The Conversion of Heritage Buildings to Other Purposes

No.	Type of Artisanhip	Note
1.	Blacksmith	Convert to Nyonya Art Studio
2.	Metalsmith	Convert to Colour Nyonya House
3.	Metalsmith	Convert to Waree Thai Kitchen
4.	Ceramic	Convert to an antique shop
5.	Bounded & Beaded shoes	Converted to Liu Men Hotel
6.	Tailor	Convert to Thai Ice Cream Rolls
7.	Woodcarving	Converted to Liu Men Hotel

Source: Authors

Overall, this trend not only threatens the survival of small businesses but also alters the historic character of WHS areas. The findings underscore how World Heritage Site (WHS) designation, while boosting tourism and visibility, contributes to gentrification that significantly impacts artisan family businesses. The high rates of rent, sale of property and conversion of heritage buildings into tourist-oriented facilities usually drive the artisans out of business, which goes along with taking away their cultural significance. The demand for local products heightens the risk of replacing or even commercializing the traditional practice to accommodate the expectations of the tourists and dilute the authenticity of the crafts (Al-Bqour, 2020). Such commodification may lead to gentrification, where local artisans can be expelled from their communities because of the higher expenses related to further tourism and entry of non-local enterprises serving tourists (Salim & Rahman, 2022; Al-Bqour, 2020). Artisans like A2M have gone through several movements and, therefore, are unable to build a relationship with customers in the long run and sustain the business. With all these, there is hope through supportive landlords who are willing to save the traditional tenants. These render the need to gain a balance of development policy that would not leave the artisans displaced yet the culture and history of bargaining zones of WHS are maintained.

DISCUSSION

The findings reveal a tension between World Heritage Site (WHS) designation and the continuity of Artisan Family Businesses (AFBs) in Melaka. Although WHS status can support heritage conservation, tourism development, and economic activity, the findings indicate that the associated increase in tourism attractiveness and commercial activity can also intensify pressures on established artisan businesses. In particular, rising rental costs, property sales and redevelopment, and the conversion of heritage premises to tourism-oriented uses have created conditions that make it increasingly difficult for some AFBs to remain in their established locations. Similar patterns have been reported in other heritage cities, including George Town, Hue, and Ibiza, where tourism development and changing property markets have contributed to the transformation of historic areas and the displacement of local businesses (Salim & Rahman, 2022; Chan et al., 2019; González-Pérez & Novo-Malvárez, 2022).

The findings further demonstrate that artisan displacement is not a single process but occurs through several interconnected pathways. Rising rental costs place financial pressure on businesses with relatively limited



capacity to absorb increasing operating costs. Property sales and redevelopment can directly remove artisans from established premises, while the conversion of heritage buildings to hotels, restaurants, studios, and other tourism-oriented uses reduces the availability of space for traditional craft activities. The case of A2M also illustrates a distinct form of displacement associated with corporate acquisition and the subsequent repurposing of heritage property. While some displacement pressures identified in this study arose from individual property owners increasing rents or selling their properties, A2M's previous premises were acquired by MAMEE and subsequently converted into a hotel. This case suggests that artisan displacement may occur through different property-market pathways, ranging from individual landlord decisions to corporate acquisition and tourism-oriented redevelopment. Corporate acquisition is particularly significant because it may increase the scale and commercial capacity of actors competing for heritage properties, potentially accelerating the transition of traditionally artisan-occupied premises towards higher-value tourism uses. Although this study does not establish MAMEE's acquisition as a causal driver of gentrification, the case provides empirical evidence of how corporate investment can be associated with the repurposing of spaces previously occupied by traditional artisans. This distinction is important for policy because measures addressing rental inflation or landlord-tenant relationships may not be sufficient to address displacement associated with corporate acquisition and redevelopment.

These interconnected processes can also be interpreted through the concept of a cultural rent gap. Building on Smith's (1987) rent gap perspective, the cultural rent gap refers conceptually to the difference between the relatively modest economic value generated by a heritage property when occupied by a traditional artisan business and the potentially higher commercial value that may be obtained when the same property is converted to tourism-oriented uses. The gap is not solely economic because the commercial attractiveness of such tourism uses may depend partly on the heritage character, authenticity, historic ambience, and cultural associations accumulated through long-term occupation by traditional businesses. In this sense, displacing AFBs may involve not only replacing one commercial activity with another, but also commercially reappropriating heritage spaces in ways that benefit from the cultural value artisan businesses have helped create and sustain. However, the present study does not directly measure the cultural rent gap because comparable property-level revenue, rental-value, and post-conversion economic data were not collected. Instead, the concept is used as an interpretive lens to connect the observed processes of rising rents, property transactions, corporate acquisition, and conversion of artisan premises into tourism-oriented uses. Future research could operationalise the cultural rent gap through indicators such as comparative revenue per square metre between artisan-occupied and tourism-converted properties, the frequency of corporate acquisition of heritage properties, and the time interval between artisan displacement and subsequent tourism-oriented conversion.

The findings align with the broader literature on gentrification in heritage and tourism destinations, which highlights how rising property values, commercial investment, and tourism-oriented redevelopment reshape historic areas (Gotham, 2005; Jimura, 2011; Torres Outón, 2020). However, this study extends the discussion by demonstrating how these processes affect culturally embedded family businesses whose value is closely associated with the continuity of traditional practices and place-based relationships. The displacement of AFBs therefore has implications beyond economic loss. When traditional artisan activities disappear from heritage spaces, opportunities for intergenerational knowledge transmission, customer interaction, and everyday cultural expression may also be reduced. This reinforces the argument that heritage management should consider the social and economic systems that sustain living heritage alongside the physical conservation of historic buildings (Young & Markham, 2020; González-Pérez & Novo-Malvárez, 2022).

Furthermore, the findings also indicate that displacement is not inevitable. Supportive landlords show that private property owners can help retain traditional artisan tenants by providing greater security of tenure. However, such arrangements appear to be dependent on individual landlord decisions rather than systematic protection. This leaves AFBs vulnerable to future property transactions and redevelopment. Consistent with previous research highlighting the importance of integrating artisans into heritage and tourism management, stronger institutional mechanisms are therefore needed to enable traditional businesses to remain within heritage areas and benefit from tourism activity (Ghimire et al., 2023; Salim & Rahman, 2022). Policymakers should also recognise potential trade-offs in protecting AFBs. Strong rental controls or tenancy protections may reduce property owners' incentives to maintain heritage buildings if adequate maintenance mechanisms are not provided.



Similarly, tax incentives for landlords who retain artisan tenants should be carefully designed to avoid “artisan-washing”, whereby a nominal artisan presence is maintained while the majority of commercial activity is oriented towards tourism. A more balanced approach could therefore combine artisan-retention incentives with flexible complementary uses. For example, heritage building owners who retain at least 70% of floor area for qualifying artisan production and sales could receive tax reductions while being permitted to use the remaining space for complementary tourism activities such as small-scale cafés or retail. Such a hybrid approach could help balance artisan livelihoods, heritage conservation, tourism development, and property-owner returns.

From a heritage management perspective, the findings highlight the need to move beyond an approach that prioritises the conservation of buildings while overlooking the businesses and communities that give these spaces their living character. Potential measures include stronger tenancy protections for qualifying traditional businesses, incentives for property owners who retain artisan tenants, and the formal integration of AFBs into WHS tourism circuits.

However, such interventions should balance the interests of property owners, conservation objectives, tourism development, and artisan livelihoods. Heritage policies that protect physical structures without addressing the economic pressures experienced by their occupants may preserve the appearance of heritage while weakening the living cultural practices associated with it. This balance is particularly important where displacement involves not only individual landlord decisions but also corporate acquisition and tourism-oriented redevelopment, as these different pathways may require differentiated policy responses.

CONCLUSION

This study examined the relationship between gentrification and the displacement of Artisan Family Businesses (AFBs) in Melaka’s World Heritage Site. The findings identified three major pressures affecting artisan continuity: rising property values and rental costs, displacement associated with property sales and redevelopment, and the conversion of heritage premises to tourism-oriented uses.

The inventory of 25 identified businesses further demonstrates substantial transformation within the traditional craft sector, with only eight businesses meeting the study’s eligibility criteria and remaining operational in their original form. The study demonstrates that artisan displacement represents an important but underexamined dimension of heritage-led gentrification. For AFBs, displacement can involve more than losing physical premises. Relocation and business closure may disrupt customer relationships, commercial networks, intergenerational knowledge transfer, and the continued presence of traditional craft practices within heritage areas. Consequently, safeguarding living heritage requires attention not only to historic buildings but also to the continued presence of the cultural businesses and practitioners associated with them.

The findings further support using the cultural rent gap as a conceptual lens for understanding how heritage properties occupied by traditional artisans may become subject to higher-value, tourism-oriented uses. Rather than treating the cultural rent gap as a directly measured economic indicator, this study uses the concept to interpret the relationship between property-market pressures, corporate acquisition, redevelopment, and the repurposing of heritage spaces.

The A2M case illustrates how displacement can occur through both individual property decisions and corporate acquisition, highlighting the need to consider different property-market pathways when developing heritage protection measures. Future research should empirically operationalise the cultural rent gap through comparative property-level revenue, rental-value, corporate acquisition, and post-displacement conversion indicators.

The study contributes empirical evidence from a Southeast Asian World Heritage context and highlights the importance of incorporating artisan livelihoods into heritage and tourism planning. Rather than viewing AFBs simply as businesses operating within heritage areas, policymakers should recognise them as contributors to the continuity and everyday expression of living cultural heritage.



Future heritage management strategies should therefore seek to balance tourism and commercial development with mechanisms that enable established artisan businesses to remain economically viable and spatially connected to the heritage environments in which their practices have developed. Such strategies should also recognise that displacement associated with corporate acquisition and tourism-oriented redevelopment may require policy responses beyond conventional landlord–tenant protection.

Several limitations should be acknowledged. First, the initial inventory was derived from MBMB business registry data and may not capture artisan businesses operating informally or without formal registration. Consequently, unregistered AFBs within the WHS core zone may not be represented, and the total number of artisan enterprises may have been underestimated.

Second, the study focused on businesses with more than 50 years of operation, which was appropriate for examining long-established enterprises but excluded newer artisan businesses that may also contribute to intangible heritage. Third, the participant group consisted predominantly of Chinese artisans, with seven of the eight participants being Chinese and one Malay. The absence of Indian and other ethnic artisan perspectives limits the extent to which the findings can represent the experiences of all artisan communities in Melaka.

Finally, the eight cases represent the complete population of qualifying AFBs identified through the study's inventory and field validation rather than a small sample selected from a larger qualifying population. Nevertheless, the findings are context-dependent and should not be assumed to be universally applicable to all WHS cities. Melaka is a relatively compact and highly touristified heritage city with substantial state involvement in tourism promotion.

The findings may therefore be most transferable to comparable Southeast Asian WHS cities experiencing similar tourism, property-market, and heritage-management pressures, such as George Town in Malaysia, Hoi An in Vietnam, and Luang Prabang in Laos. Cities with different governance arrangements, lower tourism intensity, or stronger tenancy protections may experience different forms and levels of artisan displacement. Assess transferability based on the degree of contextual similarity between Melaka and other heritage cities.

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