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EFFECTIVE INSTITUTIONAL ARRANGEMENT IN RURAL DEVELOPMENT: MALAYSIA

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Submitted in fulfillment of the requirements for the Degree of Master of Letter (MLITT)  
in Business and Management

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## **ABSTRACT**

Rural has always been a centre point in discussions on development. Although much efforts and time have been given in studying various aspects of the rural life, rural problems such as high income disparity between urban and rural still exist as long standing problems that need to be further studied and addressed. The main aim of this study is to look at the rural development problems from the institutional aspects in particular its institutional arrangements as it's has been identified as the most important contributing factor in the problems associated with the agricultural projects by the World Bank. Therefore for the improvement in rural development, effective, well design and suitably targeted institutional arrangements are essential.

For that matter, study on problems faced by the rural communities was carried out in three districts in the West Malaysia that is the District of Kota Tinggi in the State of Johore, the District of Rompin in the State of Pahang and the District of Jempol in the State of Negeri Sembilan. The villagers from these districts comprising of those from various background and the officers of the agencies involved in rural development in the districts were interviewed for clearer picture of the problems faced by the local communities. Face to face interview was applied for the primary data and data form the secondary sources was used as support for the arguments. Qualitative approach in particular thematic analysis was applied in this study in order to develop an understanding of the meaning and experience dimensions of human lives and social worlds in particular the development's problems facing the rural communities. The primary data was analysed using Computer-Assisted Qualitative Data Analysis Software or CAQDAS, in particular NVivo.

The study as other studies on rural development revealed that rural community in the study areas are facing diverse and complex problems. However, from the perspective of most respondents, the most profound problem faced by the local community in the study areas is weakness of the local economy. It was suggested by 89.8% of the respondents. This was followed by weakness of the rural development agencies (88.1%), weakness of the community based institutions (81.4%), negative attitudes of the local population (76.3%)

and weakness of the local leadership (74.6%). The study has also demonstrated that the government is very much involved in determining the direction of development in the study areas as the rural people are also dependent on them to bring development to their areas. Although, efforts have been made to develop rural areas through infrastructure, economic and human capital development, continuing emphasis has been given to infrastructure and basic amenities where satisfactory progress has been made in this aspect of development, comparatively less has been achieved in the economic development and human capital development. The study has also illustrated that the development process which involves three main organisations: the state-based agencies, the national-based agencies and the Village Development and Security Committee or the JKKK is ineffective. This is primarily because at the grass roots level, JKKK is a weak community base institution that is unable to play a more significant role in rural development. Agencies are heavily bureaucratic in nature that made their co-operation and co-ordination difficult. Their division in the form of sectoral based agencies has limited their concentration on economic development, mainly on cultivation of commodity crops, while limitations in terms of financial resources and manpower limited the concentration of state-base agencies such as the district office mainly to infrastructure development and basic amenities.

These are the main findings that must be taken into account by the rural practitioners in outlining and implementing plans for rural development. There must be a concentrated political will taken to diversify the rural economy. Emphasis must also be given to empower the community base institution in particular the JKKK so that they can be a strong and effective development institution at grass-root level. Emphasis must also given to improve the co-ordination and co-operation between rural development agencies, as well as providing and encouraging local participation in decision making process at every level. This will eventually lead to the formation of effective institutional arrangement for rural development.

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My special thanks to my wife Noraini Abu Talib whose patience, assistance and love enabled me to complete this dissertation. Thank you for all your support and understanding. It certainly has been a long and difficult journey to reach this destination but definitely worthwhile.

## DECLARATION

This dissertation is submitted in fulfilment of requirements for the degree of Master of Letters (Business and Management) at the University of Glasgow. I declare that this dissertation is based on my original work except for quotations and citations which have been duly acknowledged. I also declare that this dissertation has not been previously or concurrently submitted, either in whole or in part, for any other qualification at the University of Glasgow or other institutions.

Signed

Hamzah Isa

June 2010

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# **CHAPTER ONE**

## **INTRODUCTION**

### **1.1 INTRODUCTION**

Researches on rural development have touched on various aspects of rural life such as rural remoteness (Smailes, 1997, Aasbrenn, 1998, Sharp *et al.*, 2002), ageing and declining population (OECD, 1993), leadership capacity (OECD, 1986; Murry and Dunn, 1995; Sorensen and Epps, 1996; Seekins and Arnold, 1999; Drabenstott, 2000), poverty (Oakley and Marsden, 1985; Tickamyer and Duncan, 1991; Swaminathan and Findeis, 2004), rural migration (Singh, 1977; Ward and McNicolas, 1998; Pezzini, 2000; Kristen and Kristen, 2000), rural entrepreneurship (Gladwin *et al.*, 1989), community participation (Lowe *et al.*, 1999; Curry, 2001), social responses to rural development programmes (Walters *et al.*, 1999), rural non-farm economy (Lanjouw and Lanjouw, 2001; Start, 2001), rural networks (Murdoch, 2000; Hidding and Teunissen, 2002), rural education (Kallaway, 2001), the effects of government spending on agricultural growth (Fan and Rao, 2003) and so forth.

Much of the effort was about a discussion of rural problems aimed at finding solutions to the diverse and complex rural problems. While much of its study of internal factors such as rural demography, outward migration, ageing population, leadership incapability and external factors such as lack of technology, lack of infrastructure, lack of credit facilities, lack of market forces and industries, less attention was given to its institutional aspects, such as effective institutional arrangements that could provide the environment suitable for developments to take place successfully (Ahmad, 1975). Institutional factors have often only received superficial and summary treatment in resource management in general (Noble, 2000). Therefore, there is a demand for this type of research in the management of rural development, for example, because it is essential to improve rural management strategies through the examination of institutional and organisational arrangements.

Evaluating rural development programmes from this aspect is important because there is evidence that deficiencies in design and inappropriate institutional arrangements have been the most important contributing factor in the problems associated with 80% of the agricultural projects by the World Bank (Baum and Stokes, 1985). Even though there is no guarantee of improvement in rural development, effective, well-designed and suitably targeted institutional arrangements are essential (OECD, 1993). Therefore, finding more effective institutional arrangements for formulating, implementing and evaluating policies and programmes for rural development is one of the challenges faced by those involved in rural development (OECD, 1993).

With regard to less attention given to the study of institutional effects on economic development, Schultz (1968) states that “it cannot hide the fact that, in thinking about institutions, the analytical cupboard is bare...” Lin and Nugent (1995; 2303) made a useful remark with reference to the paucity of literatures discussing the relationship between institutions and economic development, when they said “in much of standard analysis, institutions were either ignored or taken as given”. To them the relationship between institutions and economic development is clearly two-way: on one hand, institutions can influence both the level and pace of economic development; on the other hand, economic development can and frequently does trigger institutional change.

Several studies illustrated that institutional arrangements affect human decisions and interactions (Ostrom, Feeny and Picht, 1988; Nabli and Nugent, 1989; Eggertsson, 1990) as well as affecting economic and organisational performance (Eggertsson, 1990; North; 1990; Tang, 1991; Lin and Nugent, 1995; Mageed and White, 1995; Fuentes, 1998; Lane and Stephenson, 2000; Carew, 2001; Kim and Kim, 2001; Sanwal, 2001). However, despite illustrating some common features of effective institutional arrangements, the above studies focus only on one particular organisation and analyse its institutional arrangements in relation to the performance of the agencies. It also looked at one particular issue in rural development, for example, the fisheries and poverty alleviation programme. Since there are various government agencies and other institutions involved in rural development with interrelated functions in solving a much wider and more numerous rural development problems, there is a need to look at institutional arrangements within these particular agencies as well as the interrelationships between these institutions in carrying out rural development programmes. As the importance of process analysis has already been recognised in business administration (Short and Venkatraman, 1992; Hammer and

Champy, 1994; Riggins and Mukhopadhyay, 1994), the study will focus on various institutions that are involved in rural development programmes. This is important because in order to understand the abilities of and problems with governance arrangements, there is a need for a shift from a focus on governmental organisations and the internal procedures to a focus on the inter-organisational processes that shape a growing amount of public policy (Teisman and Klijn, 2002).

The study will emphasise on examining interrelationships between institutions involved in performing rural development programmes at the district level. Are the existing institutional arrangements appropriate in tackling rural development problems? Do they provide a suitable environment for intervention to take place in tackling those problems? What are probably the most appropriate institutional arrangements in tackling rural development problems? These are the key questions that motivate this research.

To answer these questions, the research has also looked at rural development problems faced by the rural population in the study areas. This is important as it is suggested by Cherry (1976:272) that most of the problems which the rural population has to deal with originate from the differences of value systems within the rural communities themselves based on an inherited social order, and urban-based values which clash with rural interests. In other words, rural planning has been conditioned by an urban framework, resulted in urban attitudes, urban approaches to problems and urban policies being used as references in considering rural problems (Cherry, 1976). Rural planners for too long have lacked a specifically rural viewpoint and a rural understanding; coherent rural policies have therefore been slow to emerge (Cherry, 1976: 1). Therefore, it is not surprising that many rural development efforts have failed because the analysis of the community was flawed (Lawhead, 1995). Thus, having a clear understanding of the socio-economic, environmental and political problems important to the rural areas is crucial (Anker, 1973). Therefore, there continues to be a huge gap between what we believe the problems to be and what we actually know about them; so much time and money is wasted in preparing plans and implementing programmes without a clear idea of what is involved (Turnham, 1971). The changes in rural areas make the understanding of rural problems even more demanding. So “what are the profound problems faced by the rural communities” is another question to be answered by this research.

Having talked about the need to have a clear understanding of rural problems, there is a need for government to intervene in addressing rural issues because without successful transformation of the rural areas, national development is impossible (Olanrewaju and Falola, 1992). In the case of Malaysia, for example, the livelihood of the rural poor would have been much worse if there had not been significant government intervention (Young, Bussink and Hasan, 1980). But the key question is, are the existing interventions adequate to deal with problems faced by the rural communities in the rural areas? Fan and Rao (2003:29), for example, suggested that all governments in developing regions should increase spending on agriculture, particularly on production-enhancing investments such as agricultural R&D because this type of spending not only yields high returns in agricultural production, but also has a large impact on poverty reduction. The question is can agriculture development help in tackling the diverse and complex rural development problems? If not, what kinds of interventions are perhaps more appropriate for tackling these problems? So another challenge faced by those involved in rural development is to identify and develop feasible policies and programmes for addressing rural problems effectively (OECD, 1993). The study will also be looking at answering this question.

This chapter will illustrate the overall idea of the dissertation and for that purpose it was divided into six sections;

- Section one is the introduction to the chapter which illustrates the research gap and research questions to be answered by the study.
- In section two the significances of the research were discussed.
- The research problem which has driven the study to be carried out is discussed in section three.
- Research aims and objectives will be the subject of discussion in section four.
- A brief illustration of research method will be discussed in section five.
- Finally the structure of the dissertation and the overall contents of the chapters will be summarised in section six.

## **1.2 THE SIGNIFICANCE OF THE STUDY**

There are three factors that have driven the researcher to engage in the research. Firstly, there is a need for balance in development between rural and urban areas. Secondly, rural development is particularly important for the political stability of a nation, and thirdly, rural communities that typically form the majority of population in most developing countries are mostly poor. Therefore, rural development is part and parcel of the nation's

development. It cannot be sidelined even though it possesses diverse and complex problems.

### **Balanced Development**

One of the factors is the need for a more balanced development between urban and rural sector. To a large extent, economic development in most countries is urban biased. A review of the 1998/99 National Budget for South Africa, for instance, found that government spending remained skewed in favour of urban areas (ISRDS, 2000). The same situation happens in other developed as well as in developing countries. The modernisation approach, where rural development plans were outlined, designed and determined by the urban elite makes it look as if rural development has been manipulated in favour of urban development. Therefore, while national developments are in progress, rural areas are still lagging behind in all aspects of development.

Backwardness in rural areas is creating problems for urban areas. Outward migration of people from rural to urban has created slum areas and ghettos in urban areas (urban poor) and caused social and economic problems for the authorities. For example, many urban areas in Africa today suffer from high rates of unemployment and underemployment, a large part of which is due to excessive migration from the rural areas (John, 1999: 4) Thus, there must be balance in development between the two areas. As a result it is very important for the government to realise and address rural issues, as national development is impossible without a successful transformation of the rural areas (Olanrewaju and Falola, 1992). Transforming rural areas into an acceptable stage of development required governments to really understand the problems faced by the rural population and identify the underlying factors that detracted from their development; only then they would have a much clearer idea on how to intervene and what kind of interventions are more appropriate to bring about the right development to the rural areas.

### **Political Importance**

Balanced developments are closely linked to the political scenario of a country. In most developing countries the rural population has considerable influence on the political scenario. Rural communities could be a driving force that would challenge the political status quo of a country. There are many cases where rural populations have been restrained or capitalised for political purposes. This was manifested, for example, in the action of the

ex-Indonesian president, Soeharto, when he banned all political activities except Golkar (Soeharto's electoral machine) below the district level and forced all civil servants including village officials to support Golkar (Antlov, 2003). Social unrest in Malaysia on 13 May 1969 was also a manifestation of anger and dissatisfaction amongst the Malays with the economic imbalance among the races (Noor Azam Shairi, Utusan Malaysia, 17 August 2004). Although the tragedy did not take place in the rural areas but rather was concentrated in major cities such as Kuala Lumpur, the roots of the problems could be traced right through the lagging rural areas as prior to this period, the rural population was not identified as the primary target of development efforts (Mohd Nor, 1981; Osman Rani *et al.*, 1981). It was highlighted in the aftermath of the tragedy that there were two time-bombs that "would lead to the outbreak of another rebellion" if the Government's economic plans were not supported. One was the frustration of the poor masses; the other was the suspicion by some that wealth was in the hands of only one group (The Star, 7 February 1972).

It is only after the incidents that the weakness in the national development strategy of pursuing economic growth alone and in isolation from other considerations became obvious. As the main objective of the National Economic Policy (NEP) introduced a year after the tragedy was to eradicate poverty and to eliminate identification of race with economic function, only then were the needs of the rural population given greater emphasis. Since then, rural populations have always been seen as a major political factor, and consequently rural developments have always been a major government priority (Mahathir Mohamad, 2002). In this sense the political scenario in Malaysia has always been a patron-client relationship where rural communities were rewarded for their political support. Therefore, in the planning of every development considerable attention has been given to the rural sector.

### **Population Wise**

The rural population just cannot be ignored for the sake of urban developments because in most developing countries rural communities form the majority of the country's population and most of them are poor. United Nations estimates that about two thirds of the population in less developed regions are likely to remain in rural areas until around the first decade of the twenty-first century (Goldscheider, 1984). In South Africa for example, approximately 70% of her poor people live in rural areas, and about 70% of the rural residents are poor (ISRDS, 2000). In fact, Africa as a whole is projected to remain mostly

rural until after the year 2010 (Goldscheider, 1984). The rural masses could be potential assets for development, but they could be a potential threat as well. Even though Loveridge and Schmid (1993:1163) suggested that “Unless urban people are better off too, rural development will only be a dream”, leaving rural people in their depressing situations is a recipe for overall economic disaster. In this respect, Marshall (1975: 559) has also stressed that “rural development deserves greater attention partly because of the severity of the problems facing many of the 54 million people remaining in rural areas.”

### **1.3 RESEARCH PROBLEMS**

Despite all of the efforts given to rural developments, the future for rural areas is still uncertain. Therefore, it is not surprising that, while some efforts have been made to improve the living conditions of the rural population through infrastructure and socio-economic development, leading to successful achievement in desired rate of economic growth in many countries, rural – urban imbalance continued to increase. In the case of Malaysia, for example, disparity between rural and urban areas is still large as clearly shown from Table 1.1. Income disparity between rural and urban areas increased from 1:1.7 in 1990 to 1:2.0 in 1997. Although the figure is decreasing to 1:1.8 in 1999 it has increased again in 2002 to 1.2.1, meaning for every RM (acronym for *Ringgit Malaysia*; basic currency of Malaysia); earned by rural people in that year, their counterpart in the urban areas earned twice that, not much different from what they earned after 32 years of development. Even taking the lowest ratio of 1:1.7 in 1970, it is still 0.4 higher than the measurement of income disparity of 1:1.3 in the developed nations (Noraini Abdul Razak, Utusan Malaysia, 19 August 2004). If this trend is not corrected, the imbalance could become worse, and eventually increase to 1:2.4 in 2020 (Noor Azam Shairi, Utusan Malaysia 17 August 2004). The income rate for the rural population of the country in 2002 is £247.00 (RM1, 729) as compared to £522.00 (RM 3,652) for the urban population. Income disparity between indigenous people, mostly residing in the rural areas, with other ethnic groups, mainly Chinese and Indians, in the urban areas were also large as illustrated in the same table.

**Table 1.1 Measurement of imbalance of incomes in Malaysia 1970-2002**

Imbalance ratio For household income	1970	1980	1990	1993	1995	1997	1999	2002
Rural: Urban	1:1.7	1:1.8	1:1.7	1:1.8	1:2.0	1:2.0	1:1.8	1:2.1
Indigenous: Chinese	1:2.3	1:1.9	1:1.7	1:1.8	1:1.8	1:1.8	1:1.7	1:1.8
Indigenous: Indian	1:1.8	1:1.3	1:1.3	1:1.3	1:1.3	1:1.4	1:1.4	1:1.3

\*Source: Calculated based on information from various documents of the Nation's five years development plans (Noor Azam Shairi, *Utusan Malaysia*, 17 August 2004).

Therefore, despite of all the efforts that have been poured out to generate rural development, most of the rural areas are still lagging behind in terms of infrastructural and economic development. As a result of this, rural areas still experience the problems of low income, unemployment and underemployment, outward migration of their young people to urban centres, limited leadership talents and so forth.

Since much of the research on rural development has focused on two main factors of these problems, that is the internal factors such as remoteness, low level of income and limited job opportunities, shortage of labour for agricultural activities, outward migration and so forth; and external factors such as lack of basic facilities, lack of infrastructure, lack of credit facilities, and lack of technology, this research alternatively attempts to look at institutional arrangements with a strong belief that a successful economic development plan for the rural areas does not only depend on good and sound economic planning and strategy but also on a good delivery mechanism. To be more precise this study concentrates on how institutional arrangements can affect rural development programmes.

#### **1.4 RESEARCH AIMS AND OBJECTIVES**

The study is aimed at illustrating that institutional arrangements affect the effectiveness of the rural development programmes. Thus consideration should be given to this aspect when discussing and evaluating rural development programmes. Perhaps through better understanding of its importance, more effective institutional arrangements can be designed in order to deliver development programmes more effectively.

The objectives of the study are as follow;

- To determine the most profound problems faced by the rural communities in the study areas from the perspective of the local population and staffs of the agencies involved in implementing rural development programmes.
- To examine the type of intervention undertaken by the government agencies in addressing development problems faced by the local communities and to evaluate whether these interventions are appropriate in tackling those problems.
- To examine the existing institutional arrangements and to suggest more appropriate and effective institutional arrangements for rural development.

The findings of this study will help the policy makers in identifying problems relating to the institutional arrangements of rural development agencies. Consequently, it will help in introducing more effective institutional arrangements in delivering or implementing rural development programmes in order to tackle rural development problems.

## **1.5 RESEARCH METHODS**

As other studies in this area by Fuentes, (1991), Tang (1998), Lane and Stephenson, (2000), Sanwal (2001) and Lu *et al.* (2005), this study adopted a qualitative method. This is the primary method of choice because it will allow the researcher to focus on the way people interpret and make sense of their experiences and the world in which they live, with the aim of understanding the social reality of individuals, groups and cultures (Holloway, 1997). It displays a preference for the interpretation of social phenomena from the point of view of the meaning employed by the people being studied (Bryman and Burgess, 1999), and best suited to understand socio-complex phenomena and unknown process characteristics (Gillham, 2000; Dayasindhu, 2002; Creswell, 2003; Mason, 2004; Meiland *et al.*, 2005). This method provides a means for people to express their views in wider perspectives rather than confining them to the rigid answers to closed questions of the kinds used in quantitative methods. Therefore it provides the rich description needed for the thesis to answer the three main research questions. Further discussions about the use of these methods are discussed in Chapter Five.

## **1.6 THE STRUCTURE OF THE DISSERTATION**

The dissertation is divided into nine chapters;

- Chapter One is the introduction to the dissertation. In this chapter the background of the research, including research gap and research questions, the significance of the research, research problems, research aims and objectives, research method, are discussed. This chapter also provides brief outlines of the chapters in the dissertation.
- Development problems faced by the rural population in developing and developed countries including Malaysia are discussed in Chapter Two. This chapter highlights the fact that both regions are having almost the same diverse and complex problems. Changing rural environments add to the complexity of problems faced by the rural areas. However, whilst most of the problems faced by rural areas in developing countries are related to the agriculture sector which is the largest sector in this region, such as low level of income, lack of job opportunities, poverty and outward migration of the rural young people, the main problems faced by the rural areas in the developed countries are ageing and declining population, declining basic facilities and low quality services, lack of opportunities for work due to a declining industrial sector, outward migration of rural young people due to limited job opportunities and affordable houses. In a middle-income economy such as Malaysia, most of the problems faced by the rural population are related to the emphasis that is still being given to the agriculture sector as the main economic activity in the rural areas such as the low level of income due to dependence on agriculture (in particular commodity crops), poverty as well as effects from the increasing manufacturing sector such as outward migration of rural young people to urban areas, problems of heavy dependence on foreign workers, uncultivated land, lack of leadership talents and social problems.
- Chapter Three discusses the government's interventions in rural development. Looking from three main development models, that is the exogenous development model, the endogenous development model and the mixed development model, this chapter describes how different economies are intervening in developing the rural areas. This chapter also discusses government interventions in rural development in Malaysia.
- In Chapter Four the clarification of the concepts of institutions and institutional arrangements are made. The chapter examines the importance of institutional

arrangements in organisational management and economic development. Through various studies this chapter indicates that ineffective institutional arrangements can be a hindrance to the organisation in performing and achieving better performance.

- Chapter Five discusses the methods adopted for the study. It provides the justifications for the adaptation of the qualitative approach in the research, a discussion about the sampling procedure, method of data collection and data analysis.
- Chapter Six illustrates the research findings on rural development problems in the study areas. This chapter shows that in addition to experiencing weakness in their economy, the rural communities are also facing the problems related to weakness of the rural development agencies, negative attitudes of the rural population, weakness of the community based institutions, and limited leadership talents and capacity.
- Chapter Seven contains the research findings on government interventions in the rural development in the study areas. This chapter shows that despite considerable achievements in infrastructure development, government interventions in economic development either through the primary or secondary sector has been unable to strengthen the local economy and therefore been unable to tackle the most profound problem faced by the rural community. The lesser emphasis given to human resource development has also been unable to empower the rural community to be self-sufficient and self-sustaining.
- Chapter Eight discusses the research findings on the nature of the institutional arrangements in the study areas. It illustrates the different institutions that are involved in delivering development programmes in the study areas, mainly the rural development agencies and the community based institutions, in particular the Village Security and Development Authority or JKKK. In general this chapter illustrates that multi-agency approaches adopted by the government in developing rural areas are actually ineffective. This is mainly because the agencies are confined to their own functions, objectives and priorities. They tend to be competing rather than complementing each other in delivering rural development programmes and therefore are unable to optimise the use of development allocations and limited manpower. Sectoral policies that are implemented through the establishment of sectoral based agencies which concentrate on developing the agriculture sector are also no longer adequate mechanisms for solving the multi-faceted and changing social needs of the rural areas. National agencies with localised delivery departments such as the district office and agriculture department are also unable to

contribute effectively to rural development due to their limited financial allocation for development and limited manpower. Due to several weaknesses, JKKK as the main community based institution in the rural areas is also unable to contribute significantly to local development. This chapter concludes that there is a need for a broader approach to rural development through the establishment of regional development agencies and active participation of the rural communities in their development through community based institutions.

- Chapter Nine is the interpretation of the key findings and their implications.

## **CHAPTER TWO**

### **RURAL DEVELOPMENT PROBLEMS**

#### **2.1 INTRODUCTION**

Rural problems are diverse and complex. Due to their complexity some rural practitioners have even suggested that the rural area is actually without a future. It is probably easy just to leave the future of the rural area to be decided by its destiny and assume that it is inevitable or desirable; but the rural and urban areas are intertwined. Problems faced by both sides will have significant impacts socially, economically and politically to both areas. Olanrewaju and Falola (1992) stressed that “national development is impossible without a successful transformation of the rural areas”, whilst Loveridge and Schmidt (1993: 1163) emphasised that “Unless urban people are better off too, rural development will only be a dream”. In this respect both of them are right.

Thus leaving rural areas in their disadvantaged condition is not an available choice to take. Rural problems have to be clearly understood and to be treated with appropriate policy interventions in order to tackle them. Therefore, it is crucial to really understand rural problems because this will provide a foundation to successful rural development programmes. For example, an understanding of rural poverty is a precondition for effective pro-poor development strategies (Anyawu, 2005). Thus, in the context of this dissertation, this chapter will provide a basic understanding of rural development problems faced by the developing and developed countries as well as Malaysia in particular.

For this purpose this chapter will be divided into seven sections;

- The first section is the introduction to the chapter.

- In section two, the definitions of rural areas and rural development will be discussed to give a clear understanding of both concepts.
- The needs for clear understanding of the rural problems as they form the basis for planning and implementing rural development programmes will be the subject of discussion in the section three.
- The problems faced by the rural communities in some developing and developed countries will be discussed in section four.
- Rural change and its emerging problems will be the subject of the discussion in section five.
- In section six, problems related to rural communities in Malaysia will be illustrated.
- Section seven concludes the chapter.

## **2.2 DEFINITION OF RURAL AREAS AND RURAL DEVELOPMENT**

### **2.2.1 Rural Areas**

It is a perennial issue within social science literature to find a satisfactory definition of the rural area (Gilbert, 1982; Halfacree, 1993; Cloke and Thrift, 1994). In the OECD Rural Development Programme, it was decided that the boundary between urban and rural was to be set at the population density of 150 people per km<sup>2</sup> (OECD, 2003). When this figure was applied to Japan, only forest regions could be classified as rural areas. In Scotland, the rural area was defined as a local authority district with population density under one person per hectare, which comprises most of Scotland outside the Central Belt (Gardiner *et al.*, 1994). In broader terms, the Organisation for Economic Co-operation (1993) categorises rural areas into three distinct types, depending on how they affect national and global economies: the remote/isolated, the intermediate and the comparatively integrated. Remote areas normally have lower population densities comprising people from elderly and the lowest income earners. The population here are heavily dependent on primary industry employment and live in areas where they are generally provided with the least adequate basic services.

### **2.2.2 Rural Development**

Development is a means whereby traditional ways of doing things are modernised, where backward societies, or sectors or classes, are transformed into advanced ones (William,

2003). The World Bank defined rural development as “a strategy designed to improve the economic and social life of a specific group of people that is the rural poor” (Harriss, 1982). Development, however, is not just a matter of improving but sustaining as well, the development that meets the needs of the present and not without providing the means for future generations to meet their own needs (WCED, 1987). Thus, it is appropriate to define rural development as improving the living standards of the mass of the low-income population residing in rural areas and making the process of their development self-sustaining (Gabriel, 1991).

Rural growth is slow, resulting from the many factors which include variations of industrial composition, cost of labour, macro-level economic characteristics, composition of low population densities, small size, distance from urban business and finance centres, and distance from rural culture (Seekins and Arnold, 1999:214). Therefore, even though the rural have much to offer (Loveridge and Schmid, 1993, Foster and McBeth, 1996) it has become harder and harder for many rural people to enjoy a standard of living equivalent to national norms while the nation maintains an appropriate rural/urban balance. It has also become a central challenge for rural development to foster and improve its economic opportunities and social conditions while at the same time safeguarding its rural heritage.

Rural development activities are confronted with two types of problems: physical and socio-economic issues. The former will include aspects of physical environment, such as lack of water supply, soil salinity or erosion, adverse soil and climatic conditions, lack of physical communication networks and hazards of disease. Socio-economic problems may include aspects of the social, cultural, economic and political organisation of the population such as lack of farmers' co-operation, access to land, the power of landlords, the position of farmers in local society, and poor access to the resources necessary for development. The focus of this dissertation is more on the second type of rural problems because it typically is the extended effects of the physical problems which have certainly worsened the rural situation.

The decline of agriculture, an ageing population, lack of leadership talents, outward migration of youth, the decline of industry, steady population loss, low incomes, declining employment, inadequate amenities in the inland areas, under-utilised labour, poverty, remoteness from main population centres and low quality services are some of the

profound problems suffered by many rural areas (Pezzini, 2000). There are many reasons for these problems. Too much emphasis given to the development of the urban areas is one of them, leading to over-concentration of infrastructure in the urban areas to the detriment of rural areas (Flora and Christenson, 1991; Akobeng, 2003). In other words urban areas have been developed at the expense of rural areas. To Skuras and Tzamarias (2000:225) all the causes and consequences of rural problems are the outcome of a confluence of the following factors;

- **Exogenous forces**

These include major external forces consisted of macroeconomic trends, liberation of world trade, technological forces (especially in agriculture), and the way in which all of these produce particular forms of investment or disinvestment in rural areas

- **Endogenous opportunities and constraints**

Local area capacity and the capability of its economic forces to utilise opportunities, overcome constraints and establish appropriate strategies, are of critical importance.

- **Public policy influence**

The influence of public policies, at national level and the response of policy-makers to rural problems are a significant part of the rural development process.

- **Interactions between organisations and interest groups**

The degree of participation, the extent of partnership formation, and the synergy between interest groups of different capacities for interest articulation, significantly affect the operation of development initiatives.

## **2.3 RURAL PROBLEMS - THE NEEDS FOR CLEAR UNDERSTANDING**

In the implementation of rural development programmes, there are tendencies to mismatch what has been implemented and what was really needed by the rural population. This may be due to lack of consultation between the implementers and the receivers of the development programmes, resulting in inappropriate or inaccurate data being gathered for development planning. It is no surprise if many efforts that were taken failed because the analysis of a community was initially flawed (Lawhead, 1995). Thus, one of the challenges in rural development is to have a clear understanding of the socio-economic, environmental

and political problems important to the rural areas. Anker (1973: 469) stressed that “more needs to be known about how rural sector functions, what are the constraints and bottlenecks impeding development, what incentives are likely to be of most use and what have been the results of development efforts so far”. This produced a tremendous need for more and better data. Without it, there will continue to be a huge gap between what we believe the problems to be and what we actually know about them, so much time and money are wasted on preparing plans and implementing programmes without a clear idea of what is involved (Turnham, 1971).

Failure of the policy-makers to have a clear understanding of rural problems often resulted in the implementation of wrong or inappropriate approaches for rural development. Consequently it has resulted in the failure of these approaches in achieving the designed objectives. Previous rural development approaches, for instance, were largely based on the problems of limited land for cultivation and predicated on the uniqueness of agriculture, and the social contract between urban consumers and rural food growers (Drabenstott, 2003). Thus, the policy on land reform and agriculture was formulated for rural development. Using the same policies in the changing rural environments where the contributions of agriculture to rural economies are decreasing will certainly not be able to solve more diverse problems in rural areas.

The failure of the policy-makers to consider rural potential, either to recognise the existing resources or the capabilities of the population to contribute and participate in the development process was also subjected to criticism. Thus, the rural planning process has always been a ‘top-bottom approach’ through an urban perspective by urban planners. This is not necessarily applicable to the unique rural conditions (Marshall, 1975). For example, development policies based on exposure to more vigorously competitive market conditions are likely to result in an unstable use of rural resources (Midmore and Whittaker, 2000).

## **2.4 RURAL DEVELOPMENT PROBLEMS IN DEVELOPING AND DEVELOPED COUNTRIES**

### **Remoteness**

With the exception of areas near the growth centres, most rural areas are remote and their populations are much smaller and more scattered than urban areas. Therefore, it is difficult

for the local economies to integrate into the modern sector, and makes the provision of even the most elementary economic and social infrastructure extremely costly. In the developing economy, where development is normally urban biased, priority for capital infrastructure has normally been given to urban areas to the detriment of rural areas. Even if there is infrastructure development in rural areas, it is normally skewed in favour of commercial farming areas. This apparently has made rural areas an unfavourable location for industrial development in particular for the manufacturing sector.

Rural remoteness is also causing difficulties in establishing the necessary critical mass of facilities such as roads, electrical and water supply and telecommunication which are needed to produce services and investments to support economic development. Loveridge and Schmid (1993) stressed that lack of appropriate telecommunication facilities will translate into faster erosion of an area's industrial base as information becomes more critical to access business services and markets. More importantly, a lagging telecommunications system will result in a relatively lower quality of life with less access to entertainment, health care services and education opportunities.

Adversely, rural remoteness and its high amenities have also become a major attraction to wealthier retirees, the tourism sector and recreation industries in the developed countries (Green, 2001). Remoteness of some rural places and a limited pool of local workers have also made self-development strategy, where local entrepreneurial creativity is built on local resources to create new jobs and economic activity, the only practical strategy to be implemented in those areas (Sharp *et al.*, 2002). This strategy, however, could be adopted only if the areas have the resources needed and the leadership capacity that could gain local support to make the initiative successful.

### **Dependence on Agriculture**

Agriculture contributions to GDP of many developing countries have been shrinking since the late 1980s. In Thailand, the proportion of non-farm income to total income of agricultural households for the whole country fluctuated around 46% to 60% between 1980 and 1990 (Krongkaew, 1995). In Nigeria, although agriculture contributed well over 50% of the country's GDP in the late 1960s, it has been neglected since that period due to the booming of the oil industry (Olanrewaju and Falola, 1992). Even though agriculture's contribution to GDP has been decreasing, this is the largest sector in many developing

countries and still employed a large number of people (Dixon, 1990). It is the main occupation of four-fifths of the rural poor in developing countries (Metha, 1984). The experience of many Asian developing countries for example, suggests a strong link between agricultural growth and overall economic performance (Pernia, 2002:1). Thus, the main approaches to rural development in these countries have been concentrated on the agricultural sector in the hope that the development of the sector would promote economic growth, alleviate poverty and engender overall rural development. However, even though some of these countries such as Ghana have achieved modest gains in its overall development, dependence on agriculture does not bring much improvement to the lives of its rural population (Akobeng, 2003).

In the developed countries, agriculture contributions to the country's GDP have been minimal. In 1990, only 8% of non-metro jobs in the United States were in farming (Murray and Dunn, 1995). The percentage is much smaller in the United Kingdom. Its direct employment in agriculture accounts for only 2.2% (OECD, 2003). In the EU there are now few regions where agriculture contributes more than 10% of the regional value added and these are concentrated in Greece, Portugal and Ireland (Lowe *et al.*, 1999). For Japan, the percentage of its rural population engaged in agriculture production dropped to 39% in 2000 from more than half of its rural population in 1970 (OECD, 2003). The decline in this sector is paralleled by a growing diversity of employment in the manufacturing and service sectors (Terluin, 2003). The shrinkage of the agricultural sector, even in the group of most rural regions which employed less than 15% of the regional labour force in the early 1990s, indicates that agriculture can no longer be considered the backbone of the rural economy (European Commission, 1997; Terluin, 2003; Pezzini, 2000). Yet they are still dependent on too few sources of income, making them vulnerable to downturns in their dominant economic sectors.

### **Lack of Employment Opportunities**

There are few jobs and limited opportunities in rural areas (Tickamyer and Duncan, 1991). It is internationally typical that rural unemployment rates are higher than urban rates. In South Africa, for example, where its unemployment rate is one of the highest in the world, rural unemployment rates are higher than urban rates, particularly among the young uneducated Africans living in the homelands and remote areas (Kingdon and Knight, 2001). Even if farming is still important in shaping rural land use, employment

opportunities in the primary industries, largely agriculture, is declining. The majority of the rural population particularly in developed and some developing countries are turning to non-farm sectors such as manufacturing and the service sector for means of employment. However, rural areas are not a favourable location for the manufacturing sector (Marshall, 1975), which itself hinders the entrance of new industries, thus limiting job opportunities for rural dwellers. A few industries, which did move to rural areas in search of inexpensive land, labour and taxes, were usually capital based and assigned only a limited numbers of workers. Many of these industries unfortunately had moved to foreign locations for even cheaper labour and land. In the United States, for example, nearly 200 rural factories closed their doors in 2000 causing 45% of total mass layoffs, compared with only 25% off at metro factories (Drabenstott, 2003). With the exception of a few labour-intensive and low-wage firms, there is also evidence that rural industry frequently brings its work force from outside the area (Marshall, 1975).

Over the past three decades the service industries have become much more important to the rural economy (Drabenstott, 2003), in particular in the developed countries. They currently employ more than a quarter of the rural workforce in the United States. In Britain around 73% of jobs are now in services, particularly in public services, education, health, distribution, tourism and financial services (Shucksmith, 2003). However, they provide only a fifth of the total rural income, about the same share as manufacturing and government. They certainly could provide a lot of jobs, but not always the high-wage ones (Henderson, 2003; Green 2001). The rural areas also tend to have a less skilled workforce and thus have difficulty attracting service firms.

### **Underemployment and Unemployment**

Underdevelopment is one factors contributing to the growth of poverty and the decline in income. As a labour-force concept, underemployment includes not only unemployment, but also some types of discouraged or sub-employed, involuntarily part-time and low-income workers with marginal or unstable labour-market attachments (Hauser, 1974; Clogg, 1979; Clogg and Sullivan, 1983). Stroup and Gift (1971) suggested that substantial overt or disguised underdevelopment in rural areas is caused by an absence of tight links between the marginal product of labour and worker claim-on-output in rural and traditional agricultural production together with a rapid growth of rural population, a low incremental labour-capital ratio in the export sector of the economy and weakness in the informational

and other mobility links between the domestic-consumption labour market and the export labour market.

Unemployment and underemployment is said to be persistent in most rural areas in the developing countries such as the Philippine, Indonesia and South Africa. As a consequence, the rural population who want to support themselves while remaining in rural areas invariably engage in non-farm or self-employment such as rural industry or rural entrepreneurship (Tambunan, 1995), which is often part-time or seasonal, and in low income generating economic activities. Even in the developed countries such as Britain, rural unemployment has been systematically under-reported (Beatty and Fothergill, 1997). The nature of unemployment includes the difficulties of ‘getting to work’, the narrow range of jobs available, the low level of wages on offer and ageism among employers (Shucksmith, 2003).

### **Small Scale of Economic Activities**

Rural economies are narrowly based and therefore exceptionally vulnerable to rapid changes in economic structures. A study of rural entrepreneurs in North Florida found that most firms in the rural area are relatively small and the retail or service orientations of the businesses appear to limit them to a secondary role in the local economy. They did not assume the role of traditional industries such as agriculture and manufacturing, those of producing goods and services for sale outside the community and providing employment for relatively large numbers of people or generating large sales (Gladwin *et al.*, 1989). In Britain over 90% of all rural firms are micro-businesses, employing fewer than 10 people, and 99% employ fewer than 50 (Shucksmith, 2003).

Most new rural businesses are also expected to be small, started by persons employed in farming or other traditional rural occupations on a part-time or full-time basis. As many of them are under-capitalised and may be unable to expand (Lawhead, 1995), their rates of failure are also high (Gladwin *et al.*, 1989). As efforts to generate rural business tend to be biased towards service or specialty firms, they may not be viable in the local communities that are too small and scattered over a larger area (Sharp *et al.*, 2002). In addition, rural firms also cannot easily access sources of assistance such as consultants, colleges, universities and business associations.

A study by Stearns *et al.*, (1995) on new firm survival based on types of industries, strategies and location in the states of Pennsylvania and Minnesota, USA, also showed that new firms located in rural settings do not have decreased survival chances as compared to new firms in urban locations. Rural locations, however, have not in general proved to be attractive to the manufacturing sector. Some of the major constraints impeding the birth and development of new enterprises outside agriculture include: physical inaccessibility and occupational structures with the limited range of skills and the low proportion of educationally qualified individuals, and difficulty in accessing external training (OECD, 2003). Studies on modern determinants of manufacturing location also concluded that the size of the manufacturing labour force, access to educated or skilled labour, proximity to major highways, proximity to markets, property tax rates and infrastructure are the main factors considered in determining a manufacturing site (Smith, Deaton and Kelch, 1978; Blackley, 1986; Wheat, 1986 in Nelson, Drummond and Sawicki, 1999; Carlino and Mills, 1987; Blair and Premus, 1987). With some notable exceptions such as those linked to industrial districts, many rural areas record below average enterprise creation rates (OECD, 2003).

As industrial growth was concentrated in urban centres, rural areas participated in it only to a small extent. In India, for example, between 1970 and 1980, rural industrial estates grew by 63%, while those located in urban and pre-urban areas grew by more than 200% (Lanjouw and Lanjouw, 2001). When they did, their growth usually occurred within a limited range of industrial activity (OECD, 1986). Furthermore, these new jobs were not always of high quality, and often demanded only minimal skills from rural residents. The result was a regional differentiation of development according to skill, with lower skill jobs going to rural areas and higher skill jobs concentrating in the urban areas (OECD, 1986).

Outside investors have traditionally considered rural areas as pools of cheap surplus labour that could be used to reduce production costs. In periods when labour costs are a critical factor in industrial competition, as is often the case in periods of rapid industrial expansion such as in the sixties, investment in the rural areas tends to rise. In periods when other factors such as transportation costs or the return from large-scale applications of capital or high technology rise in relative importance, investments tend to be concentrated in urban centres (OECD, 1986). Unwillingness of manufacturers to locate their factories in rural areas has caused outward migration in particular among rural youth to the urban areas. Thus, perceptions of occupational opportunities have always been a stronger predictor of

migration intention among local youth which constitutes a serious threat to the viability of local communities (Bjarnason and Thorlindsson, 2006).

### **Low Income**

Due to several disadvantages, people in rural areas normally receive lower incomes as compared with urban areas (Chapman *et al.*, 1998). Marshall (1975: 565) suggested that “depending on the characteristics of the people, many rural residents are likely to hold only marginal low-wage jobs wherever they work”. For example, the rural/urban wage gap in the United States in 1994 was \$8,093 as compared to \$7,585 in 1990 and \$5,465 in 1980 (Kassel and Gibbs, 1997). In 1990, the average urban wage was \$19,910 and the average rural wage was only \$14,243 (Seekins and Arnold, 1999). Apart from the level of economic development, other factors also contributed to this income disparity between urban and rural areas. Yang and Zhou (1999) revealed that inter-sector gaps in marginal productivity of labour and barriers to inter-sector reallocation of labour are major sources of urban-rural disparity. Yang (1999) attributed the rise in urban-rural disparity to what he called “urban-bias policy mix,” including increased urban subsidies, investments and banking credits, which have affected higher inflationary taxes on rural earnings. Johnson (2000) summarized three major policy areas that have adversely affected rural incomes, namely, the restrictions on rural-to-urban migration, less accessibility of education in rural areas and the urban-biased allocation of investment and credit.

### **Poverty**

Poverty is a profound problem in the rural areas. Of the estimated 1.2 billion people in extreme absolute poverty worldwide, 75% live in rural areas (Anyanwu, 2005). It is estimated that rural poverty accounts for nearly 63% of poverty worldwide, reaching between 65% and 90% in some countries in sub-Saharan Africa (Khan, 2001). In 1996, 71.7% of Nigeria’s rural population was said to be living under the poverty line (Anyanwu, 2005). Rural poverty in this country is more pronounced than in urban areas, where it is more widespread, deeper, and more severe than urban poverty. Even with the most developed countries such as the United States, 14 million of its population that live below the poverty line are found in rural areas (Seekins and Arnold, 1999).

The rural poor have been identified as small and marginal farmers, tenants, sharecroppers, landless workers and their families. It is estimated that in 1984, there were 80 million smallholdings of less than 2 hectares, many of them comprising several small fragments of land, which generated incomes below the absolute poverty level (Metha, 1984). There are also some 30 million rural populations in developing countries who are landless and 138 million are almost landless (Meliczek, 1996). They display characteristics indicated in Table 2.1.

**Table 2.1 Characteristics of the rural poor**

Landless	Low life expectancy
Too little land	Low income
Family too large	Irregular income
Malnutrition	Weak bargaining position
Ill-health	Isolated, owing to poor communications
Uneducated	Preoccupied with survival
High infant mortality rate	Indebtedness

Source: Dixon, 1990:51

Therefore, poverty is a reflection of shortfalls and deprivation in various indicators of human development, such as life expectancy, educational and nutritional levels, per capita income and access to various goods and services. Poverty also signifies lack of progress in human development, inadequacy and under-attainment in the desired levels of human development indicators and shortfalls in the attainment of human development (Chamhuri Siwar, 1996).

A review of the literature would indicate the following as the kind of problems which affect the rural poor's chances of improving the basis of their livelihood (Oakley and Marsden, 1985):

- Lack of access to resources for development
- Lack of viable organisations to represent their interests
- The dominant power of local moneylenders and traders
- The dependent and marginalised nature of their lives
- The air of despondency and despair which characterises their lives

The rural poor have also little access to agricultural land. Thus, according to Singh (1977), in a labour-abundant area where small, barely viable farms predominate, the solution to poverty must lie to a great extent outside agricultural activities. This is in line with the study by Tambunan (1995), on rural areas in West Java which suggested that the poor conditions, the financial incapability of their families and their low level of formal education had led many young people in the rural areas to undertake small, low income-generating economic activities such as rural industries. However, many of them took these activities as a “last resort” suggesting that increased involvement of population in rural industries is a sign of rural poverty, rather than rural development.

## **Outward Migration**

Outward migration of rural youth has been and still is a major problem for rural areas. In developing countries, the major determinants for rural migration are assumed to vary directly with the level of education, house (family) size, the number of household members of working age and income at the potential migrant's destination (Singh, 1977). Despite education, the income earned by migrants at the various destination points is the most powerful factor influencing people's decision to migrate, especially among able-bodied males with some education. Migration acts as a powerful factor alleviating both unemployment and underemployment in the rural areas and thus helps to raise their depressed level of incomes. The better employment opportunities enjoyed by migrant households are reflected in significantly higher levels of annual income than those of non-migrant households (Madden, 1970) and had increased the inequality of household income distribution.

In developed countries, lack of employment opportunities and inadequate access to educational and leisure facilities are the main factors for migration. Ward and McNicholas (1998) suggested lack of employment opportunities, low wages and the lack of affordable housing as factors that caused outward migration of the young from rural areas. Study by Rugg and Jones (1999) also suggested that lack of affordable housing in most rural areas in Britain has forced many of its young people to move to urban areas. Rural deprivation was indeed a push factor for outward migration of the rural population, whilst better opportunities in urban areas or growth centres were a pull factor. Other than involvement in off-farm work, outward migration is indeed a way out for the rural population for earning wages from other occupations (Kristen and Kristen, 2000). However, people's

decision to migrate is not only dependent on economic factors but other factors as well such as locality-based attitudes and bonding social capital that are the extent to which one's close friends and relatives are living within the community; the more personal connections people have the less likely they would be moving away for money (Cordes *et al.*, 2003).

Overall, migration is a complex phenomenon, but it is not likely to solve many rural problems. Although outward migration has partly relieved the plight of the poor, on the other hand it has caused other rural problems such as decreases in population especially in the developed countries like in the United States (Loveridge and Schmidt, 1993; Green, 2001; Sharp *et al.*, 2002), Ireland (OECD, 1993; Bjarnason and Thorlindsson, 2006), Japan (OECD, 2003) and Norway, which has precisely made maintaining its rural population a political resolution. Its official policy related to regional economies stated, "The aim of rural and regional policy is to maintain rural populations and develop robust regions in all parts of Norway" (Vennesland, 2005: 109). From an economic standpoint, losing residents makes rural communities less viable as economic centres (OECD, 1986). A declining population base reduces demand for goods and services both in the public and private sectors. The decline in population density in rural areas also means that the cost of providing public services and facilities in those areas is relatively higher compared to more populated areas (Smailes *et al.*, 2002).

Outward migration has also decreased the number of young people, limited leadership capacity (Murray and Dunn, 1995; Drebennostt, 2000) and increased inequality in rural areas. Migration has not only caused the loss to rural areas of both its young and highly skilled workers, but has also left rural areas with an ageing population and strained public services (Pezzini, 2000). This problem will continue unless rural developments produce more job opportunities beyond agriculture activities.

## **Unexplored Resources**

There are huge potentials in which the rural areas can offer apart from agriculture. Beautiful scenery, rivers, hills, beaches, woodlands, swamplands, mangrove swamps, animals, insects such as fireflies and even rural life itself are some of the capital assets (see Garrod *et al.*, 2006) important for rural development. A study of rural Scotland estimated that 8,000 jobs were created in natural heritage related jobs; a part of it related to woods

and forests and contributed £70 million a year to the economy (Rural Development Plan For Scotland, 1999). This is an example of how nature can make a significant contribution to local, often rural, economies. Though rural areas are often viewed as a resource to be exploited (Loveridge and Schmid, 1993; Foster and McBeth, 1996), the lack of initiative to self-develop using local resources through local entrepreneurial creativity, for example, is another problem of the rural population. Thus, the real problem faced by rural economies is lack of diversification. Without it, rural communities do not have the necessary stability to endure the inevitable shifts resulting from global economic and political changes (Winter, 1996). This has perhaps resulted from state-centred approaches in rural developments that make the rural population continue to rely on the state for their developments rather than to be driven by market needs (Murdoch, 2000). Many opportunities related to these local resources are often unexplored and their valorisation must struggle with obstacles needing to be addressed by the governments. The demand for policy raises several issues concerning;

- a shift in the policy objectives and the instruments of policies,
- a shift in the unit of analysis and intervention, and
- a shift in the governance framework (OECD, 2003).

However, increasing demand for foods in particular for the urban market has also deteriorated the rural environment. In developing countries the impact of the environment on agriculture has caused serious problems. Growing demands for wood resources for fuel by the urban population leads to loss of agricultural land, forestry resources and soil erosion in countries like Bangladesh and India (Elliot, 1994). Water contaminated by city-based activities in many developing countries has not only affected fishing stocks but has also produced a detrimental impact on vegetables and other crops. The river passing through Bolivia's largest city, La Paz, for example, has become so polluted that horticultural production downstream has had to be curtailed (Elliot, 1994). In developed countries, environmental impacts on agriculture in the United Kingdom, for example, are mainly associated with pesticides, nitrogen compounds, farm livestock waste and soil erosion (Skinner *et al.*, 1997).

## 2.5 RURAL CHANGES

Despite the numerous problems it has faced, continuous development has in fact changed rural landscapes, imposed structural change as well as changed its socio-economic norms

and values. Structural changes in traditional rural employment sectors, such as agriculture (Loboa, 1990; Carlin and Saupe, 1993; Hobbs and Weagley, 1995) and manufacturing (Barkley, 1996; Bernat, 1997) coupled with increased global competition (Salant and Marx, 1995) challenge the future of many rural areas as places to live and work. As O'Toole and Macgarvey (2003: 174) put it, "rural communities are undergoing massive structural changes and adjusting them to deal with a variety of global, national and local pressures is almost a truism".

Globalisation, technological developments, economic and industrial restructuring, deregulation and the ideological dominance of economic rationalism in Australia, for instance, have all created an environment of uncertainty for people in rural areas (Cheers, 1998). Changing the economic structure of a nation, emphasis on environment and increased international competitive pressure have affected the rural development programmes and added new problems for rural areas. Some of these emerging problems are illustrated below.

### **Increase of Non-farming Activities**

The decline of agricultural contributions to the rural economy consequently increases the importance of non-farming activities in rural areas (OECD, 1986). Non-farm sources account for 40-45% of average rural household incomes in sub-Saharan Africa and Latin America, and 30-40% in South Asia, with the majority coming from local resources rather than urban areas (Ashley and Maxwell, 2001). In East Asia, even agricultural households became increasingly dependent on non-farm incomes (Balisacan, 1993). In the United States only 6.3% of its rural population now live on farms and most families get most of their income off the farm. In 1999, 90% of all income of farm operators came from off-farm sources and 90% of rural workers had non-farm jobs (Drabenstott, 2003). Thus, rural economies have become more heterogeneous, which makes it a necessity to realise these changes in order to formulate new strategies for rural development.

### **Improvement in Education**

Although higher levels of education were not seriously needed in rural areas where only a few well-educated people lived (Sadeghi *et al.*, 2001), a great deal of emphasis was laid upon the importance of education as a tool for rural development in Africa and the Third

World during the 1960s and 1970s (Kallaway, 2001). Education was seen to be the most appropriate and reliable means for the rural poor to improve their living standards when rural development programmes that were identified variously with economic growth, modernisation, increased agriculture production, socialist forms of organisation and provision of services for basic needs had in actual fact failed to benefit them (Kallaway, 2001). Probably with the exception of some developing countries such as Nigeria where holding a post-secondary education in its rural areas significantly increased poverty (Anyawu, 2005), education has indeed enabled rural populations to move easily into the job market of the new global economy.

A study in China showed that education increases the likelihood that individuals will participate in the off-farm labour force, find jobs when they are unemployed and earn higher wages (Zhang *et al.*, 2002). Consequently, there are also increasing indications that educated rural youth tend to abandon rural life for better opportunities and excitements in urban areas and better chances of being employed in the manufacturing and services sector (Shapiro and Shapiro, 1994). Further increases in the educational attainment of the rural population have certainly increased non-agricultural employment. Limited opportunities in rural areas for non-agricultural activities have drained the rural workforce to some extent and have distorted the existing rural development programmes, creating the problems of abandoned farms, non-utilised lands and leaving only an ageing population to manage local resources.

### **Improved Infrastructure**

For some years, the rural areas have been experiencing a better infrastructure. Rural-urban networks are improving, based on the demands of the rural population as well as urban dwellers to make recreation in rural areas feasible (Pezzini, 2000). Thus, rural mobility is also increasing. Due to a growing economy, the rural population is now able to own cars, to make use of the good infrastructure. In Britain, for example, upwards of 70% of rural households have at least one car, with many enjoying multiple car ownership (Midmore and Whittaker, 2000). For the developing countries, the increasing number of cars in rural areas means more funding is needed for upgrading and improving rural roads, of which growing demands are not easily fulfilled by the governments and had consequently, become a growing pressure for the local leadership. However, for the car-less minority, the increasing assumption of private mobility causes an absolute decline in accessibility to

services as public transport costs raised disproportionately due to increased volumes of private traffic.

Improved accessibility to rural areas has also led to income leakages as rural inhabitants have the ability to spend on consumer goods outside the local economy and have transferred savings and profits out from the local area (Keane, 1989; Gladwin *et al.*, 1989; Lawhead, 1995; Midmore and Whittaker, 2000). These leakages mean that the economic benefits, in terms of increased incomes and additional employment, are not realised locally and therefore hindered the development of local businesses.

Greater accessibility makes the countryside more attractive for commuters and increases rural incomes through tourism-related activities, although it does not necessarily mean that the benefits are fully enjoyed by the locals. Due to capital constraints and inadequate knowledge, the rural population seldom has the means to become fully involved in the new activities. It is the external investors who manage to exploit the new frontier to add to their fortunes, while the locals get only a fringe taste of it. In a few cases, entrepreneurial individuals relocate themselves and their businesses as well, seeking the same attractions of space, tranquillity, freedom from pollution and integrated sense of community (Midmore and Whittaker, 2000).

Mobility has also resulted in the appropriation of rural housing by the wealthier urban dwellers and retirees who still retain their non-rural link (Hoggarts, 1997). Some evidence suggests that in-migrants take over representative institutions like community councils, wildlife, environment and amenity groups, in order to protect the desirable qualities of their acquired rural space (Murdoch and Marsden, 1994; Milbourne, 1997). The growing of middle class incomes in local social structures also mean that more preservationist attitudes to development are expressed (Marsden, 1994), which in a way hinders a developmental attitude to land in rural areas. This influence prevents developments offering opportunity for less privileged inhabitants, contributing to the cycle of cumulative causation, in which divisions between the affluent majority and the rest become deeper (Midmore and Whittaker, 2000).

## **Heterogeneous Society**

Greater accessibility has made rural areas a major attraction to tourist and retirees. Improved infrastructure has also widened the opportunity for wealthier individuals and retirees to move from urban centres to rural areas in search of amenity attributes for their quality of life (Deller *et al.*, 2001). In-migration has indeed increased the numbers of the rural population in certain areas. During the first half of the 1990s, rural areas in the United States, for example, grew by 1.55 million people through in-migration, which is more than sufficient to offset the 1.37 million persons who migrated to metropolitan areas in the 1990s. In relation to this, English, Marcouiller and Cordell found that recreational countries grew faster in terms of employment, income, housing levels and value, and population than non-metro countries (Deller *et al.*, 2001).

Harry, Barkley and Bao found that rural areas with higher levels of certain amenity attributes were likely to capture positive spread affects. On the other hand, rural areas with lower levels of amenities tended to lose economic activities to the nearby growing urban centres (Deller *et al.*, 2001). This situation, apart from increasing rural population, has also increased rural diversity in terms of the population. Rural society has become more heterogeneous and consequently so does the expectation of developments.

## **Increasing Awareness of Environmental Issues**

There is a growing awareness amongst rural populations of environmental issues recently as compared to the previous decade. The importance of good environmental management has only been recognised in the United Kingdom in the 1990s, due to increasing environmental legislation and mounting popular concern for the environment (Skinner *et al.*, 1997). Probably it is also associated with the growing numbers of young educated farmers in rural areas. Illbury (1992) suggested that those farmers that have the most constructive and positive attitude towards environment are likely to be younger and in particular, well educated. Greater awareness among farmers towards environmental issues has persuaded countries like Switzerland, New Zealand and Australia to develop their sustainable agriculture policies through a wide-ranging discussion with their farmer groups (Curry, 1997). The Australian government, for example, defined ecologically sustainable development, “as economic growth which does not jeopardise the future productive base”. This definition was based on an aspiration to increase ‘the total quality of life, now and in

the future' (Commonwealth of Australia, 1990), which underlined the importance of environment issues. On the other hand, this growing trend has in fact become one of the obstacles for the needed developments to take place in the rural areas especially in the developing countries.

Illustrate above are some changes in rural background. These changes have posed fundamental challenges not only for central government officials, but also for rural citizens, business and community leaders, and officials at intermediate levels of government. Although all rural communities are similar in that they are based on natural areas, they differ widely in their human and capital resources and employment opportunities (OECD, 1993). Thus the challenge is to gain a clear understanding of the socio-economic, environmental and political problems important in rural areas. In other words it is important to identify what are the most important rural development problems in rural areas, as this will lead to a much clearer picture of what kind of intervention is the most appropriate or effective to tackle the problems.

## **2.6 MALAYSIA – RURAL DEFINITIONS, ECONOMY, POPULATION AND PROBLEMS**

### **2.6.1 Rural Definitions**

Malaysian Population and Housing Census 1991 and 2000 defined urban areas as "Gazetted areas with their adjoining built-up areas which had a combined population of 10,000 or more. Built-up areas were areas contiguous to a gazetted area and had at least 60 percent of their population (aged 10 years and over) engaged in non-agricultural activities as well as having modern toilet facilities in their housing units" (Malaysia - Yearbook of Statistics, 2003:19). On the other hand, rural areas were defined as "all gazetted areas and consisting of 999 or less population and all areas that are not gazetted" (Malaysian Department of Statistic, 1986).

If we are to take the definition by the Malaysian Department of Statistics as a reference, it will be limited to the traditional villages which normally have a population of less than 1000 people. This certainly will not portray the correct picture of rural areas in Malaysia because there are settlement areas such as the new townships developed by the Regional Development Agencies, Federal Land Development settlements developed by the Federal

Land Development Authority (FELDA) and settlement areas developed by the Federal Land Consolidation and Rehabilitation Authority Berhad (FELCRA Berhad) with populations of more than 1000 but which could not possibly be categorised as urban due to their remoteness, lack of basic facilities and significant percentages of their population still engaging in agriculture base activities.

For the purpose of this study the definition rural as “all the gazetted areas consisting of less than 10,000 people and all of the areas that are not gazetted” (Malaysia Labour Force Survey Report, 2002:17) will be used as a standard. The same definition was also adopted by the Ministry of Rural and Regional Development which simply defined rural as an area with population of less than 10,000 people<sup>1</sup>.

## **2.6.2 Rural Economy and Populations**

Malaysia as a developing country was classified as an upper middle income country by the World Bank (Conroy, 2002). Malaysian rural economies up to the 1970s were described as predominantly agricultural (Tham, 1977) with more than half of 1.6 million households in Peninsular Malaysia in 1970 dependent on the agricultural sector for their livelihood (Edwards, 1981). It was, however, predominantly non-agricultural by the 1980s (Shireen, 1998). Although studies of rural villages since the 1970s indicate a significant increase of non-agricultural production (Ong, 1987; Peletz, 1988) and a move towards a more diverse occupational structure (De Koninck, 1992; Rogers, 1993; Wan Hashim, 1995; Tsubouchi, 2001), agriculture mainly consisting of rubber, palm oil, coconut, cocoa and paddy remained as the prominent economic activities in the rural areas as well as fishery and livestock.

In 2002, out of nine main economic activities in rural areas, agriculture-related activities including hunting, forestry and fishing contributed 38.5% of the employment as compared to 18.2% in manufacturing and 9.8% in wholesale and retail trade (Malaysia - Labour Force Survey Report, 2002). In terms of participation by ethnic grouping, the *Bumiputera* (a word derived from Sanskrit (popularly translated as ‘sons of the soil’) that has come to be used as signifier for racial access to special rights (Lee, 2004), constituted 34.7% of employment in agriculture-related activities, 30.1% Chinese and 29.5% Indian. In manufacturing, the *Bumiputera* participation is 18.7%, Chinese 15.4% and Indian 34.1%. The Chinese participation in construction as well as in wholesale and retail trade is well

ahead of other ethnic groups with 10.9% and 24.9% respectively, 8% and 9% *Bumiputera*, and 5.2% and 8.9% Indian. However, in public services such as defence and education, the *Bumiputera* participation is prominent with 13.9%, Chinese 3.4% and Indian 4.5%.

There are three major ethnic groups in the country that is the Malays, Chinese and Indians who form a multicultural and pluralistic society. During the colonial and post-colonial era, most of the Indian immigrants were concentrated in the rubber plantations, the Chinese, who were largely involved in the extraction of tin and the maintenance of the commercial sector, were concentrated in urban areas, while the Malays were largely undisturbed in the rural communities. In 1959, for instance, only 20.0% of Malays lived in urban areas as compared to 67.7% of Chinese and 8.7% of Indians (Ratnam, 1965). Although this physical separation of the ethnic groups based on economic functions is less obvious in the present day, the pattern is still there to be seen. Thus, where rural areas are concerned the population is predominantly Malay. The Malays, together with other indigenous people of the country, are categorised as the *Bumiputera*.

Rural dwellers in Malaysia are heterogeneous in nature. There are non-agriculturalists or non-peasants who live in peasant villages and they often intermingle with agriculturalists in their daily life. Non-agriculturalists or non-peasants are those, whose principal incomes are earned outside the agricultural sector (Wan Hashim, 1995). They do not engage in peasant economic activities (agriculture, rural craftworks, fishing) on a full time basis. They may be government servants, traders, businessmen and women, peddlers, or urban workers; that is those who are mainly employed in the non-agricultural sector but often live in a peasant village. The second category of rural dwellers can be appropriately termed as peasants. Wan Hashim (1995) divided them into five principal classes and two emerging classes. The five principal classes are landlord, rich peasant, middle peasant, poor peasant and landless peasant while the emerging classes are capitalist farmer and rural wage worker or proletariat. However, settlers in land development schemes such as those developed by FELDA and FELCRA Berhad form a significant number of rural populations in Malaysia and they should be added to the existing categories of peasant. Up to 1994, FELDA had developed 900,000 hectares of land and allocated it to 116,400 settlers in their settlement areas. During the same period FELCRA Berhad has also collaborated and rehabilitated 259,200 hectares of land involving 100,000 participants (Mahathir, 1994). With an estimate of only five people in a family, they should have constituted 582,000 and 500,000 people respectively or 5% of the total population of the country. Peasants joining

FELDA schemes were, in fact, called settlers, not wage labourer (Edwards, 1981). Since they did not fall into any of the seven categories above, perhaps they could be categorised as peasant settlers.

Those within the landless, poor and middle peasant classes formed approximately the majority of the peasant population, which altogether constituted between 75% and 85% of the peasant population. The rich peasants, landlords and capitalist farmers constituted approximately less than 10% while the rural wage workers did not exceed 5% of the total peasant population (Wan Hashim, 1995). While his arguments on the rich peasant landlords and capitalist farmers might bear some validity as shown by Malaysia Labour Force Survey Report (2002) in Table 2.2, which clearly indicates that only 1.3% of those involved in agriculture-related activities such as hunting, forestry and fishing are employers or capitalist farmers, there seems to be a changing trend in rural wage workers as there are 39.5% employees or wage workers as illustrated by the same survey. This may be due to increasing numbers of foreign workers engaged in agriculture-related activities. It is also due to the tendency of some part of the rural population to migrate to rubber and palm oil estates as wage workers for a more comfortable life and a better income as compared with their previous life in remote villages working on their small and uneconomic land. There are also a large number of them which constitute 59.2%, who are either self-employed or involved in family activities.

**Table 2.2 Number of employed persons by industry and employment status, Malaysia, 2002**

Industry	Total (‘000)	Employer	Employee	Own account worker	Unpaid family worker
Total	9,542.6	288.6	7,320.3	1,479.8	453.9
Agriculture, hunting and forestry	1,316.8	16.5	529.5	530.6	240.5
Fishing	107.7	2.0	33.2	63.4	9.0
Mining and quarrying	27.5	0.4	26.8	0.2	0
Manufacturing	2,068.9	32.1	1,902.6	115.4	18.8
Electricity, gas and water supply	50.6	0.3	49.9	0.4	0
Construction	905.1	45.9	763.6	91.7	3.9
Wholesale and retail trade; repair of motorcycles and personal and household goods	1,497.0	99.9	978.8	319.3	99.0
Hotels and restaurants	616.1	43.9	365.7	132.4	74.0
Transport, storage and communication	496.8	9.3	406.5	78.2	2.8
Financial management	240.5	1.5	224.7	14.0	0.3
Real estate, renting and business activities	397.1	17.6	349.1	28.8	1.6
Public administration and defence; compulsory social security	663.6	2.0	657.3	3.6	0.7
Education	508.6	3.7	492.1	12.4	0.5
Health and social work	189.3	4.6	170.9	13.4	0.4
Other community, social and personal service activities	192.5	8.3	155.7	26.3	2.2
Private households with employed persons	262.7	0.3	212.2	49.9	0.3
Extra-territorial organisations and bodies	2.0	0	2.0	0	0

Source: Malaysia Labour Force Survey Report, 2002:88-89

### 2.6.3 Rural Problems

Many of Malaysia's existing economic and political problems are rooted in the colonial experience (Gomez and Jomo, 1997). British colonialism contributed to the ethnically heterogeneous population by allowing, even encouraging, Chinese and Javanese immigration and organising Indian immigrants to work in the nascent public and plantation sectors, resulting in a close identification between races and economic function. Despite

the formation of a plural society in the country, there was very little integration and only limited interaction among the ethnic communities.

The majority of the Chinese were mainly involved in the urban-based tin mines, the Indians cloistered in self-contained semi-rural plantations, and most Malays were working as and largely remaining peasants in rural areas (Young, Bussink and Hasan, 1980; Bunnell, 2002). So the Chinese predominantly live in the rich and industrialised west coast states of West Malaysia, whereas the east coast states of West Malaysia are predominantly Malay, predominantly rural and poor (Kasper, 1974). While the rural areas are often neglected by the colonists, the urban centres in contrast experienced mammoth growth (Mehta, 1984). Thus the communities were largely separated by economic specialisation and demographic demarcation. This backdrop underlies the socio-economic problems of the country. Not only had it determined economic disparities between races but between rural and urban areas as well. This is indeed the underlying factor that set the course for the government's economic policies and strategies, which persuaded the government to intervene in the economic development of the country.

### **Heavy Dependence on Agriculture**

In Malaysia, a large agricultural sector has contributed relatively little to the overall growth of the country's economy since the late 1960s (Kasper, 1974). In 2000, agriculture, livestock, forestry and fisheries contributed 10.5% of GDP, down from 13.6% in 1995 and 18.7% in 1990 (Fatimah and Mad Nasir, 1997). Its contribution to GDP further decreased in 2003 to 0.5% and to 0.2% in 2005 (New Straits Times Economic Report 2004-2005, 11 September 2004). Table 2.3, shows the composition of Malaysia's Gross Domestic Product (GDP) by industry of origin from 1970 to 2000.

**Table 2.3 Composition of Malaysia's Gross Domestic Product (GDP)  
By Industry of Origin (%)**

Sector	1970	1980	1990	1995	2000
Agriculture, forestry and fisheries	29.0	22.9	18.7	13.6	10.5
Mining and quarrying	13.7	10.1	9.7	7.4	5.7
Manufacturing	13.9	19.6	27.0	33.1	37.5
Construction	3.8	4.6	3.5	4.4	4.8
Services	39.6	42.8	42.1	44.2	45.7

Source i. Government of Malaysia, Second Outline Perspective Plan, 1991-2000

ii. Government of Malaysia, Seventh Malaysia Plan, 1996-2000

Not only has this entire sector been shrinking in relative importance with respect to production, but the role of agriculture and livestock within the wider sector also shrank since the 1970s as illustrated by Table 2.4.

**Table 2.4 Contribution of agriculture to GDP (%)**

	1970 Prices		1978 Prices	
	1974	1980	1980	1990
Agriculture	21.3	17.3	15.4	13.8
Forestry	4.9	4.2	4.4	3.1
Fisheries	2.6	2.1	3.1	1.9
Total Contribution	28.8	23.6	22.9	18.8

Source: Lucas and Verry, 1999

Although agriculture's contribution to GDP has been decreasing, this sector, as in many third world countries (Dixon, 1990), still employs a large number of people in Malaysia. It was estimated that slightly more than 1.8 million people were in agriculture in 1990, out of the total working population of 6.6 million. In 1997, 17.3% of the population was still engaged in the agriculture sector, as compared to 38.6% in industry and 44.1% in the services sector (Malaysia Review, 2003). Agriculture remains the predominant economic activity in the rural areas with 38.5% of employees as compared to 18.2% in manufacturing and 9.8% in wholesale and retail trade (Malaysia Labour Force Survey Report, 2002). With declining trends in the agriculture sector, the future of those who still rely on agriculture for their income is much more vulnerable.

## **Lower Prices of Primary Commodities**

In Malaysia, commodities such as rubber, tin, sawn logs, timber and crude palm oil were a backbone of the nation's economy. For the past two decades after independence, rubber, tin, sawn logs and palm oil were the major contributors to the Malaysian economy in terms of export income. In 1970, these primary commodities contributed 95.6% of the total exports.

Due to their importance, rubber and oil palm, along with other crops such as pepper, cocoa, coffee, coconut and pineapples, have been the principal crops in rural areas. However, the prices of these commodities fluctuate widely and are subject to external factors such as market prices, export tariffs, competition from other producers and exporting countries as well as substitute products, for example, synthetic rubber (see Thorburn, 1977). Therefore, the prices of these commodities have been low over the years. They only accounted for 54.1% of Malaysia's total exports in late 1988 and 42.8% in 1989 (Mohamed Ariff, 1991). A similar situation was also faced by other developing countries such as Ghana where 35% of its export value depended on the cocoa exports (Asare and Wong, 2004).

Table 2.5 shows that the relative importance of the traditional primary commodities, rubber and tin, in total exports has dwindled markedly, with their joint share falling from 53.0 % in 1970 to just 7.5% in 1989. By contrast, the proportion of manufactured exports has risen sharply from 11.9% to 54.0 % over the same period. In addition, petroleum has emerged as the top export earner since 1975.

**Table 2.5 Malaysia: Structure of Exports, 1970-1989 (%)**

	1970	1975	1980	1984	1987	1989
Rubber	33.4	21.9	6.4	9.6	8.7	5.8
Tin	19.6	13.1	8.9	3.0	1.9	1.7
Logs & timber	16.5	12.1	14.1	10.3	13.4	10.7
Palm Oil	5.1	14.3	9.2	11.8	7.3	6.9
Petroleum	3.9	9.2	23.8	22.6	13.9	11.6
Manufactures	11.9	21.4	21.7	31.2	45.1	54.0
Others	9.6	8.0	5.9	11.5	9.7	9.3
Total	100.0	100.0	100.0	100.0	100.0	100.0

Sources: Malaysia, Bank Negara Malaysia, Quarterly Economic Bulletin, various issues; and Malaysia, Ministry of Finance, Economic Report 1990/9 (Mohamed Ariff, 1991).

## **Poverty**

In Malaysia, the higher incidence of poverty in the rural sector makes it a predominantly rural phenomenon. This is in agreement with other developing countries such as in Nigeria (Anyanwu, 2005). The magnitude of poverty problems can be gauged from the number of poor households, the number of hardcore poor and the incidence of poverty. This is a major and sensitive issue that needs to be addressed appropriately for a couple of reasons. Perhaps the most alarming consequence is increasing dissatisfaction among the rural population towards the government. Their economically depressed condition always remains a potential threat to the stability of the state (Ghosh, 1996).

Realising this fact, the Malaysian Government has undertaken continuous and massive efforts through various activities to reduce the incidence of poverty in the country. In 1976, the incidence of poverty was over 40%. This figure was reduced to 13.5 % in 1993 (Osman Rani, 1996) and continues to decrease from 8.7% in 1995 to 6.1% in 1997, 5.5 % in 2000 and 2.8% in 2007. Nevertheless, poverty is still a significant rural issue that needs to be dealt with. Comparatively, the incidence of poverty in 1990 is still high for the rural sector, at 19.3%, 39.1%, 24.7% and 21.8%, respectively, for peninsular Malaysia, Sabah, Sarawak and Malaysia as a whole.

While rural poverty has been significantly reduced, the problem of poverty amongst peasant farmers and fishermen remains acute. In 1990, the incidence of poverty remained high amongst paddy farmers (30%), rubber smallholders (24%), coconut smallholders (27%) and fishermen (39%) (Chodhury, Malik and Adnan, 1996), as illustrated by the Table 2.6.

**Table 2.6 Peninsular Malaysia, incidence of poverty**

	1970	1976	1984	1987	1990
	Total Incidence of Poor poverty Households	Total Incidence Poor poverty Households	Total Incidence Poor poverty Households	Total Incidence Poor poverty Households	Total Incidence Poor poverty Households
	(%)	(%)	(%)	(%)	(%)
Rural	58.7	47.8	24.7	22.4	19.3
Rubber small-holders	64.7	58.2	43.4	40.0	24.0
Paddy farmers	88.1	80.3	57.7	50.2	30.0
Estate workers	40.0	-	19.7	15.0	29.0
Fishermen	73.2	62.7	27.7	24.5	39.0
Coconut small-holders	52.9	64.0	46.9	39.2	27.0
Other agriculture	89.0	52.1	10.0	-	-
Other industries	35.2	27.3	10.0	-	-
Urban	21.3	17.9	8.2	8.2	7.3

Source: Various Malaysian Development Plans.

### **Outward Migration**

In terms of distribution, the rural population in Malaysia increased in number from 4.6 million in 1957 to 9.4 million in 1995 (an increase of 106%) as illustrated in Table 2.7. The rural population's share of the total, however, has shrunk from about three-quarters to 45% during the same period. This decline among others was due to the effectiveness of government policies in accelerating the movement of young Malays from rural to urban areas (Zulkifly Mustapha, 1982), resulting in a massive outward migration to the manufacturing sector, particularly in the post-1970 period (Fatimah and Mad Nasir, 1997).

**Table 2.7 Distribution of Rural-Urban Population (Million)**

Sector	1957		1970		1980		1990		1995	
	Million	%								
Urban	1.6	26.5	2.5	28.7	4.5	34.2	7.2	40.7	11.3	54.7
Rural	4.6	73.5	6.3	71.3	8.6	65.8	10.5	59.3	9.4	45.3
Total	6.2	100.0	8.8	100.0	13.1	100.0	17.7	100.0	20.7	100.0

Source: Population and Housing Census, 1980

The Second Outline Perspective Plan, 1991-2000 Five Year Plan, various issues.

The share of the rural population decreased even further in 2000 to only 38%. From the total population of 23,274.7 million, 8,847.8 million were categorised as rural inhabitants (Malaysia - Year Book of Statistics, 2003). In fact, in the period of ten years from 1991 to 2000, rural areas in Malaysia experienced a decrease of 1.7% of their population. The biggest decrease happened in the most developed states such as Melaka (35.0%), Johor (15.2%) and Selangor (13.6%) as well as the Federal Territories of Labuan (40.0%) (Malaysia - Year Book of Statistics, 2003). The reduction was mainly due to rapid urbanisation that had taken place in these states, however outward migration of people from less developed states and rural areas was also a major contributor.

### Lack of Leadership Talents

As has been mentioned above, increasing opportunities for higher education among rural young people had enabled them to acquire better jobs and migrate to urban areas. An attractive manufacturing sector further reduced the numbers of young people and caused acute problems in rural areas. Aside from the difficulties in gathering them for social programmes in the villages, a more serious effect on rural developments is the deficiency of leadership talents, which could have gained support from the majority of the rural population and at the same time assisted the government in the implementation of development projects.

With a majority of older people in the villages, there is always disapproval of the leadership style of the old headmen by their subordinates, usually from the younger generation. There could be many reasons for these disagreements; an inactive leader, a leader with vested interests, political differences and even differences in religious matters. These differences sometimes created a leadership crisis in certain villages and became an

obstacle for project implementation. Since leadership plays a crucial role in economic development by precipitating action, interpreting events and providing a conduit for information, frictions in rural communities are certainly not a promising sign for development.

### **Idle Lands**

There are over 200,000 hectares of smallholder land standing idle in Peninsular Malaysia alone (Lucas and Verry, 1999). Several factors have contributed to this problem. Other than rigidities in the transfer of ownership and leasing of land, abandoned agricultural lands due to the low price of commodities, scarcity of capital and shortage of available labour are the main reasons for the increasing area of unused land in the country. There is great concern on the part of the government as to how these areas could be developed, but due to many complicated matters, nothing much has been achieved in addressing this issue. As this land is suitable for almost every kind of crop, many hectares of unused land in the rural areas is in fact a waste of resources that could be used to generate rural economies.

### **Unemployment and Underemployment**

Although the labour shortage in the agriculture sector has been eased partly by foreign workers, rural unemployment is still a major issue. Particularly in the states where there are fewer industrial sites which could provide job opportunities. Rural young people are often reluctant to work in the agriculture sector due to low wages and the nature of the job. Although they are highly mobile and able to leave the rural areas in the search for employment, some of them, in fact, stay put for various reasons. A study on one of the Federal Land Development Schemes in Malaysia in 1987 shows that out of 40% of those unemployed, 75% were aged between 15 and 29 years (Guinness, 1992). More recent figures show that 95% of those unemployed in rural areas were aged between 15 and 49 years, slightly higher than those in urban areas although their age range is about the same (Malaysia Labour Force Survey Report, 2002). The majority of them either in urban or rural areas alike had secondary and tertiary education.

Unemployment among rural communities, especially school leavers, has contributed to various social issues in rural areas. The crime rate, especially related to drug abuse, has increased significantly. This has contributed to other social problems such as juvenile theft,

illegal motorcycle racing, sex-crimes and several other types of case. Apart from creating social problems, their attitude of escaping agriculture-related jobs partly contributed to the problem of unused land.

As the nature of the jobs in rubber and oil palm plantations, fishery and single-crop paddy cultivation only requires workers to work for a few hours during the day; their work force was not put to the optimum use. This excess work force has in fact created problems of underemployment in rural areas, which contributed to other social problems such as loafing and gambling.

### **Lack of Basic Facilities**

Through various development projects, the government has been able to provide good infrastructure in the rural areas. By the end of The Seventh Malaysia Development Plan at the year 2000, 95% of the population had access to clean water and 93% have access to electrical supply (7<sup>th</sup> Malaysia Plan, 1996). Most of the rural areas in the country are accessible either by roads or through other means of transportation; but this does not mean that all areas have equally good infrastructure. There is a lot more to be done to upgrade the living standard of the rural population. There are still some parts of the country, which need to be connected to the economic mainstream and require new, wider and better roads, new bridges, telecommunication facilities, electricity, clean water and better public transport.

Due to a low and sparse population, basic services such as schools, clinics, post offices, shops, banks and community centres become difficult to access and often difficult to maintain. Decreasing population size, the comparatively high price of goods due to transportation costs and limited choice of goods are factors that constrained business developments in rural areas and had impeded any creation of new employment in this sector. Several programmes introduced to encourage rural involvement in small businesses especially in retail and food stores have not succeeded due to lack of customers. There are cases where small premises built for small businesses in rural areas have been left vacant due to lack of interested parties.

## **Environmental Issues**

There is an increasing awareness amongst the rural population on environmental issues. For example, complaints by the fishermen regarding sand-dragging activities near the sea fringes, which damaged their fishing gear and reduced the volume of fish and prawn caught, have been increasing (*Berita Harian*, 17 Jun 2003). There is also great concern among the fishing communities about the increasing incidence of ships releasing oil sludge into the sea which has affected the quality of the water and further reduced the volume of sea life. River pollution from sand dragging activities and effluent released from factories located along the river has also been a threat to fisherman (*Berita Harian*, 11 July 2003).

Being the largest palm oil producer in the world, a palm oil mill is a normal sight in the Malaysian rural landscape. Currently, there are 275 palm oil mills in the country. Although undeniably being a backbone of the rural economy in the country, the smoke released from these mills has also affected the level of air quality. Similar problems have also been caused by other factories, especially sawmills, paddy-processing factories, rubber related and building material factories. The pollutants released from these factories have also been a great concern to the rural population and related agencies.

In simple terms the rural areas in Malaysia were defined as settlements outside the local government administration. This means that the rural population is not eligible for local government services such as domestic waste disposal because they are not subject to property tax. This, in fact, has created a major problem of waste disposal in rural areas, especially in rural settlement areas such as the Federal Land Development Scheme and integrated new villages scheme developed by the Regional Development Authorities. Without proper services and a proper dumping ground, the settlers have to find their own way of disposing their domestic waste. Apart from the traditional way by digging holes, a large amount of waste usually ends up in a swamp or riverside and has contributed to water pollution.

There are also increasing concerns among the rural population about excessive logging activities, which have distorted the rural landscape; once a part of the tourist attraction of the rural areas and a sanctuary for wild animals. Besides being a great loss to the tourism sector, logging activities have also caused a drastic change in the weather conditions of rural areas and have damaged rural roads.

## **2.7 SUMMARY**

This chapter has illustrated some of problems faced by the rural communities in developing and developed countries, as well as the problems faced by the rural areas in Malaysia. As an upper middle income economy, the development problems faced by rural communities in Malaysia have mainly been due to the transition of the country's economy from being agriculture dominated to an increasingly industrialised economy. While agriculture still contributed significantly to the country's rural economy, the decreasing importance of this sector to the country's economy as a whole and the growing industrial and manufacturing sector had caused problems such as the decreasing interest among rural young people towards the primary sector and outward migration of the rural labour force to the manufacturing sector. This had caused other related problems such as the heavy dependence of the agriculture sector to foreign labour, unutilised land, poverty, depopulation of rural areas, lack of leadership talent and capacity among the local leaders, unemployment among rural young people and other social problems.

### **Notes**

<sup>1</sup> The definition of rural given by an officer of the Rural Development Agency during the fieldwork

## **CHAPTER THREE**

### **GOVERNMENT INTERVENTION IN RURAL DEVELOPMENT**

#### **3.1 INTRODUCTION**

It needs more than a single solution or approach to tackle the diverse and complex problems faced by the rural communities as discussed in Chapter Two. Different economies engage in different approaches. While most developing countries are still dependent on primary industries, in particular agriculture, as the main economic generator in their rural areas, many developed countries are looking into other alternatives, in particular the non-farm sector such as manufacturing and service industries (Murdoch, 2000), new businesses (Popovich and Buss, 1990) and tourism (Green, 2001) to boost their rural economies. Normally public or government intervention is crucial in order to help generate these activities as the private sector usually tends to shun rural areas, unless they can benefit quickly from investing in them.

Therefore, pro-active government policy intervention in rural areas is proposed as one of the factors that can accelerate progress (Pearson, 2003). As the future of many small rural communities is likely to decline if they are left to market forces (Weber, 1995), leaving progress to the activities of free enterprise may amount to inviting disaster (Mohd Nor Abd, Ghani, 1981). Thus market failure has always been seen as a rationale for government intervention in rural development.

Although the ultimate objective of a rural strategy is to increase the incomes of the rural population and improve the way they live and work (Anker, 1973), government intervention does not necessarily improve the rural sector. Policy interventions in the

agricultural sector have been essentially anti-small farmer and, thus anti-poor (Pernia, 2002). For example, government introduction of distortionary economic policy measures, which often made socially undesirable investments attractive and desirable to investors, were relatively unprofitable, which not only hampered economic growth at the national level but also spawned side effects deleterious to rural development (Pernia, 2002). The single crop policy introduced by the Thailand government, for example, has weakened the agricultural sector (The Nation, 26 February 1998). As a result, the government was asked to play down its role by strengthening the Tambon Administrative Organisation as a key to rural development without government intervention (The Nation, 26 February 1998). Government intervention has also sometimes failed to reach the intended beneficiaries as was manifested by the Chiapas rebellion in Mexico, even though the government had increased funding for rural poverty reduction which was supposed to benefit the Chiapas (Fox, 1995).

Having mentioned the pro and cons of the government intervention, this chapter is meant to discuss government intervention in rural development in developed and developing countries in general as well as in Malaysia in particular. For that purpose the chapter is divided into five sections;

- Section one is the introduction to the chapter
- Section two provides a definition of intervention.
- Approaches to rural development in developing and developed countries are discussed in section three.
- Some development approaches in Malaysia are discussed in section four.
- The final section is the summary of the chapter.

### **3.2 THE DEFINITION OF INTERVENTION**

Argyris (1970:138) defined intervention as “to enter into on-going system of relationship, to come between or among persons, groups or objects for the purpose of helping them”. Although what should be the main objective of government intervention in rural development is to improve rural living standards, in actual fact, it has multiple objectives either visible or in latent form.

Colonial governments in Africa, for instance, nationalised the export of agricultural commodities during and after World War II, which provided revenues and contributed to

the post-war reconstruction of metropolitan economies (William, 2003). The independence nations use the same means when they intervene in peasant society in the name of development in order to extract what the rural areas possess for the benefit of urban areas. In most African countries, the surplus extracted from the rural agricultural sector has been used primarily to subsidise the urban sector and help the incumbent government to stay in power (John, 1999).

A major means of government intervention to promote rural development and welfare is through government administration, especially in fields such as education, health, communications, water supplies, co-operation and marketing, credit, agricultural research and extension, family planning, nutrition and various forms of production infrastructure (Chambers, 1974). This intervention can be grouped into three main models, the exogenous development model, the endogenous development model and the mixed development model.

### **3.3 EXOGENOUS DEVELOPMENT MODEL**

The rural population or the peasants are described as a ‘part society’ defined by their subordinate relationship to external markets, to the state and the dominant culture. They are also subordinate to other classes within the state and may be required to yield some tribute to them (Harriss, 1982). They are regarded as traditional, even primitive, and who need, in a paternalistic way, to be educated out of their ignorance (Oakley and Marsden, 1985). Within the developing countries they are not seen as a major resource for furthering the process of development, but rather as obstacles. Attention was turned to mobilising them through mass education and community development programmes to reach the critical ‘take off’ point into self-sustained growth. In other words peasants are unable to develop; they must be developed (William, 2003). It was assumed that only people at the higher levels had the technical expertise to know what should be done (Neale, 1985). Thus technocrats and administrators at the state and national levels did almost all the planning.

This is the backdrop behind the exogenous development approach. Since rural areas were perceived to be lagging behind the national development effort, agriculture had to be improved to support the industrialisation process through projects and programmes designed and formulated by urban administrators and planners, with little attention given to the rural population. Despite the fact that they themselves have the most to gain and lose in matters involving economic development and environmental preservation, they have often

been given the least voice in the political processes that create policies in these areas (Foster and McBeth, 1996).

The exogenous approach is where rural development is considered as being transplanted into particular regions and externally determined, so that the benefits of development tend to be exported from the region and the local values tend to be trampled on (Slee, 1994). It is also known as a top-down strategy, which indicates a strong national control of economic policy at the local level (Vennesland, 2005).

The strategy emphasises economic growth and industrialisation in the context of increasingly centralised planning and control over the distribution of resources. This strategy is also known as the modernisation approach, which stresses the injection of capital inputs from outside, resulting in ‘take-off’, and the eventual spread of benefits throughout the system (Oakley and Marsden, 1985). In this respect local development is not actually concerned with ‘development’ but growth (Wolman and Spizley, 1996). This focus on growth restricts economic development to new investment or business as an entity in itself and such approaches are not really concerned with many social justice and environmental issues (Eisinger, 1988). Unless these policies are inclusive the ‘community’ is merely being exploited for the benefit of private capital (Piore, 1995).

The basic principles of this strategy are built on an understanding that economic development takes place through four principal processes;

- The modernisation of technology, leading to a change from simple traditional techniques to the application of scientific knowledge.
- The commercialisation of agriculture, which is characterised by the move from subsistence to commercial farming, leading to a specialisation in cash-crop production and the development of wage labour.
- The industrialisation process, which features the transition from the use of human and animal power to machine power.
- Urbanisation, which consists of changes in the ecological dimension and is the movement from farm and village towards the growth of large urban centres (Long, 1977).

These processes must be imposed from the top or from the state based on the process of urban developments. Some of the approaches under the exogenous model are illustrate below.

### **3.3.1 Agriculture Development**

As mentioned in Chapter Two, even though agriculture is now dwindling in importance as source of direct employment, it remains a significant employer and predominant user of land in rural communities (OECD, 1986), especially in the developing countries. Thus focus on agriculture has been the natural result of the important role played by the agricultural sector as a natural resource industry within both rural economies and national economies as a whole. Rural development strategies thus have been focusing on efforts to develop the agricultural based sector through various projects and programmes such as land reforms, fertiliser subsidies, irrigation and good breeding and so forth. Long-term structural adjustment in the agricultural sector, however, raises consequent issues in rural economies where agriculture dominates. The more economically efficient agriculture has become, the fewer jobs it provides, exerting continuing pressure on local economies and eventually local demography (OECD, 1993).

Structural changes in agricultural production have led to fewer and larger farms where, rural policies were always in favour of larger farmers (Green, 2001), disadvantaging small operators in terms of incentive and infrastructure development. Emphasis on commodity crops that are subject to external market forces does not also help the rural population when external and internal forces can manipulate the prices of those commodities for their own benefit. Griffen (1974) divided rural development strategies in the developing countries into three very broad headings, technocratic, reformist and radical as depicted in Table 3.1.

Technocratic strategies have been adopted by most of the third world countries. The main objective of these strategies is to increase productivity, particularly in agriculture, for example, through the programme of Green Revolution such as the programmes organised by the Ford Foundation, which emphasise farm productivity through the provision of modern agricultural inputs to rural areas (Neale, 1985). According to Dixon (1990: 56) this approach leaves in place the structures that maintain inequality of incomes and access to resources, and consequently, tends to benefit the richer farmer.

Radical strategies depend on fundamental social change which rejects capitalism and attempts to construct some form of socialism. This revolutionary approach is based on the acceptance of the structural causes of poverty. In order to eliminate poverty, the process that perpetuates it has to be removed. Many African countries, for example, chose statism, a development model that emphasised state control and minimised the functions of the market in the belief that market-centred resource allocation systems inherited from the colonial state were actually obstacles to rapid economic growth. Even though this model was expected to provide the state with the resources it needed to confront mass poverty and deprivation, on the other hand it endowed the state with almost unlimited power to intervene in private exchange and enhanced the ability of those who captured the post-colonial state to engage in opportunism. As a result of it, the model failed to promote economic growth and development in the continent (John, 1999).

The reformist approaches are essentially a compromise between the technocratic and the radical types of change. In practice, however, the underlying structures are left largely intact (Dixon, 1990:60). These strategies take a variety of forms but in essence they attempt to redistribute power, income and access to resources through land colonisation and land reform programmes such as the subdivision of large estates; the consolidation of small and fragmented holdings; the abolition of reform of tenancy; the removal of communal ownership; the establishment of private titles to land or in the case of radical measures the complete or partial removal of private ownership through land nationalisation. In South Africa, these strategies have been implemented because most of the country's land is concentrated in the hands of a relatively small and wealthy minority (ISRDS, 2000).

The Chinese model of rural development has also adapted to collective/individual/capitalistic mixed economies to achieve economies of scale of land (Zhou, 2003). The expansion of the cultivated areas through these programmes is the most important means of increasing agriculture output in most developing countries. However, these strategies have also been criticised for causing soil erosion, failing to keep pace with rural population growth and an inability to provide a solution to rural poverty (Dixon, 1990) as well as income disparity.

**Table 3.1 Major types of rural development**

Development strategy	Objectives	Major beneficiaries	Dominant form of tenure	Ideology	Representative countries
Technocratic	Increase output	Landowning elite	Large private and corporate farms, plantations, latifundia, various tenancy systems	Capitalist	Philippines, Brazil, Ivory Coast
Reformist	Redistribute income (and wealth); increase output	Middle peasants, ‘progressive farmers’	Family farms, co-operatives	Nationalist	Mexico, Egypt
Radical	Social change; redistributive political power, wealth, and output	Small peasants and landless labourers	Collectives communes, state farms	Socialist	Vietnam, China, Cuba, Algeria

Source: Griffen (1974:204)

### 3.3.2 Infrastructure Development

Infrastructure is defined as “the services drawn from the set of public works that traditionally have been supported by the public sector, although in many cases the infrastructure services may be produced in the private sector” (Fox and Porca, 2001:104). Examples include water, sewerage, solid waste management, transportation, electricity and telecommunication. Infrastructure potentially can influence rural economic performance in three ways; expanding the use of existing resources (labour, capital, etc), attracting additional resources to rural places and making rural economies more productive (Fox and Porca 2001:104). On the other hand, lack of quality infrastructure in many rural areas will push its residents out, to the extent that it also halts the provision of infrastructure in the areas. Thus, the financing and construction of capital infrastructure is an important tool to stimulate the development of the economies of local areas (OECD, 1986). This strategy has two main objectives, first to create physical conditions conducive to extended commerce and industry in the assisted areas, and secondly to create a temporary employment within construction industries. This objective usually has more political appeal than economic justification.

Capital infrastructure improvements have helped in reducing the physical and social isolation of rural areas by better modes of transportation and communications services.

These improved transportation and communications facilities have helped to link rural communities more closely with sources of raw materials and potential markets for their products. Many small businesses in southern Italy, for example, have failed because of poor north-south communication in that area (Canullo, 1992). This development strategy has also made more feasible the relocation of other industries into rural communities, where they can take advantage of lower labour costs or the proximity to raw materials. Improved infrastructure has also led to a higher quality of life in rural areas. Improved facilities for education and health care lead to a more productive workforce and make rural communities more attractive to industries that seek to relocate or expand, and are more inviting to rural residents who might otherwise migrate to urban areas.

Though infrastructure policies have clearly helped rural areas, they have often been applied generally, rather than directed specifically toward rural areas. Transportation policies, for instance, rather than promoting greater commerce within and among rural communities, have linked one urban centre with another, only incidentally connecting rural communities with trunk lines that inevitably give an urban bias to transportation flows (OECD, 1986). At the same time, infrastructure development programmes have sometimes required rural areas to employ facility designs that were developed or applied in large-scale urban applications. By failing to develop or apply technologies appropriate for small-scale applications typical of rural areas, these programmes have sometimes forced higher operating costs onto rural residents than they can afford to pay. Accessibility thus does not appear to provide sufficient conditions for rural development and sometimes, it is more a source of population leakage than of economic linkage (OECD, 2003). One distance-related cost is the overinvestment in rural roads (Chicoine, 1986) to the detriment of other kinds of infrastructure and social services. Some claim that suboptimal investment in communication constrains rural growth (Parker *et al.*, 1989), but others argue that telecommunications will not improve the competitiveness of rural areas and may result in accelerated decline as centralised information and service providers tap into previously isolated markets (Rowley and Porterfield, 1993). The overall conclusion of the literature is that at the margin, the expansion of infrastructure investments is likely to have a modest effect on rural economic performance, so public policy of improving rural economies that relies heavily on infrastructure development is unlikely to be productive (Fox and Porca, 2001:120). Therefore, enhancing rural infrastructure generally should not be the primary focus of an economic development strategy, but infrastructure probably needs to be a component of a well-structured programme (Fox and Porca 2001:106).

### **3.3.3 Industrial Developments**

Industrial development or industrial recruitment as Sharp *et al.*, (2002) called it, is an exogenous form of development that takes outside investors and firms to relocate in the community. Industrial recruitment relies on government policy and funding. Through tax abatements, low-interest loans and infrastructure improvements, communities succeeding with this strategy can generate substantial and easily enumerated impacts on local employment and economic activity. The industrial discourse is also said to involve the ‘smoke stack’ approach to local economic development that looks to attract investment from outside using a range of initiatives that are often quite dubious in the benefits of initiatives that accrue to local residents (Kirby, 1985; Power, 1989). Such an approach is predicted on the neo-liberal assumption of the ‘trickle down’ effect where community wellbeing is supposedly improved by increased production of capital of locality (Blakely, 1989).

This strategy has been criticised for a variety of reasons, such as its focus on firms in declining sectors of the economy or the recruitment of firms that are seeking to lower their costs (Eisinger, 1999; Loveridge, 1996). This may not create the quality of jobs that a community desire; and once the benefits of the local incentives are realised, the firm may choose to relocate again, perhaps to another country where labour costs are even lower. According to Green (2001), rural areas in developed countries have been losing manufacturing jobs since the 1980s, albeit at a lower rate than urban areas.

In the developing economies, the creation of rural industries has been viewed as one of the ways to strengthen the rural economy by providing jobs for an abundant labour force, but industries need infrastructure and support services which very often are costly to build. Industrial activities invariably require types of skilled manpower often not found in the rural areas. Therefore, development experience of the developing countries such as the Philippines over the past three decades indicates that the industrial sector has failed to generate the employment opportunities that are required for the transformation of employment from one that is predominantly agricultural to one that is predominantly urban, industrial and service in composition (Balisacan, 1989). An appraisal of the various development plans in Nigeria also reveals that rural industrialisation has never actually been viewed as a vital part of rural development strategy (Olanrewaju and Falola, 1992). This would probably be the case with most of the developing countries, where state intention to achieve equal development between geographic regions appears to be seen

only in terms of distribution of social amenities. Nevertheless, in China where reforms have been carried out incrementally, rural industry surpassed agriculture as the dominant source of rural income by 1987 (Oi, 1999). The implementation of central government strategy on the promotion of rural industrialisation, through the formulation of tax policies, issue of bank credit, and provision of a looser interpretation of the national environmental policies have all facilitated the growth of rural industries in that country (Xu and Tan, 2001). This shows that rural industry in developing countries could prosper if appropriate strategy was adopted and rural labour was released from the land. In other words, rural development must go beyond agriculture development.

### **Criticism of the Exogenous Approach**

Exogenous approach has been criticised for causing failure in rural development programme. Observation of the Thailand development project found that nearly all development programmes were failing because they were designed from the top to bottom without participation of the people and seldom provided effective follow-up on the completed project (Korten, 1980). Two underlying causes of the general failure of top-down planning in poor and emerging countries have been the absence of any stake or input to the planning process, and the preference of donors to by-pass ineffective local administration by setting up financially and administratively autonomous project organisations that have further weakened local capacity. State centred approaches have eventually come to be seen as misplaced and inadequate not least because, in the worst cases, they caused a continuing reliance on the state rather than the market (Murdoch, 2000). In reaction to this weakness, decentralisation and participation approaches have become the focus of rural planners.

### **3.4 ENDOGENOUS DEVELOPMENT MODEL**

In contrast to the exogenous development model, the endogenous development approach emphasises the strength that rural people have to develop in their area from the inside. It has perhaps emerged as a consequence of mature democracy which placed more rights and responsibilities on its citizens and less on the state (Etzioni, 1995), or probably due to “government failure” which gave reasons for avoiding intervention (Weber, 1995). Rural citizens think of themselves as self-reliant individualists, thus the strategy also known as “bottom-up” oriented strategy or “development from below” (Neale, 1985), implies a large role for local institutions in the planning and administration of development programmes,

and allows local communities to make their own decisions regarding economic policy (Vennesland, 2005). They seem to favour ‘inside’ economic development or strategies such as small business creation, retention and expansion of existing businesses and home grown business development. They are well aware that community survival must rest on a new economic and social base and they themselves must invent that new base (Foster and McBeth, 1996). Therefore, they are generally opposed to ‘outside’ economic development or strategies such as industrial recruitment, tourism development, or retirement community development (Foster and McBeth, 1996). This is in line with sustainable economic development, which argues that citizens must direct policy-making.

On that basis, endogenous development approach is to be understood as local development, produced mainly by local impulses and grounded largely on local resources (Picchi, 1994; OECD, 1986). This strategy is based on the rural inner strength such as the many unused resources that exist in the rural areas; labour, which is often available in ample supply, and at a price that is competitive; and national and international beauty, which has economic potential for recreational purposes and provides a setting that is attractive to prospective labour forces. The cohesiveness and stability of rural social structures, which can be a source of strength during the search for new ways to face the future; the imagination and energy of rural citizens, who are capable of generating new ideas and approaches to self development, add to those advantages. By drawing on this inner strength, rural community development can occur without the benefit of externally supplied capital, organisation, or ideas and thus giving them control over the course of development (OECD, 1986). They therefore can expect greater compatibility between local economic development and other important community values.

The growth that resulted from endogenous developments was said to be more lasting than externally generated growth. Since the viability of new or expanded endogenous enterprises depends on undervalued resources existing within rural communities, the prospects are good that successful firms will choose to remain in the community (OECD, 1986). Since endogenous firms tend to be locally controlled, there is also a greater likelihood that community welfare will receive a higher degree of consideration in investment decisions, thus relieving the community from some of the uncertainty it often suffers at the hands of outside investors.

Endogenous development has also been spontaneous, occurring without explicit public support in some cases and with only limited encouragement in others. The spontaneity is a

direct product of the fact that much growth results from independent initiatives by individuals who have taken personal risks in order to improve their own lives. Precisely because the entrepreneurial process is so intensely personal, these entrepreneurs have usually tried to maintain their independence, resisting involvement in their business by outsiders, either government or private investors, and where that involvement has been necessary, by re-establishing self-sufficiency as quickly as possible (OECD, 1986).

Not only has traditional public intervention not been required to support endogenous entrepreneurial development, but also, in fact, it appears that these new initiatives often prosper best through self-directed efforts. Because endogenous initiatives are usually built upon local strengths, such as traditional local skills, the national environment, or the social community, they may not be readily transferable to another. Each initiative depends to some extent on a combination of assets that is unique to the areas that share its relevant features. What is transferable, however, is the spirit that underlies the initiative, the belief that successful development opportunities can be found through examination of the community's own combination of strength and the example of success in one community being emulated by others.

The introduction of the endogenous development approach in the United Kingdom was manifested with the introduction of Community Participation in its rural policy (Curry, 2001). This was due to increasing globalisation, which has broadened the horizons of members of the 'global' society and allowed them to become more individualistic and led to a desire on the part of the population at large to find new expressions of social solidarity and social cohesion (Giddens, 1988). This inspiration or 'Third Way' politics, as Giddens (1998) put it, recognised that the new freedom or "autonomy of action", which has become available to individuals, also demands the wider involvement of the community. Community participation was viewed by the Labour Government as a strengthening of rights and access to information, which enables people to exercise a collective influence over bureaucratic and corporate power (Lowe *et al.*, 1995). This leads to an increasing need for public agencies to work in collaboration with others - the private sector, voluntary groups and the community, operating more as enablers than just as providers (Curay, 2001).

In England, the application of the endogenous development approach in rural developments was clearly illustrated in the Rural White Paper introduced under a Conservative administration in 1995. It stressed the traditional strengths of rural

communities with respect to independence and self-help (Lowe, 1996). Emphasising that the focus for local decision-making was not to be the local government but, rather, the rural communities themselves, it thus recognised that many decisions on rural issues are best taken at the local level. The role of central government was characterised as working in partnership with local people, developing resource-effectiveness and ‘enabling’ policies rather than imposing ‘top down’ solutions (Curry, 2001: 564). The state was to help communities to help themselves through the diffusion of best practice. In relation to this, Murdoch (1997) notes that it was a clear statement of a government moving away from its managerial or ‘executive’ role.

In Scotland, a community input to the development plan is not just an opportunity, but a requirement. National planning policy guidance for Scotland (Scottish Office, 1999) requires development plans for countryside areas to be reconciled with strategies developed by local communities. Community participation is not merely encouraged by government, but would appear to be a mandatory element in the development of rural policies and plans (Curry, 2001). Planning authorities must work with local communities to take full account of their aspirations in outlining ways in which land should be used in general terms to promote economic, environmental and social well-being.

### **3.4.1 Community Development**

Community development is an example of endogenous development programmes. Greater emphasis was given to this programme in the 1950s and early 1960s, by means of which much was accomplished at the local level in getting the people more involved, in undertaking village improvement, in developing a grass-roots approach (Anker, 1973). This approach focuses upon the development of participatory mechanisms to improve local citizenship (O’Toole and Macgarvey, 2003). It ‘implies improvement of material well-being’ as well as improvements ‘in decisions of people and groups about the overall directions of the well being in the community’ (Wolman and Spitzley, 1996). It also ‘envisioned the individual not as worker but as a whole human being embedded in many networks’ (Wilson, 1995). It claimed a new relationship between individuals and community or as a notion of “the stakeholder economy and society” as Hutton (1999) enunciated it, where the empowerment of individuals (through education, training and an equality of opportunity to participate) is used to build a “moral community that is congruent with private property” (Hutton, 1999). The emphasis in this community approach is to focus on the wider social, cultural and organisational context where all

sectors of the community can become involved. Such policies rely on the development of partnerships between government and communities, to foster community revival and empower individuals with a stake in society to help renew a sense of responsibility (Curry, 2001). In response to this, according to Hutton (1999), the government actively seeks to involve citizens, or the community, more directly in policy-making and implementation.

The most classical example of a community development programme is the one started by Albert Mayer and D. P Singh in Etawah District in 1947, when they tried to find a suitable way to develop 500,000 villages in India (Neale, 1985). This is the three-tiered system of elected village councils (*panchayats*) that elect block councils (*samitis*), that in turn elect district councils (*parishads*) (Neale, 1985). They have substantial power to plan and make local demands known to the state.

Across Europe, increasing emphasis has also been given to capacity-building and community development in its rural policy in the 1990s. It was claimed that this approach would permit innovative solutions to be developed for rural problems by combining three elements, a territorial basis, the use of local resources and local contextualisation through active public participation. Endogenous development of this form is seen as building the capacity of localities or territories to resist broader forces of global competition, fiscal crisis or social exclusion (Shucksmith, 2003: 209).

In the United Kingdom, two examples of community development approach that can be cited are the Parish Paths Partnership and the Development of Millennium Greens. Both programmes were conducted under Community Participation initiatives. The Parish Paths Partnership introduced by the Countryside Commission in 1992 was a replication of Community Path initiatives and it adopted a Path Schemes developed in the early 1990s to encourage parish councils and other groups to take an active part in path maintenance and publicity (Curry, 2001). Almost 1000 parishes joined the scheme in its early years of operation (Parker, 1996). For the scheme's success it was cited in the 1995 Rural White Paper for England as an exemplar of good Community Participation practice.

As with the Parish Paths Partnership, the genesis of the Development of Millennium Greens lies in precedent at the county level. An example of this scheme is the initiative taken by Northamptonshire between 1987 and 1989, to establish some 50 small areas for local access to the countryside in parts of the country that had suffered a decline in such provision due to intensive agriculture or known as a pocket park (Curry, 2001). Under this

scheme local communities, invariably through parish councils, could determine for themselves the purposes of such areas but they had to be owned or leased by the community and managed by it.

Even though there is a need for these strategies to be put in place in the rural areas to assist the rural communities in enhancing their sense of wellbeing and survival, in the current profile of rural communities, in particular in the developed countries, there are a number of factors which impede such strategies. Hallebone *et al.*, (2003:234) listed six of these factors;

- Due to declining population there are fewer individuals available to undertake community development strategies.
- The declining resource base of rural communities reduced the capacity and willingness of residents to dip further into their financial or ‘in-kind’ resources to undertake or sustain community development strategies.
- Lack of internal cultural congruence between the local communities and local government bodies.
- Lack of leadership capacity due to outward migration of young and normally educated people from rural areas resulting from declining employment opportunities in the rural areas.
- Declining accessibility of information in the rural areas.
- Inappropriate government structures or requirements.

### **Criticisms of Endogenous Development Approach**

Community development was to be participatory but it was not originally designed so that villagers would develop and administer local plans. Although it is a “bottom-top” planning approach, outside intervention is something that does not totally disappear from it. In the case of *panchayats*, government does intervene, fearing that the *panchayats* will not plan to do things that they want them to do (Neale, 1985). In the case of the Parish Paths Partnership, Parker (1996) observes that the scheme, whilst purporting to be Community Participation programme, is in fact a “top down” policy that provides no roles for local people in either policy formulation or decision making, the two legitimate elements of the Community Participation programme. It is restricted to a requirement for parishes to take part in local footpath maintenance as a responsibility, but gives them no ‘voice’ in the development of such policy. Base on this restriction, Curry (2001) has made a valid

comment about this initiative when he said “it is likely that Community Participation will become increasingly common as a foundation of rural development initiatives, but it is unlikely to fall entirely outside state influence”.

Being locally driven, the community development approach faced several obstacles in its implementation either due to the weakness of the approach itself or hindrance from various parties that were supposed to support the programme. The efforts were too localised; they concentrated too much on welfare and too little on economic activities, scarcely touching the most underprivileged group. There were difficulties of co-ordination between new government agencies and well-established technical services (Anker, 1973). Taking *panchayats* as a community development approach, for example, Neale (1985:685) clearly illustrates the problems facing this approach when he stated;

“The effectiveness of *panchayats*, *samitis*, and *parishads* as planning organisations was severely limited by conflict with officials. The history of economic planning and administration at the local level has, in many respects, been the history of tensions between the requirements of community development and the traditions and responsibilities of the state and national administrative services”.

Apart from a lack of co-operation from government officials, community development officers also have relatively low power positions against the administration to force their views on them. They also did not have much influence over the budget for development programmes. However, with that limited power they were also corrupted, with the result that it was not the small farmers and landless labourers who benefited from their programmes, but the rich and powerful (Neale, 1985).

Another problem with this approach was the communities themselves. As Warburton (1998) noted, “communities do not mean consensus and that living in the same place does not guarantee a common view about local issues”. In other words there will always be elements of conflict within the communities on certain issues that may end up with the break-up of the community spirit and hinder the success of the community development approach.

### **3.5 MIXED EXOGENOUS/ENDOGENOUS DEVELOPMENT MODEL**

This model stresses the interplay between local and external forces in the control of the development process (Lowe *et al.*, 1995). At the central government level, it is argued that the state should let go of power in favour of local initiatives in resource management, facilitating community management. However, it needs to play an important role in setting out an overall development vision (Clayton *et al.*, 2003). The underlying belief of this approach is that effective planning and development cannot be achieved without the participation of the local centres of power as well as the participation of the villagers who are to adopt the new ways (Neale, 1985). Progress will be accelerated by pro-active government policy intervention in the rural area, participatory decision-making from the outset and throughout any development, or decision to provide financial support to maintain, a sustainable enterprise and evaluations of sustainability that anticipate variability or risk, uncoloured by short-term priorities such as business survival (Pearson, 2003). Discussed below are some of the programmes where the government's involvement could accelerate local participation in rural development.

#### **3.5.1 Aquaculture**

Since the decline of agriculture, diversification was seen as an approach that must be applied in order to ensure the survival of the rural population. One economic activity that is promising is aquaculture. As a response to government concern about rural development, aquaculture promises that potential and permanent jobs can be generated to maintain rural communities. For rural communities, where aquaculture develops there are usually full-time jobs and income multipliers. In 1991, salmon farming in Scotland employed 1014 people full-time and 272 part-time, while aquaculture in Spain has created 8000 jobs predominantly in mussel cultivation (Ridler, 1997). Rural community ventures into this new economic activity will certainly have a significant impact if the government can provide sufficient support, in terms of guidance, know-how and funding.

#### **3.5.2 Forestry**

Forestry related activities are obviously the most likely alternative productive use of agricultural land and can diversify the economic base in rural areas. The high direct impact on the economy of labour intensive planting and harvesting in forestry (rather than its backward linkages) suggests that it offers relatively high potential for improving

economic activity in rural Scotland, and therefore promoting rural development. Wood processing in Scotland employs approximately 3000 people (FTEs) compared with approximately 5000 FTEs in the forests themselves (Thomson and Psaltopoulos, 2005). The expansion of the wood-processing industries would create an important number of direct and indirect new jobs and backward linkages would then further increase income and employment in the rural economy. A study in Scotland also estimated that 8,000 jobs were created in natural heritage related work, with part of it related to woods and forests and contributed 70 million pounds a year to the economy (Rural Development Plan for Scotland, 1999). This shows that where forestry could contribute substantial growth to the rural economy. Government involvement through the Community Woodland Supplement, for example, where communities are encouraged to develop their own recreation opportunities in local woodland areas (Curry, 2001) will certainly help in spawning a range of community-based tourism initiatives related to forestry.

### **3.5.3      Tourism**

Tourism has been seen as an alternative development strategy for the economic and social regeneration of rural areas due to various rural problems in many western countries (Dernoi, 1991; Williams and Shaw, 1991; Pompl and Lavery, 1993; Hannigan, 1994; Wickens, 1999). Since tourism is an essentially labour-intensive sector, the employment created by tourism activities could be substantial. Sporting recreation, for instance, can be developed in parallel to agriculture, and (productive) forestry may lead to the maintenance of a minimum level of farm viability, particularly in a context of declining agricultural returns (Thomson and Psaltopoulos, 2005). There are also growing trends in non-metropolitan counties in the United States where amenities, the non-market qualities of a locality that make it an attractive place to live and work (Power, 1988:142) are used to promote inward migration and out-door recreation and nature-based tourism (Green, 2001). Tourism constitutes a key element in the development of mountainous areas, but it must be carefully monitored and confined within certain limits as any increase of tourism activities has a negative effect on the natural environment (OECD, 1993). As it is still a new occupation in the rural sector, rural tourism is said to have influence on the rural culture that could destabilise the social harmonies that has for decades been associated with rural areas. Conflicts between “life style” preferences of newcomers, the amenity preferences of outsiders, and economic ambitions of earlier residents may also arise (OECD, 1993). Thus it needs careful planning to maintain social harmonies in rural areas and at the same time gain economic benefits from it.

Tourism indeed provides a bright future for rural economies as rural areas have inherited vast potential resources to be explored for this purpose. However, the involvement of local people in this sector in developing countries has normally been hampered by lack of education and financial resources as well as inadequate support from the public sector. The majority of the population in these countries has also a limited understanding of tourism, its impact and potential benefits, and therefore, the people do not realise their own potential, or the value of their resources, as tourist attractions (Briedenhann and Wickens, 2004). Therefore, the main initiative needed to be taken by rural communities is to recognise their potential as in the old Japanese saying ‘a lighthouse does not throw a light on its foot’, meaning that we often fail to recognise the potential of what is on our doorstep (Tabe, 2000). As successful tourism development calls for a ‘people-centric’ approach, in which the voices of local communities are heard and decisions relating to the type, scale and rate of tourism development informed by their input (Matthews, 1978; Murphy, 1985), governments involvement is still crucial in developing appropriate policies and providing appropriate rules and regulations, adequate financial support, infrastructure improvement and good economic environment in order to ensure that the new activities prosper in rural areas.

### **Criticism of the Mixed Development Model**

Although this approach shows the involvements of both the government and the local community in implementing development in the rural areas, it is difficult however to determine the limit of the government involvement and to what extent the rural community should play their role. This has led to the situation where the government is said not to be doing enough to assist the rural communities in their development, and on the other hand the rural communities was claimed to be too dependent on the government assistance.

### **3.6 GOVERNMENT INTERVENTION IN RURAL DEVELOPMENT IN MALAYSIA**

A successful transformation of the rural areas is crucial for the national development (Olanrewaju and Falola, 1992). Although rural development will not solve urban problems, without it urban problems will become insoluble (Madden, 1970). Failure to recognise and act significantly to address rural issues will certainly have an effect on government, socially, economically and more destructively, politically. Social unrest in Malaysia in 1969 was a clear indication that market forces could not be left freely to enhance the

developments of the country. Especially in heterogeneous societies such as Malaysia, where there are wide income disparities between sectors and between races, government intervention is vital in order to keep these disparities small and to counter market forces that may lead to wider income differentials during developments (Snodgrass, 1974). As was said by Young, Bussink and Hasan (1980), “if there had not been significant government intervention, Malaysia’s poor would have been much worse off”.

This was indeed a driving force behind the introduction of the New Economic Policy, spelled out in the Second Malaysia Plan in 1971-75. It has been a major shift on the part of the government from a policy of minimum involvement in economic development of the country to a policy towards more public enterprise participation. The policy was aimed at “accelerating the process of restructuring Malaysia society to correct economic imbalance, so as to reduce and eventually eliminate the identification of race with economic function”. Thus, it was said that for the first time in Malaysia’s history, government departed from the principle of laissez-faire (Kasper, 1974) with little state intervention to capital restructuring through a highly interventionist state (Munro-Kua, 1996).

Although the government intervention in rural development of the country had begun before World War II through efforts of creating rural co-operative societies with credit and marketing facilities (Kennedy, 1970), it was not until the early 1960s, that the Malayan government organized efforts to stimulate the development of its rural sector. This effort was manifest in three major orientations, each corresponding to a type of organizational goal;

- Output goals: the production of amenities, building up the rural infrastructure, or providing aids and assistance to rural people.
- Cultural goals: community development; changing the values of the rural people by increasing their participation in their own improvement; reconstructing the rural community.
- Mixed Output Cultural goals: changing the structure of the rural economy through the extension of credit, technical assistance and rural education, co-operatives, farmers’ associations and extension work. These are mixed goals in that in one specific organization there is a combination of an attempt to create a new culture, to change the economic or social structure or small parts of it, and to produce some service or amenity (Ness, 1967: 124).

This has been the government's objective in rural developments since then. So the phrase 'rural development', as used in Malaysia, connotes both direct productivity-raising programmes and efforts to improve infrastructure and social services for consumption as well as production purposes (Snodgrass, 1980). As with most government rural development institutions and approaches, which can conveniently be classified by territorial and organizational criteria such as programmes and projects which are multi-sector and have bounded sites, sectoral bases and area management (Chambers, 1974), Malaysian rural development programmes embodied the same principles. Basically as most of the developing countries, Malaysian rural development programmes was initiated by the government through top bottom approach.

This was translated through initial efforts to enhance rural developments, which were carried out through agriculture development, including land development schemes, in-situ developments, physical and community development, entrepreneurship development and later extended into other strategies such as industrial and tourism development. Although these strategies are intertwining as an integrated approach to development, their ultimate objective is to address rural poverty. The strategies are targeted at different levels of developments including agriculture, infrastructure, community, entrepreneurship, poverty alleviation, rural industrialization and tourism.

### **3.7 SUMMARY**

This section has illustrated in some detail several interventions in rural development, either by exogenous, endogenous or mixed approaches. Although there are certain weaknesses in each approach, they have, in fact, brought a significant improvement to rural development. As strategies are vital in any development, their success in tackling rural development problems lies not only in sound planning or good development approaches but more crucially on the effectiveness of the organisations or institutions that will implement those approaches. This will be the subject of discussion in the next chapter.

## **CHAPTER FOUR**

### **INSTITUTIONAL ARRANGEMENTS**

#### **4.1 INTRODUCTION**

Several approaches to tackling development problems have been illustrated in Chapter Three. However, a sound development planning and approach does not guarantee that successful development can take place in rural areas. While new approach and strategies are needed to address existing and emerging problems faced by the rural communities, an effective institutional arrangement is also needed to allow the participatory approach to work in a rural development programme and provide such a programme with the impetus and environment needed for success (Ahmad, 1975). As several studies have indicated that institutional arrangement affect human decisions and interactions, as well as economic performance and development, the need for improved institutional arrangements has been recognised for many years in management science. Effective institutional arrangements will empower stakeholders towards building a real stakeholder's partnership in implementing rural development programmes.

Several literatures have indicated that effective organisation is crucial for successful economic development. Lang (1995) listed strength of government institutions as one of the factors influencing sustainable development. Organisation is the central element of successful strategy (Johnson and Clark, 1982); attempts to change ‘which things are done’ must be accompanied by appropriate changes in ‘how things are done’. Clayton *et al.*, (2003) indicated that ‘the very real problems in building partnership in rural development are compounded by ineffective institutions’. Smoke and Romeo (1997) summarized that dispersion of responsibilities across agencies and lacks of co-ordination at all levels are pervasive hindrances to rural development. While experience gained from the Special Rural Development Programme (SRDP) in Kenya also indicated that departmentalism,

where staff of different departments compete rather than collaborate, regard one another as rivals and work independently from one another when they should co-operate, have resulted in conflicts, confusion, duplication and gaps, which all hinder the progress of development programmes (Chambers, 1974). Obviously, to be effective, organisations need to be appropriately structured. They should also be able to collaborate with all the relevant parties within or outside the organisation, and to gain support from all actors such as the local participants, individual workers, managers, investors, community leaders, entrepreneurs, public officials and leaders of associations. In other words, agencies must engage in co-operative approaches or participatory co-management approaches. The experience of various co-management arrangements worldwide has shown that participation increases awareness and appreciation of the issues and contributes to improved stewardship and management of resources (Lane and Stephenson, 2000)

OECD (1993) has indicated that three challenges are faced by those involved in rural development. The first challenge is to gain a clear understanding of the socio-economic, environmental and political problems important to rural areas. A second challenge is to identify and develop feasible policies and programme strategies for addressing rural problems effectively. A third challenge is to find more effective institutional arrangements for formulating, implementing and evaluating policies and programmes for rural development. Even though there is no guarantee of improvements in rural development; effective, well-designed and suitably targeted institutional arrangements are essential (OECD, 1993). There is evidence that deficiencies in design and inappropriate institutional arrangements have been the most important contributing factors in the problems associated with 80% of the agricultural projects of the World Bank (Baum and Stokes, 1985). Several constraints to development in Africa, for example, such as bureaucratic and political corruption, political violence, racial intolerance and so forth, are actually evidence of poorly designed, weak and inefficient institutional arrangements (John, 1999). The focus of this chapter is on the third challenge. Without effective institutional arrangements, a suitable environment that is needed to effectively deliver development policy cannot be created and thus will not succeed in tackling rural development problems.

It is the main aim of this chapter to clarify the concepts of institution and institutional arrangement, and to elaborate on the importance of effective institutional arrangements in several disciplines and in rural development in particular. For that purpose this chapter is structured as follows:

- Section one is the introduction to the chapter.

- In section two, the concepts of institutions and institutional theory will be discussed.
- Definitions of the concept of institutional arrangements will be the subject of discussion in section three.
- In section four, some examples of previous studies on institutional arrangements will be illustrated.
- In section five the importance of effective institutional arrangements for rural development will be discussed and some examples of arrangements in rural development will be illustrated.
- Some main concepts related to institutional arrangements will also be explained in section six.
- Section seven is the conclusion to the chapter.

## **4.2 INSTITUTIONS AND INSTITUTIONAL THEORY**

The institution is a concept with various definitions and interpretations. Basically the concept can be divided into two categories which are an institution as an organisation and an institution as rule (Xia, 2000). According to Kaufman (2003) formal organisations plus all other collectively determined sets of working rules in the form of social norms, ethical precepts and customs, are an “institution”. In other words, institutions are the rules of the game and organisations are the players (North, 1990). The institution as rule can be defined as ‘established law, custom or practice’. From the sixteenth century, the term has had a particular association with the practices and customs of government (Lowndes, 1996). Institutions are designed not only to structure and regularise interactions between actors, but also to provide regularity and predictability. Thus, it can be used as a tool of risk management, which is the main characteristic of the decision-making process, because institutions are not “simply workable adaptations to the environment, but they are advantageous projections in subjective reality that eliminate risks” (Kostov and Lingard, 2003:472). Institutionalisation is the way to achieve integration between actors and will occurs whenever there is a reciprocal typification of habitualised actions by types of actors (Berger and Luckmann, 1966).

As individuals are “intendedly rational, but only limitedly so” (Simon, 1961), the rationality of individuals is bounded. To minimise this bounded rationality, organisations are created so that the “organisational systems could compensate for the cognitive

limitations of individuals” (Williamson, 1995). According to this line of thought, rational individuals under liberalism are not as rational as expected, and organisations are not as irrational as predicted. Due to these facts, the role of institutions, their constraints upon economic actors and their impact upon economic policy and performance, need to be emphasised (North, 1990). According to Xia (2000), in order to understand institutional transactions (definition and delimitation of a choice), a combined understanding of production costs, transaction costs, and the role of technology within institutions is as important as understanding commodity transactions (goods and services). The transactions do not happen in a frictionless or transaction-free market. There are significant costs in negotiating contracts, acquiring information, enforcing contracts, etc. These transaction costs in fact account for a large part of the total cost of economic activities. As North (1981, 1990) put it, just as technology is important for production costs, institutions are important both for production and transaction costs.

Studies of institutions have been the focus of institutional theorists for quite a long time. From the institutional perspective, firms operate within a social framework of norms, values and taken-for-granted assumptions about what constitutes appropriate or acceptable economic behaviour (Oliver, 1997). Institutional theorists are interested in particular in how organisational structures and processes become institutionalised over time (Meyer and Rowan, 1977; Scott, 1987; Zucker, 1987) and how institutional structures shape relations between organisations (Oliver, 1997; Sydow *et al.*, 1998 in Marchington and Vincent, 2004; Greenwood *et al.*, 2002). Institutionalised activities refer to actions that tend to be enduring, socially accepted, resistant to change and not directly reliant on rewards or monitoring for their persistence (Oliver, 1992). Institutional theorists argue that many activities in firms (e.g. approaches to managing employees, routines for assigning resources) are so taken for granted or so strongly endorsed by the management that they do not even question the appropriateness or rationality of these activities (Oliver, 1997). Consequently, these activities without much awareness become major obstacles to the organisation performing more effectively.

In a rule-structure situation, individuals select specific actions from a large set of allowable actions in the light of existing incentives. Rules as social artifacts are subject to human design and intervention. By changing rules, it is possible to intervene to induce change in the structure of incentives facing participants and the way they relate to one another. Such interventions affect a participant’s capacity to manage a resource (Tang, 1991). On the

other hand, by preserving the existing rules, the existing structure will be maintained, which will hinder any kind of intervention and institutional change. According to Fuentes (1998), rigidity and inertia may set in preventing institutions from adapting to more efficient arrangements due to changes in the environment. Since institutions tend to become obsolete, the failure of institutions to change will not pave a way for adaptation of the old ways of dealing with tasks although they may no longer be viable. This has caused institutions to be largely viewed as resistant to change and social control (Bolan, 2000). In relation to this, Khandwalla (1978) observes that threatening situations always generate pressures for direct control: standardisation of procedures, institution of rules and regulations, and centralisation of authority. Reliance on rules and regulations reflects concern and emphasis with error prevention, rather than measured performance, and this tends to result in organisational rigidity and ultimately total ineffectiveness (Marcus, 1988). Thus, institutions, structures and rules provide “the choice sets” that “define the arena of choices for individual utility maximizing agents” (Bromley, 1989).

### **4.3 INSTITUTIONAL ARRANGEMENTS**

Institutional arrangements are ‘sets of rules’. Ostrom (1986) defines it as rules that “refer to prescriptions commonly known and used by a set of participants to order repetitive, interdependent relationship”. According to Lin and Nugent (1995:2307), an institutional arrangement is a set of behavioural rules that governs behaviour in a specific domain. Institutional structure, on the other hand, is the totality of institutional arrangements in an economy, including its organisations, law, customs and ideology. The institutional arrangements work within existing structures, providing strategic reinforcement of capacity where required to harness and leverage the full potential of government and its delivery partners. In a simplistic form, the difference between institutional mechanisms and institutional arrangements is only a matter of “how to” and “by whom” (ISRDS, 2000). In the context of rural development, institutional arrangement is looking at the relationships, social relationships or networks among the various parties involved in rural development programmes. It forms the entity from which collective action is taken in rural development to achieve a diversity of social, political, economic and ecological goals.

Formal institutional arrangements are contracts, administrative hierarchies, legislative and decision-making procedures, budget mechanisms and bureau types (Lowndes, 1996). In a

market economy, the institutional arrangements would consist of a different constellation of constraints and opportunities - the tax laws, wage rates, contractual obligations for workers, product liability for commodities, health insurance premiums and coverage, and the like. This is a bundle of norms, conventions, habits, practices, customs, laws and administrative rules that define a choice domain or a choice set (Bromley, 1989). The study will be focusing on public sector performance in the economic development of the rural areas. This is in line with a focus upon institutional arrangements for the delivery of public service, which is generally held to define the sub-discipline of public administration (Hood, 1987). The ‘common sense’ in putting institutions at the heart of public administration has, however, led to assumptions of the institutional approach to remain unexamined. In this respect, Rhodes (1995) describes institutionalism as ‘a subject in search of a rationale’.

Discussed below are several literatures and studies that have been carried out on institutional arrangements and their effect on organisation performance.

#### **4.4 PREVIOUS STUDIES ON INSTITUTIONAL ARRANGEMENTS**

It has become evident that institutions have an important impact on entrepreneurial activities and thus on the creation of wealth. The importance of institutions, such as firms, families, contracts, markets, rules and regulations, and some social norms, to economic development was realised in the writings of classic economists such as David Hume (1748), Adam Smith (1776), John Stuart Mill (1847) and others. Lewis (1955), Kuznets (1966, 1973), Myrdal (1968) and other modern development economists have provided additional insights on the way institutions affect economic development (quoted in Lin and Nugent, 1995:2304).

Disciplines such as economics, political science and development studies have directed attention to how institutional arrangements (structures of rules) affect human decisions and interactions (Moe, 1984; Ostrom, Feeny and Picht, 1988; Nabli and Nugent, 1989; Eggertsson, 1990). In economics, Eggertsson (1990), North (1990) and Lin and Nugent (1995) explored the role of institutions and institutional arrangements in economic performance and development; while North (1990), also studied the effects of institutional arrangements on the performance of the economy through their effects on the costs of production and exchange.

In public administration, institutional arrangements have long been a major focus of study. For example, Herbert Simon's *Administrative Behavior* examines how decision-making rules affect administrative behaviour within organisations (Simon, 1961). Ostrom (1989) extends the analysis to both the inter-organisational and constitutional levels. Mageed and White (1995) examined institutional arrangements for international co-operation in the assessment and management of world water resources. They recognised that there was a need for a new institutional arrangement that would include representatives of local, national, regional and international organisations; and embrace environmental, economic and political concerns that would promote the exchange of information, experience and outlook among those groups. Kim and Kim (2001) evaluated new institutional arrangements and their effects on the privatisation of state-owned enterprises in South Korea. They suggested that a "middle-ground approach" should be institutionalised in the privatisation process because it could minimize the bureaucratisation of the process delaying its implementation. Carew (2001) analysed changes in research policy for new funding and financing arrangements, and their effects on public agricultural research in Canada. He suggested that the partnership with universities and private industry increased research funds and provided a strategy for public research agencies to share resources and exploit scientific expertise residing in many sites. Supalla (2003) argued that the market failure paradigm is not adequate as an environmental policy guide, especially for water quality problems involving individual irrigators. He suggested that an alternative conceptual approach to developing-environmental policy based on stewardship might lead to more cost-effective policies for-reducing water quality degradation from irrigated agriculture. Ruhil and Teske (2003), focusing specifically on the insurance industry in the United States, demonstrated how different institutional arrangements give rise to different policy outcomes. Bishop and Wobmann (2004) looked at the impact of the institutional arrangements of the education system on the quality of schooling. They made specific focus on the government-student relationship, which is influenced by the prevailing institutional structure of the schooling system. A central implication of this research is that institutional policies may be helping to increase the quality of schooling much more than resource policies.

During the past two decades, many studies have also examined how alternative institutional arrangements affect the delivery of public services in urban areas (Tang, 1991). A major proposition advanced by these studies is that the fragmentation of authority and overlapping jurisdictions can enhance efficiency and responsiveness (Ostrom, Bish,

and Ostrom, 1989; Advisory Commission on Intergovernmental Relations, 1987). Debates on the empirical validity of this proposition still continue (Lyons and Lowery, 1989).

Several researchers have also carried out studies on institutional arrangements in relation to rural areas. Fuentes (1998), for example, examined some of the specific institutional arrangements that arise when small village-based paddy traders and local farmers are used as middlemen and commission agents, respectively, to procure paddy supplies for large millers, traders and retailers/wholesalers in the rural Philippines. Using transaction cost economics (TCE) as the framework for analysis, he found that when transactions involved specific investments in capital of knowledge, the governance structure would tend to be specific and bilateral, while more standard transactions were best governed by the market. Informal interviews, described as the ‘pedestrian’ approach, were used in this research because the analysis of information was based on information gathered while observing and listening to market participants in their walks around village and town markets.

Lu *et al.*, (2005) studied the management of Wu-Wei-Kang Wildlife Refuge in Taiwan which aimed at protecting the wintering waterfowl and their habitat. They found that the refuge management which overlooked human factors had contributed to the succession process of turning the refuge from a wetland into a dry area. While stressing that the local governments should have more policy-making authority and resources to provide financial support for managing wildlife refuges, the study also demonstrated that power-sharing played a key role in enabling the management of the refuge to build up partnership relations with grassroots-level conservation organisations, local communities and other interested parties such as academicians. This arrangement and the paradigm shift in the management of the refuge from ‘top-down’ approach to the ‘bottom-up’ approach have led to improvements in the quality of the habitat for waterfowl.

Other studies have suggested that institutional arrangements affect public management in relation to rural areas. These studies argued that institutional arrangement was an obstacle to effective delivery of the organisations’ functions and suggested a new institutional arrangement to improve the agencies’ performance. Lane and Stephenson (2000), for example, argued that institutional arrangements are major impediments to effective management change. By examining the institutional arrangement of the Canadian Department of Fisheries, they claimed that “top-down” decision-making applied by the agency had hindered its performance. They suggested that in order to be effective, the agency needed to engage in a participatory “bottom up” decision-making perspective and

discussed the requirements for more effective institutional arrangements that would empower stakeholders in building the real stake-holders/government partnership. This study, however, did not elaborate on the methodology used and was based on examining only a single agency.

Another study which looked at institutional arrangements as a hindrance to an organisation's performance was carried out by Tang (1991) on the management of irrigation systems, fisheries, grazing lands, groundwater basins and other common-pool resources. This in-depth study was based on secondary data consisting of 450 documents relating to water resources and irrigation management. Relying on a cross-national study of thirty-six irrigation systems, Tang provided some insights into the effectiveness of alternative means for organizing water appropriation and maintenance tasks. Building on a distinction between bureaucratic and community systems, he found that reliance on bureaucratic arrangements was less effective in managing water resource appropriation for farmers because in many of the bureaucratic irrigation systems, government officials were insufficiently motivated to serve the interests of users. Community arrangements, in contrast, proved more sensitive to the local needs of end users. Tang's study indicates the importance of considering non-bureaucratic alternatives when designing a delivery system for common-pool resources.

Sanwal (2001) claimed that the traditional methods of institution-building have stressed setting up new agencies, improving existing ones, providing training and technical assistance, without achieving any great success. These solutions do not conform to the "lessons of success" as they look at the organisational arrangements of agencies in structural terms, rather than the relationships, interdependencies and interfaces as processes. By analysing three successful programmes in Indonesia, Kenya and India and using management practice in successful companies in the United States as a framework, he concluded that the relationships between organisations, programmes and the efforts of the poor are crucial for any chance of success in poverty alleviation programmes. Thus there is a need to modify rigid bureaucratic hierarchies with their inbuilt delaying mechanisms and to focus attention on field-level transactions. He also concluded that policy-makers, administrators and donor agencies need to recognise that equality-oriented programmes require process reform at the administrative periphery, with the bureaucracy as active facilitators rather than passive agents of central organisation. They also require supportive decentralised decision-taking and effective partnerships between village level-implementers and the poor households.

Studies by Lane and Stephenson (2000) and Tang (1991) all looked at institutional arrangements from the aspects of structure and the decision-making process of the organisation and its effects on the agency's performance. Lu *et al.*, (2005) and Sanwal (2001), on the other hand, were looking at institutional arrangements from the aspects of the relationship between the organisation and the respective parties involved in the management of wildlife refuge and poverty alleviation programmes respectively. Although the emphasis and methods used in their studies are different, there seems to be some common features which have emerged from the studies on the characteristics of effective institutional arrangement. These characteristics can be simplified as in Table 4.1

**Table 4.1 Characteristics of effective and ineffective institutional arrangement**

Characteristics	Effective	Ineffective
1. Relationship between organization	Emphasis on co-operation for common goals	Confined to agency's own objectives
2. Organizational structure	Less bureaucratic	Rigidly bureaucratic
3. Decision making process	Flexible/decentralised	Blue print/centralised
4. Information	Shared information	Limited access to information
5. Development approach	Bottom-up/endogenous	Top-bottom/exogenous
6. Public/Rural participation	Allowing for public/rural participation	Limiting public/rural participation

Despite illustrating some common features of effective institutional arrangements, the above studies, however, focus only on one particular organisation and on analysing its institutional arrangements in relation to the agency's performance. They also look at one particular issue in rural development, as an example, the fisheries and poverty alleviation programme. Since there are various parties or institutions involved in rural developments and their functions are interrelated in solving much wider and more numerous rural

development problems, there is a need to look at institutional arrangements within these particular institutions as well as the interrelationships between them in performing rural development programmes. Since the importance of process analyses has already been recognised in business administration (Short and Venkatraman, 1992; Hammer and Champy, 1994; Riggins and Mukhopadhyay, 1994), the proposed study will focus on various institutions that are involved in rural development programmes. This is important because in order to understand the capacities of and problems with governance arrangements, there is a need to shift from a focus on governmental organisations and the internal procedures to a focus on the inter-organisational processes that shape a growing amount of public policy (Teisman and Klijn, 2002).

#### **4.5 THE IMPORTANCE OF EFFECTIVE INSTITUTIONAL ARRANGEMENTS FOR RURAL DEVELOPMENT**

Despite differences in government traditions and political cultures, certain common tendencies are emerging. Given its territorial and multi-sectorial character, the making of rural development policies and programmes involves an increasing array of actors not only at every level of government, but also in the private sector, especially the voluntary network. In response to this situation, countries have endeavoured to improve co-ordination and simultaneously encourage wider participation by a variety of actors. This initiative could only be possible if institutional arrangements, in terms of the structure and decision-making procedures of the rural development organisations, permitted the initiative to take place. In other words, institutional arrangements that emphasised a rigid bureaucratic structure, “top-down” decision-making procedures confined to a limited co-operation between other parties involved in rural developments, would not be able to provide the much needed space for a better participatory decision-making partnership and co-operation between the relevant parties.

Rural development, like other important subjects, requires an institutional focus. The designation of an institution with responsibility and authority to lead and co-ordinate is a significant step towards formulating and implementing a coherent rural development policy. Numerous countries use various mechanisms to articulate and monitor rural concerns, and most importantly, to ensure they are taken into account in a wide range of national policies, from social and medical insurance to banking regulation. Without institutionalised attention to the rural dimension of many other issues, it is difficult to

incorporate a “horizontal” concern like rural development or the environment into the decision-making process.

There are several options for providing a permanent focus on rural areas. Normally the institutional setting combines some oversight by one central agency (e.g. Ministry of Home Affairs, Ministry of the Interior) over local government affairs; control of sectoral matters by line ministries (e.g. Agriculture, Public Works); and sometimes some involvement of a co-ordinating body such as the Ministry of Planning and Finance (Clayton, *et al.*, 2003). In some countries a single ministry is assigned that role, with authority not only to speak and act on behalf of rural areas in operating its own programmes, but also, when appropriate, to co-ordinate relevant activities of other ministries. This role most frequently is assigned to various ministries, but in less than half the cases, agriculture ministries. In other countries, inter-ministerial co-ordinating activities are carried out under the direct authority of the cabinet, the office of the Prime Minister or the President, usually with small independent secretariats. In a few cases an ad hoc inter-ministerial committee performs the task (OECD, 1993). Although this is meant to co-ordinate the activities of several rural development agencies, this sort of administrative hierarchy has caused major obstacles to effective management in particular in dealing with the decision-making process and project implementation. Frustration with these issues has prompted some rural communities to call for changes in the decision-making process and, in particular, for more explicit representation of rural interests within central government.

The essential task that must be performed by the policy-makers is to identify the most appropriate institutional arrangements that could provide much more effective rural development managements which could intervene in order to tackle rural development problems and assist the upgrading of the standard of living of the rural communities. Discussed below are some of the arrangements that have been designed to implement rural development programmes.

#### **4.5.1 Multi-Organisation Approach**

The most pertinent problems with the single organisation approach in rural development are in gaining support or co-operation from other organisations especially from agencies operating at the state level. To be effective this organisation must have the authority to mobilise or derive other agencies to meet its objective. This has proved to be difficult due to different priorities between agencies, political agendas of the political leaderships that

manage the agencies and administrative arrogance of the staffs of the agencies. To be able to deliver its functions adequately, a single organisation approach in rural development tends to be too stretched and loose in structure and have obviously failed to play the much-needed role.

Due to this weakness, most developing countries engaged in a multi-organisational approach in rural development. Apart from providing the decentralisation of power, this approach aims to give more focus to sectoral aspects of rural development, especially in agriculture. This is perhaps based on the assumption that the more organisations that reach the rural population the more successful the developments are going to be, as suggested by Uphoff and Esman (1979);

“those cases in which there was more organisation reaching down to local people, accountable to the local people, and involved with rural functions...have accomplished rural development objectives more successfully...than have those with less rural organisation”.

Multi-organisation has no doubt provided a much more intense approach in rural development. Through numerous agencies, rural areas have, in fact, been allocated a large amount of funds to improve their future. However, this approach does not really work without any problems. Policy-making normally will be based on self-referring organisational decisions, rather than on joint inter-organisational policy-making (Tiesman and Klijn, 2002). Studies in developing countries such as Malaysia, where this model was introduced in the country's New Economic Policy showed that it provided only a little improvement into farm efficiency and rural poverty (Fee, 1985). Obviously, with numerous agencies, there is a problem of co-ordination. There are always tendencies between agencies to compete with each other rather than to co-operate, and co-ordination between rival agencies has always proved to be difficult. The successful completion of multi-organisational projects rarely involves a very high degree of coherence, unity of purpose – even at the management level (Flyvbjerg, 1998). Conflict, ambiguity and lack of common purpose have been much more evident, as past research has demonstrated (Clegg, 1975). In these organisational arrangements, despite the recourse to contractual tightness and strict surveillance, control has been extremely difficult to achieve (Stinchcombe and Heimer, 1985). In term of decentralisation, this approach does not really provide the much-needed flexibility, as there is still strong control over those organisations by the central agencies. Due to the said weaknesses and overlapping of functions, which resulted in

overspending of public expenditure, the multi-organisation model has been shown to be seriously so much so ineffective.

#### **4.5.2 Regional Development Approach**

The failure of the Agriculture Policy to meet the challenges in rural areas raises a growing concern, especially in developed countries, that there is a need for a new policy in rural development. Policies that focus solely on agricultural production cannot achieve the goal of sustainable rural development (Kitahara, 2003). In that respect, there is a growing consensus among policy analysts that the new rural policy must be guided by two key principles;

- It should shift from a focus on a single sector to a new focus on regions and specific rural places.
- It should shift from a long legacy of subsidies to new investment in competitive advantages (Drabenstott, 2003).

The Leader Community Initiative (LEADER) launched by the European Union (EU) as a part of an integrated rural development strategy was seen as an appropriate arrangement to implement the new policy. The Leader Community Initiative provides territorial dynamism resulting from a genuinely bottom-up, integrated and participatory process. This initiative aims to experiment with local, small-scale actions created and executed by local players, using the endogenous potential of the territory.

The group of Scottish Enterprise and its network of 13 Local Enterprise Companies (LECs) is an example of economic development agencies based on regions rather than a sectoral dimension. It is a quasi-autonomous non-government organisation (quango). Scottish Enterprise provides strategic direction and funding for the network of LECs as well as monitoring and controlling them. As with LECs, it has a majority of private sector members on its Board of Directors, indicative of decentralisation of responsibility and resources from government to a regional quango. Scottish Enterprise can be seen as an attempt to move from a bureaucratic structure to a more flexible and responsive structure such as a ‘Prospector’ organisation (McQuaid, 1997). ‘Prospectors’ organisations seek out new products and market opportunities, with innovation as an important part of their organisation’s culture. They can adopt high-risk strategies in the search for new opportunities and tend to follow an entrepreneurial mode. They emphasise on flexibility,

decentralised control and the use of ad hoc measures. They are more concerned with strategic effectiveness rather than operational efficiency (Miles and Snow, 1978).

Scottish Enterprise and the LECs' networks represent a widening of functions compared to its predecessor (the Scottish Development Agency and the government's training agencies), by combining training with other economic development and development policies. Being demand driven and also emphasising the importance of partnership, they work as a 'third wave' organisation, which gives adequate attention to the role of collaboration and to the reduction of wasteful competition between LECs themselves and also between LECs and other bodies (McQuaid, 1997).

Despite its strength, this organisational arrangement is not without its weaknesses. In terms of partnership there is some tension between Scottish Enterprise nationally and its network of LECs in terms of priorities given by each party. For example, it may be difficult for LECs with large rural areas if the priorities of Scottish Enterprise favour the main sections of the economy, which are predominantly located in urban areas. As Scottish Enterprise nationally controls the budget allocation, ultimately the LECs will be forced to follow its priorities. Although nearly all the LECs cover relatively large rural geographical areas, their populations tend to be concentrated in urban areas, thus the policies therefore tended to have an urban focus (McQuaid, 1997). LECs have also been criticised for lack of property knowledge on their board and rivalry between them, which has resulted in competition rather than co-operation (Thame, 1993).

Scottish Enterprise and the LECs could be an appropriate and effective organisational arrangement for Scotland's urban and rural areas, where only 1.1% of the Scottish working population are employed in agriculture and a further 0.5% in forestry and fishing (1989 Census of Employment). However, whether this kind of arrangement is suitable for the regions where agriculture is still a predominant economic activity, although its contribution to GDP is lessening, is something that still remains to be discussed.

#### **4.5.3 Privatisation Approach**

Privatisation has been one of the popular strategies used to promote economic development in developed as well as in developing countries. By placing the means of production outside of state ownership and control, privatisation unleashes the forces and discipline of the free market. Privatisation, therefore, has the potential to transform national economies,

industries and organisations by infusing a spirit of entrepreneurial risk-taking. Thus private organisation structure was seen as an alternative to ineffective bureaucratic structure of governmental institutions to improve rural development. It was believed that the private sector, driven by competitive pressures, was far better at delivering value for money services than the public sector (Coram and Burnes, 2001).

Lu (2002) found that the positive impact of faster private consumption growth on urban-rural equality provided new evidence of the effectiveness of market mechanisms to trickle-down wealth to rural residents. However, privatisation could be considered as a snapshot approach by the government to alter the structural approach in rural development. It could also be considered as an attempt not to intervene any longer in rural development. Despite the belief that the private sector could do more for rural development, by privatising rural development agencies, it is hardly convincing that the welfare of rural population will be looked after as well.

## **4.6 EXPLANATION OF CONCEPTS**

With respect to whatever arrangement that is designed for rural development, it could only be effective if it provided a means for greater involvement by various parties concerned with rural development. Discussed below are four concepts that are important for effective institutional arrangements: collaborations, partnership, networking and local participation.

### **4.6.1 Collaboration**

A superficial definition of collaboration involves perception, values, expectations, assumption, behaviour, structures, processes and outcomes. Indeed, a variety of complex variables must be covered in a single definition. In a more specific definition, collaboration is a co-operative venture based on shared power and authority. It is non-hierarchical in nature. It assumes power based on knowledge or expertise as opposed to power based on role or role function (Kraus, 1980).

In rural development, authorities at the intermediate and local levels have critical roles even where the national government has the leading responsibility. However, central governments should be receptive to indispensable initiatives and leadership by and from the intermediate and local levels. Regardless of whichever level has the primary role; central and intermediate governments need to adopt complementary collaboration

involving different levels of government, multiple sectoral ministries, private business, trade associations and voluntary organisations. Neither partnerships nor decentralising and devolving authority can substitute for certain functions that only central government can perform.

The impact of much local initiative to improve collaboration remains limited so long as the institutions that normally govern rural resources lack the will or capacity to act as effective counterparts (Clayton *et al.*, 2003). The preconditions for improving this situation include: political will for broad-based interactive participation; renegotiation of roles by stakeholders to accommodate changes; providing an enabling environment with institutions that facilitate rather than dictate the course of development and capacity development. Collaboration adds value to the LEADER programme. For example, through building shared knowledge and understanding, opportunities will be generated for creative stakeholders to work together locally to solve common problems.

#### **4.6.2 Partnership**

Partnership can be seen as a new governance scheme, which aims to manage the increased interdependencies between all kinds of societal actors (Tiesman and Klijn, 2002). As a concept, partnership may be linked to the trend towards network forms of governance, in which public actors take their interdependencies with other actors into account and try to solve governance problems through co-operation rather than through central steering and control (Susskind and Cruikshank, 1987; McCarty, 1998). As competition has become part of government regimes (Bottcher, 1995), partnerships are thought to be effective instruments for improving relationships among public agencies, levels of government and private sector organisations, and for combining human and financial resources from a variety of sources to achieve rural policy objectives. They often result in innovative organisational designs, which can enhance managerial skills and the exercise of political authority. In rural development perspective, partnership offers a mechanism for bonding together the multiple interests and perspectives necessary to implement and integrate global policy and programme strategies responsive to diverse local socio-economic conditions in rural areas (OECD, 1993). It is about building a successful organisation, with a strong culture and united in its aims (Day, 1998), where in the end, partnerships are seen as the best way to govern the complex relations and interactions in a modern network society (Tiesman and Klijn, 2002). Pierce (1996), for example, elaborates on how partnerships between the public and private sector, and also between private and non-

governmental sectors have provided significant improvements in the conservation of rural environments.

A key feature of partnership is stake-holder collaboration through an interactive and discursive process (Scott, 2004). For this to succeed, Kearney *et al.* (1994) argue that there must “be a shared desire to work towards common objectives, a high level of mutual trust, a willingness to cooperate, to share responsibility, to accept accountability, and where necessary to alter the prevailing administrative structures”. O’Donnell and Thomas (1998) argue that partnership is necessary because no party can achieve its goals without a significant degree of support from others. They also outline the key characteristics of partnership which include;

- The partnership process involves a combination of consultation, negotiations and bargaining.
- The partnership process is heavily dependent on shared understanding of the key mechanisms and relationships in any given area.
- The process reflects interdependence between the partners. The partnership is necessary because no party can achieve its goals without a significant degree of support from others.
- Partnership is characterised by a problem-solving approach designed to produce consensus, in which various interest groups address joint problems.
- Partnership involves trade-offs both between and within interest groups.

Studies in Northern Ireland (Scott, 2004) showed that the partnership process has promoted a shift in attitudes in rural areas and in helping to unlock the development potential in rural communities, such as:

- Changing the attitudes of farmers in the context of reform of the Common Agricultural Policy: there is an increasing realisation among farmers that ‘more of the same’ will no longer do and that current subsidy levels are unsustainable.
- Creating greater ownership of the potential of rural areas
- Accepting that different approaches are needed in different places: reflecting the increasing realisation that top-down programmes often fail to address the needs of rural areas and to stimulate the involvement of local people.

Despite the positive outcome of partnership in organisational arrangement, there are also a number of limitations or weaknesses in the partnership process undertaken by a number of

local action groups. These include the limited opportunities for local stakeholders to explore pathways for local development or, indeed, wider community participation, the lack of ownership of the plan and the unequal availability of information among partners. Furthermore, as highlighted by an OECD (2001) assessment of partnerships, an uneven degree of ambition among the various partners can sometimes undermine the incentive for stakeholders to actively participate in the partnership process (Scott, 2004). Teisman and Klijn (2002) also stressed that the participation of all organisations had complicated the policy-making process. However, in order to be effective, rural organisations must allow the process of partnership to take place in their arrangements.

#### **4.6.3 Networking**

The term network is defined as a set of actors, linked to each other by specific links, which can be stronger, or weaker (Kostov and Lingard, 2003). Day (1998) illustrates eight desirable results from networks: first, channel information; second, stabilise interaction; third, reduce uncertainty; fourth, generate trust; fifth, provide support; sixth, enable resources to be mobilised; seventh, encourage learning; and eighth, permit the development of long-term vision. Networks and institutional approaches complement each other. The combination of both will produce synergy viewed as social capital or “the norms and networks that enable people to act collectively” (Woolcock and Narayan, 2000). Obviously more social capital is required to build up the stronger partnerships needed among rural institutions in order to form a stronger collaboration particularly in the decision-making process and thus avoid redundancy or overlapping of planning which could result in wasteful use of resources.

The effectiveness of an organisation has to be associated with the capabilities of the organisation to make use of information technology. The advent of electronic networks, electronic data interchange, electronic commerce, widespread computer use and multimedia communication facilities in a sort of virtual organisation that shares information to co-ordinate action (Van Horn and Harvey, 1998) are means of improving organisational effectiveness. New telecommunications technologies enable businesses, large and small, to transfer information easily, in many cases reducing the need for face-to-face contact. Thus, many rural areas have become economically integrated while remaining rural in population density (OECD, 1993). This development has also led to the emergence of ‘networks’ as a ‘third way’ approach to rural development which comes between the state and the market, or between endogenous and exogenous strategies (Amin

and Thrift, 1995). Networks create new opportunities in dealing with rural development and its need for a supportive role from development agencies and other public agencies to build up the communications capacities of rural economic actors and communities (Murdoch, 2000).

#### **4.6.4 Local Participation**

Several studies has emphasised the importance of local participation for effective rural development approach. It should be clear that the roles of intermediate and local authorities are not merely (or even necessarily) to confirm their own approaches precisely to national policies for a particular type of area. A study by Foster and McBeth (1996) showed that 67% of the sample believed that rural residents should have a least a ‘great deal’ of influence in the formulation of local economic development policy. In fact, the most successful rural development is that where local initiative is most vibrant. It is desirable, however, that these local approaches be realistic and based on familiarity with the major economic and demographic trends, information that must come from outside individual communities.

Keane (1989) stressed that development actions must start with local conditions, as it is out of these conditions that change will occur. The particular emphasis on actions will depend on first, where the area is in terms of factors like the strength and diversity of the local economy, its level of social infrastructure, the capacity of its institutions and the degree of social cohesion present in the area; and second the goals and objectives that are set as part of the proposed development actions. Rural populations’ involvement in the development process is critical for resource management because it is only in the detail at the local level that imaginative resolutions can be found to achieve complementarities between economic, ecological and social goals (Keane, 1989). A frequent cause of instability is the lack of integration of local information and objectives into higher decision-making (Wolf and Allen, 1995). Asby and Midmore (1995) argued that planning for economic vitality in marginal regions could only be attained through an effective structure that provided for the empowerment of local communities. Knowledge from the grass roots based organisations not only needs to be incorporated, but to be empowered. These organisations also need access to knowledge produced in other parts of the system (Harris *et al.*, 1995). Thus, it is crucial for rural development organisations to ensure that locals are involved in their development process. However, participation by local people and entities need to be organised. They should be willing to propose projects and to manage them. However, they

do not necessarily possess the expertise and knowledge for undertaking such projects. Pretty (1997) listed seven clear types of participation that were interpreted and used by development organisations. They range from manipulative and passive participation, where people are told what is to happen and act out predetermined roles; to the stage where communities take initiatives on their own which may or may not challenge the existing distribution of power (Table 4.2).

**Table 4.2 Types of participation in local-level development**

Type	Characteristics
1. Manipulative participation	Participation is a sham
2. Passive participation	People participate by being told what has been decided or has already happened. Information shared belongs only to external professionals
3. Participation by consultation	People participate by answering questions. No share in decision-making is conceded and professionals are under no obligation to take on board people's views
4. Participation for material incentives	People participate in return for food, cash or other material incentives. They have no stake in prolonging practices when the incentives end
5. Functional participation	Participation is seen by external agencies as a means to achieve project goals, especially reduced costs. People may participate by forming groups to meet predetermined project objectives
6. Interactive participation	People participate in joint analysis, which leads to action plans and the formation or strengthening of local groups or institutions that determine how available resources are used. Learning methods are used to seek multiple viewpoints
7. Self-mobilisation	People take initiatives independently of external institutions. They develop contacts with external institutions for resources and technical advice but retain control over how resources are used

Source: Adapted from Pretty (1997)

## **4.7 SUMMARY**

This chapter has sought to examine the importance of institutional arrangements in organisational management and economic development. The scarcity of the studies on institutions as well as institutional arrangements as suggested by Schultz (1968) and Lin and Nugent (1995) has partly contributed to the paucity of literatures discussing the relationship between institutions and economic development that can be referred in this chapter. Despite that, various studies have indicated that institutional arrangements can be a hindrance to the organisations in performing and achieving a better performance. Therefore, while effective organisation is crucial for successful economic development, effective institutional arrangements are also important to provide a suitable environment for a participatory approach to take place for better management as well as implementation of successful economic development programmes. Thus, it is important to recognise this aspect in organisation management and to take the steps necessary to improve the existing institutional arrangements in order to make it more effective. As in other disciplines, an effective institutional arrangement is also important for rural development. Without appropriate institutional arrangements, rural development programmes cannot be delivered effectively to tackle rural development problems.

## **CHAPTER FIVE**

### **RESEARCH METHODS**

#### **5.1 INTRODUCTION**

In Chapter Two, Three and Four the researcher has discussed the relevant literatures and concepts that will provide the foundation for the study. In this chapter the method adopted for the study will be discussed. This method consists of the procedures, strategies and techniques used for the collection and analysis of data. Therefore, this chapter is substantial to the study because it describes the approach taken by the researcher in carrying out the study and the justifications for its use. This includes the research design, sampling approach, technique used in data collection and the types of data collected as well as how the data was analysed. The chapter also discusses the reliability and validity of the research and the limitations of the study.

For the purpose of discussion, the chapter is divided into seven sections;

- Section one is the introduction to the chapter.
- Section two discusses the qualitative approach and justifications for its use in the study.
- In section three, the sampling procedure is discussed. This includes the sampling for the respondents, organisations and study areas.
- Section four discusses data collection and types of data collected.
- In section five, the method of data analysis is discussed.
- Section six is the discussion about the reliability and validity of the research.
- Section seven is the conclusion to the chapter.

## **5.2 THE METHOD ADOPTED**

The method includes strategies and techniques employed to acquire knowledge and manipulate data (Jary and Jary, 2000). This study adopted the qualitative approach. Qualitative research is a form of social inquiry that focuses on the way people interpret and make sense of their experiences and the world in which they live, with the aim of understanding the social reality of individuals, groups and cultures (Holloway, 1997). According to Bryman and Burgess (1999), the qualitative method displays a preference for the interpretation of social phenomena from the point of view of the meaning employed by the people being studied; for the use of natural rather than artificial settings for the collection of data and for generating rather than testing theory. This method provides a means for people to express their views in wider perspectives rather than confining them to the rigid answers to closed questions of the kinds used in quantitative methods.

Previous studies of institutional arrangements in relation to activities in rural areas have also adopted this method (Fuentes, 1998; Tang 1991; Lane and Stephenson, 2000; Sanwal, 2001 and Lu *et al.*, 2005, as discussed in Chapter Four). This method was used because it is appropriate for this type of research as it is best suited to understanding complex socio-economic phenomena (Dayasindhu, 2002), or relatively unknown process characteristics (Meiland *et al.*, 2005). According to Creswell (2003:22), ‘if a concept or phenomenon needs to be understood because little research has been done on it, then it merits a qualitative approach’. Similarly Gillham (2000a:11) points out that qualitative research enables the researcher ‘to investigate situations where little is known about what is there and what is going on’ and ‘to explore complexities that are beyond the scope of more controlled approaches’. Mason (2004: 65) also pointed out that;

“you may choose qualitative interviews if your views of the ways in which social explanations and arguments can be constructed lays emphasis on depth, nuance, complexity and roundedness in data, rather than the kind of broad surveys of surface patterns which, for example, questionnaires might provide”

The approach is also suitable because it provides the rich description needed for the thesis to answer the three main research questions which have been prescribed in Chapter One. Researchers that study into attitudes, for example, do not waste their time searching for a single question that encapsulates every shade of attitude: they ask questions in bundles, so that they can cross-reference the answers. In the same way, multiple indicators are used for cross-confirmation: the more frequently an issue is identified, the more likely it is that

something is there. If indicators are concerned with complex problems, multiple indicators help to examine a problem from different perspectives (Spicker, 2004: 438). The second argument is practical. Multiple indicators offer more detailed, disaggregated information. Local and voluntary agencies engaged in policy-making are increasingly required to provide baseline information and indicators as evidence of their effectiveness; the more detail that is made available to them; the better they are able to respond. That is the source of the demand for neighbourhood statistics, which have made current indicators available at a detailed local level. The same arguments apply at every level of the policy-making process (Spicker, 2004:438).

In line with the approach adopted, the primary data for the study was gathered through semi-structured interviews with the respective respondents. This technique of data collection was used because it is one of the most commonly used methods in qualitative research (Mason, 2004: 62). It provides the interactional exchange of dialogue between the researcher and the respondents through face-to-face interviewing. Therefore, the interviews were able to be carried on in a relatively informal style where the researcher had the opportunity to introduce the topics, themes or issues that he wished to cover and at the same time was able to explore any unexpected themes that were brought up in the conversations. On this basis, the interviews for the study were conducted face to face with the respondents and lists of questions or question guides were used as a guideline. This type of interview was chosen because it gave flexibility to the researcher to ask questions not included in the questions guide as the researcher picked up information that was relevant to the study. Three sets of questions were formulated for each category of respondents but questions were formulated based on the literatures and aimed at answering the three key research questions. The interviews were conducted solely by the researcher and were recorded using a tape recorder. Notes were also being taken to record the interviews especially in situations where respondents refused to be tape recorded. The interviews were conducted in Malay because it is more convenient as the majority of the respondents particularly the local population do not communicate in English and probably cannot even understand it. The recorded interviews were later transcribed.

The interview process was organised in such a way that it moved from one location of the study areas to another. It began with the District of Kota Tinggi and ended in the District of Jempol. The distance from one study area to another is about 100 kilometres. The first stage of the interviews involved the target group. Information gathered at this stage was used as supplementary inputs to the list of questions that were used in the second stage of

the interview process, which involved the officers of the agencies. Feedbacks from both stages of the interviews were later used as additional inputs during the third stage of the interview process involving the related respondents. Sometimes, this sequence of interviews was disrupted because of the time constraints and difficulties of getting an appointment with some of the respondents, in particular the government officers. Therefore, the researcher had to make use of the time to interview any respondents that were available.

### **5.3 SAMPLING PROCEDURES**

According to the broadest definition, sampling and selection are the principles and procedures used to identify, choose and gain access to relevant data sources from which the researcher will generate data using his or her chosen methods (Mason, 2002). Sampling and selection which are appropriately conceived and executed are vitally important strategic elements of qualitative research which have direct implications on whether and how generalisation is consequently possible.

According to Holloway (1997), qualitative sampling is generally purposive or purposeful, or criterion-base (LeCompte and Preissle, 1993), because qualitative researchers choose certain criteria in advance of their study, on which the selection of their sample is based. In purposive sampling, generalisability is less important than the collection of rich data and an understanding of the ideas of the people chosen for the sample. The sample size in qualitative research is relatively small but consists of information rich cases. Generally the chosen sample is between four to forty participants but it should be larger if it consists of heterogeneous groups of people (Holloway, 1997).

Sampling decisions not only include people but also involve the testing of events, concepts, time, processes and places. In relation to the study that was carried out, the sampling or selection involved people who were the respondents, the organisations and places of the study areas.

#### **5.3.1 The Respondents**

There are three categories of respondents involved in this study. There are the target groups or the villagers, the staffs of the development agencies and the related parties who are individuals who have interests in rural developments. The selection of various groups

of individuals for this research is important, not only to provide a different perspective for the subject being studied, but also to allow for cross-checking statements which can expose any biased statements and therefore increase the validity of the data (Moris and Copestake, 1993; Holloway, 1997).

### **5.3.1.1 The Target Groups of the Villagers**

This category of respondent consists of the village headmen, members of the Villages Security and Development Committees or JKKK, and the ordinary rural dwellers. These respondents were chosen for this particular study because they are the ones who really experience the development problems in the rural areas; they are also the recipients of the programmes and projects implemented in their localities. The village headmen are key informants in this study because not only are they the local residents in the villages but they are also the village administrators at the local level. They, therefore, can provide first hand and valuable information for the study. In relation to this, Moris and Copestake (1993) stated that the full exploitation of insights from the key informants is perhaps the single most important diagnostic feature of good qualitative enquiry. This will help the researcher to make full use of their views and perspectives in answering the research questions. The selection of the village headmen was made with the help of the district officers who provided the list of the village headmen in the respective villages. Occasionally, snowball or chain-referral sampling was carried out when the village headmen provided the names of the members of the Village Security and Development Committee and ordinary villagers to be interviewed. However, some ordinary rural dwellers were interviewed by chance when the researcher met them in the villages.

### **5.3.1.2 The Staffs of the Development Agencies**

Views and perspectives from the staffs of the development agencies are also imperative to the study because they are involved directly in planning and implementing rural development programmes. For this purpose, staffs of the agencies that operate in the study areas, from the level of the General Manager to the level of extension officer, were selected as respondents. Other than to provide the researcher with probably the same or different views on a given matter, gaining access to all levels in the institutions being studied is important in the sense that it allows for cross-checking statements which can expose any biased statements made by the respondents (Moris and Copestake, 1993). As planners and implementers, their views on problems faced by the rural communities and

problems faced by the agencies in implementing the development programmes are substantial to the study. This has helped the researcher to take into account their perspective in answering the three research questions.

### **5.3.1.3 Related Parties**

In addition to the information gathered from the two types of respondents, views and opinions from individuals who have a vested interest in rural development have also been acquired. They are the people involved directly or indirectly in rural development but do not belong to the two categories described above. Their views are important to cross check or to support the information given by previous respondents. For this purpose, academics, the local politicians and officers from the Ministry of Rural and Regional Development of Malaysia, were selected as respondents.

Details of respondents who have been interviewed from the three categories are as depicted in Table 5.1.

**Table 5.1 Table of respondents interviewed**

No.	Categories of the respondents	Position of the respondents	Number of the respondents interviewed
1.	The target group	The village headmen	14
		Members of the Villages Security and Development Committees	16
		Ordinary villagers	12
2.	The staffs of the agencies	The General Manager/ senior manager of the agencies at district level	7
		The assistant manager or the senior staff of the agencies from the planning or project implementation division, and the administrator of the <i>Mukim(Penghulu)</i>	20
3.	Related parties	Academic	1
		Local Politicians	2
		Officers from the Ministry of Rural and Regional Development	2
Total			74

### 5.3.2 The Organisations Studied

There are several agencies involved in planning and implementing rural development programmes in the study areas. Some of the agencies are as follow: Southeast Johore Development Authority (KEJORA), The Federal Land Development Authority (FELDA), Rubber Industry Smallholders Development Authority (RISDA), The Federal Land Collaboration and Rehabilitation Authority (FELCRA), The Authority for Advancement of Fishery (LKIM), Federal Agricultural Marketing Authority (FAMA), District Offices,

Department of Agriculture, Department of Fishery, Farmers Association, Department of Drainage and Irrigation, Department for Community Development (KEMAS), Department for Community Welfare, Department of Aborigines Affairs (JHEOA), Department of Forestry, Department of Veterinary and several others.

For the purposes of the study, nine agencies were selected and the officers of these agencies were interviewed. These agencies are KEJORA and FELCRA in the District of Kota Tinggi, RISDA in the District of Jempol, KEMAS in the District of Kota Tinggi and Jempol, Kota Tinggi District Office, Rompin Land and District Office, Jempol Land and District Office and lastly the Department of Agriculture in the District of Rompin. The first four agencies are federal agencies under the Ministry of Rural and Regional Development. The Departments of Agriculture are also federal agencies but under the Ministry of Agriculture and Agro-based Industry. The District Offices are the only state agency chosen for the study. These agencies were chosen because they are the main mechanism used by the government to implement development programmes in rural areas especially in the villages. Although a few of these agencies have their own target groups, they also serve other rural communities at large. They are provided with a large allocation for the purpose of rural development and have a substantial impact on the overall development of the rural areas.

Other than the given justification, these agencies were also chosen due to their multiple functions. Despite their main function to develop the agricultural sector, they were also given responsibility to carry out non-agricultural development in rural areas, such as infrastructure works, development of new townships and growth centres, establishment of new settlement areas, provision of small businesses, provision of training for the target groups, community development and other small projects for village improvement. Some of these agencies have also been established as part of the national New Economic Policy (NEP) aimed at eradicating poverty and reducing the identification of races through economic activities.

### **5.3.3 The Study Areas**

Greater importance was given to local and regional areas as a focal point for the new emergent economy (MacKenzie, 1992). Piore and Sabel (1984:130) argued that to be

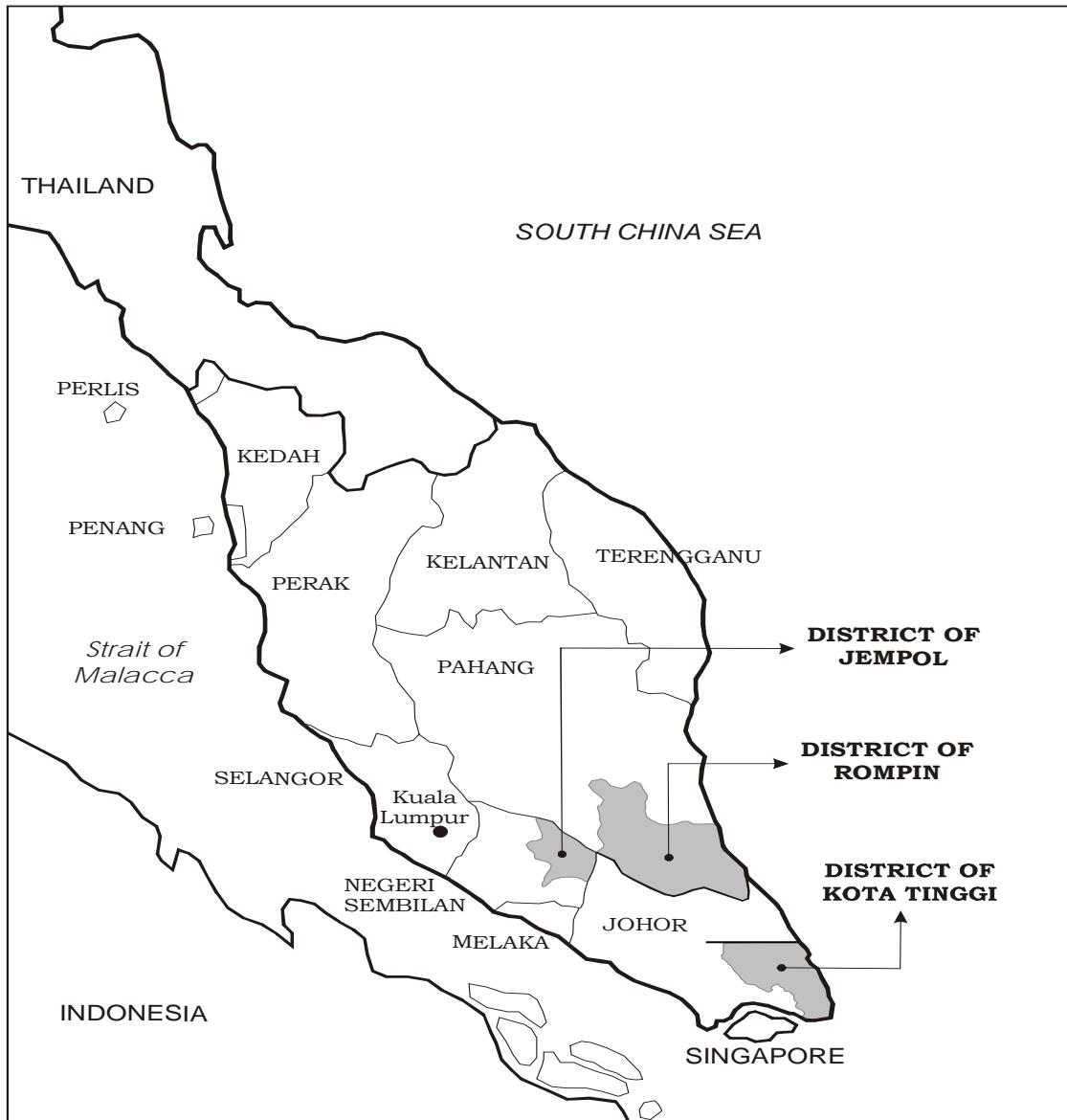
effective, the co-ordination of training programmes, industrial research, transportation networks, credit, marketing information, environmental protection, and other elements of infrastructure, will have to be done at regional level. Anker (1973) also stressed the importance of appropriate action to be taken at the local level. In the belief that a more appropriate and effective development planning can be initiated from the level where it is actually going to benefit the people, this study was carried out at the district level. Much closer contacts can be built at this level as development planning can more easily be carried out due to closeness of government organisations and other parties involved in rural development planning.

The fieldwork was carried out from July 2004 to September 2004 in three different locations in West Malaysia. The study areas are:

- Southeast Johore Development Area in the District of Kota Tinggi, in the state of Johor.
- Southeast Pahang Development Area in the District of Rompin, in the state of Pahang.
- Eastern Part of Negeri Sembilan in the District of Jempol, in the state of Negeri Sembilan.

The location of the study areas is as shown in Diagram 5.1

**Diagram 5.1 Location of the study areas**



These locations were chosen for several reasons:

- They are the least developed areas in the respective states. The states themselves could be classified as the middle-income or the developing states in the country.
- The percentage of rural population in the three states could still be considered large although the states of Johore have a much smaller percentage of rural population compared to the rest. The percentages of rural population in the three states are as follow:
  - i. State of Johore – 34.8%
  - ii. State of Negeri Sembilan – 46.6%
  - iii. State of Pahang – 58% (Malaysia Yearbook of Statistics, 2003)

The three regions have a quite different organisational set-up for rural development from each others. In addition to other federal and state agencies, a specific regional development agency, that is The Southeast Johore Development Authority, has been established in the Southeast Johore Region to assist the development of that area. A similar regional development agency was established in the Southeast Pahang region, but it is currently run as a private entity. For the eastern part of Negeri Sembilan, there is no specific regional development agency in the area to assist the development apart from the federal and state agencies.

The importance of the study conducted in these areas is due to several reasons:

- it provides a clear identification of the rural problems faced by the rural population as a whole,
- the findings help in identifying and determining whether the same kinds of interventions or development approaches would be suitable to be implemented in those areas in order to tackle the problems that they are facing, and
- it helps to identify whether different kinds of organisational set-up have an impact on their developments and to determine whether there could be kinds of organisational arrangement that would be particularly appropriate to intervene and to tackle rural development problems in those areas.

#### **5.3.3.1 Details of the Locations**

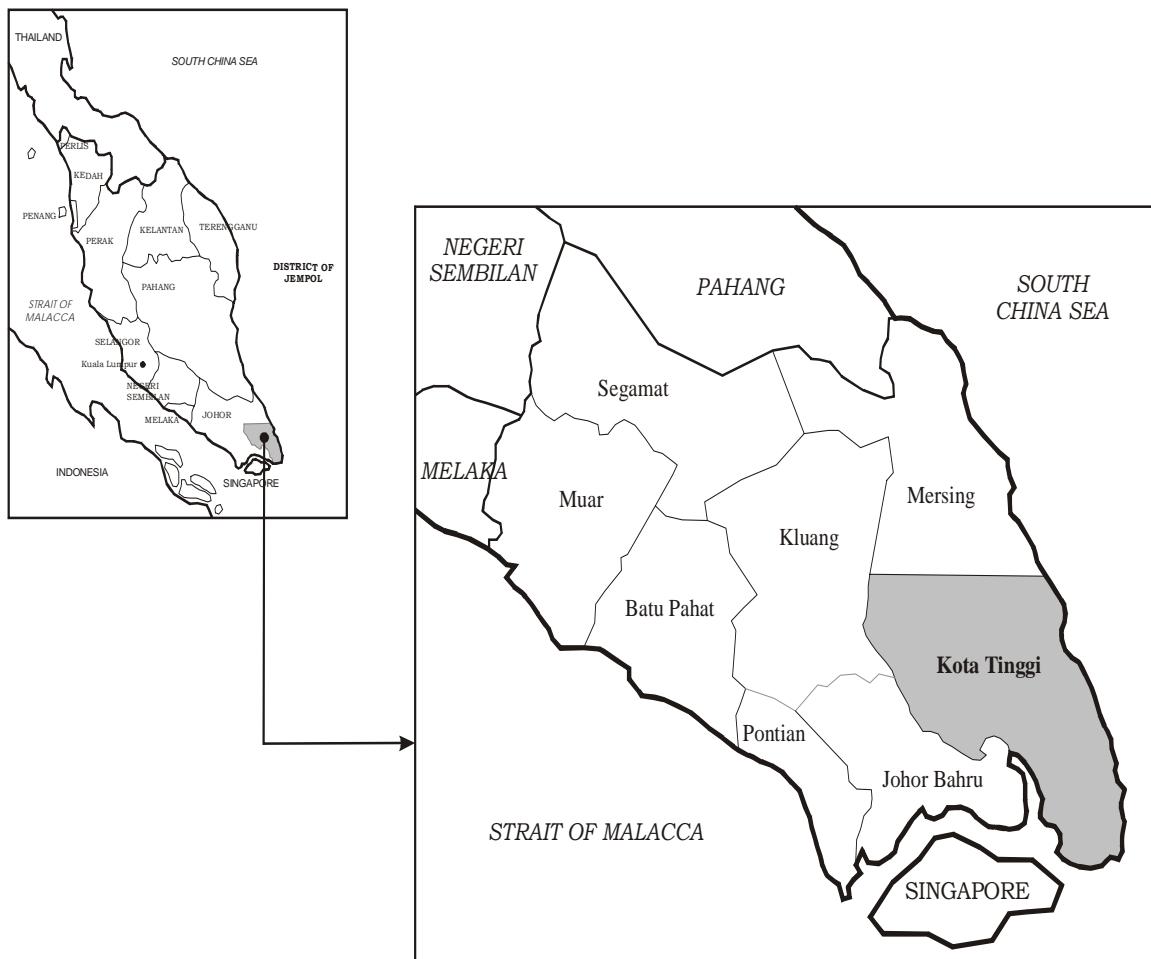
The first location is in the southeast region of the state of Johore, which is the southern state of West Malaysia. The second location is in the southeast region of the state of Pahang, that is the eastern part of West Malaysia and the third location is in the eastern part of the state of Negeri Sembilan that is the western part of West Malaysia

#### **Southeast Johore Region – the District of Kota Tinggi**

The study area is situated in the southeast part of the State of Johore, as shown on the maps in Diagram 5.2. The state is situated in the southern part of West Malaysia. This state, along with 10 other states, formed the Federation of Malaysia.

Under Section 5(1) act 75, 1972 Constitution of Malaysia and the State of Johore enactment 1972, the study area was placed under the administration of KEJORA (KEJORA, 1986). With a total area of 300,313 hectares, the region covers one fifth of the total land area of Johore (Johor Tenggara Strategic Planning Study, 1996). It consists of two districts; they are the District of Kota Tinggi with the population of 192,336 and the District of Kluang with the population of 255,601 (Malaysia Yearbook of Statistics, 2003). Kota Tinggi town is the major town of the District of Kota Tinggi, while Kluang town is the main town of the District of Kluang. Kota Tinggi town is situated approximately 40 kilometres from the capital of the state, Johor Bahru and Kluang town is situated approximately 100 kilometres from it. Both towns are accessible by road, but Kota Tinggi is also accessible by water.

**Diagram 5.2 District Area of Kota Tinggi**



## **Southeast Pahang Region – The District of Rompin**

Southeast Pahang Region is situated in the south-eastern part of the state of Pahang as shown in Diagram 5.3. The region is approximately 1,000,000 hectares or 4,000 square miles and it covers about one third of the state area, mainly made up of the District of Rompin. The administrative area of this district consists of the cluster of six settlement areas or *Mukim* (*Mukim* Endau, *Mukim* Keratong, *Mukim* Pontian, *Mukim* Rompin, *Mukim* Tioman and *Mukim* Bebar, and covers an area of 524,694.22 hectares with a population of 101,877 people (Briefing Notes on the development of the District of Rompin, unpublished document). This district is accessible by road through the north-south Kuantan/Segamat Highway (148km) and Bahau/Kreatong Highway (61km) and the Central-Coast Ibam/Rompin Road (72km).

The Southeast Pahang Development Authority was established in 1972 under the Parliament Act 68/72 to assist the state government in developing this area, identified as the least developed area in the state of Pahang. The Authority's main functions are as follow:

- To promote, stimulate and undertake economic and social development in southeast Pahang.
- To promote, stimulate, facilitate and undertake residential, cultural, industrial and commercial development.
- To control and co-ordinate the performance of the aforesaid activities in southeast Pahang.

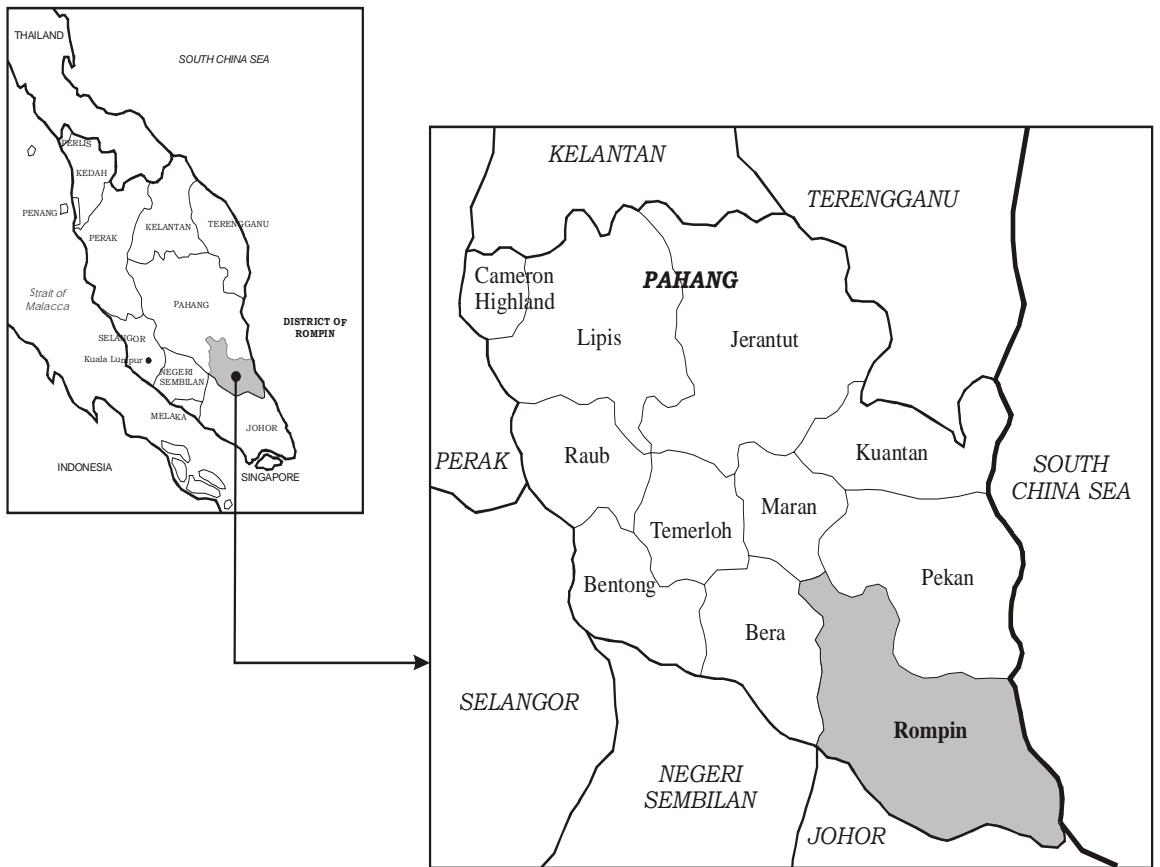
The Master Plan Study for this development region was produced by a consortium of Canadian Consultants in 1970 and completed in 1972. The Study among other things outlined the following recommendations:

- Development of large-scale enterprises in agriculture and forestry.
- The development of 36 new settlements and consequently to resettle 315,000 persons in the region by 1990.
- The creation of 125,000 employment opportunities and the development of physical and social infrastructure to accelerate the development of the region.

In 1999 this authority was dissolved in a privatisation exercise and some of its functions were taken over by the private group known as Teras Dara Konsortium Sdn. Bhd. Apart

from this organisation, other federal and state agencies such as State of Pahang Development Authority, RISDA, FELDA, JHEOA and the district office carry out development programmes in this region.

Diagram 5.3 District Area of Rompin



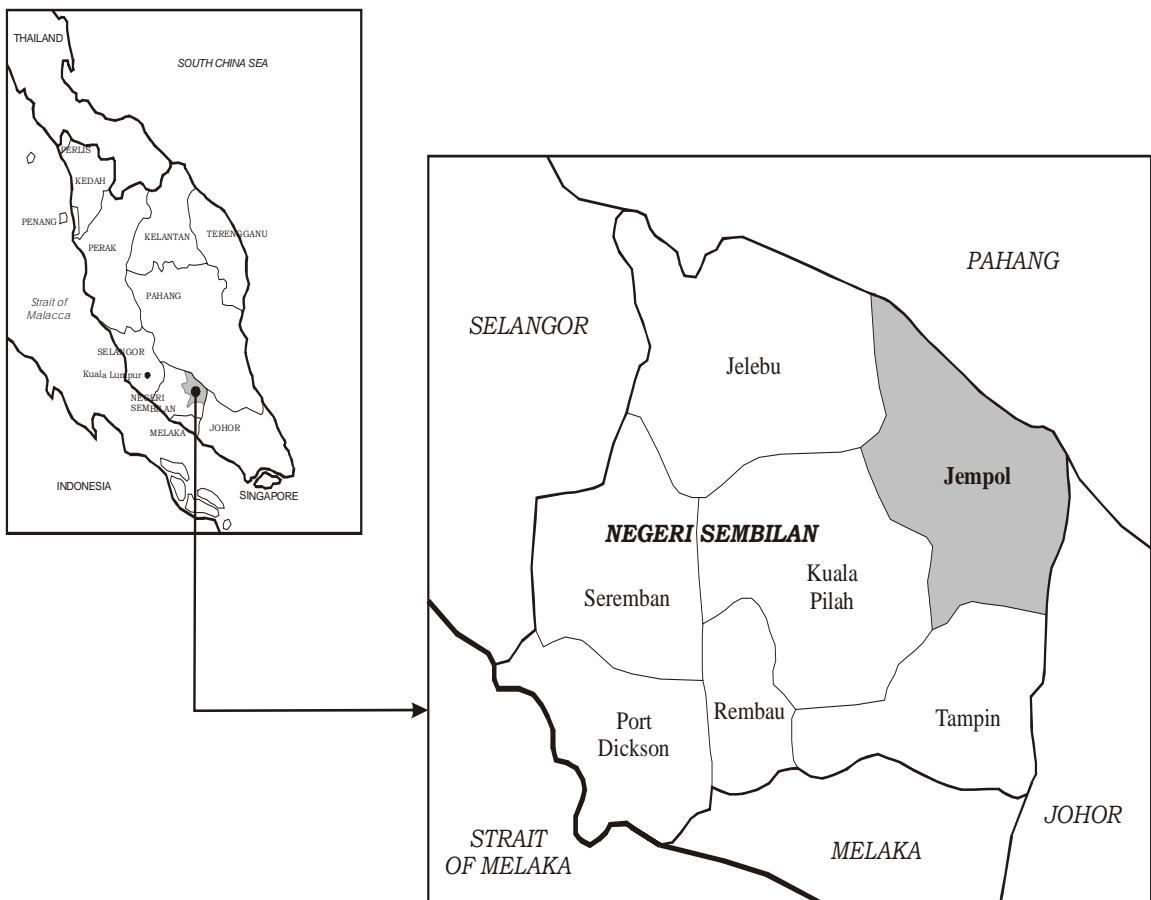
### **Eastern part of Negeri Sembilan-the District of Jempol**

This is the least developed region in the state of Negeri Sembilan, which is mainly made up of the District of Jempol (Diagram 5.4). The administrative area of this district consists of the cluster of six settlement areas or *Mukim*, (*Mukim* Serting Ilir, *Mukim* Jelai, *Mukim* Kuala Jempol, *Mukim* Jempol, *Mukim* Rompin and *Mukim* Serting Ulu), and covers an area of 138,569 hectares with a population of 122,814 people. The district is situated 80km to the south of Seremban, which is the capital of the state.

Nearly two thirds of the district areas are Federal Land Development Scheme settlement areas. There are 30 such settlement areas in this district with palm oil and rubber

plantations as the main economic activities. The development programmes for this area are mainly carried out by the state agencies such as the district office, the state development office and the Jempol District Council. Other agencies involved in the development of the area are the Agriculture Office, Irrigation and Drainage Office, RISDA, FELDA and other federal agencies.

**Diagram 5.4 District Area of Jempol**



## 5.4 DATA COLLECTION

As mentioned earlier in this chapter, the data for this study was collected through semi-structured interviews. The respondents were selected by means of selective sampling to suit the purpose of the study. A total of 74 respondents were interviewed face-to-face for about half an hour to two hours. They were divided into three categories. The target group was made up of the ordinary villagers. They are those who do not hold any position in The Village Security and Development Committee (JKKK) which is the main community based institution at the village level; the members of The Village Development and

Security Committee and the Village Headmen who are also the Chairmen of the committee. The staffs or representatives from the nine selected development agencies involved in the implementation of rural development programmes formed the second category of the respondents. The third category was formed by related individuals who are directly or indirectly involved in rural development programmes. Details of these respondents have been illustrated in Table 5.1. The interviews were recorded by tape recorder and notes were taken where the respondent refused to be taped. The interviews were later transcribed.

The transcription of the interviews was done solely by the researcher. Not only is it difficult to get someone else to transcribe the interviews, it is important to avoid any misunderstanding of the contents of the interviews. If they were to be transcribed by someone else, it could lead to some data being left out or wrongly transcribed. However, transcribing considerable amounts of interviews proved to be tedious and time-consuming. It took the researcher almost one year, from October 2004 to October 2005, to transcribe the full scripts of the interviews. This was done in order for the researcher to adopt thematic analysis for the data analysis. At the end of it, only 61 out of 74 interviews were able to be transcribed, with 1,413 pages of transcripts. Not only have some of the interviews had to be left without being transcribed due to time constraints, but several of them have had to be left out due to technical errors during the recording and transcribing process. For instance, some parts of certain interviews were deleted during the process of transcribing, which makes it difficult for the researcher to grasp the full contents of the interviews.

Certain interviews were also difficult to understand due to bad quality of the recording during the process of interviewing. This is because the interviews were being carried out in unsuitable places such as in business premises which affected the quality of recording. Several respondents also refused to be recorded during the interviews. Although notes were taken, it was later found that they were too difficult to understand and could not to be used in data analysis because the notes were taken at the same time that the researcher was conducting the interviews. Details of the interviews that were transcribed and analysed are in Table 5.2.

Table 5.2 Table of interviews transcribed

No.	Categories of the respondents	Position of the respondents	Number of the respondents interviewed	Number of interviews transcribed
1.	The target group	The village headmen	14	14
		Members of the villages' development committees	16	15
		Ordinary villagers	12	9
2.	The officers of the agencies	The senior manager/manager of the agencies at district level	7	4
		The assistant manager or the senior staff of the agencies from the planning or projects implementation division, and the administrators of the <i>Mukim (Penghulu)</i>	20	15
3.	Related individual	Academic	Lecturer from Malaysia University of Agriculture.	1
		Politicians	State Assemblymen/women for district of Kota Tinggi	2
		Officers from the Ministry of Rural and Regional Development	Secretary of Planning and Co-ordination Division of the Ministry	2
		Total	74	61

### **5.4.1 Types of Data**

Researcher applied literature review, in-depth interviews and participant observations in the fieldwork (Strauss and Corbin, 1990). In this study however, other than semi-structured interviews, from which the primary data was gathered, the researcher has also applied literature review of secondary sources. Literature reviewed for this study was mainly official documents, books, journals, newspapers, relevant reporting, research reports and unpublished documents and websites. Information from these literatures was used to support the findings and arguments made. According to Mason (2002), such documents can be very meaningful for research by constituting a form of expression or representation of relevant elements of situations or processes that we can read or trace.

## **5.5 DATA ANALYSIS**

Thematic analysis is a process to be used with qualitative information (Boyatzis, 1998:4). It is an analysis where the researcher identifies themes and patterns in the interviews through listening to tapes and reading transcripts. It emphasises what is said rather than how it is said (Bryman, 2004). It aims to ‘understand’ rather than ‘know’ the data. This analysis was used to analyse data in the study because it is a process that can be used with most, if not all, qualitative methods and allows for translation of qualitative information into quantitative data, if this is desired by the researcher (Boyatzis, 1998).

The process of identifying suitable themes and sub-themes for coding purposes is quite demanding in itself. According to Boyatzis (1998), a thematic code can be developed in three different ways: theory driven, prior data or prior research driven and inductive (i.e. from the raw data) or data driven. In this research, the thematic code has mainly been generated deductively from previous researches and literatures, and generated inductively from the raw data. The main research questions, that are the rural problems, government interventions and the institutional arrangements, were used as the main themes, while the sub-themes were constructed on the basis of the literature reviews and raw data from the interviews. For example, extensive literature discussing rural problems has helped the researcher in identifying suitable sub-themes on the rural problems as the main theme. The study by Pezzini (2000), for instance, has listed low incomes, high unemployment and underemployment, poor quality of employment, outward migration of young people and low-quality services as some of the profound problems suffered by many rural areas.

Anker (1973) on the other hand listed seven problems significant to the rural sector in developing countries which are low productivity, under-utilisation of human resources, defects in the agrarian structure, poor living and working conditions, inappropriate education, an inadequate institutional base and population growth. These problems were used as the basis in formulating the sub-themes. Other sub-themes emerged from the data itself. NVivo software, one of the sophisticated techniques of analysing qualitative data, was used to code the data into suitable themes and sub-themes. This software has also provided the researcher with the opportunity to count the frequency of viewpoints expressed in the interviews (Bryman, 2004).

## **5.6 VALIDITY AND RELIABILITY**

Validity refers to the extent to which the recorded observations accurately reflect the construction they are intended to measure (Kidder and Judd, 1978: 286). In qualitative research it is the extent to which the findings of the study are true and accurate (Holloway, 1997: 159). It is an important element that establishes the truth and authenticity of a piece of research together with reliability. However, some of the scholars argued that the use of the term validity is irrelevant or a misnomer in qualitative research (Kirk and Miller, 1986; Yonge and Stewin, 1998; Denzin and Lincoln, 1998; Maxwell, 1996, 1992). This is because to some, in qualitative research, understanding is more important than conventional notions of validity (Maxwell, 1992; Wolcott, 1995). Due to these circumstances, Guba (1981), Lincoln and Guba (1985), Guba and Lincoln (1989) and Erlandson *et al.* (1993) have long maintained that quality in qualitative research should be assessed differently from quantitative research. Sandelowski (1986) and Koch (1994, 1996) follow their ideas and adopted instead the notions of trustworthiness and authenticity. Trustworthiness is the truth value of a piece of research. Qualitative research is trustworthy when it reflects the reality and ideas of the participants (Holloway, 1997: 160).

Reliability, on the other hand, involves the accuracy of the methods and technique used by the researchers (Mason, 2004). According to Holloway (1997: 136), reliability is the extent to which a technique or procedure will generate the same results regardless of how, when and where the research is carried out, or the extent to which the instrument is consistent. However, consistency is difficult to achieve in qualitative research because the researcher is the main research instrument, as compared to quantitative research where the ‘research instruments’ used are standardised.

Despite some arguments on the use of the terms validity and reliability in qualitative research, others such as Kvale (1989) and LeCompte and Preissle (1993) see the terms validity and reliability as justifiable in all research. Mason (2004: 39) argued that both concepts are useful in qualitative research. To her, validity refers to whether ‘you are observing, identifying, or “measuring” what you say you are’.

In the context of the study, the reliability of the research was ascertained by the use of qualitative method which has also been adopted by other previous studies on the same subject. The decision to carry out this study in three different locations or settings and involving different groups of respondents was also meant to ensure its reliability and conformability. The reliability of this study was also based on the precision of discussion and rigorousness of explanation in the following chapters. The validity of the research is reflected not only on how effective interviewing or documentary analysis were as strategies in this research, but also in how illuminating the interviews were for the study.

According to Holloway (1997) in qualitative research internal validity has priority. Internal validity means that researchers demonstrate that they present the reality of participants through coherent storylines and excerpts from their interviews (Holloway, 1997:159). This validity is achieved when the researcher can demonstrate that there is evidence for the statements and descriptions. In this study the researcher has included quotations from the respondents to demonstrate the trustworthiness and authenticity of the study. According to Coolican (1999:463), to include quotations from the respondents ‘will bring the reader into the reality of the situation studied’ and thus, be able to ‘tell it like it is’.

The validity of qualitative research can also be improved through triangulation that is the process by which the same problem or phenomenon is investigated from different perspectives (Holloway, 1997:157). Stake (1994: 241) stated that triangulation is normally thought of as increasing the validity of qualitative research by getting and comparing ‘multiple perceptions’ of the same phenomenon. In the context of the study, the selection of respondents from different study areas and organisations has also increased the validity and overcome the biases typically inherent in a single perspective.

## **5.7 SUMMARY**

In this chapter the researcher has described, explained and justified his reasons for choosing a qualitative approach to the topic, and semi-structured interviews and

documentary materials as his main form of data. Qualitative approach was adopted for the study because it is the interpretive study of a specified issue or problem which allows the researcher to acquire and analyse the views or perspectives of the respondents on the subject matter being studied in order to answer the three research questions of the study. Three categories of respondents were selected to represent the local population, staffs of the agencies and interested parties. This was not only to provide variations of views but also to allow for cross-checking statements which can expose any biased statements and therefore increase the validity of the data.

Secondary data were also being used to support the arguments and findings of the study. The primary data was analysed using thematic analysis to transform data into findings and allow for translation of qualitative information into quantitative data that could be used by the researcher in the discussion of findings. This was done with the help of NVivo software which allows the researcher to count the frequency of viewpoints expressed in the interviews. The question of the reliability and validity of the data has also been discussed as well as the limitations of the study. While this chapter outlined the method being used by the researcher in executing the study, the findings of study will be discussed in the following chapters.

## **CHAPTER SIX**

### **RURAL DEVELOPMENT PROBLEMS IN THE STUDY AREAS**

#### **6.1 INTRODUCTION**

In Chapter Two, problems faced by the rural population in developing and developed countries were discussed. In general they are facing almost the same problems; lack of basic facilities or decaying basic facilities due to their remoteness, low level of income, limited job opportunities, unemployment and underemployment, poverty, outward migration of rural young people, depopulation and so forth. However, in developing countries problems faced by their rural communities are mainly related to the agriculture sector.

In a middle income economy such as Malaysia where there is transition from an agriculture-dominated economy to an increasingly industrialised one, the problems faced by its rural communities are mainly due to this transition of economy. Since the rural population is still dependent on agriculture as the main source of income, the people are facing the problems of low level of income. At the same time, the increasing industrial sector has also decreased interest among the rural young people towards the agriculture sector because of better opportunities provided by the manufacturing sector.

To have a clear understanding of these problems is important. This is because one of the drawbacks of rural development programmes is the failure of the policy makers to really understand the problems faced by rural populations (Anker, 1973; Turnham, 1971; Marshall, 1975). A village head interviewed highlighted this shortcoming with the remark, “it is hardly

for a leader to ask the local peoples what are the problems that they facing “.<sup>1</sup> As a result, some rural development programmes failed because what had been planned and implemented did not match the needs of the rural communities or were based on a flawed analysis of the community (Lawhead, 1995).

Therefore, the targeted objectives of rural development programmes cannot be achieved if programmes are to be outlined and implemented only on the basis of fulfilling the national development philosophy, and crafted by officers from their offices, without having clear pictures of the problems on the ground. The study, among others, will reveal that the lack of a hands-on approach by rural development agencies in the implementation of rural development programmes has resulted in some of the projects implemented missing their targets or not meeting the actual requirements of the local population. It is therefore the aim of the next section to illustrate some of the problems faced by the rural population in the study areas. This is to give a better understanding of problems that they faced. It will probably lead to an identification of the profound problems faced by the rural communities, thus answering the dissertation’s first research question: ‘what are the profound problems faced by the rural population in the implementation of rural development programmes’. In the context of the dissertation, this chapter will form the basis for the discussion that will follow by the later chapters.

The data used in this chapter were mostly drawn from the interviews. As mentioned in Chapter Five, a total of 61 respondents have been interviewed and their interviews have been transcribed and used as basis for the discussion in this chapter and in the other chapters that follow. Of these, 38 of them represent the local population category, 21 represent government officials from agencies involved in rural development programmes and 2 represent politicians. However, since only two politicians have been interviewed and it is meaningless to have percentages based on a sample size of two, their views will not be used as a comparison to the other two parties. Therefore the analysis of the primary data was based on 59 respondents only. Nevertheless, the politicians’ views will be used to supports related arguments made by both parties. Data from relevant secondary sources will also be used to support the arguments or views put forward in this chapter.

The chapter will be divided into three sections;

- The first section is the introduction to the chapter.
- In the second section, the problems faced by the rural community according to the perspective of the government officials and the local population will be elaborated on. In order to unveil the significant views of the two different group's on the main problems and several sub-issues related to the main problems the Chi-square test were used. Therefore, the categorized data are analyzed with percentage of frequency distributions and Chi-square analysis.
- The final section is the summary to the chapter.

## **6.2 DEVELOPMENT PROBLEMS IN THE STUDY AREAS**

Undoubtedly, rural areas as discussed in Chapter Two are faced with complicated problems. The complexity of the problems faced by the rural communities in the study areas have also been highlighted by the respondents during the interviews. Determining which problems are the most profound proved to be difficult because they were inter-related and intertwined with each other. Each respondent had different perspectives on what they thought were the most prominent problem faced by the rural communities. However, it was identified from the study that there are five categories of prominent problems faced by the rural community in the study areas. The sequence of their importance is determined by the frequency and percentage of the respondents suggesting it during the interviews, which was analysed using Computer-Assisted Qualitative Data Analysis Software or CAQDAS, in particular NVivo. Then the association test between the two groups of respondents (government officials and the locals' populations) and the problems of rural will be reflected in Tables 6.1, 6.2, 6.3, 6.4, 6.5 and 6.6.

From the perspective of most respondents, the most profound problem faced by the local community in the study areas is weakness of the local economy. It was suggested by 89.8% of the respondents. This was followed by weakness of the rural development agencies (88.1%), weakness of the community based institutions (81.4%), negative attitudes of the local population (76.3%) and weakness of the local leadership (74.6%). The importance of these problems according to the majority and the two categories of respondents and the Chi-square test are as illustrated in Table 6.1.

**Table 6.1 Problems faced by the rural community according to categories of respondents**

Problems	Government Officials n = 21		Local Population n = 38		Total respondents n=59		Chi-Square Tests (Fisher's Exact Test) df = 1
	Yes	Not Yes	Yes	Not Yes	Yes	Not Yes	
Weakness of the local economy	17/81%	4/19%	36/94.7%	2/5.3%	53/89.8%	6/10.2%	sig: 0.17
Weakness of the rural development agencies	21/100 %	-	31/81.6%	7/18.4%	52/88.1%	7/11.9%	sig: 0.04*
Weakness of the community based institutions	16/76.2%	5/23.4%	32/84.2%	6/15.8%	48/81.4%	11/18.6%	sig: 0.05
Negative attitudes of the local population	18/85.7%	3/14.3%	27/71.1%	11/28.9%	45/76.3%	14/23.7%	sig: 0.34
Weakness of the local leadership	17/81%	4/19%	27/71.1%	11/28.8%	44/74.6%	15/25.4%	sig: 0.54

Significant at the 0.05 level (2-sided)

df = Degree of freedom

\* Significant different between the government officials and the local views

Source: data from the interviews

Even though 89.8% of the respondents have highlighted that the main problem faced by the rural communities is weakness of the local economy, according to the perspective of the government officials and the local population, the sequence of importance of each problem is different. To the government officials, the most prominent problem faced by the rural areas is related to the weakness of the rural development agencies with 100% of them suggesting this. This was followed by negative attitudes of the local population (85.7%), weakness of the local economy as well as weakness of the local leadership (81.0%) and weakness of the community based institutions with 76.2% of them highlighting this.

On the other hand, 94.7% of the local population suggested that the most prominent problem face by the local community is the weakness of the local economy. This was followed by the weakness of the community based institutions (84.2%), weakness of the rural government agencies (81.6%), negative attitudes of the local population and weakness of the local leadership which 71.1% of them highlighted. Discussed in the next section are their perspectives on each of the individual problems.

### 6.2.1 Weakness of the Government Agencies

All the staff of the agencies have highlighted that rural development agencies experienced several weaknesses which have restricted their performances in delivering development programmes to the rural areas. This is the main problem that rural communities are facing. As staffs of the agencies, they obviously should have better ideas about these shortcomings. From their point of view, the main weaknesses of the agencies are inadequate financial allocations that they receive to implement projects or development programmes in the rural areas and a lack of co-operation among the agencies. Their views based on the frequency distributions and Chi-square analysis is as shown in Table 6.2.

**Table 6.2 Weakness of the rural development agencies from the perspective of the government officials and the local population**

Problems	Government Officials n = 21		Local Population n = 38		Total respondents n=59		Chi-Square Tests (Fisher's Exact Test) df = 1
	Yes	Not Yes	Yes	Not Yes	Yes	Not Yes	
Inadequate financial allocations for project development	15/71.4%	6/28.6%	18/47.4%	20/52.6%	33/55.9%	26/44.1%	Sig: 0.10
Lack of hands-on approach to development	7/33.3 %	14/66.7%	20/52.6%	18/47.4%	27/45.8%	32/54.2%	Sig: 0.18
Inappropriate planning	12/57.1%	9/42.9%	20/52.6%	18/47.4%	32/54.2%	27/45.8%	Sig: 0.79
Limited co-operation among agencies	15/71.4%	6/28.6%	8/21.1%	30/78.9%	23/39.0%	36/61.1%	Sig: 0.00*
Lack of staff	14/66.7% %	7/33.3%	8/21.1%	30/78.9%	22/37.3%	37/62.7%	Sig: 0.00*
Lack of co-ordination among agencies	12/57.1%	9/42.9%	4/10.5%	34/89.5%	16/27.1%	43/72.9%	Sig: 0.00*
Lack of transparency	3/14.3%	18/85.7%	13/34.2%	25/65.8%	16/27.1%	43/72.9%	Sig: 0.13

Significant at the 0.05 level (2-sided)

df = Degree of freedom

\* Significant different between the government officials and the local views

Source: data from the interviews

**a. Inadequate financial allocations for development**

71.4% of the government officials highlighted the fact that agencies, in particular the district offices, received inadequate financial allocations to execute development programmes in the rural areas. Even though the district offices received financial allocations from three different sources; the State Government, Federal Government and allocations provided to the Members of Parliament and the State Assemblymen/women, these allocations were claimed to be insufficient to cater for the needs for development in the rural areas, as described by a member of staff of one of the agencies;

“I think with limited financial allocation it is difficult for us to plan really...Limited allocation from the State Government. Actually our application for financial requirements is quite big. For example, based on the list that we have, for construction and upgrading village roads we have asked for £970,000 (RM6.8 million) but we are only being granted £300,000 (RM2.08 million)”

(Staff of District Office, respondent 26, Kota Tinggi)

In comparing the financial allocation received by any two agencies, an administrator of the *mukim* made these remarks;

“If for example the State of Pahang is allocating £430,000 (RM3.0 million) a year for the rural road projects, we have to distribute it to ten districts; each district will therefore get approximately £42,800 (RM300,000) yearly. This allocation has to be divided further to so many clusters of villages (*mukim*), therefore the allocation is small. Whereas, when Southeast Pahang Development Authority is still in operation, it received direct allocation from the Federal Government, sometimes their allocations are as big as allocations of Chief Minister for the rural development”

(Administrator of the *mukim*, respondent 32, Rompin)

**b. Limited co-operation among the agencies**

71.4 % of the government officials have also highlighted that there is a limited co-operation between state agencies, in particular the district office and the federal agencies which are operating at the district level. However, only 21.1 % of the local population have suggested it.

This is obvious because the government officials should have been more aware of the nature of co-operation between agencies as compared with the local population.

Limited co-operation on the part of district offices in the implementation of the Movement for Visionary Initiative (locally known as *Gerakan Daya Wawasan* and also popularly known by its acronym GDW) is another example that was highlighted during the study. GDW is a programme initiated by the Ministry of Rural and Regional Development, which is the federal government mechanism, with the aim of empowering the rural communities so as to make them self-sustainable, self-sufficient, educated and having highly motivated working discipline.<sup>2</sup> Even though JKKK, the main community based institution which is under the jurisdiction of district office, was used as the main mechanism in implementing this programme, the involvement of the district office itself was said to be minimal. This is because the allocation for this programme was not channelled through the district office but instead through the federal agencies, such as the Department for Community Development (locally known as KEMAS), RISDA and KEJORA. Therefore, despite claiming that the programme does not meet its objectives, the staffs of the district offices also admitted that they only played a marginal role in GDW.

**c. Lack of staff**

This problem was acutely acknowledged by the staff of the agencies with 66.7% of them highlighting it during the interviews as compared to 21.1 % of the rural population who mentioned it. This point of views has significant differences between the two groups of respondent.

Even though it is impossible to get a full complement of staff, as one officer put it, most government officials interviewed have highlighted that they are short of staff. This was seen as a weakness of the agencies, in particular to the district offices;

“We see there is a weakness in district office. We are short of staff and suffer from inadequate expertise. At present we only have one senior officer in the development unit with only two or three working staffs at his disposal. We have only three staffs and one senior officer in the land office. There are also five administrators of the

*mukim*. There are the only people who do all the works, planning and developing for the district at the district office”.

(Administrator of the *mukim*, respondent 32, Rompin)

Even a senior officer in the district office acknowledged the problem;

“In this district office, there are only four assistant district officers to do the planning for the district; we can’t even cope up with routine works, what more to concentrate on doing research”

(Senior Officer in the District Office, respondent 55, Jempol)

Some officers were also claiming that certain agencies were lacking skilled and professional staff. Examples such as fishery officers who did not know about species of fish when they were first assigned to the fishery department have been highlighted during the interviews. There are also claims that the agriculture officers are not professional and could not show by example, as staff of one of the agencies remarked;

“At present most of the agriculture officers or those who lead the agency are not professional in agriculture. There are those who are professional but were not given place in the agency”

(Administrator the *mukim*, respondent 30, Jempol)

#### d. Inappropriate planning

57.1% of the government officials have highlighted the problem of inappropriate planning in the implementation of rural development programmes in the study areas. However, 52.6% of the local population have mentioned this.

Several government officials claimed that some development programmes have been implemented without proper planning or were done on an *ad hoc* basis. For example, there are certain economic programmes that were implemented mainly based on the applications made by the local population without proper study being made of their viability. There were also projects that had been introduced which were to be carried out by the local people, but prior consultation with them did not take place. As a result, some of these programmes were not successfully executed because either the local people did not have the capability to handle

them or it was not in their interest to implement them. There were also several staff members of the agencies who claimed that some agencies tend to implement projects for the sake of ensuring that all the funding that they received would be spent. This practice normally takes place near the end of the year, so as to prevent them being questioned for not performing. Remarks made by one of the respondents illustrate the practice more clearly;

“They have annual allocations, by September they might not be able to spend all the allocations probably because there are no applications from the local peoples. Therefore, they will be looking for projects, not because they really wanted to implement it but rather to ensure that the allocations will be spent”

(Administrator of the *mukim*, respondent 16, Rompin)

#### e. Lack of co-ordination between agencies

With the multi-agency approach in rural development, there should be an appropriate co-ordination between the agencies. Nevertheless, with limited co-operation there seems to be a limited co-ordination between agencies as well. 57.1% of the government officers have highlighted this problem of co-ordination between agencies in the study areas. 10.5% of the local population have highlighted this as well.

Some administrators of the *mukim* and even politicians have claimed that federal agencies tend to implement projects without consulting them or the district office. They therefore, did not have any knowledge of some projects that were implemented by the agencies in their villages or areas. There are cases where certain villages have been given financial allocations by two different agencies for the implementation of one project, meaning that an excess of funding was given to certain villages to implement a particular project. Also there are cases where the same people were being given similar assistance by different agencies.<sup>3</sup>

In relation to this problem, an administrator of the *mukim* suggested that;

“There is a need at the district level for understanding between the district administrators that is the district offices and agencies. This means that all development projects that are to be implemented in the district should go through the process of discussion and co-ordination... therefore, there is a need for the District

Development Committee and the Working Committee to discuss the distribution and co-ordination of projects to be implemented; the latter is yet to be realized “

(Administrator the *mukim*, respondent 30, Jempol)

**f. Lack of hands-on approach to development**

Only 33.3% of the government officials have highlighted this problem during the interviews, as compared to 52.6% of the local population who have pointed it out.

To the government officials, limited manpower and workloads have prevented them from practising a hands-on approach to development as one of them remarked;

“The agencies did go on the ground but they have large areas to look after ...so their approach is periodic. They cannot fully concentrate. They could only make public introduction about government’s planning but it up to JKPK to make the follow-up. However, as I have said, the working standard of the JKPK itself is low, and that is one of the reasons why the villages are being neglected”

(Administrator of the *Mukim*, respondent 32, Rompin)

From the local people’s point of view this is the main weakness of the government agencies. The lack of a hands-on approach to development has meant that the government officers are unable to obtain first hand information about the problems faced by the local population. On the other hand, they are also unable to access information about government assistance. To them, this weakness has caused some problems in the implementation of development programmes. For instance, government aids were not being given to the right people, instead they were given to those who were not entitled to them. For example there are locals who were given assistance in the form of materials which they don’t actually require. Eventually these materials were sold for quick cash.

**g. Lack of transparency**

Limited consultation between agencies and their stake-holders means that there is also a limited flow of information between the two parties and therefore lack of transparency in the

development process. This problem was highlighted by 34.2% of the local population but only by 14.3% of government officials.

Some locals have argued that they were not given a clear explanation or even consulted over the changes of procedures or policies related to development programmes, even though they are the party that will be most affected by the changes. Without clear information they tend to make negative assumptions and interpretations over the policies that were made or changed by the government.

The sorts of arguments and interpretations that were raised by the local people were mainly because they had not been provided with adequate information or consulted about the policies, procedures or processes that had taken place in relation to development programmes. As long as there is no effort taken to make things more transparent to the local population, they will always be in doubt over decisions or actions taken by the government or its agencies in relation to development programmes. The worst scenario this could lead to is having the rural people lose faith in the government and its machinery as suggested by one of the respondents;

“In the present situation it is important for all parties that are involved in development programmes to sit together in a forum because it will look as more transparent to the local population. However, if it is just rhetoric and promises, certain quarter of the population will not be convinced, partly because what they have been told are not as what have been implemented”

(Members of JKPK, respondent 41, Kota Tinggi)

### **6.2.2 Negative Attitudes of the Rural Population**

85.7% of the government officials and 71.1% of the local population have also highlighted that development problems in the rural areas are closely related to the negative attitudes of the rural population itself. These attitudes include complacency, lack of enthusiasm in pursuing local economic activities and lack of concern about development in their areas. To them these attitudes are obstacles preventing further development from taking place in the rural areas. Their views in these matters are as shown in Table 6.3.

**Table 6.3 Percentage of the respondents indicated the local population possesses negative attitudes towards development**

Problems	Government Officials n = 21		Local Population n = 38		Total respondents n=59		Chi-Square Tests (Fisher's Exact Test) df = 1
	Yes	Not Yes	Yes	Not Yes	Yes	Not Yes	
Complacency	13/61.9%	8/38.1	10/26.3%	28/73.7%	23/39.0%	36/61.0%	Sig: 0.01*
Too dependent on government assistance	6/28.6%	15/71.4%	12/31.6%	26/68.4%	18/30.5%	41/69.5%	Sig: 1.00
Lack of enthusiasm	9/42.9%	12/57.1%	4/10.5%	34/89.5%	13/22.0%	46/78.0%	Sig: 0.00*
Lack of co-operation	5/23.8%	16/76.2%	12/31.6%	26/68.4%	17/28.8%	42/71.2%	Sig: 0.76
Lack of concern	9/42.9%	12/57.1%	5/13.2%	33/86.8%	14/23.7%	45/76.3%	Sig: 0.02*
Undependable	7/33.3%	14/66.7%	5/13.2%	33/86.8%	12/20.3%	47/79.7%	Sig: 0.09

Significant at the 0.05 level (2-sided)

df = Degree of freedom

\* Significant different between the government officials and the local views

Source: data from the interviews

### a. Complacency

A considerable percentage of the government officials, that is 61.9% of them, have highlighted this problem, as compared to only 26.3% local population who have suggested it.

To several government officials and the politicians, this attitude is actually inherent and therefore it is difficult to change. For some, this attitude was rooted in the local community because they do not feel that there are challenges or threats that they have to confront. Even if they did face some difficulties in their daily life, they could always turn to their family or government for assistances. Thus, a sense of feeling secure tends to make them take things for granted. They, therefore, tend to be satisfied with whatever they already have, even though they still have not actually managed to fulfil some of their basic needs. Several examples were also given by the government officials to illustrate this attitude during the study. One of the examples is the attitude of some rubber tappers, oil palm cultivators or even fishermen who tends to work only for few hours a day and spend their rest of the day loafing in the

coffee stalls or doing nothing even though their earnings are small. A government officer illustrated their attitudes with these remarks;

“I think one of the factors is attitude. The attitude of the rural community is quite obstinate. I think they are complacent. I give you an example of the fishermen, even though their live is like ‘*to live from hand to mouth*’ but they are complacent. So do the smallholders who grow their lands with oil palm, they are also complacent. On contrary, we are the one who end up doing the thinking for them, why are they poor or does not want to improve their living? But when we wanted to develop them, they said they are already complacent with their life”

(Officer of the Regional Development Agency, respondent 33, Kota Tinggi)

There are also some who claimed that certain sections of the rural population are actually lazy. There are lots of opportunities for them to earn or increase their incomes but they are just lazy, with regard to working on their lands and thus have left them idle. Their attitude is as illustrated by the remarks of one of the village heads;

Rather than wasting their time loafing, why can’t they work? But they are reluctant, they prefer to loaf. So when they migrate, who wants to work on the land?

(Village head, respondent 49, Jempol)

**b. Less enthusiastic**

Perhaps due to complacency, some rural people were perceived to be lacking in enthusiasm to seriously make efforts to improve their standard of living. 42.9% of the government officials have suggested that rural communities are less enthusiastic in pursing development programmes. This is contrary to only 10.5% of the local population who have suggested so.

Government agencies normally prefer to provide help to individuals and villages who can portray their interest in development. Therefore, the failure of certain sections of the rural population to show their enthusiasm in getting and implementing development programmes does not help them in getting the much-needed support from the agencies. For some government officials, their function is just to act as initiator or motivator for development programmes, it is up to the local population to actually play a much bigger role in pursuing the

developments.<sup>4</sup> However, it is very difficult as one of the staff of the agencies said “to shape the community in order for them to pursue on their own with the developments”.<sup>5</sup>

Thus there are cases where the participants in agriculture development programmes initiated by the agencies withdrew themselves from the programmes because they do not have the will to follow the requirements of the agencies to make the programmes successful. Therefore, one of the major deterrents to the efforts to upgrade the rural economy is the lack of enthusiasm and seriousness on the part of the local population to ensure that every project meant to improve their standard of living will be implemented successfully.

### c. Lack of co-operation

Co-operation among the villagers is one of the important factors for the village development, as one of the respondents remarked;

“It is right to say that JKKK is the main body in the villages. This body was made responsible to administer the village whether it going to be successful or not. Even though JKKK is the centre of village administration, the community is actually more important because we could not succeed if the community is not co-operating with us”

(Village head, respondent 49, Jempol)

“Strength in what ever organisations (in the villages) were base on the solidarity that exists in the villages”<sup>6</sup>, said another. Therefore, co-operation among rural dwellers is vital in order for the villages to develop more rapidly and systematically and thus benefit their inhabitants. This was the main factor that made villages such as Lonek and Palong Tiga in the District of Jempol, Pantai Bernas in the District of Rompin and Gembut in the District of Kota Tinggi more successful in terms of development as compared with other villages.

Nonetheless, this ideal situation does not necessarily appear in all the villages. 23.8% of the government officials and 31.6% of the local people have suggested that there is lack of co-operation between the rural inhabitants.

**d. Unconcerned**

42.9% of the government officials have highlighted that some locals have an unconcerned attitude towards development, as compared with only 13.2% of the local population who have highlighted it.

Several government officials suggested that some villagers are not really concerned about development, probably due to ignorance. Their attitude was portrayed in remarks made by one of the administrators of the *mukim*;

“There are villagers who are not really concerned, even though if their drainage pipes were clogged and have never been repaired, or if their meeting hall is about to fall down. Therefore, we have to go and look and inform the State Assemblymen...Although we have been independent for almost 50 year now, majority of the people in the village are pre-independent generation, who seemed to have very little concern with development.”

(Administrator of the *mukim*, respondent 16, Rompin)

Some locals also admitted that certain sections of the local population are not really concerned to participate in the village’s development, but are mostly dependent on the agencies to bring development to their villages. They are not concerned to participate in various organisations established at the grass roots level, where they can play active roles in the village’s development. The young people, for example, are reluctant to participate in community based institutions, in particular JKKK.

**e. Too dependent on government assistance**

Almost the same percentage of government officials and local people claimed that rural communities are too dependent on government assistance, with figures reaching 28.6% and 31.6% respectively. Remarks made by one of the government officers clearly illustrate this attitude among the local population;

“We noticed that in order to ensure a particular economic project could be implemented effectively to enable provisions of greater returns to the rural community; we are facing problems that relate to the rural community themselves. Firstly, their attitudes, their own attitude of being too dependent on the government up to the stage where they don’t even know how to market their agricultural products”

(Senior Manager of the Regional Development Agency, respondent 38, Kota Tinggi)

Similar remarks have also been made by one of the politicians;

“What I observed was attitudes of the villagers that are reluctant to stand on their own feet. They are barely dependents on the government or its agencies to upgrade their economic well-being...most of them misused the assistances provided by the government...their laziness made them dependent always on the government in getting something. That is the reason why rural economic condition is not successful”

(A politician, respondent 60, Kota Tinggi)

Obviously with limited financial capital, lack of education, lack of exposure and limited access to information, the people have to rely more on government agencies for the resources. However, there are also government officials who argued that this attitude was a result of the government practice of giving subsidies in various forms to the local population. This practice according to them has been going on for quite some time, as pointed out by one of the officers;

“From my point of view, this attitude was already there for quite sometime...in previous years the government tend to pamper the villagers by giving them whatever they wanted and made them felt indulged, so much so they are reluctant to make their own efforts or stand on their own feet “

(Officer of the District Office, respondent 58, Jempol)

#### f. **Undependable**

33.3% of the government officials have suggested that some local people tend to take advantage of or misuse numerous assistances and aids provided by the government. In contrast, only 13.2% of the local population have suggested this.

To several government officials, some locals are not trustworthy. One of them gives an example of people who have been given economic projects on the understanding that they will contribute a certain portion of the profits from the projects to the villages, but then failed to do so.<sup>7</sup> There are also cases of local people who made false statements in order to be listed as the hard-core poor so that they could receive assistance from the government. Some recipients of government aid either in the form of fishing gear, agricultural material or processing machines have also sold the materials that they received to a third party for quick cash or transferred it to others without the knowledge of agencies who provided it. Also some politicians have highlighted cases where some recipients of government assistance in the forms of crops, poultry or livestock failed to take full advantage of the aid to improve their standard of living due to their lack of seriousness in managing it. One of the politicians made these remarks in relation to their attitude;

“For example we gave them assistances in form of small boats and engines but they sell it, they do not make full use of it. Then we gave them assistances in the form of poultry, but rather than giving serious attention to it, they tend to take it for granted because it is free. Thus instead of improving their economic it is actually a loss to them. I think the attitudes need to be changed”

(A politician, respondent 60, Kota Tinggi)

Several locals also admitted that there are some of them who are seeking government assistance more out of self-interest rather than for the benefit of the local community, in particular among those who are involved in construction work. Some local leaders, for example, are using their position in seeking construction works from the agencies on behalf of the villages but in actual fact more for their own self-interest.

### **6.2.3 Weakness of the Local Economy**

81.0% of the government officials have suggested that the rural economy is weak. However, 94.7% of the local population have suggested this during the interviews. To the government officials these weaknesses are mainly due to limited land areas for cultivation, low level of incomes received by the local population and limited job opportunities available to the local population. On the other hand, to the local people it is mainly due to low level of income that

they received, the limited job opportunities in the rural areas and limited financial capital available to them. This is as depicted in Table 6.4.

**Table 6.4 Percentage of respondents indicated that the rural community experienced disadvantages in its economy**

Problems	Government Officials n = 21		Local Population n = 38		Total respondents n=59		Chi-Square Tests (Fisher's Exact Test) df = 1
	Yes	Not Yes	Yes	Not Yes	Yes	Not Yes	
Low level of income	8/38.1%	13/61.9%	27/71.1%	11/28.9%	35/59.3%	24/40.7%	Sig: 0.02*
Limitation of land	10/47.6%	11/52.4%	13/34.2%	25/65.8%	23/39.0%	36/61.0%	Sig: 0.40
Limited job opportunities	7/31.8%	14/66.7%	15/39.5%	23/60.5%	22/37.3%	37/62.7%	Sig: 0.78
Limited financial capital	3/14.3%	18/85.7%	15/39.5%	23/60.5%	18/30.5%	41/69.5%	Sig: 0.07

Significant at the 0.05 level (2-sided)

df = Degree of freedom

\* Significant different between the government officials and the local views

Source: data from the interviews

### a. Limitation of Land

To 47.6% of the government officials, the weakness of the rural economy is related to land. This is because demographically rural areas are too remote, the size of the villages are also too small for further development to take place as well as the size of individual properties which are uneconomic for cultivation. However, only 34.2% of the local population have associated their weakness in economy with land.

To the government officials remoteness of some traditional villages is a major obstacle for the development of the villages. These villages normally have a small population, mostly elderly, as their young people have migrated. There are only four occupied houses in the Village of Guntung Nenas in the District of Kota Tinggi for example. While in the District of Rompin, the Village of Kuala Pontian is occupied by only eight families. Some of the villages are so remote that they can only be reached only by boat. Thus basic facilities are scarce because less

emphasis was given to them due to fewer prospects for their development. This fact was admitted by staff of an agency in reference to development of one of the more remote villages;

“Take the Village of Tanjung Serindit for example, with the existing profile we realised that it would be difficult for the village to be developed. Therefore, we have given less emphasis to the village, except to ensure that its inhabitants had at least basic facilities as enjoyed by other villagers”

(Senior Manager of the Regional Development Agency, respondent 38, Kota Tinggi)

Some locals have also suggested that their underdeveloped economy was related to land. Either they are landless or possess small land areas for cultivation. These problems have prevented them from venturing into agriculture related activities which could at least provide them with the means to earn additional income. In relation to this, many of them have suggested that locals should be given more access to government lands, as suggested in remarks made by one of them;

“The District Office should find out how many people are landless in the village. From my observation most fishermen are without land. They must be given land, at least two acres each so that they could make use of it to increase their income. When they could not go to the sea because of the monsoon or anything else, they have land to work on. They need additional incomes for their children’s education”.

(Ordinary villager, respondent 10, Kota Tinggi).

#### **b. Low level of incomes**

Only 38.1% of the government officials have highlighted this problem during the interviews, in contrast to the 71.1% of the local population who have suggested it. The rural population was said to be receiving low level of incomes due to their dependency on the primary sector, in particular agriculture and fishery. There is also a limited number of sizeable industries in the study areas which can provide the people with alternative jobs.

When the price of agriculture products dropped due to fluctuations in the price of the commodity crops, the majority of those involved in agriculture activities experienced low return in incomes. Even FELDA and FELCRA’s settlers who owned 0.1 hectares of land

cultivated with oil palm faced difficulties when the price of palm oil dropped due to market instability or reduced yields. A similar situation was faced by those who surrendered their land to be developed by FELCRA. Low income in the form of the annual dividend that they received from the agency has become a subject of dissatisfaction among the participants of the scheme and has been criticised by various parties including the politicians. Those involved in fishing activities are also facing the same situation because their catch was reduced due to over-fished and deteriorating environments. Often they have to do other jobs to keep up with their expenses or have to rely on other family members who work in other sectors, generally manufacturing in the urban areas.

The situation is even worse for those dependent on orchards. Over supplies of local fruits and marketing problems could reduce its price to the lowest level. Referring to the marketing of agriculture products an officer remarked;

“We could launch a massive campaign for the rural population to cultivate fruits trees or vegetables or even to rear poultry but that biggest problem that concern us is marketing. We once asked rural people to plant lemon grass, however when they have done so, the market is not there”

(Senior Officer in the District Office, respondent 55, Jempol)

Limited sizeable industries in the study areas are another factor that has confined the local population to agriculture sector which offer low levels of income. Only 5% of the land areas in the District of Jempol are used for industry activities.<sup>8</sup> Most of it is wood based and agriculture based factories which employ only a small number of workers (<http://bahau.com.my/malay/kilang.htm>). The scarcity of industry in this district was highlighted by one of the government officials;

“... looking at the rapid development in the district of Jempol, I could observed that this light industry does not provide much job’s opportunities for locals, it was monopolised by only a few...there are no heavy industry here which could provide much work’s opportunities. What we have here are only rubber factories owned by FELDA”

(Administrator of the *mukim*, respondent 28, Jempol)

Efforts to bring major industries to these areas have been hampered by lack of capital infrastructure which could create links and shorten travelling time from these areas to the major growth centres. The hinterland of Kota Tinggi District for instance, where tens of its villages are located is as far as 140 kilometres from Johor Bahru which is the capital city and major growth centre for the state of Johor. Travelling time from this hinterland to the city could take about one to one and a half hours depending on the traffic situation. The same situation is faced by the District of Rompin. Its nearest growth centre is Kuantan located about 100 kilometres from the district. As for the District of Jempol, it is situated right in the hinterland of the State of Negeri Sembilan. Its nearest growth centre is Seremban located about 100 kilometres from the district. Travelling time from this district to Seremban which is also the capital city of the state could take up to two and a half hours; whereas it probably would take about 40 minutes if there was a highway. Remarks made by an officer in Jempol District Office illustrate the problem that they face in efforts to bring major industries into this area;

“The major problem which hampered the development of this district is road ...sometimes it took up to two and a half hours from here to Seremban, whilst it could only take about 40 minutes if there is a four lane highway. Until the road is upgraded, widen and given priority, it is very difficult for the eastern part of Negeri Sembilan in particular for the District of Kuala Pilah and Jempol to develop. Companies and investors are reluctant to come here because the condition of the road which is so winding in particular near Kuala Pilah, making it difficult for them to transport materials and goods...so they are not interested to come. This is one of the reasons why this area is lacking in industries”

(Senior Officer in the District Office, respondent 55, Jempol)

To the local population their dependency on agriculture for source of income is apparent as remarks made by one of the village heads indicated;

“What we have in this hinterland is only agriculture. We are only able to work in agriculture. We have no other choice but to be farmers”

(Village head, respondent 49, District of Jempol)

Those involved in agriculture can be divided into several categories. Some of them are full time agriculturists who are totally dependent on agriculture as their source of income. Normally their farms are small, around 0.02 to 0.03 hectares. The land is planted with all sorts of crops such as orchards and coconut trees but mostly with oil palm and rubber. Some are part-time agriculturists who work on their lands and are doing other jobs such as small scale contractors, factory workers or running small businesses. There are also those who receive annual income from land development agencies such as Federal Land Collaboration and Rehabilitation Authority (FELCRA) to whom they have surrendered their land for a specific period of time to be developed normally with oil palm. There are also Federal Land Development Authority (FELDA) and FELCRA settlers who work by their own means on the land cultivated with oil palm or rubber trees. There are some who hire foreign workers, normally Indonesians, to work on their land. There are also some who are landless but hire land for cultivation or work as rubber tappers or oil palm pickers on someone else's lands.

In general, incomes from agriculture activities are claimed to be low, especially for those with small land areas. On average with 0.02 to 0.03 hectares of land cultivated with oil palm they could only receive around £ 43.00 (RM 300.00) to £ 57.00 (RM400.00) a month. This amount is barely enough to support their families, said one of the respondents.<sup>9</sup> The statements made by one of them more clearly;

“To some extent some who owned coconut trees would rather leave the coconuts lying dry on the ground as the price is too low to be traded”

(Member of JKJK, respondent 1, Kota Tinggi)

The same situation is also being faced by those engaged in fishery. Most of them are traditional fishermen. They are either river or off-shore fishermen. Most of them belong to the elderly generation of villagers. Some are even aged 60 – 70 years old. When they are gone, as one of the respondents was saying, there will be no replacement for them. If there are still any, it might probably be only 20% of them left in this activity.<sup>10</sup> With limited financial returns, they can only afford to use a small fibre boat, locally known as a *sampan*.<sup>11</sup> They also use a low capacity engine for their boat, normally 5 to 10 horse power. Not only can they not afford to buy a much higher capacity engine, some of them also no longer have the strength to carry

the engine down to the river. They also use simple fishing gear such as fishing rods, casting-nets and fish traps locally known as *bubu*. Some even still used oar. With such a small engine and simple technology they can only manage to go a short distance to the river or sea. Therefore, their catches are small. Sometimes they have to satisfy themselves with only a handful of catches worth a few pounds a day after deducting the cost of petrol or diesel for the engine and repayments for buying the fishing gear. On average their net monthly income is about £ 100.00 (RM700.00). Their life like '*to live from hand to mouth*' said one of the village heads.<sup>12</sup> This is how one of them described their hardships;

“Sometimes the fisherman is without a penny, if his boat is dry, its oar is dry, so thus his pocket ...so how he wants to go about and do something ...I can certainly say that they really live a hard life because they just don't know to find other sources”

(Village head, respondent 42, Kota Tinggi)

For those who do not wish to migrate, working in the tourism sector is another choice that they could possibly have. However, with minimum qualifications<sup>13</sup> the only jobs that they are able to get are as general workers or house keepers. The amount of wages they receive is only around £ 43.00 (RM300.00) to £100.00 (RM700.00) monthly, based on the positions that they hold. Those who work as hotel house keepers in Rompin for example receive around £71.00 (RM500.00) a month. One of the local people, who happened to be a hotel worker, described the level of income they receive by working in the tourism industry as follows;

“Like us who work at the hotel, we get around £71.00 per month. Hotel normally didn't pay us much because many who work here are not managerial staffs. They just like me ...house keeper”

(Member of JKKK, respondent 31, Rompin)

It is apparent from the discussion that rural people are facing the problem of low level of income. An income survey of the population of 17 villages in the District of Kota Tinggi supported this fact. The survey revealed that the average income of the head of a family in the villages is about £82.00 (RM576.00) a month, while average household income is about £119.00 (RM836.00) a month (Southeast Johore Development Authority, unpublished document).

**c. Limited job's opportunities**

Limited job opportunities in the rural areas also contributed to the weakness of the rural economy. However, only 31.8% of the government officials have highlighted this problem as compared to 39.5% of the local population.

A clear illustration of limited job opportunities in the rural areas in particular for young peoples was highlighted by one of the officers;

“At present these traditional villages do not provide anything, they do not provide opportunities for this generation to work. In addition, with better education they are more interested to work as government officials or as factory workers. There are no such opportunities in the villages, so they have to migrate”

(Administrator of the *mukim*, respondent 28, Jempol)

Even though some of the government officials admitted that there are limited job opportunities in the study areas, some of them have also pointed out that there are lots of opportunities that could be provided by the primary sector. To them, it is the locals who are actually reluctant or a bit too lazy to make use of the opportunities. They have given examples of some villagers who spend hours of their time loafing at the coffee stalls instead of working in their localities to improve their earnings. In reference to the opportunities available in the rural areas, staff of the agency made these remarks;

“From my observations there are lots of resources in the villages that could be used to strengthen their economy. For example, there are lots of idle lands that could actually be developed. We could meet the land's owners and discuss about developing it. However, they have the attitude of feeling satisfied on whatever that they already have, they therefore do not give much concern about the ideas”

(Staff of the Regional Development agency, respondent 40, Kota Tinggi)

Similar remarks were also been made by a politician;

“At present there are lots of jobs that they could do. If they reluctant to go fishing at the sea, they can always work as hired labour on other people lands. The main thing is their willingness to work hard and enthusiasm to improve their family economy”

(The State Assemblywoman, respondent 59, Kota Tinggi)

However, they have also highlighted the growing trend among the younger generation towards working in the manufacturing and service sectors that provide much higher pay and better working conditions than the primary industries. Consequently, even though agriculture related activities are predominant in the study areas and could provide substantial job opportunities, this sector is no longer attractive to the younger generation. One of the village heads explains this situation in his remarks;

“At present, working in the manufacturing sector has become synonym with the society. If they wanted to work in the estate they might get about £3.00 (RM18.00) a day. Of course housing, water and electrical supply will be provided but they will be exposed to heat and sun. However, if they work in the factory, they will able to earn more than £4.00 (RM 30.00) a day or about £143.00 (RM1, 000) a month and work in a building with air conditioning...it seems to be a trend among our youths nowadays not to engage in such arduous jobs”

(Village head, respondent 52, Kota Tinggi)

Limited and small manufacturing industries in the study areas as well as easy access to the manufacturing sector in the urban areas have also motivated young people to leave this sector. Lack of substantial business activities in the study areas does not provide them with many opportunities to venture either.

#### **d. Lack of financial capital**

Local people also lack financial capital. However, only 14.3% of the government officials have highlighted this problem during the interviews, as compared to 39.5% of the local population who have noted it.

To the government officials there are numerous forms of assistance provided to help the local population with their economic activities. These include subsidies for fertiliser, quality seeds or agriculture appliances, allocations for re-planting of oil palm or rubber trees, livestock and poultry. There is also financial and technical assistance provided by the Department of Agriculture for those who are interested to venture into the cultivation of cash crops. FELCRA provides an allocation for those who are interested to rehabilitate their land with commodity crops in particular oil palm. While RISDA provided an allocation for smallholders who

wanted to re-plant their land with high quality rubber trees or oil palm. For fishermen, there are subsidies in the form of small boats, fishing gear, diesel, allocations for aqua-culture activities such as caged-fish farming and provision of credit facilities. Those involved in small business can also have access to micro credit facilities, provision of food processing machines, apparatus for handicrafts, business premises or even business-related courses. Therefore, to the officials, the claim made by the local people that they are lacking financial capital does not actually arise.

Instead there are some government officers and politicians who claim that some of the local people have misused the assistance that they have received. These include the selling of subsidised fertilisers, fishing gear, agriculture appliances or even poultry.<sup>14</sup> Even though this claim was admitted to be valid by a member of JKKK during the interview, he argued, however, that the subsidies were sold only because the recipients were given things that they did not really want.<sup>15</sup> There are also claims that some locals have failed to make re-payment of their loans to the agencies even though they were given interest-free loans or loans without guarantor or collateral. In the case of FELCRA, for example, several participants of the agency's land rehabilitation programme were claimed to have failed to pay back the development cost of their land to the agency.

On the other hand, local people are claiming that they lack financial capital in all aspects of their economic activities. This has hindered them from enhancing their existing activities or venturing into a new one. Some of them claimed that they do not even have the initial capital to buy a boat or fishing gear<sup>16</sup> to venture into deep sea fishing.<sup>17</sup> Those who own land faced problems with developing their land or become involved in other agriculture related activities such as aqua-culture. Even when there are opportunities for them to venture into tourism-related activities such as constructing chalets, lack of finance normally prevented them from going any further.<sup>18</sup>

#### **6.2.4 Weakness of the Local Leadership**

Weakness of the local leadership has also been seen as a problem faced by the local population. 81.0% of the government officials and 71.1% of the local population have

highlighted it during the interviews. This is mainly due to lack of leadership talent and leadership capacity in the rural areas as depicted in Table 6.5.

**Table 6.5 Percentage of respondents indicating weakness of the local leadership in the study areas**

Problems	Government Officials n = 21		Local Population n = 38		Total respondents n=59		Chi-Square Tests (Fisher's Exact Test) df = 1
	Yes	Not Yes	Yes	Not Yes	Yes	Not Yes	
Lack of leadership talent	5/23.8%	16/76.2%	12/31.6%	26/68.4%	17/28.8%	42/71.2%	Sig: 0.76
Small number of the village population	2/9.5%	19/90.5%	12/31.6%	26/68.4%	14/23.7%	45/76.3%	Sig: 0.11
Political determination	6/28.6%	15/71.4%	7/18.4%	31/81.6%	13/22.0%	46/78.0%	Sig: 0.51
Less involvement of educated people in JKKK	2/9.5%	19/90.5%	9/23.7%	29/76.3%	11/18.6%	48/81.4%	Sig: 0.30
Elderly generation	1/4.8%	20/95.2%	6/15.8%	32/84.2%	7/11.9%	52/88.1%	Sig: 0.40
Lack of leadership capacity	9/42.9%	12/57.1%	13/34.2%	25/65.8%	22/37.3%	37/62.7%	Sig: 0.59
Low level of education	9/42.9%	12/57.1%	9/23.7%	29/76.3%	18/30.5%	41/69.5%	Sig: 0.15
The elderly leader	8/38.1%	13/61.9%	10/26.3%	28/73.7%	18/30.5%	41/69.5%	Sig: 0.39
Low level of income	4/19.0%	17/81.0%	13/34.2%	25/65.8%	17/28.8%	42/71.2%	Sig: 0.25

Significant at the 0.05 level (2-sided)

df = Degree of freedom

Source: data from the interviews

#### a. Lack of leadership talents

Inadequate local capacity was recognised as one of the issues that undermined successful outcomes of many rural development projects. Limited leadership talent is one of the examples. In relation to the study, 23.8% of the government officials and 31.6% of the rural population suggested that there are limited leadership talents in the rural areas. This was due to several factors such as the small number of the village population due to outward migration of the rural inhabitants to urban areas or other growth centres, the selection of local leaders on a political basis, less involvement of educated people in JKJKK and elderly population.

### **Small number of the village population**

Except for FELDA settlements and the new townships developed by the Regional Development Agencies, the village populations in general are small, normally with less than 500 people or even lower than 100 in certain remote villages. A few villages in Rompin area have less than 500 populations compared to other areas.

Apart from the ageing population, population decline in the rural areas, in particular in the traditional villages, was mainly due to outward migration of their population. Migration waves have actually pulled out many talented people from rural areas and left them with a small number of immobilised residents, the elderly, the less educated, the less talented and in the words of one of the government officers “with no model to be inspired upon”.<sup>19</sup> According to an administrator of the *mukim*, “When they migrated, rural multitude were reduced, those with calibre are less to be seen because they have move out”.<sup>20</sup> It is from this limited talent that the local leaders are selected. The same situation was portrayed by the study on rural Texas communities in the United State. Their small population size tends to limit their resources in areas such as leadership, local financing, commitment to complete projects and professional staffing (Winter, 1996). Therefore, as many of the young people left for better opportunities in urban centres, the rural sector, as described by a member of JKKK, was left with “those who are less fortunate”<sup>21</sup> who are struggling to earn a living within limited job opportunities.

### **Politically selected**

Limited leadership talents in the rural areas were made worse by the practice of selecting the local leaders on a political basis. 28.6% of the government officials have highlighted this matter during the interviews as compared to only 18.4% of the local people who have mentioned it.

To some government officers the practice of selecting the village heads on a political basis has led to the situation where the politicians have selected people that they favoured as the village head, even though they might not be accepted by the majority of the local people. An officer

gives an example of the possibility for a gardener to be selected as the village head instead of experienced ex-school head because the former is active in politics while the latter is not. This will result in someone without credibility being appointed as the village head.

Therefore, there are situations where some village heads are unable to separate their role as a village head and as the party leader which has caused them to make politically biased decisions. For example, there is a village head who used his political position to oppose the decision made by a government officer regarding the recipients of business premises developed by the department because the decision was not suited to his political agenda. The situation where village heads are wearing different ‘hats’ at the same time has made the village administration a bit disorganized, said some officers. Some of them have also highlighted the situation where the village heads have to be changed when there are changes in the political scenario at the local level because new political figures will normally want their man to be in that position. Thus, there is the possibility of some village heads being left out although they are good.

Some locals have also supported the officer’s views, as can be seen in remarks made by a member of JKKK;

“If party does not like certain people although he could lead, he will be eliminated from the start. He will be eliminated as he is claimed to be useless. In what sense he is useless we just don’t know. It’s up to them to decide. Sometimes we can observe that the chairman of party at the branch level is himself not playing their roles. As they could not function even in their own branch how could they point others to be the head of JKKK? There are therefore lots that could be improved. The present practice could be adopted but I think it could still be improved”

(Member of JKKK, respondent 37, Jempol)

### **Fewer involvements of educated people in JKKK**

A small percentage of the government officials, that is 9.5%, have also related limited leadership talents in the rural areas to the low involvement of educated people in JKKKs. However, a much bigger percentage, 23.7% of the local population have suggested this.

To some government officials, some teachers and those with better academic backgrounds are actually reluctant to get involved in JKKK. This is probably because they are already occupied with their work or merely not interested of its voluntary and political nature.

Some locals also claim that teachers and others with better academic backgrounds are unconcerned about JKKK, as noted by one of the committee members “there are some who have a good position and education but choose to stay behind”.<sup>22</sup> A local person who happened to be a teacher, for example, gave this sort of answer when asked why he did not join JKKK;

“We cannot join because our thinking is not the same. We are more educated and wanted to make changes but it is very difficult for them to accept”

(An ordinary villagers respondent 2, Rompin)

Despite these arguments, there are also some locals who argued that teachers have a tight schedule. Therefore, it is difficult for them to become involved in voluntary activities such as JKKK. However, the main reason given by many respondents was the assumption that teachers are normally outsiders. They will only be serving in the village for a certain period of time and will later leave. Therefore, they normally have not been approached to be JKKK members as pointed out by one of them during the interview;

“Is there any role of teachers in JKKK? Teacher? No. We intend to bring them in but all teachers are outsiders. They only going to be here for short period of time and will later go. Therefore, they are not interested although we really wanted to bring in people like that”.

(Member of JKKK, respondent 22, Jempol)

### **Elderly generation**

Outward migration has not only decreased the number of rural people, it has also left rural areas with a mainly elderly generation normally those above 50 years old. Study by Thompson (2004) on rural villages in Malaysia indicated that the population of traditional villages portrays an hourglass-shaped distribution where both top and bottom are heavy. Adults from

their early twenties into forties formed the smallest portion of the population, while the number of children under 15 and particularly adults over 40 is disproportionately large. Thus, beside the elderly generation, many who remain in these villages are those who are still receiving schooling. This situation itself has limited the scope from where the local leader could be chosen. However, only 4.8% of the government officials have highlighted this matter during the interviews, as compared to 15.8% of the local population who have highlighted it.

Undoubtedly there are still some young people remaining in the villages but since they are normally struggling to earn a living by doing rural jobs, commuting daily to work at the growth centres or probably unemployed, they do not usually give much attention to voluntary institutions such as JKKK. At present there are about 7 million young people or 30% of the total population identified as those who do not belong to any organisations in the country (Utusan Malaysia, 17 August 2004). Their attitudes of alienation are not helping JKKKs in getting young talents for their membership and future leaders.

There are also problems of scant youth involvement in social activities organised by the JKKKs in the villages. With the majority of educated young people having left to work in the urban areas, the non-participating or ‘couldn’t care less’ attitudes of its remaining young people make the problem of limited leadership talents in rural areas more severe. Several respondents have raised their concern over the attitude of their young people. Illustrated below are two of these remarks;

“I just don’t understand, the youths nowadays. It seems that they only care about themselves. I think that is their principle ...they work, stay at home, so long they have place to live in and everything that they ever wanted, they just don’t care what is going to happen, they just couldn’t think”.

(Members of JKKK, respondent 22, Jempol)

“For the youth, their hobby, their interest is entertainments. We just can’t go along with them. For whatever programmes we organised we didn’t get good responses from them except if there are entertainments. Only then will they come in numbers”.

(Members of JKKK, respondent 36, Kota Tinggi)

## **Lack of leadership capacity**

The steady outflow of rural young people and skilled workers has also left many rural communities with only limited leadership capacity (Murray and Dunn, 1995; Drebennostt, 2000) or leadership styles where people act as role models for their community, motivating and inspiring others to be innovative and creative (Bass, 1998). This problem has become more crucial as local leaders are normally elderly persons, with low level education and possessing a low level of income. These limitations have prevented the majority of them from performing effectively in village development. This problem has been highlighted by 42.9% of the government officials and 34.2% of the local population.

## **Low level of education**

42.9% of the government officials have indicated that the local leaders have a low level of education. Only 23.7% of the local population, however, have highlighted this during the interviews. A study by the International Islamic University on JKKK in the State of Selangor has also revealed that 64% of the village heads in the state are aged between 50-64 years old (IIUM, without date). Most village heads interviewed during this study were also over 55 years old and all 14 of them possessed only primary education, some as low as primary five.

With such levels of education, their standard of leadership was also said to be low. This is one of the factors why the pace of development in the rural areas is said to be very slow.<sup>23</sup> As suggested by one of the officers, the village heads can successfully organise simple social programmes for the villages but not in the form of long-term development such as economic development programmes.<sup>24</sup> They were also said to lack exposure and therefore lack ideas on how to go about developing their villages. Thus, while some of them might have felt that what they had already achieved was probably adequate; to outsiders they still needed to be assisted. Regarding their low level of education a government officer made these remarks;

“You put in place people with less education at grass root level, what could they offer? Merely what they could see with their naked eyes, they won’t be able to analyse...so we have to built, we need to have the capacity building, that is our focus”

### **The elderly leaders**

As indicated earlier, the majority of the village heads are over 55 years old. Although the maximum age for the village head to continue his service is 60 years old, it can be extend to 65 or even more if their health permits or else there is a request from the ruler of the state for them to carry on. The researcher was informed that there are quite a number of village heads who are still holding the position at the age of 65. In respect of the respondents, this problem has been highlighted by 38.1% of the government officials and 26.3% of the local population.

Even though some government officials argue that it is important for the villages to have elderly leaders so that they can earn respect from their subordinates, there are also officers who pointed out that it is quite difficult to deal with such leaders in terms of development. For example, when an agency organised a computer course for the leaders of JKKKs, most of them were reluctant to attend it because they felt they were too old for that. Therefore, they are confined to their own limited knowledge. With such attitudes an officer was quoted to have said; “it is very difficult for them to change the rural community if their own mind set is not changing”? <sup>25</sup>

Since most of the elderly residents could no longer contribute actively to the village developments due to their age, inadequate contributions from their young people made the development of their villages even harder. Accordingly one of village heads made these remarks;

“At present the village was made paralysed because its younger generation that is those without higher education but can’t afford to stay in the village migrated to the urban areas...therefore when they, who have the energy to assists the villages but without job’s opportunities, move to the cities, those who left are the elderly...so how could we develop the village, how? “

(Village head, respondent 44, Kota Tinggi)

## **Low level of income**

19.1% of the government officials have also highlighted that most village heads have a low level of income. This has also been highlighted by 34.2% of the local population.

As a non-government servant, the village head receives only a monthly allowance for his service. This allowance varies according to states. In the District of Kota Tinggi they received monthly allowance of £36.00 (RM250.00), £29.00 (RM200.00) in the District of Rompin and £43.00 (RM300.00) in the District of Jempol. With such a small allowance most village heads have other jobs besides being the village heads. Some of them receive pension benefit from previous jobs, while the rest are involved in various activities such as farming, fishing, rubber-tapping, running small businesses, and working in the private sector as contractors for example. There are also some without permanent jobs. “With additional monthly income of £43.00 - £57.00 (RM300.00 – RM400.00) that they received from these activities it is probably just enough to support their living”<sup>26</sup> said one of the government officials. With reference to the allowance that they receive, based on his conversation with one of the village’s head, a staff member of the agency made these remarks;

“In term of income it is certainly not adequate, I have to sacrifice actually... sometimes when I am still at work, my fellow villagers come to ask for my signature or else, so I have to go home to have it done and leave my work. Sometimes when I was about to pursue my work, the administrator of the *mukim* came and informed that there are visitors coming, so I have to sacrifice really”

(Staff of the Regional Development Agency, respondent 40, Kota Tinggi)

Although most of the village heads accept their appointment as a responsibility that they have to shoulder, that does not stop them from expressing their dissatisfaction about the amount of allowance that they receive especially when compared to the nature of work that they have to perform. Almost all village heads interviewed admitted that the amount of allowance that they receive is far from adequate. These are comments made by one of them;

“Why is that when it comes to the head of the state administration or the Chief Minister they were paid fixed salary, as well as the District Officer and the administrator of the *mukim*, but when it come to village head we just received an allowance. Not to say that we are not grateful, but I don’t think there are people who

hold a position but received only £ 29.00 (RM200.00) a month or 95 pence (RM 6.63) a day”.

(Village head, respondent 44, Kota Tinggi)

Based on this problem, there are respondents who suggested that the government should make the post of the village head as civil post so that they could receive a fixed salary or else their allowance should be increased to £71.00 or even £86.00 (RM500.00 – RM600.00) monthly. Some respondents even suggested that one of the criteria that should be taken into account in appointing a village head would be his economic background. Without a stable economic background the capacity of the village head to lead would certainly be limited.

#### **6.2.5 Weakness of Community Base Institutions**

The importance of JKKK as an administrative body at the village level was indicated by remarks made by one of the government officers;

“JKKK is important in the sense that it assists the district office in terms of development. This is because the district office and I as administrator of the *mukim* cannot oversee the overall developments in the villages. I cannot on overall see what the villagers wanted, what are their requirements...what kinds of development that they need, are they focusing only on economic developments or physical developments or on the village economies, I just do not know. This is why the involvements of JKKK is necessary, meaning it is actually the involvement of the society together with government in the overall planning and implementation of projects in the villages whether it is economic, physical or human developments”

(Administrator of the *mukim*, respondent 30, Jempol)

However, there are indicators which show that JKKK is actually a weak community based institution. This weakness is due to several factors. They are lacking strong financial support, they have been disregard by some of the locals, agencies as well as politicians, their members lack co-operation, they are politically motivated and their members have a low level of education. The statistical analysis is depicted as in Table 6.6.

**Table 6.6 Percentage of the respondents indicating the weakness of JKKK**

Problems	Government Officials n = 21		Local Population n = 38		Total respondents n=59		Chi-Square Tests (Fisher's Exact Test) df = 1
	Yes	Not Yes	Yes	Not Yes	Yes	Not Yes	
Lack of financial support	8/38.1%	13/61.9%	20/52.6%	18/47.4%	28/47.5%	31/52.5%	Sig: 0.41
Less respectable	4/19.0%	17/81.0%	13/34.2%	25/65.8%	17/28.8%	42/71.2%	Sig: 0.25
Lack of co-operation among its members	5/23.8%	16/76.2%	7/18.4%	31/30.3%	12/20.3%	47/79.7%	Sig: 0.74
Political motivated	5/23.8%	16/86.8%	5/13.2%	33/86.8%	10/16.9%	49/83.1%	Sig: 0.31
Low level of education among its members	3/14.3%	18/85.7%	6/15.8%	32/84.2%	9/15.3%	50/84.7%	Sig: 1.00

Significant at the 0.05 level (2-sided)

df = Degree of freedom

Source: data from the interviews

### a. Lack of financial support

38.1% of the government officials have suggested that JKPK is lacking financial support. In contrast, 52.6% of the local population have suggested this. The problem faced by JKPK in terms of financial support has been clearly indicated by an administrator of a *mukim* with the following remarks;

From my observation, JKPKs at present are without special resources for the village developments. They are depending fully on the government assistances which are channelled through development's allocations. It is not like the Movement for Visionary Initiative which has been funded by KEMAS or K3P where the funds was provided to their chairmen to implement activities in the villages but not in case of JKPK.

(Administrator of a *mukim*, respondent 28, Jempol)

Despite admitting that JKPK lacks financial resources because they have not been given any grants or allocations by the government for its administration, some government officers gives several examples of ways in which JKPK should be able to obtain financial resources for its administration. One of them is by renting out their social facilities such as multi-purpose or meeting hall provided by the government to individual or groups which organise activities by which they can earn some income.

Therefore, to the government officials it is up to the JKKKs to take an initiative to make use of all the opportunities provided for their funding. However, to government officials, some JKKKs are unable to take the opportunities or make use of the assistance provided by the agencies. A government officer, for example, argued that his agency provided some funding for the village but there was no effort on the part of the JKKK to approach them for the allocation.<sup>27</sup> Most of the agriculture related projects that were implemented for JKKK to generate some income failed due to the lack of enthusiasm and co-operation among the local population to pursue it. Some business premises handed to JKKK were left vacant because there were no takers or were left abandoned due to the lack of business. There are also cases where operators who rented the business premises failed to pay their rental to JKKK. There are also JKKKs which were provided with chalets but were unable to operate or rent them out for business, as in an example quoted by an administrator of the *mukim*;

“There are JKKKs which are quite passive...we provided them with chalets but they failed to get an operator to operate it, therefore it was left abandoned. There is no initiative from them at all”

(Administrator of the *mukim*, respondent 24, Rompin)

However, from the local population’s point of view, not every JKKK is fortunate enough to be awarded with more than two projects in a year. A member of JKKK even claimed that his village head could only manage to secure one project worth approximately £2,400 (RM17,000) although he has been the village head for about seven years. It is the remainder of this allocation worth approximately £430.00-£570.00 (RM3,000 – RM4,000) that they used for meetings, stationery and to settle the utility bills.<sup>28</sup>

Therefore, to the locals it is up to the creativity of the local leadership to find ways of getting financial resources for their JKKKs. They could always ask for some contributions from the politicians, but there is no guarantee that they will be able to get it. With so many JKKKs in a district and the limited allocations, there are always limitations to what politicians can offer, especially if their contributions could not make much impact on their political mileage. This is not to deny that JKKK will normally be given some allocations by the agencies or politicians

to organise official activities, but sometimes the amount was claimed to be too small, that is £140.00 - £240.00 (RM1, 000 –RM 2,000). <sup>29</sup> As a result they have to top these up with their own sources with the promise of getting repaid. Sometimes the promises were never kept.

The researcher was informed that at present only the chairman and the secretary of the committee receive a monthly allowance from the government for their service to JKKK. Normally the chairman receives £7.00 (RM50.00) while the secretary £3.00 (RM20.00) a month, depending on the rate that is determined by the state. <sup>30</sup> Even this allowance is not being paid on regular basis. Sometimes they have to wait six months before they could receive the total for three months allowances. Sometimes they even have to wait for a year before receiving their four months allowances.<sup>31</sup>

Without adequate financial resources, JKKK are restrained from organising activities, and less so attracting people to lend their support to the committee. As one of the respondents was saying;

“The problem now is financial. It is understandable that without financial initiative the boys will not make a move. Everybody got to earn a living isn’t it?”

(An ordinary villager, respondent 7, Rompin)

### **Less respectable**

Probably because there is nothing much that could be offered by JKKK in terms of financial benefits, this institution is less respected than it should be. 34.2% of the local population have indicated this during the interviews. In contrast only 19.0% of the government officers have suggested it.

In spite of admitting that JKKK is an important administrative body at the village level, some government officials highlighted that certain sections of the local community are not really bother in what JKKK is doing. There are cases where local people themselves have ignored this administrative mechanism and went straight to the politicians or agencies on matters regarding their villages. Even though not all agencies ignored this village administrative body

when implementing their programmes in the villages, there are cases where they were not consulted because the committee itself was not interested in working with them.<sup>32</sup>

Several locals also claimed that some agencies tend to sideline JKKK in the implementation of development projects. Even though some projects are meant for the village, there are tendencies for the agencies to award the work to contractors from outside the village. These contractors do not only bring in workers from outside the village but sometimes fail to consult the local leadership or to contribute a small amount of the profits from the project to the JKKG account. In general, there is an awareness of dissatisfaction among the members of the committee towards government agencies in relation to what they have highlighted. To some, the agencies do not seem to really care about their views, applications, complaints or even suggestions. This was illustrated by the lack of interest on the part of some government officials to come to JKKG meetings, even though in some villages the meeting is held in two or three months period and there is also a directive from the district office for them to attend it. This is also one of the reasons why some members of JKKGs prefer to go to the newspapers to express their views thinking that it is a much more effective way of getting their message across rather than keeping on discussing and highlighting it in JKKG meetings.<sup>33</sup>

Even some locals do not seem to care about JKKG. There are some who tend to go direct to the agencies to request allocations or projects without consulting their JKKG. There are also those who do not even bother to attend to the directive of their chairman. In relation to this situation, a respondent highlighted two reasons why JKKG was being disregarded. Firstly, there are various agencies which have direct contacts with the villagers; therefore they are actually overshadowing the role of JKKG. Secondly, it is quicker for the agencies to go direct to the local people about development problems or programmes rather than to wait for JKKG because the community obviously want their problem to be solved more quickly.<sup>34</sup>

### **Lack of co-operation among its members**

Co-operation among the local community is the most important element for village development “If we want to be developed, we have to incorporate, we have to totally unite” said one the respondents.<sup>35</sup> This remark was echoed by another respondent;

“First of all the community have to unite, that is the most important thing. Even if we have already had some developments, we have to united otherwise we will never be developed.

(An ordinary villager, respondent 15, Kota Tinggi)

However, in spite of its importance, 23.8% of the government officials and 18.4% of the local population have suggested that there is lack of co-operation among the members of JKKKs.

One of the obvious reasons for this situation is the dissatisfaction with the leadership of the village heads. The reasons given were such that the village head is too autocratic or refuses to listen to their subordinates or it is due to personal matters. It is also due to the committee members not performing or failing to contribute significantly to the committee. Some of the committee members are also uncommitted due to the voluntary nature of the committee. Therefore, their priority is more focused on earning a living rather than becoming involved actively on the committee. Due to this friction, there are activities organised by JKKK that do not get support from its own committee members such as ‘shared-labour’ or the *gotong-royong* activities. This problem has also hampered some development programmes implemented by the agencies for the villages. Several government officials have also suggested that there is also a lack of co-operation among JKKKs themselves. This has resulted particularly in each JKKK demanding the same basic amenities to be implemented in their own village, even though they could actually share the facilities.<sup>36</sup>

Some members of JKKKs have also related this problem to the style of the local leadership in particular the village heads which they claimed is too ‘close minded’ as they are quite offensive about views or criticisms from their subordinates. However, to others, there are also situations where many tend to try to be a leader. This has made the village administration quite difficult, as in words of one respondent, when there are “*too many cooks will spoil the food*”.<sup>37</sup> A village head, for example, claimed that certain members of JKKKs are acting as though they were the village heads. They tried to be heroes by acting beyond the power that they have and sometimes ignoring the village heads and the administrator of the *mukim*. Consequently, when JKKK is implementing certain activities such as ‘shared labour’ or other development programmes, only those who are interested have joined in, others just keep aside.

The difficulties in getting consensus and co-operation from some committee members in organising certain programmes by JKKK have driven one of its members to make these remarks;

“At present we have to handle everything...if we wanted to organise a programme we have to handle it ourselves from the start until the end... it is a one man show. If we don't make a move, everything will not move. There is no team work. Therefore, as I have mentioned earlier, if I wanted to organised whatever programme, I have to invite people from outside the village to assist me”

(Member of JKKK, respondent 36, Kota Tinggi)

### **Politically motivated**

As with the selection of the village head, the selection of JKKK members has also been made on a political basis. 23.8% of the government officials have suggested that the selection and appointment of JKKK members have been politically motivated, as compared with 13.2% of the local population.

Normally the selections of the chairman and members of the committee are made by the district office with the consent of the local politicians. However, in the District of Jempol, the local politicians were said to have played a much greater role in determining the members of the committee. Given that the United Malay National Organisation (UMNO) that is the main political party that forms the government is also the prominent political party in the rural areas, most of the JKKK members are actually UMNO members or party supporters. This has made JKKK more like a political wing of the ruling party rather than an administrative mechanism. This tendency was portrayed during the interviews when several members of JKKK raised their concern about certain sections of the rural population or even some of its own members who have a different political stance. This situation by itself has limited the possibility of JKKK being accepted by the wider rural community, not only by the members of opposing parties in particular but also by those who have a different stance within the same party and what is more with reference to those who have less or no appetite at all for politics.

In contrast, the majority of the local population agreed with the practice of selecting JKKK members from the supporters of the ruling party. This is not surprising because most of them are the members of the party itself. It is important for JKKK to have the same political stance as the government, said one of respondents;

“In my view it is easier for us to move if we speak in the same tone and wearing the same uniform. We will therefore, be speaking in the same voice, smoothly, without any obstruction or barrier”

(Village head, respondent 47, Jempol)

Several local people have also made it clear that the basis of strength for JKKK or GDW at the village level is political. Therefore, political consideration is the main factor that has to be taken into consideration in the selection and appointment of the members of the committee. This has been illustrated through remarks made by one of the village heads in relation to the appointment of the chairman of GDW;

“It is also a problem if the chairman of GDW does not have a grip on politics. You have to believe me that if we do not appoint someone with political influence to be in the committee, he will strike back at us. If by my position as the village head I’m subjected to the administrator of the *mukim* and the district office, but through political post it can go direct to the highest political hierarchy...if we don’t take that into consideration we will facing difficulties. This has become my principle since I became the village head, meaning that even if someone has been recognised by the agencies but he could not get hold on politic I will not appoint him. That is my principle, if I do not take that factor into consideration, it will later causes some difficulties”

(Village head, respondent 45, Kota Tinggi)

### **Low level of education among its members**

14.3% of the government officials and 15.8% locals have also highlighted that the members of JKKKs possess a low level of education. Out of 30 members of JKKK interviewed, 20 of them possessed only primary or lower secondary education, while the rest possessed Malaysia School Certificate or complete secondary five education. This is in line with the Malaysia Labour Survey Report (2002) which indicated that out of 96.2% or 3,241.800 million labour

force employed in rural areas; almost half, which is 45.3%, have only primary education or no formal education at all.

A government official highlighted that there are some who are illiterate but have been appointed as JKKK members to fill in the quorum.<sup>38</sup> Since having educated members is seen as a vital element in order for JKKK to contribute significantly to the village developments, the reduced involvements of them in the JKKK was seen as preventing the villages from being developed. Another officer also made it clear that the difference in terms of development between JKKKs is determined by the level of education of its members;

“I take for example the villages of Bayai Baru and Serting Ulu. The village of Serting Hulu is situated along a road side, whilst the village of Bayai Baru is quite remote. However, from my observation, the village of Serting Ulu is less developed as compared to Bayai Baru. This is because base on the existing JKKK structure, it is obvious and clear that JKKK Serting Ulu does not consist of those who are educated, those with high level of education, that is up to Malaysian Certificate of Education. Therefore, without those with higher academic qualification, at least up to the level of secondary five, in JKKK, their capability to plan for the development of the village is less effective”

(Administrator of a *mukim*, respondent 30, Jempol)

Several locals have also admitted that most JKKKs are made up of those who have a lower academic background such as primary or lower secondary education. Even if some educated people such as teachers were involved in the committee, their numbers are small. This is not only because they are already too burdened and committed to their work, but there is also a tendency among some village administrators not to approach or appoint teachers or other educated persons to their committee on the assumption that their presence will overshadow the local leadership. Apart from that, the exclusion of educated and talented people from JKKK was also due to its political nature.

### **6.3 SUMMARY**

This chapter has illustrated some of the problems faced by the rural communities in the study areas that have hampered their development. The study revealed that the rural population is

facing five profound problems in relation to their development; weakness of the local economy, weakness of the rural development agencies, weakness of the community based institutions, negative attitudes of the local population and weakness of the local leadership.

From the overall perspective of the respondents, the disadvantage of the local economy is the most profound problem faced by the local community in the study areas. It was suggested by 90.2% of the respondents. This problem has not only caused outward migration of rural young people to urban areas, shortage of labour force in particular in the primary industries, unused land, but it has also restrained the ability of JKKK to function and the capability of the village heads to give a better performance.

Even though from the overall perspective, the weakness of the local economy was seen to be the most profound problem faced by the local community, this is not how the government officials have perceived it. To them, the most profound problem faced by the rural community is related to the weakness of the rural development agencies themselves. 100% of them have suggested it during the interviews. These weaknesses, in particular inadequate financial allocations for development, lack of co-operation between agencies and shortage of staff have hindered their capability to provide better services and development for the rural areas. They also see negative attitudes of the local population as a significant problem, with 85.7% of them suggesting to this. To them, attitudes such as complacency and lack of enthusiasm among the local population have been hampering their efforts to improve the rural economy and have prevented the local population from participating actively in the development process. Weaknesses of the local economy only came third in their perspective with 81.0 % of them highlighting it. This is mainly because to the government officials, the rural areas actually provide vast opportunities for the local people to improve their living standards, but this has been hampered by their own negative attitudes. Apart from that, they also suggested that rural development has been hampered by the weakness of the local leadership and weakness of its community based institutions, in particular the JKKK.

On the other hand, to the local population, the most profound problem that they are facing is weakness of the local economy, with 94.7% of them suggesting this during the interviews. This is mainly because they receive only a low level of income in whatever economic

activities they engage in. Limited job opportunities in the rural areas and limited financial capital have worsened their economic situation. They also see the weakness of their community based institution as a major problem that they are facing. To them there is nothing much that this institution can do without adequate financial support to contribute to village development. They also acknowledge that agencies possess some weaknesses that have hampered their performance. They are very concerned in particular with the inability of the agencies to engage in a hands-on approach to development programs, which to them is a vital approach to be taken by the agencies dealing with rural development. They are also particularly concerned with inadequate development funding received by the agencies which according to them has led to selective development approach which was based on close relationships and intimacy between the agencies and the villages in particular the village heads. They are also worried about the lack of transparency in the implementation of development programmes by the agencies which have led to favouritism and cronyism. Apart from that, they also acknowledged that rural development has been hampered by negative attitudes of the local population itself and the weakness of their local leadership.

Overall, the study has indicated that the weakness of the local economy is the most profound problem faced by the community in the study areas, but it has also revealed that rural areas are suffering from other significant problems and the sequence of their importance varies from the perspective of respective people who looked at it. It is therefore important for the policy makers to realise these problems in order to outline sound rural development policies and design development programmes that will enable them to address the problems faced by the rural communities.

Undoubtedly the problems are complex as the study has revealed. Probably due to this complexity many rural practitioners and those concerned with the future of the rural areas have always been sceptical about that future. The complexity of the problems is a challenge to the government or in fact to anyone who would like to see rural development. It is not something that should be ignored but should instead be realised and taken into account by the government in order to design a more effective approach to development, and to intervene more effectively in addressing those problems. As there are vast problems that have been indicated from the study, there are also numerous suggestions made by the rural population on

how government should intervene to tackle these problems. Some of the suggestions probably have been executed but some may not have been adequately implemented. It is therefore the aim of the next chapter to discuss these suggestions and to look at whether the existing interventions have to some extent managed to tackle the problems or perhaps otherwise.

## **Notes**

<sup>1</sup> Interview Respondent 52, a village head in the District of Kota Tinggi.

<sup>2</sup> The Movement of Visionary Initiative or its local acronym GDW was formerly known as the Movement of for Visionary Village. It is a programme introduced by the Ministry of Rural Development in 1995 aiming at developing a quality human being having purified values that will enable them to use time factor, information and existing resources to the optimum level

<sup>3</sup> Interview Respondent 58, Officer of the Jempol District Office in the District of Jempol.

<sup>4</sup> Interview Respondent 4, Assistant Secretary in the Ministry of Rural and Regional Development, Putra Jaya.

<sup>5</sup> Interview Respondent 46, Staff of the Regional Development Agency in the District of Kota Tinggi.

<sup>6</sup> Interview Respondent 45, a village head in the District of Kota Tinggi.

<sup>7</sup> Interview Respondent 17, Officer of the Regional Development Agency in the District of Kota Tinggi.

<sup>8</sup> Briefing Notes on the Development of the District of Jempol, unpublished document.

<sup>9</sup> Interview Respondent 56, Members of the Village Development and Security Committee in the District of Kota Tinggi

<sup>10</sup> Interview Respondent 10, an ordinary villager who is also the Chairman of the local Fishermen's Association in the District of Kota Tinggi.

<sup>11</sup> Small boat used along cost and rivers.

<sup>12</sup> Interview Respondent 9, a village head in the District of Kota Tinggi.

<sup>13</sup> According to Malaysia Labour Survey Report 2002, out of 3,369.400 millions labour in force in the rural areas, 96.2% or 3,241.800 millions are employed. Out of the total number employed, almost half, that is 45.3%, have only primary education or no formal education at all.

<sup>14</sup> Interview Respondent 60, a politician in the District of Kota Tinggi.

<sup>15</sup> Interview Respondent 1, Members of the Village Development and Security Committee in the District of Kota Tinggi.

<sup>16</sup> Interview Respondent 8, Members of the Village Development and Security Committee in the District of Kota Tinggi

<sup>17</sup> Interview Respondent 9, a village head in the District of Kota Tinggi.

<sup>18</sup> Interview Respondent 9, a village head in the District of Kota Tinggi and Respondent 43, a village head in the District of Rompin.

<sup>19</sup> Interview Respondent 17, Officer of the Regional Development Agency in the District of Kota Tinggi

<sup>20</sup> Interview Respondent 28, Administrator of the *mukim*, District of Jempol

- <sup>21</sup>Interview Respondent 14, Members of the Village Development and Security Committee in the District of Rompin
- <sup>22</sup>Interview Respondent 37, Members of the Village Development and Security Committee in the District of Jempol
- <sup>23</sup>Interview Respondent 17, Officer of the Regional Development Agency in the District of Kota Tinggi
- <sup>24</sup>Interview Respondent 24, an administrator of the *mukim* in the District of Rompin.
- <sup>25</sup>Interview Respondent 4, Assistant Secretary in the Ministry of Rural and Regional Development, Putra Jaya.
- <sup>26</sup>Interview Respondent 40, Staff of the Regional Development Authority in the District of Kota Tinggi
- <sup>27</sup>Interview Respondent 34, Officer of the Federal Land Consolidation and Rehabilitation Authority in the District of Kota Tinggi.
- <sup>28</sup>Interview Respondent 8, Member of the Village Development and Security Committee in the District of Kota Tinggi.
- <sup>29</sup>Interview Respondent 43, a village head in the District of Rompin.
- <sup>30</sup>Interview Respondent 14, Member of the Village Development and Security Committee in the District of Rompin.
- <sup>31</sup>Interview Respondent 14, Members of the Village Development and Security Committee in the District of Rompin..
- <sup>32</sup>Interview Respondent 34, Officer of the Federal Land Consolidation and Rehabilitation Authority in the District of Kota Tinggi.
- <sup>33</sup>Interview Respondent 8, Members of the Village Development and Security Committee in the District of Kota Tinggi.
- <sup>34</sup>Interview Respondent 29, Members of the Village Development and Security Committee in the District of Kota Tinggi.
- <sup>35</sup>Interview Respondent 7, an ordinary villager in the District of Rompin.
- <sup>36</sup>Interview Respondent 25, Staff of the Regional Development Agency in the District of Kota Tinggi.
- <sup>37</sup>Interview Respondent 29, Members of the Village Development and Security Committee in the District of Kota Tinggi.
- <sup>38</sup>Interview Respondent 17, Officer of the Regional Development Agency in the District of Kota Tinggi.

## **CHAPTER SEVEN**

### **GOVERNMENT APPROACHES TO DEVELOPMENT**

#### **7.1 INTRODUCTION**

In developed countries where agriculture can no longer be considered the backbone of the rural economy (European Commission, 1997; Lowe *et al.*, 1999; Pezzini, 2000; Terluin, 2003), attempts have been made to foster economic growth through non-farm sectors, especially through the manufacturing and services industries (Drabenstott, 2003; Shucksmith, 2003), new business (Eisinger, 1988; Popovich and Buss, 1990) and tourism (Williams and Shaw, 1991; Dernoi, 1991; Pompl and Lavery, 1993; Hannigan, 1994; Wickens, 1999; Green, 2001). Emphasis has also been given to community development and capacity building to evolve better and widen participation by the local population in the decision-making process and in determining the best way local resources can be used for the benefit of their communities (Giddens, 1998; Lowe *et al.*, 1999; Curry, 2001). This has been made possible through government-communities partnerships in decision-making and project implementation. In the UK, for example, there is a shift from state sponsorship of economic and social projects to delivery through arrangements in which government evokes ‘active communities’ and ‘active citizens’ as partners, with the goal of ‘keeping government in tune with public aspirations’ (Murdoch and Abram, 1988:41).

Conversely, in the developing countries the role of the government is still very much needed in determining the direction of rural development. In the Philippines, for example, lagging rural areas and low growth of agricultural productivity was said to be largely due to the low priority afforded by the government to agriculture (Balisacan, 1989), while in China the growth of rural industries was due to the involvement of central government in implementing strategy to promote rural industrialisation, through the formulation of tax policies, issuance of bank credits and provision of a looser interpretation of the national

environmental policies (Xu and Tan, 2001). Even in a middle income economy such as Malaysia, the government is playing major roles in rural development through infrastructural, agricultural means, land reforms, industrial, tourism and entrepreneurial development. Infrastructural developments still constitute a large portion of the government development programmes. Firstly, these facilitate the continuing needs of the local population, secondly they support economic development programmes as well as stimulating the development of the economies of the local areas (OECD, 1986) and lastly their tangible nature has made them easy and effective tools for political gain (Esman, 1972). Despite efforts to diversify the rural economy through industrial and tourism developments, concentration is still principally on primary industries, in particular the agriculture sector, even when the agriculture contribution to GDP has been reduced and local interest in this activity is decreasing. Since concentration has been on these two major sectors, relatively less emphasis has been given to human capital development. This is partly due to its intangible nature, lack of willingness on the part of the local population to participate in these sorts of programmes and limited funding provided by the agencies for this aspect of development because emphasis was given to agriculture activities (Marshall, 1975).

Given these backgrounds, it is a primary aim of this chapter to illustrate the kinds of development approaches that have taken place in the study areas. This will give some indication of whether these approaches are appropriate and able to tackle the profound problems faced by the local population in the study areas, as identified in Chapter Six. Eventually this will allow the researcher to answer the second research question of the dissertation “What kinds of intervention are the most appropriate in tackling rural development problems?” For that purpose, this chapter will discuss some of the suggestions that were made by the respondents on the kinds of approaches that should be used by the government in order to address development problems faced by the rural communities.

Hence this chapter will be divided into three sections;

- The first section is the introduction to the chapter which provides in general the background of interventions that has taken place in developed and developing countries.
- In the second section, the kinds of interventions suggested by the respondents that should take place in order to tackle some of the development problems in the study

areas and the approaches carried out by the government agencies to tackle these problems will be discussed. These interventions will be divided into three aspects, infrastructural development, economic development and human capital development. Some evaluation of these interventions will also be made in this section.

- The chapter will end with summaries of the points discussed.

## **7.2 TYPE OF INTERVENTIONS SUGGESTED**

Numerous suggestions were made by the respondents on how the government should intervene in order to tackle problems faced by the rural population. Some locals and even government officials have highlighted the requirement for better roads, not only to link the study areas to other growth centres but also to shorten travelling time between these areas, thus opening the areas to more development. Some locals have also highlighted the necessity for the government to provide affordable housing projects in the study areas. This is not only to cater for the needs of its second generation but also to help in enlarging the area of the villages and increase their population, which was seen as one of the main factors that could generate the development of the rural areas. Several government officers and local people have also suggested that the government should extend education in rural areas to make it a catalyst for development. However, the main concern of most respondents was that the government should create more job opportunities for the rural population, in particular through industrial development. This section will demonstrate in some detail the suggestions made by the respondents on how government should intervene in rural development and the approaches that have already been taken to enhance development in the rural areas.

### **7.2.1 Infrastructure Development**

Infrastructure and the provision of basic amenities are the obvious types of projects that have been implemented in the study areas. It could be in various forms which include roads, water and electrical supply, housing, provision of drainage, bus shelters, football fields and other sports facilities, children's playgrounds, landscaping, community and meeting halls, jetties, river bank embankment, small bridges, religious buildings, etc. These projects can be grouped into seven major categories:

1. Minor projects such as the building of village mosques or small prayer houses, bus and bicycle sheds, bicycle and motorcycle paths, playgrounds, small markets, community halls, etc.
2. Road construction. Examples include, constructing new primary or secondary roads, resurfacing of roads with tar or laterite, building wooden, concrete or metal bridges.
3. Providing electricity, including the installation of generators.
4. Providing piped drinking water, involving not only the main pipelines but also subsidies to bring the water supply to each home.
5. Building low-cost housing in areas where housing is a problem, as in rural townships.
6. Health services, mainly the building of health centres in every *mukim* and clinics in every village.
7. Postal and telecommunications service, mainly providing letter boxes, telephone lines and public telephone booths (Shamsul, 1990: 210).

This form of development is said to have been implemented in Malaysia since the launching of the Rural Development Plan, only a few years after the country's independence in 1957 (S. Husin Ali, 1981). An officer from the Ministry of Regional and Rural Development said that "we have achieved in physical development".<sup>1</sup>

However, despite this claim, some locals are suggesting that the agencies have been slow in upgrading or improving infrastructure and basic facilities in their villages. One of them made these remarks;

"...there are still lots of deficiencies especially in terms of development. Firstly, we have been asking for the upgrading of the village's mosque for quite some time but until now it never materialised ...secondly, we have been asking the agencies to repair and upgrade the village's road for almost six years now but we are yet to see any action from them"

(Ordinary villager, respondent 18, Kota Tinggi)

Some locals also claimed that the agencies have been selective in implementing infrastructure projects and the provision of basic amenities. According to them there are villages which tend to get more in terms of projects while others have been sidelined. To them this should not have happened because every village should get fair treatment in terms of development, on infrastructure in particular. To them the government should

distribute the allocation of the infrastructure resources for the development of many remote and vulnerable areas.

Despite claims of satisfactory achievements being made in infrastructural development and the provision of basic amenities, there are villages which are still hoping to get their fair share. As has been mentioned in Chapter Six, this was probably due to limited financial allocations received by the agencies as compared to the vast requirements for development projects from the rural population, lesser priority given by the agencies to the provision of infrastructure or basic amenities in remote villages and the practice of awarding projects to the villages based on intimate relationship between the village heads and the respective agencies.

However, ‘fairness’ is never the main development purpose under the Government. ‘Open up New Life Lines’ is the one of main focus of rural development. The focus of rural road development is towards providing new life lines to isolated/remote/backward areas or districts with the potential to be developed as big-scale commercial agricultural area. This more effective development strategy is to focus the investment on particular areas and communities with the best prospect of achieving rural development. Examples of such area include remotes areas of Setiu and Besut in Terengganu, as well as areas in Sarawak (East Malaysia).

### **7. 2.1.1 Requirement for Major Road Development**

Several respondents, locals and government officials alike, have suggested that there is still more that needs to be done to boost development in the study areas. One of the suggestions highlighted by them is the requirement for capital infrastructure, the development in particular of major roads which could shorten travelling time from the study areas to other growth centres or vice versa. This was seen as an important strategy for the government, as deficiency in major infrastructure was claimed to be an obstacle to development in the study areas. For example, it was suggested that in order for rural areas such as those in the District of Kota Tinggi to develop, there must be a major road development to shorten travelling time from this areas to the City of Johor Bahru which is the largest growth centre in the state of Johor. The normal time taken, between one and a half to two hours for people from the city to reach Kota Tinggi and its hinterland by the existing roads, was claimed to be the main deterrent for rapid development in this area. Similar problem was

said to have deterred more development from taking place in the district of Rompin and Jempol.

The government is conscious of this requirement. However, in terms of planning, the question that will normally be asked is whether or not it is economically justifiable to invest a large amount of money in this sort of infrastructure for rural development. In a developing economy where development is normally urban biased, it will take quite some time before consideration will be given by the government to provide this sort of infrastructure to boost development of the rural areas. Taking Kota Tinggi area as an example, with an approximate cost of £ 86 million (RM600.00 million) (Berita Harian, 17 April 2004), a highway which will shorten travelling time from Johor Bahru to Kota Tinggi to only 45 minutes was scheduled to be completed in 2009, years after the idea was first brought up to the government. As mentioned before, the time before reduction is about two hours, and this reduction is therefore significant.

From the local people's point of view these projects will certainly bring major developments to their areas. Therefore an advocacy campaign and/or incentive system would be needed to encourage private firms to establish operations in rural areas. More private establishments in rural areas would not only shield household against exposure to vulnerability, but also serve as catalyst for microenterprise development.

However, despite its importance, easier access to rural areas will also make rural resources; in particular land, more attractive to investors, wealthier individuals and even retirees from urban areas. There are already worrying signs among local leaders that news of developments resulting from the building of major roads to rural areas such as Kota Tinggi have persuaded certain people to sell their land for quick gains. To some local leaders, in the long term this tendency will again increase the numbers of landless people in the rural areas.

#### **7.2.1.2 Housing Development**

The problem of landless people among the rural second generation was also claimed to be quite serious. It is normal for young couples who are married to stay with their parents because they cannot afford their own place to live in. The researcher was told that in one village there are about 60 couples who are married but still stay with their parents.<sup>2</sup> The

need for land and housing for the second generation in the rural areas is therefore a serious matter.

The provision of housing facilities was therefore seen as another approach that should be taken by the government in order to accelerate development in the rural areas. Not only will it provide housing, especially for the next generation, but most importantly it will help expand the village areas and therefore increase their diminishing population. However, according to some government officials, traditional villages are normally constituted of title lands and therefore problems of ownership and land acquisition make redevelopment difficult. Traditional villages were also limited in land area as some were surrounded by plantation estates because priority had been given to awarding land for private sector development with commodity crops, in particular oil palm, which could provide better economic returns compared with low-cost houses. Therefore, it is not really a clear cut option for the government to implement housing development in the study areas. Due to these situations several local people have suggested the government should buy private land for the purpose of developing housing projects and expanding the village areas.

Nonetheless, buying out lands could only increase the value of the houses to be built after taking into account the cost of land and building materials. This would lead to higher house prices that could go beyond the ability of the rural population to purchase them, unless they were highly subsidised.

In spite of that, the government through some of its agencies such as KEJORA, FELDA, FELCRA, LKIM and the National Housing Department have been implementing housing development programmes in the rural areas. Apart from developing rural townships, KEJORA, for example, has also developed low-cost housing projects under the programme called ‘arrange villages’. Through this programme, KEJORA has developed five ‘arrange villages’ consisting of 384 units of low-cost houses to cater for the requirements of the local population (Southeast Johore Regional Development Authority Annual Report, 2001). The housing projects have been developed on government land and the houses were sold to individual families at a price of approximately £3,140 (RM22, 000) per unit. The terms of payment for the house were on a monthly basis for a period of 10 to 15 years. Nevertheless, even with this subsidised price and flexible period of payment, the agency is facing the problem of overdue monthly payments from the occupants. To the end of 2005, for example, overdue monthly payments for two out of five housing projects developed by KEJORA under the concept of ‘arrange village’ was said to have amounted to £200,000

(RM1.4 million). Some of the occupants have overdue payments amounting to 45 months (KEJORA, unpublished documents).

There could be two principal reasons for the failure of some rural inhabitants to make their monthly housing payment. Firstly, it could be due to the negative attitude of some of the local people who deliberately refuse to pay, which has also happened to the government's programme of credit facilities. Or secondly, this could be because of their low level of income which prevented them from making regular payments. Thus, it is imperative as several local people were saying for the agencies to provide job opportunities near the villages, through industrial development, so that the people can have better sources of income.

The above arguments demonstrate that even though substantial progress is said to have been made in infrastructural development, much emphasis still has been given to this aspect of development. Several government officials admitted this fact. One of them remarked;

“Frankly speaking we still put emphasis more on infrastructure development, in particular the building of proper roads because there are still areas with laterite roads. Therefore, we have to focus on this aspect of development because without proper road networks, it is difficult for us to provide water, electrical supplies and telephone facilities to the villages”

(Staff of the District Office, respondent 26, Kota Tinggi)

Some officers also stressed that emphasis must be given to infrastructural developments as they will provide the necessary means for economic developments to follow. A senior officer of one of the development agencies said;

“I think from my agency's point of view, more emphasis was actually given to infrastructure and physical development because to me, to be successful in economic programmes and to provide a better standard of living and compatible facilities, we should first of all focus our attention on physical development”

(Senior officer of Regional Development Authority, respondent 38, Kota Tinggi)

With much concentration given to this aspect of development, it has consequently resulted in a claim that rural development is biased in favour of infrastructure or basic amenities (Shamsul, 1990). Besides the large amounts of allocations provided to fulfil requirements

for better infrastructural developments in the rural areas, the tendency of the agencies to focus on infrastructure developments and the provision of basic amenities were also due to two other factors. Firstly, their tangible nature made them easy to implement and provided a quicker impact in terms of development which could be used by the politicians for political purposes. Secondly, the engagement of a bottom-up approach to development has made it the most popular form of project proposed by the local people.

### **Allocations for infrastructural developments**

Expenditure allocation for economic development under the Malaysia plan from 1950 until 2005 as depicted in Table 7.1 clearly indicated that the allocation for infrastructure development expenditure had been significantly increased as compared to the small increments made for the other economy groups.

**Table 7.1 Government Economic Expenditure (actual) (RM million at current prices)**

Years	Five year Development Plan	Economics		
		Infrastructure	Agriculture	Industry
1950-1955	Draft Development Plan, Malaya	395	156	-
1956-1960	First Malaya Plan	520	228	12
1961-1965	Second Malaya Plan	1,237	468	59
1966-1970	First Malaysia Plan	1,430	1,114	141
1971-1976	Second Malaysia Plan	3,353	2,129	1,618
1977-1980	Third Malaysia Plan	5,637	4,688	3,246
1981-1985	Fourth Malaysia Plan	26,824	8,742	20,212
1986-1990	Fifth Malaysia Plan	21,243	7,920	8,365
1991-1995	Sixth Malaysia Plan	13,169a	6,344	4,047
1996-2000	Seventh Malaysia Plan	16,878a	5,460	5,864
2001-2005	Eight Malaysia Plan	45,095ab	7,749	10,174

a included transportation, communication, power/electricity

b administration, security etc.

Source: Malaysia Development Plan, various issues

In accordance to that, large allocations were also being provided to rural development agencies for infrastructural development as compared with other aspects of development. In 2004, for example, RISDA received about £32.0 million (RM221 million) in grants for its development projects (<http://www.risda.gov.my>). Out of that amount, 98.8% or £31.2 million (RM218 million) was allocated for infrastructural and economic projects. Only 1.13% or £357,000 (RM2.5 million) was provided for human and institutional

development. The details of allocations received by this agency for the implementation of various activities are as shown in Table 7.2.

**Table 7.2 Allocations received by RISDA for 2001-2004**

No.	Programmes/Projects	2001 RM	2002 RM	2003 RM	2004 RM
1.	Replanting	102,282,600	118,067,400	50,681,810	109,100,000
2.	Basic infrastructure	-	37,677,750	13,710,000	2,400,000
3.	Human and institutional development	-	4,550,000	5,745,000	2,500,000
4.	Survey of smallholders	-	6,000,000	-	-
5.	Management facilities	-	5,436,000	1,970,000	-
6.	Additional economic activities	-	-	8,027,000	1,000,000
7.	Perpetuation of rubber production	-	14,201,800	10	-
8.	Rubber replanting to rubber integration (TSGGI)	-	57,350,600	38,660,990	43,323,031
9.	Rubber replanting to others (TSGL)	-	-	20	57,581,756
10.	Replanting integration project	-	-	3,125,580	5,000,000
11.	Smallholders LITS fund	-	-	10	-
	Total	102,282,600	243,283,550	121,920,420	220,904,787

Sources: RISDA, Annual Report 1999, 2000, 2001, 2002, 2003 and 2004.

A similar example can be seen in the development allocation provided to KEJORA. In 2002, for example, the agency received total allocations of £6.4 million (RM45 million) for the implementation of its development projects. Out of that total, 93% or £6.0 million (RM42 million) was provided for infrastructural related projects such as basic amenities and utilities, roads, new townships and traditional villages. Only £471.4 (RM3.3 million) or 7.3% of the allocation was provided for human and institutional development (Southeast Johore Development Authority Annual Report, 2002). The amounts of funding received by this agency for developments since 1999 are in Table 7.3.

**Table 7.3 KEJORA development expenditure performance by years**

No.	Programmes/ Projects	1999 RM	2000 RM	2001 RM	2002 RM
1.	Amenities	8,750.000	17,171.297	8,600.000	11,900.000
2.	Roads	1,000.000	864.386	600.000	1,900.000
3.	Electricity supply	-	770.853	1,500.000	1,000.000
4.	Water supply	-	-	300.000	1,800.000
5.	Township Development	3,500.000	15,186.164	1,500.000	17,800.000
6.	Traditional village development	5,040.000	3,500.000	900.000	7,300.000
7.	Social and institutional development	460.000	344.000	400.000	3,300.000
	Total	18,750.000	37,838.700	13,800.000	45,000.000

Sources: KEJORA Annual Report 1999, 2000, 2001, 2002

### **Tangible nature of infrastructural projects**

In addition to the continuing needs for these sorts of projects, their tangibility, meaning that they will impact more quickly and visibly on the development of the rural areas as compared with other types of development, made them the main form of development programme to be implemented by the development agencies, as described by an officer of the Ministry of Regional and Rural Development;

“The State Government tends to prefer physical developments as they can easily be measured”

(Assistant Secretary, Ministry of Regional and Rural Development, respondent 27)

Physical projects were also said to be relatively easy to manage as compared with economic or human development programmes. They can be completed in a shorter period of time, whereas a long implementation period was needed before results could be seen from economic or human development programmes. Despite being considered by some bureaucrats as part of the effort to “modernise” rural life, which is in line with Malaysia’s New Economic Policy objective of restructuring society (Shamsul, 1990), their tangibility has also made them possibly the favourite kind of project to be implemented for political gains. Local politicians are generally known to have made use of physical developments as means to gain support and to derive political mileage.

As local politicians and their allies, such as the administrators of the *mukim*, village heads, village elites, and high ranking district bureaucrats, hold the most powerful and strategic positions in making decisions about development programmes for the rural areas and can also decide which areas and which groups should benefit from the programmes (Shamsul, 1990), it is obvious that they would prefer physical projects. This will not only benefit the villages in terms of development but also individuals who are awarded the projects, normally those having a close relationship with the district bureaucrats or the politicians themselves.

### **Bottom-up approach to development**

The bottom-up approach to development could also be said to be one of the factors which caused more emphasis to be given to infrastructural development. The bottom-up approach means that the rural population could suggest what kind of project they wanted to be implemented in their areas and it was up to the agencies to decide and approve the application. This was done through the process of applications made by the JKKKs to the agencies with or without the request of the agencies. Since most of the rural people perceive development as having adequate physical facilities, their applications would simply be based on what they could probably see with their naked eyes.

Therefore, there are tendencies for them to give more emphasis to physical projects as compared to economic projects and human development programmes. Furthermore, it is much easier for them to list physical facilities that are required in the village compared to outline plans for economic and human development programmes. This was evident from the study, where the rural population could still produce a long list of physical projects to be implemented in their areas, even though much effort had been made to assist them with the facilities for the past several years.<sup>3</sup>

#### **7.2.2 Economic Development**

Apart from the objective of providing for the basic requirements of the rural population, infrastructural development is also meant to provide the necessary facilities for the development of the rural economy. So, as Snodgrass (1980) put it, the phrase ‘rural development’ as it is being used in Malaysia, connotes both direct productivity-raising programmes and efforts to improve infrastructure and social services for consumption as well as for production purposes. Therefore, in addition to infrastructural development, the

government has also intervened directly in economic development of the rural areas through agricultural development, industrial, tourism, education, entrepreneurial development and poverty eradication programmes. This intervention was clearly indicated in the study.

#### **7.2.2.1 Agricultural Development**

Apart from infrastructure, the early strategy that was carried out by the government in efforts to develop rural economy was through agricultural development. This strategy is aimed at modernising the traditional low-income rural sector by introducing better crops and techniques, developing infrastructural facilities for the rural sectors, and opening up new land for the cultivation of commodity crops under the programme of land reform. In order to carry out this strategy, land development agencies such as Federal Land Development Agency (FELDA), Federal Land Consolidation and Rehabilitation Authority (FELCRA) and Rubber Industry Smallholders Development Authority (RISDA) were formed.

The involvement of these agencies in developing agriculture in the study areas is apparent. In general, FELDA is said to have made major contributions to the development of the rural areas in particular in improving rural incomes. This agency is said to have made it possible for the landless people in the rural areas to own land, as remarked by one of the politician interviewed;

“To me, an agency such FELDA has played an effective role in uplifting the level of the economy of the Malays. FELDA has made a big contribution to the Malay community in the rural areas especially in providing land, housing facilities and sources of income for the landless.”

(Politician, respondent 60, Kota Tinggi)

By this means they are able to build up and organise their lives for a better living. Better infrastructure and basic facilities provided by the agency have made it possible for the settlers to live in a much better environment compared with the traditional villages from which they came before being resettled in the settlement area. With better educational facilities, many of their children are able to have better education and hold better jobs in urban areas. The resettlement of larger numbers of people in the settlement area has also enabled them to establish a better and more financially adequate community-based

institution, the Committee for the Development and Security of the FELDA settlers, popularly known by its acronym JKKR. More talented people have become their leaders.

However, this land development scheme is not without its shortcomings. The re-settlement of people from traditional villages to the settlement areas is said to have further reduced the population of the traditional villages, especially the younger and more talented ones. The settlers' dependency on commodity crops has also caused their income to be unstable because it is subject to global markets. Therefore, it is a normal phenomenon for the second generation and even the settler's wife to work for additional income in another sector especially manufacturing, usually in the urban areas. The ageing settlers are also said to be a threat to the survival of the land development scheme itself. As they grow old their ability and strength to work on their land is declining. While their educated children leave the settlement to work in the public or private sectors in the urban areas, those who are less fortunate, on the other hand, are not willing to pursue with the activity as they prefer to work for fixed salary jobs in the service or manufacturing sector. This has left them to be dependant on foreign workers, especially from Indonesia, to work on their land and consequently reduced their income even further. Due to these circumstances there are also claims made by some locals that cases of settlers selling their lands are increasing. With limited job opportunities in the rural areas and their reluctance to work in the agriculture sector, some of the children are unemployed or engaged in periodic and low pay jobs.

The emphasis of the agency on the settlers to increase the yields of their cultivation so that their income as well as that of the agency could be increased has left less concentration being given to human aspects of development. Imbalanced development has caused some of their young people to engage in negative activities. Minor crimes such as petty theft, drug addiction, and illegal motorcycle racing are said to be a serious problem in many of these settlements. This was pointed out by a senior government officer;

“...cases of illegal motorcycle racing in the FELDA areas in the District of Jempol are frequent, especially on Saturday night...morale among the community is declining, cases of abandoned babies and child abuse are increasing ... road signs as well as telephone and electrical cables are been stolen and other public facilities such as the telephone booths are vandalised. The government is financially burdened to replace and fix them. Overall, the social problems in these areas are acute”

(Senior officer of the District Officer, respondent 55, Jempol)

Therefore, even though FELDA is said to have been able to raise the standard of living of the rural population through its land development programme, the agency is also said to have failed to plan for the second generation.

Besides FELDA, FELCRA provided another means for the rural population to improve their level of income. This was done through the development of fallow land and collaboration of uneconomic fringe areas belonging to the villagers into more economic estates with plantations of oil palm and rubber. Referring to the agency's achievements in developing fallow land, one of its officers stated;

“I think we have been effective...In previous years we could easily have five or six files of fallow lands in a village, nowadays it is quite difficult to find fallow lands...we can say that we have managed to develop almost half of the land which is suitable”

(General Manager of FELCRA, respondent, Kota Tinggi)

Under this development scheme the land owners will make use of their land as capital so that it can be developed by the agency. Normally the development period is 15 years before the developed land can be returned to the owners after taking into account the development costs that have been recovered by the agency. The pre-condition for this arrangement to take place is the agreement on part of the land owners to pay 10% interest on the development cost of the land to the agency. In return, after their crops can be harvested, they will be paid a dividend twice a year, dependent on yields, the price of the commodity and the profit earned by the agency from this activity.

However, with the rise in input costs and their problems in controlling animals especially elephants which destroy the crops, , the agency could not afford to pay good return to their participants as compared with the returns received by the FELDA settlers or by farmers who work on their own land. This has raised dissatisfaction among many participants of the schemes and criticism from various parties. A village head, for example, claimed that due to low financial returns made by FELCRA, many of them are reluctant to participate in their land development schemes. Some locals also claimed that after its corporatisation and when development funding has ceased from the government, the agency has become less able to develop rural fringe lands. Due to increasing development costs, the agency was also claimed to have transferred their administrative costs to their estates and participants of their land development schemes. Even the politicians have been critical of the roles of this agency;

“...to me there are lots of negative effects after the corporatisation of FELCRA. They are now more inclined towards profit making and less emphasis is given to the social conditions of the FELCRA community itself. From my observation, not as before they turned corporate, they now seem to be giving less attention to human, spiritual and social development because like other government agencies that have been privatised they are emphasising more on profit making rather than taking care of their target groups”

(Politician, respondent 60, Kota Tinggi)

Farmers made mixed decisions due to small incomes received from projects under the agency's land development schemes. There were tendencies among them to breach the land development agreement in the middle of the development period or to some extent when the crops were about to be harvested. Some of them even refused to pay back the development costs incurred by the agency. This was made possible because the agency did not impose a condition where land owners need to surrender their land grant before their land was developed. There were also cases where the land-owners refuse to sign the agreement even though at the pre-development stage they had already agree to allow FELCRA to proceed with the development of their land and to comply with all the necessary requirements as the process was going on.

This has caused major problems to the agency and certainly did not help them in achieving their objective of raising the level of incomes of the rural communities. Political interference, which tends to be on the land-owners side for political advantage, has made it difficult for the agency to take legal action against the land-owners. Consequently, the agency had to introduce a more stringent procedure such as the right to hold the land grant before the land can be developed. This approach unfortunately proved to be unpopular with the land-owners and to some extent has distorted the agency's development objectives.

As the agency is also focusing on developing commodity crops, the returns from this activity are significantly dependent on the world market which sometimes is unstable. Similar findings on the problems of managing commodity crops have been noted in studies by Hulme (1983); Stavis (1985) and Boyd (1990). Even a FELCRA officer admitted that due to high costs of inputs and disturbances caused by wild animals, participants cannot afford to be totally dependent on income from this activity, especially those who are involved in cultivating rubber cannot expect to get better returns unless they undertake additional economic activities.<sup>4</sup> However, despite these shortcomings, there are smallholders who believe that the government should play better role to enable the agency

in developing rural lands. To them this is the appropriate way in which their lands can be developed for better returns.

Apart from two main land development agencies mentioned above, agriculture development in the rural areas has also been carried out by the Department of Agriculture mainly on the cultivation of cash crops and fruits. Three main objectives of the department are;

- To increase the efficiency of agriculture production through technology transfer and research.
- To educate rural farmers and encourage the change of attitude in order to be more prepared for new agriculture technology and to participate actively in the agricultural development process, and
- To increase the contribution of the agricultural sector to the nation's economy by encouraging and focusing on the development of certain crops (Johor Department of Agriculture Annual Report, 2001).

One of the agency's flagship projects is group farming for the production of food such as paddy, sweet potatoes, corn, groundnuts and vegetables. Through these projects the participants are provided with up to 0.05 hectares of land. The target of these projects is to increase the farmer's income from £57.00-£71.00 (RM400-RM500) a month to as much as £430.00 (RM3, 000) a month. This objective has been achieved by some participants of the programme who have earned up to £286.00 (RM2, 000) a month although not on a regular basis. Unfortunately, only limited numbers of villagers are able to participate in this programme due to scarcity of land, shortage of suitable land, limited funds received by the agency and lack of interest on the part of the villagers themselves. The agency is also said to have been facing problems where failure in identifying the real participants occurred. There are those with negative attitude withdrawing from the programme halfway because they are unable to comply with the agency guidelines and expectations, and tend to be satisfied with their earnings even though the agency feels that the programme could result in better income for participants.<sup>5</sup>

It is also said that even though the initial aim of the programme was for the participants to self-manage the projects with the agency just doing the monitoring work, it has turned out that the agency has to continue managing the projects as the participants themselves are

unable to take on that role. In other words, the participants are said to be too dependent on the agency for the project to sustain.

Therefore, even though the government has recently put emphasis on the often-ignored farm sector (Liu Y-Sing, 2004) mainly due to the slowdown of the industrial sector overall, it was said, it is difficult for the agriculture sector to be developed because it is already losing its adherents. According to an agriculture officer who was interviewed, even though at present there are still people aged 40 and above involved in this activity the involvement of those below 30 is actually diminishing.<sup>6</sup> However, there are also local farmers who argued that some programmes that were planned and implemented by the Agriculture Department are not suitable to the local conditions and their needs and therefore was not well received and do not succeed. A village head highlighted the cultivation of sapodilla trees in his village as an example. To him this programme is not suitable for implementation because most of the villagers are fishermen. As fishermen they lack agriculture knowledge and when they are asked to cultivate sapodilla trees as an alternative economic activity, they do not give proper care and maintenance for the trees. They do not have the patience to wait for the trees to yield fruit because they are used to quick returns from their catches. As the result the programme was left idle and certainly did not achieve its objective.<sup>7</sup> Perhaps due to these difficulties the Director General of the Department of Agriculture said;

“The need to bring in the brains to turn around the agriculture sector, which has fallen into a disorganised state, is more crucial now if the sector is to be revived into the third engine of growth”

(Arifin Abdul Latif, 2003).

Other agencies such as the District Office and Regional Development Authorities are also involved in implementing agriculture-related activities such as the cultivation of cash crops, fruits trees, aqua-culture, poultry and livestock. However, their overall involvements are marginal compared to the role of agencies discussed above. Officials of these agencies agree that less emphasis was given to economic development such as agriculture-related activities because there are still many villages with inadequate basic facilities that need to be given attention. In addition, there are already other agencies that have been established to play roles in economic development. Therefore, when it comes to economic activities, the funding provided and received by these agencies is small compared with allocations for

physical developments. It is not surprising therefore that many of these small economic activities do not survive because the projects tend to run out of funding after only a few seasons of implementation.

Apart from the planting of commodity crops, the assistance provided by agencies to upgrade the local economy is said be inadequate or in the words of one of the respondents “just taken for the sake of doing it”.<sup>8</sup> This has become the subject of muttering among some local people, said one of the respondents during the interviews.<sup>9</sup> From the agencies’ point of view, other contributing factors involve mismanagement and lack of enthusiasm in implementing economic activities, their attitude and their being too dependent on government assistance are also claimed to be behind the failure of these activities. Their attitudes and weakness are described by the senior officer of the agency;

“Another problem that we face in implementing economic projects is related to the attitudes of the rural population themselves. Firstly, their attitudes of being too dependent on government assistances to the extent they do not know how to find market for their products. Secondly, in terms selection of producing products that they intend to market, there is a tendency to follow the same economic activities which are seen to be successful. For example, if someone has been successful with cultivation of bananas, others tend to get involved in the same activity. When the supply is abundant, the price of the product drops, they tend to lose their operating capital and the project’s sustainability”

(Senior Officer of Regional Development Agency, respondent 38, Kota Tinggi)

Not all villages though failed to make use of small allocations and minor involvement of agencies in economic development. There are villages such as Lonek, Palong 3, Pantai Bernas and Gembut which have been able to develop their local economy mainly in agriculture-related activities with the help of several agencies. Lonek has successfully redeveloped the village waste land with the cultivation of cash crops with the co-operation of the District Office of Jempol and Department of Agriculture. Palong 3 has developed the village land with oil palm with the help of FELDA. Pantai Bernas succeeded in aquaculture and tourism with the help of the District Office of Rompin, and Gembut has developed its land with oil palm and cash crops with the help of the Department of Agriculture.

However, the number of villages that were able to make use of their limited resources is small. This is probably due to several circumstances such as limited land areas for agriculture development, lack of financial capital, lack of knowledge, lack of information

regarding economic opportunities, problems of marketing and weakness of the local leadership. Therefore there are several tools and mechanisms that those agencies involve could use in order to get more effective response from various villages. One includes towards ‘participatory approach’ where agencies create social networks that would address villages’ problems at wider scale. However, the problem of ignorance and refusal to participate by some village members that were discussed in Chapter Six would be reduced if the stakeholders or the agencies have mutual understanding with various parties involved in rural development. Another tool which can be used for reference is a new service delivery model that is being used and adopted by the UN system particularly for example in some African countries. The approach model emphasises on more sector-specific initiatives.

Besides agriculture development, other approaches that were suggested by the respondents in order for the government to generate rural economies are industrial development, education, tourism, entrepreneurial activities and poverty eradication programmes.

#### **7.2.2.2 Industrial Development**

Despite efforts by the agencies to generate rural economies through agriculture and agriculture-related activities such as fishery, poultry, livestock and aqua-culture, these activities were claimed by the local people to have provided only a limited number of jobs for the local population. Members of the JKKK, for example, made these remarks on projects implemented by one of the agencies;

“Looking at projects executed by KEJORA, for example, they are limited to two or three people, not everybody will be able to participate. There is no project where many local people could be involved ... unless they invite investors to develop industry in these areas. Although the owner of the factories or the employers might not be the local people or probably outsiders, local people still will have the opportunity to work”

(Member of the JKKK, respondent 20, Kota Tinggi)

To accommodate the views of the JKKK, it seems necessary for industries to be introduced to the rural areas. It also means that the government should take steps to open more new industrial sites or enhance the existing sites to attract more investors to set up their factories in the rural areas. This will not only provide jobs for the abundant labour force in the rural areas but more importantly it will deter outward migration of the rural young.

It was also claimed that by having manufacturing industries in the rural areas it would persuade the younger generation of rural population who have left the villages to return. This would not only help to increase the diminishing rural population but would also allow the younger generation to look after their ageing parents and contribute to rural social activities. This would also alleviate the problems of the younger generation and other segments of the rural population who have to travel early in the morning to urban centres to work in the manufacturing sector and come back late in the evening. They are thus unable to participate in the village's social activities.

As for the types of industries suitable to the rural areas, electronics-based industries is much preferred, perceiving that these sorts of industries could create more job opportunities and are in line with the existing interests of many rural youths who are keen to work in the manufacturing sector. To them, industries other than electronics-based could not give much impact to job creation in the rural areas. As one of the respondents remarks;

“To me, if we want to bring in industries to this area, it should be electronic-based as there are in urban industrial areas. As we are living in electronic era, bringing in other kinds of industries won't give much impact”

(Village head, respondent 9, Kota Tinggi)

There are also others who have suggested that there should be heavy industries in the rural areas. Others would be satisfied with any kind of industry suitable for the areas such as agro-based industries, so long as they could provide jobs for the local population.

However, though the suggestion has regularly been highlighted to the government through local politicians, it was claimed that nothing significant had taken place either in the opening of new industrial sites or in the development of sites that have been gazetted for that purpose. As one of the respondents remarked;

“I have proposed for industries to be developed in the gazetted areas since I was the secretary to the JKPK because I knew the gazetted areas are meant for that purpose. However, until now nothing has been done and there is no development taking place. I think our Member of Parliament has a crucial role to play in this matter. He has to bring this matter to the government ... he must not think that the existing infrastructure is enough, initiative must be taken to bring in investors to develop the areas with heavy or medium industries”

(Member of the JKKK, respondent 29, Kota Tinggi)

Some government officials have also suggested that there must be efforts to bring in or develop industries in the rural areas, as pointed out by the administrator of the *mukim*;

“To prevent outward-migration of the second generation we have to create job opportunities in this district. Therefore, we need industrial areas to attract investors to come here. We also need tourism, education or medical industry here. We have been discussing about this suggestion for several times but it has yet to be materialised”

(Administrator of the *mukim*, respondent 28, Jempol)

However, according to the politicians and some government officers, as has been mentioned in Chapter Six, the lack of capital infrastructure in particular roads that could not only link but also shorten the travelling time from the rural areas to growth centres is a major obstacle to industrial development in the rural areas. A few people also claimed that the greater emphasis that has been given to the agriculture sector in these areas is also contributing to the slow development of manufacturing industry in these areas. A reliable road and transportation system which enables factory buses and vans to reach even remote villages to pick up and ferry workers daily to factories in urban areas is making it less economical for the investors to develop industries in the rural areas. This explains why gazetted areas for industries in the rural areas are not being developed and even some industrial sites in the rural townships are still not being fully occupied. Therefore, not only many of the industries which did operate in these areas are small and agriculture related, many of them are also not attractive to the local population in particular rural young people due to lower wages offered as compared with factories in the urban areas.

Despite these claims, even though it is not in the traditional villages, government through its agencies in particular Regional Development Authorities such as KEJORA and Southeast Pahang Development Authority or DARA (before the agency was dissolved) has taken an approach to developing industrial sites in its new rural townships. In order to attract investors to these areas, incentives such as minimal price of land and good infrastructure are being offered. In relation to this approach, KEJORA has developed two industrial sites in Bandar Tenggara and Bandar Penawar, with an area of 628 acres, containing 210 industrial lots (Southeast Johore Regional Development Authority Annual Report 2002), whilst DARA has also developed two industrial sites in its rural townships in

Muazam Shah and Tun Razak with an area of approximately 7000 acres, consisting of 540 industrial lots.

However, out of 117 lots that were already being offered by KEJORA to companies, only 38 companies have actually been operating, 28 in Bandar Tenggara and 10 in Bandar Penawar (Southeast Johore Regional Development Authority Annual Report, 2002). Similarly, out of the total areas that have been developed by DARA, there are only two companies which are still in operation. Others have either already been closed down or have never been developed (Briefing Notes on the Development of the District of Rompin, unpublished document). With such small numbers of industries operating in industrial areas, it was said to be insufficient to cater for the abundant labour force in these rural areas. This has forced the majority of them to migrate or commute to other growth centres for work.

Thus even with good infrastructure and attractive incentives, it is very difficult to attract investors to the rural areas. This is in line with the statement made by Marshall (1975) that rural areas are not a favourable location for the manufacturing sector. This by itself has hindered the arrival of new industries. Rural areas are also not attractive to high-tech manufacturing (Glasmeier, 1991; Goetz and Rupasingha, 2002). Industries that operate in the rural areas are also generally small in size and employ only a small number of workers with lower skill jobs (OECD, 1986). Therefore, they tend to receive smaller wages as compared with their counterparts who work in urban areas, as been elaborated on in Chapter Six. Due to these circumstances, rural industries are not actually attractive even to the local people who would rather migrate or travel on a daily basis to urban areas for better paying jobs. Therefore, the possibilities of industries in the rural areas closing down are much higher compared to those in urban areas. In the United States, for example, nearly 200 rural factories closed their doors in 2000 causing 45% of total mass layoffs, compared with only 25% layoffs at metropolitan factories (Drabenstott, 2003). These arguments do not seem to support the suggestion made by most respondents that by bringing industries to rural areas, more job opportunities could be created for the local community and consequently could in some way tackle the problem of youth outward migration and the diminishing rural population.

An appraisal of the various development plans in Nigeria also revealed that rural industrialisation has never actually been viewed as a vital part of rural development strategy (Olanrewaju and Falola, 1992). This may be true with most developing countries,

where state attention to achieve equal development between geographic regions appears to be seen only in terms of distribution of social amenities.

To the politicians, another way of providing jobs and deterring outward migration of rural youth is through the development of small and medium-sized industries in the villages. According to one of them;

“...we have planned and will ascertain that every village will have one industry aimed at uplifting the level of economy of the villagers and providing them with jobs. As representatives of the people, our tasks are to visit the villages and identify economic activities that people engage in so that they can be assisted in the form of equipment or marketing with the help of agencies such as the Department of Agriculture... so far many have received machines to assist them in their activities and there are already changes in their income.”

(Politician, respondent 60, Kota Tinggi)

Some local people also see this programme as another way of creating jobs for the local population. However, when it comes to implementation, except for two or three villages which were able to develop these industries, the rest were still unable to develop theirs or perhaps had no idea on how to go about it. Some of them also claimed that the programme was just rhetoric or merely planned without concrete action on the ground. A head of a village even claimed that it is difficult to develop industries in the villages as people are more interested in jobs with a fixed salary, which is to them is much easier.<sup>10</sup> Furthermore, without the necessary skills and knowledge, it is very difficult for the villagers to build-up their economy as one the members of JKKK remarked;

“To me the leadership and development at the village level are mostly being assisted by the government. I don’t think and I could not see that the villages and their leadership have the capabilities to initiate their own development. Without appropriate knowledge and qualification it is not going to be easy for them to develop such a programme in the villages. They need to think hard in order to develop the local economy. They probably have the experience but without the necessary qualification and knowledge, they could only manage to talk but would be unable to implement it”

(Member of JKJKK, respondent, 29, Kota Tinggi)

Other than small and medium-sized industries, the government has also introduced what was previously known as the ‘one *mukim* one product programme’ which later was changed to ‘one district one product programme’. Under this programme, each district is

encouraged to develop and associate itself with a specific product that is prominent in the district. The objective of this programme is to develop some aspect of local economic potential so that it could be a catalyst for the local economy and provide jobs for its residents. There is, however, very little evidence that this programme has taken place in the study areas.

#### **7.2.2.3 Tourism Development**

Several local people and government officials have also suggested that development of the tourism sector is one of the approaches that could be taken by the government to develop rural economies and provide jobs for their communities. A head of one of the villages, for example, stressed that;

“We must first focus on developing the economy of the villages so that the people can benefit from it. This can be done through the development of places for tourist attraction or execution of aqua-culture activities which could provide jobs for the people. The investor must come in”

(Village head, respondent 43, Rompin)

Realising that tourism could improve the economic, social and psychological wellbeing of the residents, the government has taken a proactive role in developing this sector by providing a favourable environment in which it can prosper. This includes the provision of reliable infrastructure, gazetting the areas as tourism zones and other appropriate measures. These incentives, coupled with the vast natural attractions that rural areas can offer has attracted private sector involvement in developing these areas as tourist destinations, normally with medium-sized hotels and resorts.

In the study areas, the tourism development can be seen in particular in the Districts of Rompin and Kota Tinggi where the long coastline has provided vast potential for this sector. Several resorts developed by the private sector in the District of Rompin include Rompin Beach Resorts, Lanjut Golden Beach Resorts, Summerset at Rompin and Kuala Rompin Rest House. As for the District of Kota Tinggi, its 26 kilometres of coastline from Tanjung Siang in the north to Tanjung Penawar in the south has also provided huge potential for tourism. Fifteen major tourism projects have been identified for development in this area. 6 kilometres of the long coastline have actually been developed with hotels,

chalets, golf courses, rest houses and other facilities, in particular in the Desaru area (Kajian Pelan Pembangunan Wilayah Kecil Pengerang, 1996).

These developments have undoubtedly provided jobs in particular for the rural young people. Nevertheless, as the majority of them have only minimal qualifications, normally lower secondary education or up to the level of the Malaysia School Certificate (that is those completing secondary five education), the only jobs that they managed to get are as general workers or housekeepers. The amount of wages that they receive is only around £ 43.00 (RM300.00) to £100.00 (RM700.00) monthly, depending on the type of positions they hold. They have also highlighted that hotel employees are not allowed to form trade unions where they could voice their views or dissatisfaction with the management. Some even claimed that locals can only manage to hold lower positions in this sector because the hotels are owned by people from the city, normally the Chinese. Since there are not many options for them to choose, some have to stay put while others left after just one or two years of working. They migrate to more industrialised states for better opportunities, generally in the manufacturing sector.

Since this industry also requires large investments and faces stiff market competition, it is actually exposed and vulnerable to economic instability. For example, when the Asian economies were facing financial crisis in 1997, which dramatically reduced Malaysian economic growth from as high as over 8% in early 1997 to around 2% in 1998 (Warner, 2004), it also affected the country's tourism sector rather badly. The long lasting economic slowdown in the region has significantly affected tourism activities in the Desaru area as well. This is mainly due to its heavy dependence on foreign markets, especially Singaporean (Johor Tenggara Strategic Planning Study, 1996), as Singaporean tourists form the largest contributors to Malaysia's tourism accounting for 60% of the 7.46 million tourist arrivals in Malaysia in 1995 (Muhammad Asad Sadi and Bartels, 1997). Business has been slow ever since. This has resulted in two out of four major resorts in the Desaru areas stopping their operations due to financial problems and the declining market. Substantial numbers of employees have been made redundant. The majority of them were rural young people from nearby villages and FELDA settlements. This was not as bad as the situation for those in the District of Rompin who had to migrate to other states in search of better opportunities. Those affected in the Desaru area were easily absorbed by sizeable opportunities in the manufacturing sector in the neighbouring District of Johor Bahru.

Both scenarios have demonstrated that while the rural population could benefit from the development of tourism industries that normally took place in their areas due to their potential, they are also the most vulnerable in unfavourable economic conditions.

Other than big tourism development which normally involves large private sector investments, the government through the Ministry of Tourism and the Ministry of Regional and Rural Development have also initiated and encouraged the development of rural tourism. Under this programme the government is said to have encouraged the villagers to become involved in various activities with the government providing facilities to help them in particular in the home stay programme.<sup>11</sup> A few of the JKKKs, those in Pantai Bernas and Rantau Panjang in the District of Rompin, for example, are involved in operating a small number of chalets and other tourism-related activities such as angling and river cruising as a means of providing some income for their JKKKs as well as extra jobs for some of the villagers.

However, even though they initially managed to acquire the financial resources to pursue these activities through political channels or with the help of the agencies, limited facilities, lack of knowledge in managing the facilities, a weak marketing strategy and thus limited financial returns are hampering their efforts to enhance or even to sustain these activities.

Therefore it is not surprising to see that even though exploiting local potential through tourism can and may improve the local economy, initiatives to exploit this potential have always been hampered by lack of funding and emphasis given by the government to this sector. This situation was described by one of the members of JKKK;

“I think one of the ways to uplift the local economy is through the tourism sector, such as has been done in the Desaru area. There are many strategic areas for tourism development in the villages of Tanjung Sedili, for example, but nobody is taking initiative to develop it. So, the people are unable to tap the benefit from it to improve their economy. If there are parties taking the initiative to develop these areas and probably providing facilities such as small shops or stalls, the local people could at least have opportunities to engage in small businesses. We would be most grateful if the government could develop these areas but depending on government initiative normally take some time because they are subjected to bureaucracy”

(Member of JKKK, respondent 20, Kota Tinggi)

Even if there is a potential for this sector to be developed and there is also initiative from the local population to develop it, lack of financial capital normally restricts their efforts to proceed with their initiative, as this respondent remarked;

“In the form of tourism there are areas which could be developed but the problem is financial. We have put forward the proposal to the agency so that the village could be developed under rural tourism but there was no response”

(Staff of the Regional Development Agency, respondent 40, Kota Tinggi)

Therefore, despite the fact that eco-tourism such as national parks, wildlife reserves and sanctuaries, nature parks, bird sanctuaries and marine parks had been established in Malaysia since the 1930s (Badaruddin Mohamed, 2002), this has never been directly associated and emphasised as rural tourism. Probably because it has never really involved rural participation and the benefit to the rural population was limited. Even though the Ministry of Rural and Regional Development is said to have begun to give more emphasis to rural tourism, its efforts are still marginal. Apart from providing a favourable environment for the private sector to exploit rural potential, government intervention in rural tourism is merely concentrating on encouraging local participation in tourism-related activities, especially the ‘homestay’ programme. It was only a few years ago that the term rural tourism became known in the public domain with the introduction of the National Eco-tourism Plan in 1996 which was aimed to provide the framework for the development of eco-tourism in the country. The National Rural Tourism Master Plan was only introduced in 2002 specifically to maximise the potential of agro-tourism and ‘homestay’ programmes.

In general, even though the rural areas have a huge potential for tourism, lack of emphasis given by the government to rural tourism has limited local participation in this sector which could provide the area with an alternative source of income. Therefore, even though the tourist industries are said to have contributed £3.4 billion (RM24 billion) to the country’s economy and enjoyed an impressive average growth of 9.26% between 1981 and 2000 (Badaruddin Mohamed, 2002), they have actually benefited outsiders more than the local population.

#### **7.2.2.4 Entrepreneurial Development**

Efforts undertaken by rural development agencies to encourage entrepreneurial activities in the study areas can be seen in the provision of business premises, assistance in the form of food processing machinery, sewing machines or equipments for those involved in small economic activities, the organising of business-related courses for contractors, entrepreneurship, book keeping and basic accounting, and also the provision of small loans. The programmes, however, are marginal as the allocations received by agencies to implement them are small.

KEJORA, for example, was allocated about £71,000 - £142,000 (RM500, 000–RM 1 million) yearly for business activities. With this amount there is a limit to what can be offered by the agency to encourage entrepreneurial development apart from the provision of small loans or revolving funds for the villagers to get access to financial capital, provision of small business premises, assistance in terms of small processing machines to individual operators or groups who are involved in the production of locally made cakes, handicraft items or other cottage industries.

This limitation has limited the ability of some of the recipients to enhance their economic activities. Normally after receiving initial assistance there is no follow-up made by the agencies to assist the recipients in their economic activities. Even if there is any, it will normally be subjected to stringent restrictions, as one of the respondents' remarks;

“We are grateful for the assistance that we received but as the business grew there were other things which require additional provisions such as more sophisticated equipments. Other than the initial assistance there is no follow-up made by the agencies on our activities or problems. They did however come to offer secondary assistance but it came with stringent measures and pressure that we can't afford to bear”

(Ordinary villager, respondent 21, Kota Tinggi)

On the part of the agencies, limited funding and manpower prevent them from continuing to assist the recipients or monitor their activities. Therefore, the lack of ongoing assistance from the agencies normally reduced their ability to develop and sustain the entrepreneurial activities. This was also evident in the operation of low budget chalets by JKKK in the villages of Rantau Panjang and Pantai Bernas in the District of Rompin where they are facing the problem of funding to enhance their activities.

Apart from the aforementioned assistance, the government is also providing funds and credit facilities through its other agencies. For example, The Foundation of TEKUN National (YTK), a governmental body under the Ministry of Entrepreneurial Development and Corporative, provided micro credit and funding for small entrepreneurs. Though it is not only meant for rural dwellers, YTK was reported to have allocated £69.8 million (RM488.3 million) in loans to about 102,398 borrowers for the period between 25 May 1999 and 31 December 2004 (<http://www.tekun.gov.my/pinjaman.html>). This fund is intended to assist small indigenous entrepreneurs in getting access to additional capital in order to enhance their existing businesses.

There is also the Malaysia Endeavour Trust Programme, locally known as the *Amanah Ikhtiar Malaysia* (AIM) scheme, which is equivalent to the Grameen Bank in Bangladesh. This scheme provides small loans without collateral and interest to the rural poor. These loans are used in various income-generating activities which can be grouped into three main categories: agriculture, business and service. Up to January 1998, AIM has operated 37 branches, covering 2665 villages, 1,969 centres, 10,618 groups and 51,279 beneficiaries. It has also distributed a total of £28 million (RM196 million) worth of loans to finance various kinds of economic activities (Rahmah Ismail, 2001).

To small scale farmers, the government have also given farmer's subsidies in terms of fertilizers to rubber planters and oil palm growers. But because the commodity price is too low, there are tendencies of the farmers resorting to selling fertilizers for cash. So the consequences are such that their plants were not given a proper amount of fertilizers, and this affects the yield and their income. Thus in general, the subsidy does not do the job it was designed to do.

Despite these facilities, as the study has revealed in Chapter Six, the rural population is said to have been facing the problem of limited financial capital. There could be various reasons for this. However, there are two possible reasons that may be drawn from this study. Firstly, there are agencies which do not adequately disseminate information about the facilities to the rural communities. This was evident from the reprimands by the Minister of Agriculture and Agricultural Based Industries to some of his officers who do not go on the ground to channel assistance to the poor fishermen.

Secondly, it is due to several measures introduced by the government to ensure that the facilities will not be misused by the recipients. One of the measures is to ascertain that the

applicants have already been operating their businesses and own the business premises. The Foundation of National Economic Fund for Small Entrepreneurs, for example, imposed conditions where the applicant for its funding must own specific business premises (<http://www.tekun.gov.my/pinjaman.html>).

Even though one of the main problems faced by the local population when initiating economic activities is the lack of initial capital, it is difficult for the government to provide financial assistance at the start. Furthermore, due to difficulties in getting loan repayment from the borrowers and misuse of loans and assistance provided by the agencies, some government officials and politicians have also suggested that government should no longer provide loans without collateral or interest to the local people. To some of them, the procedure for loans should also be more stringent. KEJORA, for instance, is no longer providing free assistance except in the form of loans. Those who apply for these loans will be required to pay interest and to provide a guarantor.<sup>12</sup> With the intention of reducing people's dependency on subsidies, the government is also said to have revised its policy regarding these. Some forms of subsidies to fishermen, for example, have been converted into loans.

Although the objective of the measures is to ensure that the assistance provided by the government will be properly used for the benefit of the recipients as well as to prove their commitment in pursuing their activities, it is viewed by some locals as a hindrance especially by those who had scarcely enough capital to commence their activities. The requirements by some agencies for the applicants to produce paper work or a proposal prior to the approval of loans was also viewed by some locals as making the process of getting the required capital even harder as they lack the knowledge to produce such paper work or proposals. This is in line with the study by Berma (2001) who found that the main difficulty faced by rural craftspeople in Sarawak in obtaining licences to trade their handicrafts was due to their inability to handle the paperwork and specific requirements (such as business experience) needed to obtain the licences. These sorts of regulations have seriously reduced their access to assistance or loans. Some respondents even claimed that the provision of loans to fishermen had made their situation worse.<sup>13</sup>

The discussion above has showed that despite various funds and credit facilities provided by the agencies, locals are actually facing some difficulties in getting access to these facilities. This has hampered entrepreneurial activities in the study areas. Apart from that, the small numbers of people in the villages are also said to deter entrepreneurial activities

in the study areas. The size of the population in traditional villages in particular, which is normally less than 500 people, and the low purchasing power of the inhabitants, does not provide a profitable market for the activities to prosper. It is argued that even with 800 people, local businesses still could not receive handsome earnings.<sup>14</sup> Even those who are involved in these activities to take advantage of the micro-credit facilities and business premises provided by the development agencies, do not normally get the satisfactory support that they need from their fellow villagers because they can only supply a limited range of goods due to limited capital.<sup>15</sup>

Reliable transportation systems also make it possible for the villagers to go to the town centres for their daily purchases while dealing with other matters. This situation does not help small businesses to grow. Even in some villages, business premises that were provided by the agencies were left vacant because there were no takers or were abandoned due to lack of businesses. This has affected not only small business but other entrepreneurial activities as well. Therefore, as a village head pointed out, villagers could participate and be involved in producing, for instance, locally made cakes, crisps, handicrafts or other kinds of products, but the main problem that they are facing is how to market them.<sup>16</sup>

Therefore, without serious efforts to develop the rural industries which could provide jobs for the rural populations, rural people are restricted to small business activities. These activities are normally run by the family members or a group of villagers from small premises, houses or common used premises. These types of business activities are restricted to food processing, small restaurants, handicrafts, groceries and small garages. They normally employ a small group of workers. Thus, although small business was claimed to be able to contribute a substantial proportion to employment (Curran and Blackburn, 2001), this probably does not really apply to the rural areas.

#### **7.2.2.5 Educational Development**

Generally levels of education in the rural community in the study areas are low. Most of the elderly people, that is those over 50 years old, received only primary education or no education at all, as one of the locals indicated;

“There are some of the elderly people of the rural population that went through the formal education but some did not. There are those who are illiterate and cannot even sign their own name. Therefore, they normally think what they say is right”

(Village head, respondent 47, Jempol)

However, most of the younger generation, that is those in their thirties and forties, have had some secondary education; mainly finished at secondary five or much lower than that. In some villages only a very small number of their young people have managed to reach university level.

Despite admitting that local attitudes towards education have been improving, some locals and government officials alike claimed that there are families who are taking their children's education for granted. Incidences of pupils dropping out from school at an early age are still happening despite several forms of assistance provided by the government. They are mainly from poor or low income families. Some could not afford to send the children away from their villages for secondary education due to transportation costs, while others are just constrained by attitudes of giving less emphasis to education. Their attitudes are illustrated in comments such as “what is the point of having higher education as they could also earn a living by becoming fishermen”.<sup>17</sup>

Lagging rural education was said to be holding rural populations back from achieving better development. “Without education there won't be economic development,”<sup>18</sup> said a village head. Some locals also relate levels of education to attitude. Those with less education, it is claimed, find it difficult to accept changes.<sup>19</sup> “Only with education will there be progress,” stated another village head.<sup>20</sup> Without education people will not be able to keep up with the development of information technology, for example, in using computers. In general, the low level of education among the rural population, mainly due to out-migration of its educated members, is said to be hampering development in those areas.

Having been made aware that the low level of education influences rural levels of thinking and thus affects their level of development, several local and government officials alike have suggested that efforts must be made to upgrade rural education. Emphasis should be given to education as it was seen as a vehicle for economic achievement. To some of them, even if there are more job opportunities in the rural areas, without higher education, locals could only manage to hold low position jobs. One of them gave an example of a high

technology jacket fabrication company that is located in one of the villages in the study areas. Without the required qualifications, rural youths could only manage to fill the posts of general workers or welders in the company. A much higher position such as an engineer would be held by a person from an urban area.

Some government officers and local people have suggested that there must be efforts to set up more institutions of higher learning, such as training centres, technical colleges and even universities in the rural areas. A local politician for example stated that a rural development agency such as KEJORA;

“should not only make efforts to attract many more factories to its new townships to provide more job opportunities for the local people but they should also attract many more institutes of higher learning, schools and colleges to the townships for their development as well as for the surrounding areas.”

(Politician, respondent 60, Kota Tinggi)

To these people, the establishment of institutes of higher learning is not only meant to persuade people generally to give more emphasis to education but to work as a catalyst in promoting development in rural areas as it could provide more job opportunities even if these are just ‘lower income jobs’. Even opportunities which could only provide low income jobs, as mentioned by some respondents, are probably much better for the villagers than nothing at all. Emphasis was also given by the Ministry of Regional and Rural Development to the education and skill development for the rural population as they were viewed as keys to rural change. So education is viewed as a catalyst for rural development.

There are growing numbers of public and private universities and colleges that have been established to widen the opportunities for rural and urban young people to further their education. At present there are 18 public and several private universities and colleges in the country. This is in line with the government objective to promote Malaysia as an education centre in particular among the developing countries. The establishment of public colleges by the ministries and agencies provides further opportunities for school leavers including those from the rural areas to further their studies. At present there are seven agriculture institutes in the country under the jurisdiction of the Ministry of Agriculture and Agriculture Base Industry (*Khairunnisa Sulaiman, Utusan Malaysia*, 27 August 2004). There are also five RISDA colleges in the country under the Ministry of Rural and Regional Development (*Utusan Malaysia*, 24 August 2004). The government has also

established community colleges, MARA Institute of Skills, MARA Impetus Centres and proposed MARA-LKIM Impetus Centres (*Utusan Malaysia*, 24 August 2004) through the Ministry of Entrepreneurial Development. Apart from these approaches, the government has also established boarding schools, many of which are located in the rural areas. Even new universities and colleges are now being developed outside the urban centres.

According to one senior officer of a regional development agency, the establishment of a community college could contribute to the rural development as this college could not only bring students in to the rural areas but also provide various training courses for the local population.<sup>21</sup> Some locals also claimed that the approach of establishing schools, colleges or institutes of higher learning in the rural areas has been able to give new life to remote villages and rural townships. Not only does it help in promoting the rural areas to people from outside the areas, but it also helps to generate local business as the visitors will spend some portion of their money there and thus contribute to the rural economy.

However, there are those who are quite sceptical that these approaches can really encourage the rural economy. Even though the presence of the staff of the institutions is said to have provided some relief to their slow-moving business, overall it does not impact much on their business. This is because the students who form the majority of the population of the institutions are normally confined within the institutions during their study periods, they also have limited purchasing power and normally will be away during the school holidays or semester breaks. When asked whether the setting up of a university in Muazam Shah, one of the rural townships in the District of Rompin, affected the development of the surrounding villages in the district, one of the members of JKKK replied;

“I think the effects are minimal, because the students stay in the hostel; they are confined to the areas, so the effects of the development happen only there. They will go out and buy things on their way back to the hostel, but during the semester break they will go back to their home town, therefore the effects of the development does not reach the surrounding villages. I don’t see the university bus coming to Rompin town even once a month. They probably have come here once a year to the resorts”

(Member of the JKKK, respondent 14, Rompin)

Some government officers have also claimed that community colleges established in the District of Rompin and Jempol, for example, are receiving a cold reception from the rural young people, as one of the officers' remarked;

"We have now a community college in the District of Jempol but there are still empty places to be filled by students. Some claimed that there were not many students in this college. There are few students in electrical as well as in welding classes. Therefore, parents of the students that do not get good results in Malaysian Certificate of Education Examination should send their children here to get skill training, to be skilled workers"

(Senior Officer of District Office, respondent 55, Jempol)

Not only are the local people still unfamiliar with the concept of a community college but the probability that graduates from these institutions will find jobs and then work in urban areas, draws young people away from the rural areas. Therefore, while rural areas with higher education levels tend to attract more diversified manufacturing (McGranahan, 2002), the inability of the rural areas to retain their educated people does not help in bringing diversity of manufacturing to the rural areas.

#### **7.2.2.6 Poverty Eradication Programme**

Efforts to eradicate poverty in the country have taken place for decades. It was intensified in late 1980s through the Development Programme for Hard-Core Poor, locally known as *Program Pembangunan Rakyat Termiskin*, popularly known by its acronym *PPRT*. There are estimated 26,000 hard-core poor families in the country at present or 0.1% of the 23.3 million population of the country.<sup>22</sup> These are families that receive per capita earnings of less than £37.9 (RM265.00) a month, which is the cut-off income level for hard-core poverty in Malaysia.

It was revealed from the study that the number of hard-core poor families in the study areas is small, 263 in the District of Rompin, 101 in the District of Jempol and only 95 in the District of Kota Tinggi. However, a poverty eradication programme has been a focus of the agencies operating in these areas.

Some of the programmes that have been implemented by the Rompin District Office to eradicate poverty are the House Restoration Programme, the Programme for Economic Upgrading, the Allocation of Shares by Bumiputera Trust Shares (ASB) and FELCRA, the

Malaysia Endeavour Trust Programme, the Spiritual Development Programme and the Two Million Fund (Briefing Notes on the Development of the District of Rompin, unpublished). The Jempol District Office has also implemented similar programmes. In order to provide a livelihood, economic projects such as aqua-culture, livestock, poultry, cultivation of cash crops and fruit trees have also been implemented. There are also programmes to provide the families with additional nutrition and training. Apart from the programmes mentioned above, there are also programmes of “arrange village” for the poor families implemented by Kota Tinggi District Office and other agencies. Through these programmes, the agencies are building several units of houses on government land and have relocated selected hard-core poor families to these sites. The sites are equipped with other basic facilities such as roads, water and electrical supplies, *surau* (a place of worship for Muslims, very much smaller than a mosque), community halls and stalls. At some sites, economic projects such as agriculture or poultry have also been provided to help the group earn some revenue.

Although the government has proudly claimed that the incidence of poverty is decreasing, it is still a source of concern in the rural areas. According to official estimates, the incidence of poverty among households in Malaysia has fallen from 18.4% in 1984 to 8.7% in 1995 and 7.5% in 1999 as shown in Table 7.3. Even though a significant decline in the incidence of poverty is apparent for both urban and rural households, it is still high in the rural areas (Athukorala, 2003). The patterns reflected in the official estimates have largely been corroborated by various independent estimates (Bhalla and Kharas, 1992; Snodgrass, 1995; Pramanik, 2000).

**Table 7.3 Incidence of poverty and hardcore poverty in Malaysia**

	1970*	1984	1990	1993	1995	1997	1999
<i>Poverty</i>							
Rural	58.6	24.7	21.8	18.6	14.9	10.9	12.4
Urban	25.5	8.2	7.5	5.3	3.6	2.1	3.4
Total	49.3	18.4	17.1	13.6	8.7	6.1	7.5
<i>Hard-core poverty*</i>							
Rural	44.6	8.7	5.2	4.3	3.6	2.5	2.4
Urban	44.6	8.7	1.4	1.3	0.9	0.4	0.5
Total	-	6.3	4.0	3.0	2.1	1.4	1.4

Source: Anand (1983); Malaysia, Ministry of Finance, Economic Survey 1998, Kuala Lumpur; Malaysia Economic Planning Agency (2001), Eighth Malaysia Plan 2001-2005, Kuala Lumpur

#### Notes

# Refers to Peninsular Malaysia only.

\* The cut-off income level for the determination of hardcore poverty is set at half of that used in defining poverty (which varies from year to year, refer to source documents listed above).

In the District of Rompin, for example, development programmes for the hard-core poor have been implemented since 1989. Despite numerous programmes implemented by the agencies, the numbers of poor households are increasing, as illustrated from the Table 7.4. The table shows that the numbers of household poor in the district have reduced significantly from 214 in 1997 to 174 in 1999. However, the numbers have dramatically increased in 2000 to 254 and 263 in 2001 due to an open applications system for the registration of the household poor and the alteration of the level of the poverty line from per capita income of RM202.50 per household to RM 230.00 per household (Briefing Notes on the Development of the District of Rompin, unpublished document). The table also revealed that although there are some who were excluded from the group of household poor annually because their per capita income has increased beyond the level of the poverty line, there are always some who have been added, despite numerous programmes that have been implemented by the government.

**Table 7.4 The distribution of PPRT participants in the District of Rompin**

Years	Total Household	Percentage % (+/-)	Households		
			Remain	New	Out
1997	214	- 14%	98	78	116
1998	176	- 21%	134	40	42
1999	174	- 1.1%	174	80	0
2000	254	+ 31.5	117	146	137
2001	263	+ 3.4%	158	(*)	105

(\*) – Still in the process of re-survey

Source: Rompin District Office

Therefore, even when poverty eradication programmes have been put in place rigorously; pockets of deep poverty remain and persist. To several government officials, the agencies' efforts to reduce the incidence of poverty have mainly been hampered by the attitudes of the group itself. Some of them have highlighted that there are some people from this group who are reluctant to participate in economic projects that are aimed at improving their income. Due to this attitude, the agencies have to appoint a third party to implements the projects on their behalf and to allocate some portion of the returns from the projects to them without they themselves being involved in implementing it.<sup>23</sup> This has consequently hampered the initial objective of the project, which was to enable the poor to stand on their own feet or help themselves.

Overall, it could be said that despite several approaches by the government to improve the rural economy, significant achievement is yet to be achieved in this aspect of development. 33% of the respondents have also suggested that the achievement in this aspect of development is inadequate. Only 5% of them said adequate achievement has been made. Even an officer from the Ministry of Regional and Rural Development admitted this shortcoming when he said that, “we have achieved in physical development but we are still half-way through in economic development”.<sup>24</sup> Therefore, more emphasis has to be given by the government to this aspect of development, as is also suggested by a member of JKKK;

“What we need now is economic developments so that people could have jobs and money to support their family. That is what is required. This kind of development is what we wanted”

(Member of JKKK, respondent 6, Rompin)

### **7. 2.3 Human Capital Development-Capacity Building**

The normal capacity building programmes organised by the agencies in the study areas are in the forms of courses, seminars and study visits. Some of programmes that are mentioned in the interviews included courses for leadership building for locals and the members of JKKK, computer illiterate courses, book keeping and basic accounts for those operating small businesses, courses on food processing, seminars on motivation and entrepreneurship, and tourism related courses in particular for those involved in ‘homestay’ programmes. In efforts to empower the rural capacity especially among the local leadership the government has also taken a significant step with the establishment in 1995 of an Institute for Rural Advancement better known as INFRA, under the Ministry of Rural and Regional Development. Its objective among others is “diffusing the changed management of rural development paradigm to parties that are involved in the efforts of reviving and developing the rural areas and upgrading the mentality of rural communities” (<http://www.infra.gov.my/corporate>).

This training institution outline and carried out numerous courses such as leadership courses, rural action plan and computer illiterate courses to build up rural capacity. However despite the effort several government officials have claimed that local participation in these activities is less than satisfactory, especially from the younger generation. An officer who has experienced conducting courses for the rural population when he was in INFRA has also pointed out that it is difficult to have new faces attending courses organised by the institute because they will normally be attended by the same participants. Even where the participants are required to attend a series of courses as in book keeping, computing or tourism related courses so that they can be familiarised with the subject, it is often difficult to ensure that the same participants attend, as the participants keep on changing throughout the courses due to lack of seriousness on their part. Their attitude has jeopardised the initial objective of the courses. Several government officers have also stressed that is very difficult to change the attitude of the people. They probably are only able to adapt to changes for a short period of time before returning to their normal way of doing things.

While admitting that much more needs to be done to build up rural human capacity, some government officials have also pointed out that such programmes are still scarce and do not cover different levels of the rural population. Some government officials have also admitted that less emphasis has been given to human capital development as compared to

infrastructure and economic development. This was evident from the allocation received by agencies such as RISDA and KEJORA for this aspect of development as shown from Table 7.2 and 7.3. Even in some cases, those who were given assistance in the form of food processing machines or other apparatus to help them with their economic activities, were not given courses to equip them with the appropriate knowledge to enable them to pursue the activities successfully.

The government as early as 1960s has also established Community Development Division of the Ministry of Rural and Regional Development, popularly known as KEMAS to carried out capacity building programmes for the rural population in particular through pre-school education and community development. Unfortunately, the agency was claimed to have fail to deliver its function effectively. Other than claims that the agency set-up and mechanism was designed to suit the political interest the governmental party, on overall some of the programmes implemented by the agency are said to have been organised on an *ad hoc* basis. They were based on limited funding and without a clear objective of what was expected to be achieved from them. Due to these limitations it is difficult for these programmes to change the unconstructive attitudes of the local population.

The government, through its Ministry of Rural and Regional Development, has also introduced the Movement for Visionary Initiative, locally known as *Gerakan Desa Wawasan* or popularly known by its acronym GDW. This is a community development programme initiated with an aim of empowering the rural communities to make them self-sustainable, able to help themselves, educated and having high working discipline. However, this programme was claimed to have failed to achieve its aims due to several circumstances. Specifically, it was due to limited involvement of the District Office, lack of manpower to co-ordinate the programme, lack of understanding on the part of the rural community of its aims and objectives and the weakness of JKKK as a community based institution that was used as a mechanism to implement the programme.

Some locals have also suggested that programmes relating to human capital development are actually scarce because there are only a few agencies involved in implementing them. A member of the JKKK for example remarked;

“To me, in terms of infrastructure, it is almost adequate. However, in terms of social or spiritual development it is still extremely scarce. We can hardly notice that these programmes are being implemented because out of four or five agencies

involved in the village development, only one of them is executing these programmes, and yet it is not every year. To me, if possible, every family in the villages should be made to become involved in these sorts of programmes, either in the form of study visits, motivational courses or whatnot. To me these sorts of programmes are important, however as I see it more emphasis was given to infrastructure development, and less to human capital or spiritual development”

(Member of JKKK, respondent 41, Kota Tinggi)

Overall, in comparison with infrastructural and economic development, less emphasis is given to human capital development. This is mainly due to the intangible nature of this programme and its limited impact in the short term. In relation to this, a respondent was quoted as saying ‘only a few agencies were involved in human and social development as it will not give tangible results.’<sup>25</sup> This argument is in line with claims that although there is the National Social Policy aimed at empowering human capital, it has not been emphasised and has been categorised as something peripheral (Roziah Omar, Utusan Malaysia, 16 August 2004). As community development is expected to help increase economic activity and enhance productivity in rural areas (Selvaratnam and Tin, 2001), the lesser emphasis given to this aspect will certainly deter efforts to change the unconstructive attitudes of the local population and to empower them to improve their economy.

### 7.3 SUMMARY

This chapter has demonstrated some of the approaches that have been carried out by the agencies for the development of the study areas. Overall, the government is very much involved in determining the direction of development in the study areas as the rural people are also dependent on them to bring development to their areas, as one of the members of JKKK remarks;

“The villagers will always be waiting for the government to bring in whatever development to their villages. They will also ask the government to be their provider. This is because they are lagging in economic and educational aspects. Therefore, they normally turn to the government to provide them with basic amenities such as water, electrical supply and housing or even anything they could think of.”

(Member of the JKKK, respondent 29, Kota Tinggi)

Several locals even stressed that it is an obligation of the government to help the rural population and they deserve that assistance, as another member of JKKK remarks;

“To me the suggestion that the villagers are too demanding of the government’s allocations and assistances does not arise. They deserve what-ever allocations which are provided by the government. The problem is the allocations do not normally reach them.”

(Member of the JKKK, respondent 8, Kota Tinggi)

In term of development, the study also shows that, despite some villages which are still lagging behind in infrastructure development and the provision of basic amenities probably due to their remoteness, overall 59% of the respondents suggested that satisfactory achievements have been made in this aspect of developments. This is in accordance with only 31.2% of them who have indicated that limited infrastructural developments are a problem in the study areas. There are several reasons as to why this achievement was possible, such as its tangible nature and the engagement of a bottom-up approach to development. However, it is mainly because it was given a greater emphasis as compared to other aspects of development. This is not surprising because this form of development has been implemented in Malaysia since the launching of the Rural Development Plan, only a few years after the country achieved its independence in 1957 (S. Husin Ali, 1981). Since then infrastructure development has been a key characteristic of government policy in Malaysia (Athukorala, 2003). Even rural development in Malaysia was claimed to have a basic amenities bias (Shamsul, 1990).

The establishment of land development agencies such as FELDA, FELCRA and RISDA is a direct intervention by the government to regenerate the rural economy. This approach is said to have enabled the government to develop thousands of acres of secondary jungle and fringe village land into large plantations of commodity crops. Thousands of landless villagers are able to own land through FELDA land development schemes and thousands more are able to develop their lands with high quality seedlings with the help of FELCRA and RISDA. However, as the concentration of this land development approach is on commodity crops, it relies on global markets and does not normally provide stable incomes to the farmers. Lack of interest among the second generation towards the agriculture sector has become a major threat not only to this land development approach but to other agriculture related activities as well. Agriculture is said to have lost its future adherents.

To diversify rural economies, the government has also tried to provide job opportunities in the study areas through industrial, tourism, educational and entrepreneurial developments. These approaches, however, do not seem to be successful. Rural areas, as previous studies

have revealed, are not a favourable location for the manufacturing sector (OECD, 1986; Marshall 1975; Glasmeier, 1991; Goetz and Rupasingha, 2002; Drabenstott, 2003) and have never been viewed as a vital part of rural development strategy in the developing countries (Olanrewaju and Falola, 1992). Therefore, the number and size of industries in the rural areas are small, employing only limited numbers of people and normally with low wages. These limitations mean that jobs for the abundant supply of workers in the study areas could not be provided nor could they be persuaded to stay in their localities. Thus, migration of the younger generation to urban areas and the incidence of villagers commuting to growth centres on a daily basis is a normal phenomenon.

Tourism developments which have exploited rural potential also do not seem to bring much benefit to the local population. Their high dependence on private sector initiatives and heavy investments make them too vulnerable to market instability. With a low level of education, rural young people will normally be employed in low level positions with low wages. They are also the most likely to be made redundant if the sector is facing a difficult situation. With still less emphasis given to the development of rural tourism, local participation in this sector is limited to small tourism-related activities such as operating low budget chalets, organising fishing trips for tourists, river cruises or participating in ‘homestay’ programmes. Limited financial capital and knowledge have normally hampered the initiative to participate actively in this sector even though it provides large potential for development.

The government has also tried to accelerate development in the study areas through educational related development. However, the development of boarding schools and institutes of higher learning in the study areas does not seem to bring much impact to the development of the areas. With a limited population, weak purchasing power, limited financial capital and problems of marketing, entrepreneurial development also does not seem to be the best approach for rural populations to improve their level of income. In short, even with several approaches made by the government to improve the economy of the study areas, it does not seem to have adequately met its objective. It is not surprising therefore that 89.9% (from Table 6.1 in Chapter Six) of the respondents have suggested that the disadvantages of the rural economy are the most profound problem faced by the local population in the study areas. Even though the incidence of poverty is said to be small and decreasing, it is still a serious concern in the study areas.

Since much concentration was given to infrastructural and economic development, relatively less emphasis was given to human capital development. Only a small number of agencies is said to have emphasised this aspect of development, mainly because of its intangible nature, that is it does not give a quick impact to the rural development as compared with infrastructural and economic approaches.

As a conclusion, it may be said that there is imbalance in the emphasis given to these three aspects of development. Although continuing emphasis has been given to infrastructure and basic amenities, and satisfactory progress has been made in this aspect of development, comparatively less has been achieved in economic development. This is because concentration on economic development is still being given to the agriculture sector especially the development of commodity crops, in spite of the instability of their prices and lack of interest on the part of the younger generation of the rural population towards this sector. Efforts to develop rural industries were proved to be less successful due to the lack of capital infrastructure as well as the fact that the rural areas are not a favourable location for the manufacturing sector. Other efforts to develop the rural economy through tourism, educational development and entrepreneurial activities have also proved to be unsuccessful. With fewer achievements in economic development, it is not surprising that the disadvantage of the rural economy was suggested to be the most profound problem faced by the rural community in the study areas. Less emphasis given to human capital development is also not helping to empower the people to enable them to play a much bigger role in developing their own potential rather than to be dependent on the government for every aspect of their development. Therefore, much more emphasis must be given to economic development through diversification of the rural economies probably by developing the rural areas' own potential. This can only be done through the process of capacity building with the support of effective institutional arrangements. It is, therefore, the aim of the next chapter to evaluate whether the existing institutional arrangements are adequate to enable the intervention to take place.

### **Notes**

<sup>1</sup> Interview respondent 27, Assistant Secretary in the Ministry of Rural and Regional Development, Putra Jaya.

<sup>2</sup> Interview respondent 49, a village head in the District of Jempol.

<sup>3</sup> Interview respondent 59, a politician, District of Kota Tinggi.

<sup>4</sup> Interview respondent 34, Officer of the Federal Land Consolidation and Rehabilitation Authority in the District of Kota Tinggi.

- <sup>5</sup> Interview respondent 6, Agriculture Officer in the District of Rompin.
- <sup>6</sup> Interview respondent 6, Agriculture Officer in the District of Rompin.
- <sup>7</sup> Interview respondent 42, a village head in the District of Kota Tinggi.
- <sup>8</sup> Interview respondent 1, Members of the Village Development and Security Committee in the District of Kota Tinggi.
- <sup>9</sup> Interview respondent 20, Members of the Village Development and Security Committee in the District of Kota Tinggi.
- <sup>10</sup> Interview respondent 9, a village head in the District of Kota Tinggi.
- <sup>11</sup> Interview respondent 57, the General Manager of the Regional Development Agency in the District of Kota Tinggi.
- <sup>12</sup> Interview respondent 57, the General Manager of the Regional Development Agency in the District of Kota Tinggi.
- <sup>13</sup> Interview respondent 29, Members of the Village Development and Security Committee in the District of Kota Tinggi.
- <sup>14</sup> Interview respondent 41, Members of the Village Development and Security Committee in the District of Kota Tinggi.
- <sup>15</sup> Interview respondent 56, Members of the Village Development and Security Committee in the District of Kota Tinggi.
- <sup>16</sup> Interview respondent 47, a village head in the District of Jempol.
- <sup>17</sup> Interview respondent 9, a village head in the District of Kota Tinggi.
- <sup>18</sup> Interview respondent 9, a village head in the District of Kota Tinggi.
- <sup>19</sup> Interview respondent 41, Members of the Village Development and Security Committee in the District of Kota Tinggi
- <sup>20</sup> Interview respondent 45, a village head in the District of Kota Tinggi.
- <sup>21</sup> Interview respondent 57, the General Manager of the Regional Development Agency in the District of Kota Tinggi.
- <sup>22</sup> Interview respondent 38, Senior Manager of the Regional Development Authority in the District of Kota Tinggi.
- <sup>23</sup> Interview respondent 58, Officer of the Jempol District Office in the District of Jempol.
- <sup>24</sup> Interview respondent 53, a village head in the District of Rompin.
- <sup>25</sup> Interview respondent 41, Members of the Village Development and Security Committee in the District of Kota Tinggi.

## **CHAPTER EIGHT**

### **THE EFFECTIVENESS OF THE INSTITUTIONAL ARRANGEMENTS**

#### **8.1 INTRODUCTION**

In Chapter Seven, the approaches undertaken by the government agencies to generate the rural economy were discussed. It was shown that much emphasis is still being given to infrastructural development and basic amenities, mainly because these kinds of intervention for developments are still very much needed, are easy to manage and can bring visible impacts to the rural areas. Consequently, considerable progress has been made on this aspect of development. Efforts to improve the rural economy have also been made by the government through direct intervention in agriculture, industry, tourism, educational and entrepreneurial development. However, much emphasis is still being given to agriculture development despite its declining importance and contribution to the country's economy as well as diminishing interest of rural young people in this sector. In addition, the concentration of agriculture development on commodity crops has not been able to provide a stable income for the rural communities because of its dependence on world market prices.

Efforts have also been made to bring industries to the study areas but development has been hampered by lack of capital investment. Rural areas have also proved to be unfavourable locations for the manufacturing sector. Therefore, only sparse and small size industries are operating in the study areas, forcing their substantial labour force to migrate or commute daily to urban centres for better opportunities. There are efforts to develop the tourism sector but its impact on the local economy is marginal. Due to the low level of education, the local population can only be employed in lower positions and thus earn lower wages. They are also

the most likely to be affected when this sector is facing unfavourable economic conditions. Even though there are large potentials that could be developed for rural tourism, little emphasis has been given by the government to this sector. Efforts to improve rural education and provide more educational facilities in the rural areas to make it the catalyst for development have also been unable to make much impact. Rural areas are actually unable to prevent their talented and educated people from migrating. They are, therefore, losing their most valuable asset, that is the human resources that could provide leadership capacity and capabilities to help develop their economy. With a small population, low purchasing power and reliable accessibility to the growth centres, entrepreneurial development has also been unable to bring much improvement to the local businesses and other entrepreneurial activities.

Generally, the business approaches undertaken by the government have been unable to address the disadvantage of the local economy which was identified as the most profound problem faced by the rural community in the study areas. Their level of income is still low in almost every aspect of the economy. Although the number of poor households is said to be decreasing, the incidence of poverty is still a matter of much concern. With less emphasis given to human capital development, local communities cannot be empowered to build up their own potential and to become less dependent on government assistance. To address these problems, better and more effective approaches to rural development are needed. Obviously greater emphasis should be given to business development, in particular to diversify the local economy. This can be done through the development of local potential and with wider and more active participation of the rural communities themselves.

Nevertheless, sound economic planning and approaches still need to be supported by effective institutional arrangements to provide suitable conditions whereby the development programmes could be delivered effectively. Baum and Stokes (1985), for example, have indicated that deficiencies in design and inappropriate institutional arrangements have been the most important factors contributing to the problems associated with 80% of the agricultural projects by the World Bank. Several other studies have also indicated that ineffective institutional arrangements have hindered organisations' performances and prevented them from functioning effectively (Tang, 1991; Fuentes, 1998; Lane and Stephenson, 2000; Sanwal 2001). Due to their importance, OECD (1993) has recognised that finding more effective institutional arrangements for rural development is one of the three challenges faced by those

involved in this area. Even though they will not guarantee improvements in rural development, having effective, well-designed and suitably targeted institutional arrangements is essential.

Ostrom (1986) defined institutional arrangements as rules that “refer to prescriptions commonly known and used by a set of participants to order repetitive, independent relationships”. According to Lowndes (1996), formal institutional arrangements are contracts, administrative hierarchies, legislative and decision-making procedures, budget mechanisms and bureau types. In a simple definition the difference between the term institutional mechanism and institutional arrangement is only a matter of “how to” and “by whom” (ISRDS, 2000). In the context of this dissertation, the discussions will be focused on the analysis of the effectiveness of institutional arrangements.

The characteristics of effective institutional arrangement that were tabled and discussed in Chapter Four includes emphasis on co-operation for common goals; less bureaucratic, flexible/decentralised procedures; shared information; and bottom-up/endogenous processes to allow public/rural participation. This is all the kinds of effective institutional arrangement that are required in Malaysia to deliver effective rural development. In other words the study is focusing on attributes of institutional arrangement that includes relationship between organizations; organizational structure; decision making process; information; development approach; and public/rural participation. It is therefore the aim of this chapter to look into some of the characteristics concerned and to analyze and evaluate whether they are effective or ineffective to provide a suitable condition in which profound problems faced by the rural communities in the study areas can be addressed.

For that purpose this chapter will be divided into five sections;

- Section one is the introduction to the chapter. In this section the kinds of interventions undertaken by the government to address rural development problems are summarised and the effective institutional arrangements that provide suitable conditions for the development programmes are discussed.
- Section two will describe different attributes of institutional arrangement that are involved in the development of the study areas. They are the state-based agencies, the national-based agencies and community-based organisations, in particular the Village Security and Development Committee (JKKK).

- In section three, the relationship between these organisations and their emphasis on co-operation for common goals are described.
- The evaluation of roles played by each organisation in the development process will be the subject of discussion in section four. The discussion in this section will also include problems of co-operation and co-ordination between agencies, local participation in the development process, the privatisation and corporatisation of agencies as an alternative approach to rural development and evaluations of what should be the most appropriate arrangement for rural development. This section will set out what kind of institution and institutional arrangements which are required in Malaysia to deliver effective rural development. In this sense, the section will assess the difference between what is needed and what actually happens in Malaysia.
- Some concluding remarks are provided in the last section of this chapter.

## **8.2 THE ATTRIBUTES OF RURAL ORGANISATIONS**

Rural development in Malaysia is implemented through a multi-organisational approach. However, these organisations can broadly be categorised as state-based agencies and national-based agencies. Examples of the state-based agencies are the District Offices and the Department of Agriculture, while some of those belonging to national-based agencies are the Federal Land Development Authority (FELDA), Federal Land Consolidation and Rehabilitation Authority Berhad (FELCRA Berhad), Rubber Industry Small-holder Development Authority (RISDA), The Department of Community Development (KEMAS) and the regional development agencies such Southeast Johore Development Authority (KEJORA). The state-based agencies were formed by the State Government, whilst the national-based agencies were formed by the Federal Government. According to Shamsul (1990: 203), the projects executed by the state-based bodies are proposed by the district bureaucracy after being recommended by *mukim* and village communities and planned by the respective state government planners. On the other hand, policies and projects of the national-based agencies are formulated and their implementation monitored from the top. With such arrangements, national-based agencies seldom have their policy formulation affected by the local political situation, except at implementation level. However, local politics often shape the policy formulation and the implementation process of most of the projects belonging to state-based agencies. At the grass-roots or village level there are various voluntary institutions,

either formed by the State Government or federal agencies, to assist them in the implementation of rural development programmes. The most prominent of these is the Village Development and Security Committee, locally known as *Jawatankuasa Kemajuan dan Keselamatan Kampung* or popularly by its acronym JKKK.

Organisations such as the district offices and the Department of Agriculture were formed as an earlier mechanism to carry out development programmes in the rural areas. The district offices, for example, were formed by the British Government during the colonial era to act as a bridge between the people and the government (Mohd. Salleh Abas, 2003). This body was later used by the independent government as a mechanism to carry out projects for rural development such as the Rural Economic Development (popularly known as the RED BOOK Plan) (Ness, 1967). On the other hand, most national-based agencies, apart from FELDA, which was established on July 1, 1956 (Ness, 1967), were formed by the Federal Government with the introduction of the New Economic Policy (NEP) in 1970. This was a series of five-year development plans from 1971 to 1990, with the stated objective, not only to reduce poverty at the national level, but to eliminate the identification of race with economic function (Lee, 2004). It is an affirmative action approach focusing primarily upon the Malays by expanding Malay special privileges and by formulating new projects especially designed to raise the economic position of the Malays (Means, 1972). Since most of the Malays live in the rural areas, the approach could be seen not only to increase Malay participation in the economy (Munro-kua, 1996; Mehmet, 1988) but also as a major step to improve the rural economy. The establishment of these agencies at the state level is to assist the State Government in accelerating and boosting the development in the lagging rural areas. There are many other organisations which play direct or indirect roles in rural development such as the department of work, education department, health department, and department of drainage and sewerage but the said organisations are playing the leading role in implementing development programmes in the rural areas.

The rationale behind the establishment of various agencies dealing with rural development programmes is to provide specific bodies to look into almost every aspect of rural life. This is in the hope that every problem faced by the rural communities could be effectively dealt with to promote rapid development in rural areas. This is also in line with the practice of most developing countries which engage development issues with the multi-organisational

approach, on the assumption that the more organisations reach rural population, the more successful the development is going to be, as suggested by Uphoff and Esman (1979).

With that background at the district level, not only is there a district office to play an administrative and development role, there are also other development agencies operating beside them to carry out specific functions, as well as JKKK, which acts as the local representative in dealing with the government agencies. This is the existing institutional arrangement for rural development in the study areas. Therefore, where development is concerned, these three organisations, the state-based agencies, the national-based agencies and JKKK play a leading and prominent role. The attributes of these organizations are elaborated below.

### **8.2.1 The State-Based Agencies**

#### **The District Office**

The district office is the main department at the district level. It is responsible for the district administration and developments in general. Its main functions, among others, include secretariat for monitoring the roles played by government departments and agencies in project implementation and development; secretariat that motivates various socio-economic activities; administration centre and the main planner; protocol and procedure centre for official government events; centre for monitoring matters related to security; as well as centre for conveying and disseminating the government's development policies and programmes (<http://www.sabah.gov.my>).

The focus of developments of the district offices is on the provision of rural infrastructure and basic amenities, such as the construction and upgrading of village roads and bridges, the provision of water and electrical supply, street lights, multi-purpose halls, community or meeting halls, religious facilities, business premises and so forth. The department is also responsible for socio-economic developments, in particular assistance to the hard-core poor by providing them with suitable houses or repairing their existing houses, implementing various economic activities for the benefit of the group and providing schooling facilities for their

children. The department also engages in planning and implementing economic activities such as the development of unused land, tourism projects, small businesses and cottage industries. Some of these development programmes are carried out with the co-operation of other development agencies at the district level whether they are the state or the federal agencies.

## **Department of Agriculture**

Its corporate mission is to provide quality and efficient service to agricultural entrepreneurs in the application of crop technology and downstream industries as well as in agricultural regulatory services in order to increase the nation's agricultural production ability. Three main objectives of the department and some of the functions by which the said objectives are to be achieved are shown in Table 8.1.

**Table 8.1 Objectives and functions of the Department of Agriculture**

Functions	Objectives
<ul style="list-style-type: none"> <li>• To evaluate, modify and formulate packages of technology from agencies/research bodies according to the local conditions and then convey them to the agricultural entrepreneurs.</li> <li>• To provide consultancy services and technical support as a package to entrepreneurs, the private sector and agriculture development agencies.</li> <li>• To build up the nation's agricultural information resources for the use of agriculture sector planning and implementation.</li> <li>• To produce skilful manpower in the cultivation sector through Agriculture Training Centres.</li> <li>• To control and monitor the standard of the nation's crop materials/seeds.</li> <li>• To communicate and co-operate with private or public organisations either locally or internationally which are involved in commercialisation, enforcement and agriculture commercialisation.</li> </ul>	<ul style="list-style-type: none"> <li>• To increase the production of cultivated lands efficiently by means of technology transfer and research results.</li> <li>• To change the attitudes of the peasants and to make them more prepared to accept the new technology and to actively participate in the agricultural development process, and</li> <li>• To increase the contribution of agricultural sector to the nation's economy by encouraging and developing certain crops.</li> </ul>

Source: *Laporan Tahunan Jabatan Pertanian Negeri Johor, 2001*

## 8.2.2 The National-based Agencies

### The Federal Land Development Authority (FELDA)

This is the foremost land development agency in Malaysia and was established on 1<sup>st</sup> January 1956. Its objectives are to help the government carry out rural land development schemes and to raise the economic status as well as the living standards of the rural community. This has been done through the resettlement of the rural poor in newly developed areas which are mainly planted with commodity crops. Initially, FELDA was functioning as the State Land Development Board to manage and channel financial aid to the State Government to carry out land development schemes in the respective states as well as co-ordinating land development in these states which involves the movement of people within the state (<http://www.felda.net.my>). Overall, the agency is said to have raised the living standards of the rural community as well as narrowing the gap in the quality of the life between the urban and rural populations.

### Rubber Industry Small holders Development Authority (RISDA)

The developments strategies adopted by the agency are as in Table 8.2 below.

**Table 8.2 RISDA: Development Strategies and Flagships**

Development Strategies	Flagships
<ul style="list-style-type: none"><li>• Focusing development activities on active smallholders; that is the owner-entrepreneur who depend on their cultivated land for living, have the ability to work and are interested in changing their way of living.</li><li>• Emphasising group development.</li><li>• Developing individual estates by giving opportunities to progressive smallholders.</li><li>• Implementing economic development projects based on market drivers or forces.</li><li>• Using subsidised services and expertise for the implementation of a larger scale economic project that could benefit the smallholders.</li><li>• Implementing spiritual development projects in order to bring about a community of smallholders with initiative, sincerely religious, grateful and possessing a living and working ethic which is glorious, excellent and renowned.</li></ul>	<ul style="list-style-type: none"><li>• Replanting and estate development.</li><li>• Additional economic development.</li><li>• Development of commercial economics.</li><li>• The development of smallholders' institutions.</li><li>• Household development.</li></ul>

## **The Federal Land Consolidation and Rehabilitation Authority Berhad (FELCRA Berhad)**

The land consolidation programme under FELCRA was to ensure that such projects had economic sized holdings. The transfer of population from under-developed villages to more developed sectors represents another effort in FELCRA's approach in the consolidation and development of unused areas with the objective of increasing their productivity. The land rehabilitation programme; on the other hand, involves the development of unused land found in traditional villages all over the country. These programmes were and are in line with government policies such as the National Development Policy, the National Agriculture Policy and the concept adopted in the New Approach to the Restructuring of Villages.

Its corporate objectives are to generate higher returns on projects; upgrade the quality of life of target groups—rural communities and staff; improve the productivity level through efficiency and state-of—the art technology; expand the technology of land consolidation and management to foreign countries, and improve the value added economy of the company.

## **The Department for Community Development or KEMAS**

The Department's roles, objectives and strategies used in achieving its mission and objectives are as shown in Table 8.3.

**Table 8.3 Kemas Role, Objectives and Roles**

Roles	Objectives	Strategies
<ul style="list-style-type: none"> <li>• Change the attitude and implant purified values in the society as to build and develop a competitive and self-sustaining society.</li> <li>• Generate initiative and the feeling of responsibility among every member of the society in social, economic and political development.</li> <li>• Stimulate the active participation of the people in achieving the government and nation's objectives.</li> <li>• Tighten up the government-people relationship in addition to getting the people's supports in the nation's development efforts.</li> </ul>	<ul style="list-style-type: none"> <li>• Generate a knowledgeable society, self-supporting and having purified values which could give them the ability to withstand competition and challenges to make rural areas developed, attractive and profitable.</li> <li>• Increase socio-economic, physical, intellectual and spiritual development as well as providing children aged 4 to 6 with skills through pre-school education.</li> <li>• Ensure that the planning and implementation of programmes and activities will involve total participation from the members of the society (participants, parents and local leadership).</li> <li>• Increase the quality and productivity of the staff through courses and training by encouraging an attitude change and application of new methods in all KEMAS programmes and activities.</li> </ul>	<ul style="list-style-type: none"> <li>• Emphasise human development as the core of rural community development.</li> <li>• Equip the mind through education and skill according to present requirements.</li> <li>• Use direct and collective involvement with other government agencies, private, community institutions and individuals in efforts to develop the rural population.</li> <li>• Stimulate the target groups to come up with ideas to plan for development programmes.</li> </ul>

Source: <http://www.kplb.gov.my>.

### **The Southeast Johore Development Authority (KEJORA)**

The main functions of the agency as specified in its Act of establishment include to promote, stimulate, facilitate and undertake economic and social development; to promote, stimulate, facilitate and undertake residential, agricultural, industrial and commercial development in the region; and to control and co-ordinate the performance of aforesaid activities in the said region (Kajian Perancangan Semula Pelan Induk KEJORA, 1986:25). In carrying out its objectives, KEJORA concentrates on seven main activities;

- development of new rural townships;
- agriculture development in areas of 101,068 hectares; identified as suitable for that purpose;

- industrial development;
- entrepreneurial developments;
- tourism development;
- development of traditional villages;
- and social and institutional development. For that purpose it receives a direct allocation for development from the Federal Government through the Ministry of Rural and Regional Development.

### **8.2.3 The Community-based Institutions**

Various community-based institutions or grass roots-level organisations have been established in the rural areas by the federal agencies or the State Government, as in Table 8.4.

**Table 8.4 The Community-based institutions**

The Establishers	The Institutions
1. Ministry of Information	Groups of Viewers, Listeners and Readers (K3P)
2. Ministry of Internal Affairs	People's Volunteer Corps (RELA or <i>Ikatan Relawan Rakyat</i> )
3. FELDA	JKKR ( <i>Jawatankuasa Kemajuan dan Keselamatan Rancangan</i> )
4. KEJORA	Committee for the Development and Security of the Community of the KEJORA New Township or JKMB ( <i>Jawatankuasa Kemajuan dan Keselamatan Masyarakat Bandar-bandar Baru</i> )
5. FELCRA	FELCRA's women's groups or WADIRA
6. Federal Government	Village Development and Security Committee (or JKKK) – the most prominent

Source: From various secondary data.

## **The Village Development and Security Committee (JKKK)**

This is the main community-based institution that was formed at the village level. With minor differences, the general structure and functions of this institution is uniform throughout the country. It acts as the eyes and ears of the government. It is also used by the Federal Government as a means to get its message and policies across to the mass rural population. In other words, it acts as a bridge between the government and the rural population.

### **8.3 THE ORGANISATIONS' INVOLVEMENTS IN THE DEVELOPMENT PROCESS**

In general, developments in the study areas are a two-way process. Development programmes may be initiated or planned from the top by the ministries and their agencies and delivered downwards to the rural populations either through the state-based agencies or the national-based agencies. They may also be initiated or proposed from below by the local population through the JKKK or other community-based institutions and also by the local politicians.

The involvement of these organisations in the process of development is shown in Diagram 8.1. The diagram illustrates in general how development takes place in the study areas. The suggestions or ideas for certain programmes or projects to be implemented in the villages can be initiated from below at the grass-roots level or through the so-called 'bottom-up approach'. The possible action that can be taken by the district office or other agencies at the district level is to consider the applications to ascertain if they think the requirements are reasonable and fit in with the available allocations. They can also push the applications forward to higher authority at the state level that is the State Government Secretary in the case of the state-based agencies or to their state office in the case of national-based agencies. The district office could also forward the applications to respective national-based agencies if it is appropriate and in accordance with the agency's jurisdiction. The applications can also be kept in view or be used as a data base for future planning. At the state level the applications may be forwarded by the State Government Secretary to the Ministry of Rural and Regional Development through the State Development Office. As for the national-based agencies the applications can be forwarded direct to their headquarters at the federal level in the form of development planning for further consideration.

Apart from government agencies and community-based institutions, rural populations can also forward their applications for development programmes or projects through political channels through the local politicians who can forward them to the appropriate agencies either at the district, state or even to the Ministry at the federal level. However, the allocations approved through this channel will also be channelled through government agencies in particular the district offices.

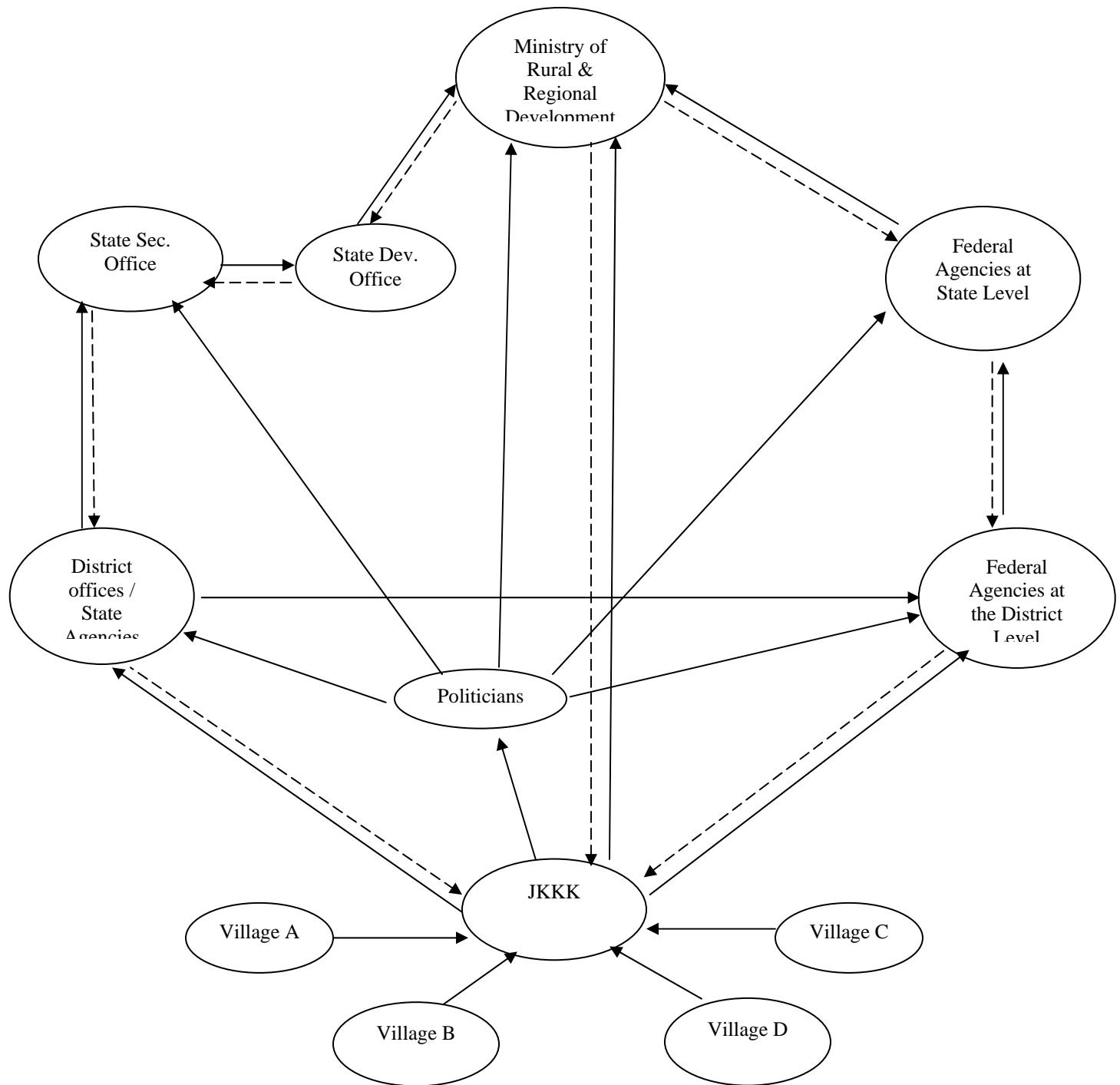
On the other hand, development programmes or projects such as poverty eradication programmes, provision of rural roads, rural tourism projects, rural industries, programmes for GDW may be initiated through a top-down approach. The programmes can be initiated by the ministries or their agencies at the federal level. The allocations for the programmes or projects will then be delivered downwards through State Development Office and federal agencies at the state level. From the State Development Office programmes will be channelled to the State Secretary's Office and downwards to the district office and will finally reach the target group through the JKKK at the village level. As for the national-based agencies the allocations for the programmes and projects will be channelled to their respective branches at the district level and from there reach the rural population either through the JKKK or direct to their respective target groups. This is a basic framework by which developments are initiated and delivered to the rural communities.

The data or information used by the ministries or agencies for their development planning may be based on the information gathered at the grass-roots level or based on the ministries' own visions, objectives, observations and evaluations. The ability of the ministries and agencies to implement what has been planned very much depends on the allocations approved by the Treasury at the federal level. On the other hand, as most community-based institutions have limited financial resources their ability to acquire development programmes or projects for their villages very much depends on their active participation in the development process and allocation received by the development agencies and considerations given by the agencies to their applications.

These are the basic arrangements employed in delivering development programmes to the study areas. It is therefore, the focus of this section to illustrate the effectiveness of these

institutions in relation to the developing the capabilities of these agencies in delivering such development programmes and projects in the rural areas, and to evaluate whether it is an effective arrangement or not, and to determine what effect it has on the overall rural development in the study areas in particular and in Malaysia in general.

**Diagram 8.1: Process of development in the study areas**



Key:-

Flow of applications from grass root-level



Flow of programmes or projects and allocations from top

## **8.4 THE EFFECTIVENESS OF THE INSTITUIONAL ARRANGEMENT IN RELATION TO DEVELOPMENT**

### **8.4.1 The Roles of the District Offices**

As mentioned earlier, the focus of developments of the district offices is on the provision of rural infrastructure and basic amenities. Therefore, their concentration is mainly on the physical development as approved by one of their staff members (refer to Chapter Seven, page 168). Development allocations received from the State Government, the Federal Government (especially from the Ministry of Rural and Regional Development) and allocations provided to the Members of Parliament and the State Assemblymen/women are largely used to serve that purpose. However, these allocations are said to be small and this has been admitted by some government officials and local people (refer to Chapter Six, page 181). A limited allocation for development is therefore a major hindrance to the district offices in delivering development effectively in the rural areas. In order to pursue the rural developments adequately, “we need the Federal Government assistance in term of funds”, said a District Officer. Several staff members of the district offices have also highlighted that even though they could see the potential of areas to be developed as business centres or tourists’ attractions where business activities could be encouraged to take place, financial constraints normally prevents the ideas from materialising. One of them, for instance, made these remarks;

“In term of development there is still lot of room for improvements. Through discussions with the district officer, there are lots that we could do to develop this areas as a tourist destination. However, it is up to the State Government to really think about it. In terms of vision, I think they have it but the question is whether they also have the capabilities to provide the infrastructures for the development to take place. Normally, when it comes to big projects like this, the State Government failed because some states have limited financial capabilities”

(Administrator of the *mukim*, respondent 16, Rompin)

Obviously with the financial limitations, the agency can only concentrate on providing small infrastructural and basic amenities to the villages. Not only because these projects require relatively small allocations, but also within these limited allocations they have to concentrate on small projects so as to allow them to spread the allocation to as many villages as possible to cater for their requirements. These projects are also much easier to manage and will give an

immediate impact in the villages. Even so, their ability to cater adequately for the local needs is still limited. This was evident from the suggestions made by the local population that the agency has been slow in dealing with their applications. Some projects have had to be abandoned due to shortage of funding. There are even projects which have never been implemented after being approved by the agency. This limitation has led to the situation where not only bigger projects that are important to act as the catalyst for rural development could not take place, even small scale projects such as the provision of basic amenities have to be made on a selective and priority-first basis. This has led to some locals being dissatisfied with the agency's performance as they felt that they had been neglected in terms of development, either by the agency not responding to their applications or through unfair distribution of development projects in the villages. Some even claim that the agency is practising favouritism and cronyism as some villages managed to get more in terms of development while others got only the smaller remaining shares. Projects were also normally being awarded to the villages based on the initiative shown by them and intimate relationships between the agency and some of the village heads, as admitted by a member of JKKK;

“Our relationship with the administrator of the villages and district office is a two way process... we have to co-operate with the higher authorities... we have to have that kind of relationship otherwise the village will not develop. There must be a relationship and we must be diligent ... if we are requesting for projects we must diligently follow it up with the district office... there must be a close relationship without which the village will be left behind”

(Member of JKKK, respondent 39, Jempol)

Consequently, with limited allocations against such a huge demand, there is always room for some to take advantage of them for their vested interest. With reference to this, several locals and even government officials have claimed that some village heads have made use of their close relationship with the agency to gain contracts for their vested interest. Therefore, while some village heads managed to secure several projects for their villages, others have been left behind due to their deficiencies.

With the limited financial resources faced by the district office, apart from the broad-based agencies such as the regional development agency, locals are turning to the politicians,

normally their Member of Parliament or the State Assemblymen/women, for financial assistance. In the case where there is no regional development agency operating in the district, such as in the District of Rompin and Jempol, the only resource available to them other than the district office is the local politicians. This has made the politicians influential figures in village development because they can provide a source of financial aid either from the allocation provided to them for that purpose or by getting it through political channels. With such influence, politicians can act not only as a funding provider but can also determine to whom the allocation should go to, what kinds of projects should be implemented and where. It is not surprising, therefore, that most of the village heads and its JKPK members are members of the main political party that forms the government because it will help them to get access to development through political channels. Normally those with close relationships with the politicians will be able to have easy access to the allocations as compared with those who have not, as noted by a member of the JKPK;

“The Deputy Minister is from there, he is also a Member of Parliament for that constituency. Therefore, much of the allocations are being given to the village. If we have someone from this village who are holding such position we will be able to have the same advantage”

(Member of the JKPK, respondent 22, Jempol)

Since physical projects are the most requested by the villagers because they are much easier to think about, easier to manage and more visible in nature as compared with business activities or human social programmes, they are the most favoured by the politicians as they can be used for political mileage. This should also explain why emphasis has been given to this kind of development in the rural areas.

The politicians’ involvement in the development process could be beneficial from one point of view, because it helps in bringing in development to the villages or at least could speed up the implementation of some projects. Nevertheless it could also interrupt the functions of the district offices as they could be influenced and by-passed during the project’s implementation process as remarked by one of the respondents;

“There are projects which were given direct to the politicians through political channels where the district office does not have the control over it... the politicians decide where the projects will be implemented ...we just control the payments...when

the projects are completed we check whether they are according to the specification of work, we certify it and we make the payment if it is suitable. Certainly it posses some problems for us because there was no initial viability study to determine whether the projects are suitable or not...sometimes there is already community hall in that particular area, but they decide to build another one there, sometimes we think there is no need for a village road to be build in a particular areas but they proceed according to the people's requests...since the politicians insisted on it to be implemented, we cannot resist them even though there was no viability studies"

(Senior officer of the district office, respondent 55, Jempol)

Therefore, political involvement in the development process has made the roles of the district office less effective in planning and implementing development programmes in particular in providing infrastructure and basic amenities to the villages.

Besides lacking in financial resources, the agency is also said to be lacking in administrative and professional staff. Even the Chief Secretary to the Government admitted that ancillary duties of district officers have affected their main task of land development, area development and improvement of the government's delivery system (<http://www.Bernama.com>). With this limitation and other official responsibilities, it is normally beyond the capacity of the district offices to focus on doing proper planning for district development, as noted by two of the officers;

"We see there is a weakness in the district office. We are short of staff and have inadequate expertise. At present we only have one senior officer in development unit with two or three of his staff. We have only three staff and one senior officer in the land office. There are also five administrators of the *mukim*. These are the only people who do all the work, planning and developing for the district at the district office"

(Administrator of the *mukim*, respondent 32, Rompin)

"In this district office, there are only four assistant district officers to do the planning for the district; we can't even cope up with routine works, what more to concentrate on doing research"

(Senior Officer in the District Office, respondent 55, Jempol)

This has also prevented the staff of the agency from attending the JKKG meeting regularly which they themselves scheduled. They therefore would miss the opportunities to get first-hand views of the problems faced by the local communities and were unable to engage in a

hands-on approach to development which is important to the agencies in order for them to realise the real problems faced by the local people on the ground. Therefore, normally the projects were implemented according to the applications made by the local population. This can be on *ad hoc* basis, or merely dependent on the people's requirements, or through what was understood in the bottom-up approach. Since physical projects are the simplest form of development that could be figured out by the local population and could bring visible impact to the village landscape, these kinds of projects are the most obvious kind of project requested by them, while other kinds of development were given less emphasis.

With the limitation in terms of financial allocation and staffing, the ability of the district offices to engage in other kinds of activities such as business and human capital development are even further reduced. This is mainly because these kinds of development need more attention from the staff, require longer periods of implementation and have an uncertain impact. With respect to business development, an officer of the district office, for example suggested that they could initiate agriculture projects or cottage industries as a way to improve the local income, but they normally cannot afford to monitor the projects or do the follow-up due to shortage of staff and their involvement in other official duties. This does not mean that the district offices do not engage in business development programmes such as providing business premises for the villages, implementing agriculture related programmes or cottage industries, but due to the limitations, these kinds of activities are normally done superficially, at intervals and on a small scale. The attitude of the local population, who are too dependent on government agencies in almost every aspect of economic activities such as getting access to financial resources, advisory and technical services as well as in marketing their products, normally make these activities unsustainable.

These limitations have also prevented the agency from being actively involved in human capital development as pointed out by one of the administrators of the *mukim*;

“For the traditional village, we admit that we are lacking in giving guidance to the village heads in terms of leadership, firstly because we lack the financial capabilities and secondly we lack staff, we lack officers ...that is a huge programme to undertake but we lack the resources”

(Administrator of the *mukim*, respondent 38, Rompin)

Their limitation in this aspect of development was also evident from the claim made by a member of the JKKK. According to him, with the closure of Southeast Pahang Development Authority (DARA), which was the regional development agency in the District of Rompin, the number of courses or social programmes organised have been very few. This is primarily because an agency such as the district office does not have adequate funding to organise them.

<sup>1</sup> Shortage of staff is also one of the reasons given by the staff of the district offices for their minimal involvement in GDW.

Due to these deficiencies, the agency is very dependent on allocations channelled by the Federal Government in particular through the Ministry of Rural and Regional Development and its agencies, in pursuing rural development programmes at the district level. They can probably depend on the national-based agencies which are more sectoral in nature, such as FELDA, FELCRA and RISDA to develop the agriculture sector in particular with commodity crops, but they still need assistance from the broad-based agencies such as the regional development agency to pursue major infrastructure development, industrial, education, tourism or entrepreneurial development. However, under the present arrangement, not every state has a regional development agency. For example, there is none in the District of Jempol. Whilst in the District of Rompin, Southeast Pahang Development Authority (DARA) which used to assist the District Office of Rompin in developing the Southeast Pahang Region was dissolved and part of its function was privatised in 1997. Therefore, in both districts, it is mainly up to the district offices to take a leading role in bringing these kinds of development to their rural areas. With such huge tasks and only limited resources, their ability to plan and implement development programmes, apart from what has been undertaken by sectoral based agencies, is actually very limited.

#### **8.4.2 The Roles of the Agriculture Department**

Two of the objectives of the Department of Agriculture are to change the attitudes of the peasants so as to make them more prepared to accept the new technology and to actively participate in the agricultural development process, and to increase the contribution of agricultural sector to the nation's economy by encouraging and developing certain crops (*Laporan Tahunan Jabatan Pertanian Negeri Johor, 2001*). However, according to some

locals they do not see any role for the agency in their villages. One respondent even suggested that the agency was not functioning.<sup>2</sup> This is probably because there are no suitable lands in their areas where the agency could come in and develop them with cash crops or other related activities, or as suggested by one of the respondents, the villagers themselves failed to make an effort to initiate agriculture activities in their areas whereby the agency could come in to assist.<sup>3</sup> As remarked by one of the village heads, it is much easier to get the assistance from the agency if the local people have already undertaken their own initiative to execute the activities.<sup>4</sup>

In spite of that, there are also locals who have been very critical of the way the agency is performing their tasks effectively. Some argued that the agency has not been professional because there are cases where their proposal for the local people to engage in certain cultivation was not suitable to the local needs and conditions. In one village, for example, they encouraged people to cultivate mangoes by providing free mango seeds even though the soil types are known to be unsuitable for mango trees. In another village, the fishermen were involved in planting sapodilla trees even though they did not have the knowledge to go about it and hardly have the time or patience to engage in that sort of project. Probably due to these sorts of cases, an administrator of the *mukim*, for example, claimed that this department was led by unprofessional officers. Referring to the agency's performance, this is what he had to say;

“To me, at present the planning that they have at the Department of Agriculture is not comprehensive for economic development to enable them to contribute to the household and the nation’s incomes”

(Administrator of the *mukim*, respondent 30, Jempol)

A local person has also suggested that the agency is not leading by example. This is because while they are encouraging people to become involved in cultivating cash crops or fruits as a way to improve their income, their own office backyards are left fallow without any form of cultivation.<sup>5</sup> In general, local people are unsatisfied with the agency's performance.

Like the district offices, the Department of Agriculture also highlighted that they are experiencing limited staff numbers and funding to allow them to pursue effectively with their development projects. “In comparison with the agencies such as FELCRA, this department is a

bit lacking in terms of allocation, staffing and outreach” said the agriculture officer during the interview.<sup>6</sup> With limited resources, the department could only focus on certain areas or suitable lands for the cultivation of cash crops such as vegetables, sweet potatoes and corn. These programmes also involve only a small group of people, normally 7 to 8 persons, with each of them working on a small amount of land, usually 0.05 hectare. Not surprisingly, due to their nature of operation, some respondents claimed that this department does not play a role in their villages. They also lack technical staff such as experts on seedling, soil or plant diseases and commodity officers whom they could ask to be seconded to them through the Ministry of Agriculture and Agro-based Industries. Their tasks have also been made more difficult by the attitudes of the peasants themselves. Some participants of their agriculture projects are not serious about developing their lands; some tend to leave the project half-way, while others just could not cope with the agency guidance or plan to enable them to achieve much higher production. The officer also gave an example of a group’s agriculture project that is supposed to be handled by the peasants themselves. After 3 to 4 years of implementation, it still had to be managed by the agency because the peasants did not have the capacity to manage it. Overall, according to the officer, it is very difficult to change the peasant’s attitudes and to seriously involve them in this sector, firstly because local people are keener to participate in programme executed by an agency such as FELCRA which is to them much easier to get involved in, and secondly because this sector is actually losing its adherents, as he noted;

“It is quite difficult for this sector to develop because it has actually losing its adherents. At present there are still those aged over 40 involved in these activities, but the participation of those below 40 is scarce”

(Officer of the Department of Agriculture, respondent 6, Rompin)

With all the deficiencies and constraints, it is very difficult obviously for the state-based agencies to play an effective role in rural development, or further to achieve their stated objectives. Their roles and scope of involvement in the development process is actually very limited mainly because they are short of funding and are understaffed, preventing them from playing a much wider role in this form of development. Therefore, in the present arrangement, there are also other national-base agencies to assist them in the development. The question is does the presence of national-based agencies alongside them at the district level make the arrangement more effective?

### **8.4.3 The Roles of national-based Agencies in Development Programmes**

In general, national-based agencies can be divided into sectoral-based and regional-based agencies. Sectoral-based agencies are those with specific functions such as FELDA, FELCRA, RISDA and KEMAS. While the first three agencies are mainly concentrating on agriculture-related activities with the aim of improving the incomes of those engaging in these sectors, KEMAS is mainly concentrating on human capital development. On the other hand, a regional development agency such as KEJORA is a one-stop agency with much broader functions.

The presence of sectoral-based agencies such as FELDA, FELCRA and RISDA, as elaborated in Chapter Seven, have no doubt helped in accelerating development in the rural areas. FELDA has managed to open and develop thousands of hectares of new land areas, cultivated them with commodity crops, in particular oil palm and rubber, resettled thousands of landless rural dwellers in these areas, provided them with jobs and sources of income. FELCRA has managed to consolidate and rehabilitate thousands of hectares of rural fringe lands using modern techniques and high quality seedlings. RISDA has also contributed to the development of rubber smallholders. However, their contributions are largely in the agriculture sector, in particular the development of commodity crops. Yet besides these achievements, they also have their shortcomings. FELDA was claimed to have failed to plan for their second generation. As their educated young people left to work in the urban areas, those who are less fortunate also migrated or commute daily to urban centres to work in the manufacturing sector. Some of them are also unemployed or work periodically, and are involved in negative activities. FELCRA was also claimed to be less satisfactory in increasing the income of the participants of their land development schemes, as is RISDA. The Minister of the Ministry of Rural and Regional Development was also reported to be unsatisfied with RISDA performance in its efforts to increase the level of income of the smallholders (Utusan Malaysia, 7 December 2004). Therefore, in terms of increasing the rural incomes, the role of these agencies is still debateable.

In addition, the concentration of these agencies on specific functions, mainly agriculture related activities, has also made them to some extent isolated from other aspects of development such as infrastructure and basic amenities, industrial, tourism, entrepreneurial or human capital development. It seems that there are no emphases on co-operation for common

goals. It is not surprising, therefore, that FELDA is said to have failed its second generation. This is because while concentration was being given to the objective of increasing the income of its settlers through the cultivation of commodity crops, less emphasis has been given to business and human capital developments that could provide jobs for its second generation and empower them to become involved in other forms of economic activities. This was shown from the launching of the five visions for the FELDA community only recently. One of its objectives is to harness the second generation's potential, in particular to venture into new economic activities outside agriculture, such as trade and services (<http://www.Bernama.com>). Apart from that, FELDA's settlements are said to have experienced problems of road maintenance, inadequate sewerage systems, deteriorating social and business premises, lack of job opportunities for its young people and so forth.

As a land development agency, FELCRA is also mainly confined to collaborating in rehabilitating small areas of land and developing it with commodity crops. The agency's involvement in other aspects of village development such as providing basic amenities, entrepreneurial and human capital development is marginal and limited to the participants of their land development programmes and settlers of their land development schemes. As one of the officers remarked;

“If we look at FELCRA, for example, they are concentrating only on agriculture, only on economy. In term of social activities for the villagers, there is nothing or probably marginal”

(Officer of Regional Development Agency, respondent 33, Kota Tinggi)

The same thing goes for RISDA which mainly concentrates on increasing the income of its rubber smallholders. As for KEMAS, they mainly concentrate on human capital development, particularly in pre-school education and community development. It is only recently that their roles have been extended to economic activities.<sup>7</sup> Nonetheless, this agency was also claimed to be unsuccessful in developing human capital development mainly because they are also short of staff, have limited funding and are claimed to be deeply involved in politics. Some of its programmes were claimed to have been done on an *ad hoc* basis and therefore did not achieve their objective. One respondent even suggested that the agency needed to be re-structured to make it more effective and less bureaucratic.<sup>8</sup>

In other words, the formation of sectoral-based agencies has actually limited their capacity to engage in a wider scope of economic development that could diversify the rural economy. This is in line with arguments made by Conde *et al* (1979) that one of the planning crises in the developing countries is the widespread practice of sectoral rather than regional presentation of plans. This reflects the compartmentalisation of administrative functions and the inability of the authorities to carry out effective decentralisation. Therefore, while the concentration of sectoral-based agencies on agriculture related activities has been unable to make a significant improvement in the rural incomes, the limited resources available to state-based agencies such as the district offices to diversify rural economy through other aspects of development has also failed to bring much progress to that economy.

Based on the above arguments, it is really difficult for rural areas to experience much better development if there are only sectoral-based national-based agencies to assist the state-based agencies in their development. This is because while the state-based agencies are lacking in terms of staff and funding, the narrower functions of the sectoral-based agencies cannot bring much assistance to rural areas in terms of other kinds of development such as infrastructure, the provision of basic amenities, industrial, tourism, entrepreneurial and human capital development. This may explain why the rural economy is less diversified and its human capital has not been able to develop.

These situations are apparent in the three study areas. In the District of Jempol where its development is mainly dependent on the role played by the district office, FELDA and KEMAS, the existence of industries and tourism development are rare. Most of the industries in this district are said to be small and agriculture related. In the District of Rompin, the existence of Pahang Tenggara Regional Development Authority (DARA) has helped in providing better infrastructures, the development of new rural townships and growth centres with its housing estates and business premises, as well as industrial sites and tourism development. However, these developments were said to be have been disrupted when the agency was dissolved. The decision of dissolving the agency was never being consulted with the local population. The government did not allow public/rural participation at this level. Thus with the closure, the infrastructure has deteriorated, business activities became stagnant, even human development and social activities are said to be declining as compared to the time

when DARA was still in operation. The loss and difficulties faced by the district in terms of development after the closure of this agency was described by one of the respondents;

“To me the closure of DARA is a huge loss to the District of Rompin. When the agency was still in operation, assistances in term of infrastructure, economic and social development were numerous. With that we were able to organise lots of courses and training. Nowadays after the closure of the agency, we can only manage to organise fewer courses because we lack in funding. The same thing goes for infrastructure development. Previously we were able to get funding from two sources, the district office and DARA, now it is only from the district office. To me, it really is a loss”

(Administrator of the *mukim*, respondent 24, Rompin)

In the District of Kota Tinggi, the existence of another regional development agency, KEJORA has also helped the development of the district. Not only have several rural new townships and growth centres been developed, the agency has also managed to develop two industrial sites and has improved infrastructure for tourism development. The agency has also contributed significantly to village development by developing several ‘arranged villages’ with adequate infrastructure and basic amenities. As this agency receives an allocation for development directly from the Federal Government and obviously has a larger staff than the district office, its presence in the District of Kota Tinggi has enabled the district to receive more in terms of development from the Federal Government and lessened the burden of the district office in planning and implementing development programmes for its area. With reference to role played by KEJORA, the member of JKKK made these remarks;

“I have been living in this village before KEJORA was formed. To me the agency has contributed a lot to the development and brought many changes to the villages. They have been contributing to the district development and assisting the district office. Prior to its establishment, only the district office was responsible for the village developments, but they have done nothing much. With the presence of KEJORA, not only were new townships developed, traditional villages have also benefited from its development planning. They have built bridges and roads, without which we might have still been left far behind in terms of development”

(Member of the JKKK, respondent 29, Kota Tinggi)

Therefore, the presence of regional development agencies is needed to help accelerate the development of the rural areas. Even though their presence may not have made the

arrangement more effective, probably due to other factors such as limited co-operation and co-ordination between agencies, their existence is needed to assist, to complement and to accommodate the deficiencies of the state-based and sectoral-based agencies. This is primarily because they can play a much wider role in rural development due to their broadly based functions and for that purpose they are normally provided with an appropriate staff and funding compared with other agencies. The intention of the government to re-activate DARA, for example, showed that the government is realising the importance of such agency for rural development (The New Straits Times, 14 January 2006). Having said that, there is still the need for an effective mechanism to enable all the agencies involved in rural development to collaborate and co-ordinate, to enable them to complement each other in a more effective way. This is even more important in the case of Malaysia where organisational systems are strongly rule-based with clearly defined and formal reporting lines (Kennedy, 2002). In planning and implementing programmes and projects for rural development, each agency is confined to strictly defined functions and boundaries, as the General Manager of the regional development agency pointed out;

“When the agencies were formed in the early 70s, they were provided with clear functions to perform and boundaries within which they would operate. So everybody knows their functions and limitations, and therefore there should be no overlap of functions between them.”

(General Manager of Regional Development Agency, respondent 54, Kota Tinggi)

Therefore, without mechanisms by which they could co-operate and share information, this strictly defined and bureaucratic structure has made their co-operation often difficult and limited, and their function to deliver rural development programmes ineffective. Some of these difficulties are elaborated in the next sections.

#### **8.4.4 State-based Organisations and National-based Organisations – Effectiveness of Co-operation and Co-ordination**

The division of agencies into state-based and national-based agencies has made co-operation between them quite difficult. At the height of their hierarchy, the state agencies are controlled by the State Government Secretary, while the federal agencies are controlled by the Ministers and the General Secretary of the Ministries. As they are under different jurisdictions and

supervisions, their ability to co-operate in development planning is limited, except on administrative and land matters because land is under the jurisdiction of the State Government. No agency has supremacy over the others, which could provide them with the authority to control the actions of others, or has a complete monopoly of influence over rural affairs. Even though at the district level, the district office is playing the role of co-ordinator of development programmes, it does not have the authority to determine which programmes or projects should be given priority by the agencies and vice-versa, to make them fit in with the overall planning of the district. This rigidity in bureaucracy has hindered the co-operation and co-ordination between organizations.

Therefore, when it comes to project planning and implementation, it is mainly the affair of each agency in accordance with their funding, objectives and priorities. Sometimes the district office does not know what the federal agencies are doing in their villages. This was made clear when several officials of district offices and local politicians claimed that some federal agencies were implementing projects without prior consultation with them. This has not only caused dissatisfaction among the district officials over the conduct of the federal agencies but it has also caused problems of land use and project implementation, such as duplication of projects, where two agencies are pursuing the same projects because both have received and responded to the same application made by the local community. Even though there are requests from the district office and local politicians for the agencies to inform them about projects being planned or implemented, there are no regulations that require them to do so.

Limited co-operation between the federal and state agencies is not a new issue. It has been going on since the introduction of the Rural Economic Development, commonly known as the RED BOOK Plan, by the Ministry of National and Rural Development in the early 1960s. One of the problems identified during the implementation of this programme was the lack of co-operation from the district offices, which are supposed to support the programme at the district level. This caused the then Deputy Prime Minister who was also the Minister in the Ministry of National and Rural Development to take strong action against the district officers who failed to co-operate in the implementation of that programme (Esman, 1972). The same problem could be seen more recently with the implementation GDW. Even though JKKK, which is under the jurisdiction of the district office, was used as a mechanism to implement this programme, lack of co-operation and support from the district office in its implementation

was identified as one of the factors that caused this programme to fail in meeting its objective to empower rural communities to become more self-reliant.

The existence of state-based and national-based agencies has also made co-ordination of the agencies quite difficult. Even though they may share the same general objectives and interests, that is to bring development to the rural areas, their functions, objectives and approaches are different and they are confined by their own priorities and limitations. Even though at the district level, the district offices are playing the co-ordinating role through mechanisms such as the District Development Committee and the Inter-department Relation Committee, their role are merely to monitor development programmes and projects implemented by other agencies operating at the district level rather than acting as a co-ordinator for project planning and implementation. They can only monitor and take note of the projects and progress made by each agency implementing them but they do not have the authority to co-ordinate the implementation of the projects at any stage of their development. It is up to the each agency to plan for any programmes or projects that they wish to implement according to their functions, objectives, priorities and capabilities. There is no co-ordinated approach to development that will allow for an effective use of resources and information in development planning and implementation. This situation is itself an indication that the arrangement is ineffective in ensuring that successful economic development takes place in the rural areas, as remarked by Swerdlow (1975:19);

“To become effective, the economic planning process becomes an exercise of total government, not just a group of trained planners working in a separate agency. Every government agency of any significance becomes involved in both the formulation of the plans and in their implementation and evaluation. To do otherwise is to reduce planning to an exercise in short term public relations with little beneficial effect on economic development”.

#### **8.4.5 Ineffective Co-operation Among the National-based Agencies**

There is also ineffective co-operation among the national-based agencies, even though they are under the same Ministry. This ineffective measure shows that agencies are confined to their own objectives. This, for example, was illustrated in the implementation of the Movement of Visionary Initiative in the District of Kota Tinggi by KEMAS and KEJORA. Even though both agencies are under the Ministry of Rural and Regional Development, they failed to co-

operate in implementing this programme where they could make effective use of each other's limited resources, in particular manpower and funding. The same situation was claimed to have happened in the implementation of the programme for the hard-core poor. Agencies involved in implementing this programme tend to go their own way using their own registered list of hard-core poor although procedure-wise they should co-operate with the district office. There are also claims made by the local people that certain agencies tend to withdraw their involvement in some villages if there are already other agencies involved in their development.

In general, there seems to be lack of partnership and networking between agencies in development planning and implementation that would contribute to the combination of human and financial resources for achieving rural policy objectives. Whether there is going to be a close relationship between agencies is a matter to be decided by the head of the department, said one of the politicians; some would like their staffs to do so while other might not.<sup>9</sup> Having been confined by different entities, functions and objectives, there is a tendency among the agencies to push forward their own agendas and to compete rather than complement each other as noted by one of the government officers;

“For example, agencies under the Ministry of Rural and Regional Development such as KEMAS, RISDA, FELCRA, and the Department of Aboriginal Affairs (JHEOA), they tend to portray their superiority...Based on my experience, they want to be heroes, meaning they cannot stand side by side. If FELCRA is implementing the oil palm projects with an aim of providing shares to the local populations, RISDA will later follow the same path with their mini-estate projects. To me they should not compete in the same field but should venture into others”

(Administrator of the *mukim*, respondent 16, Rompin)

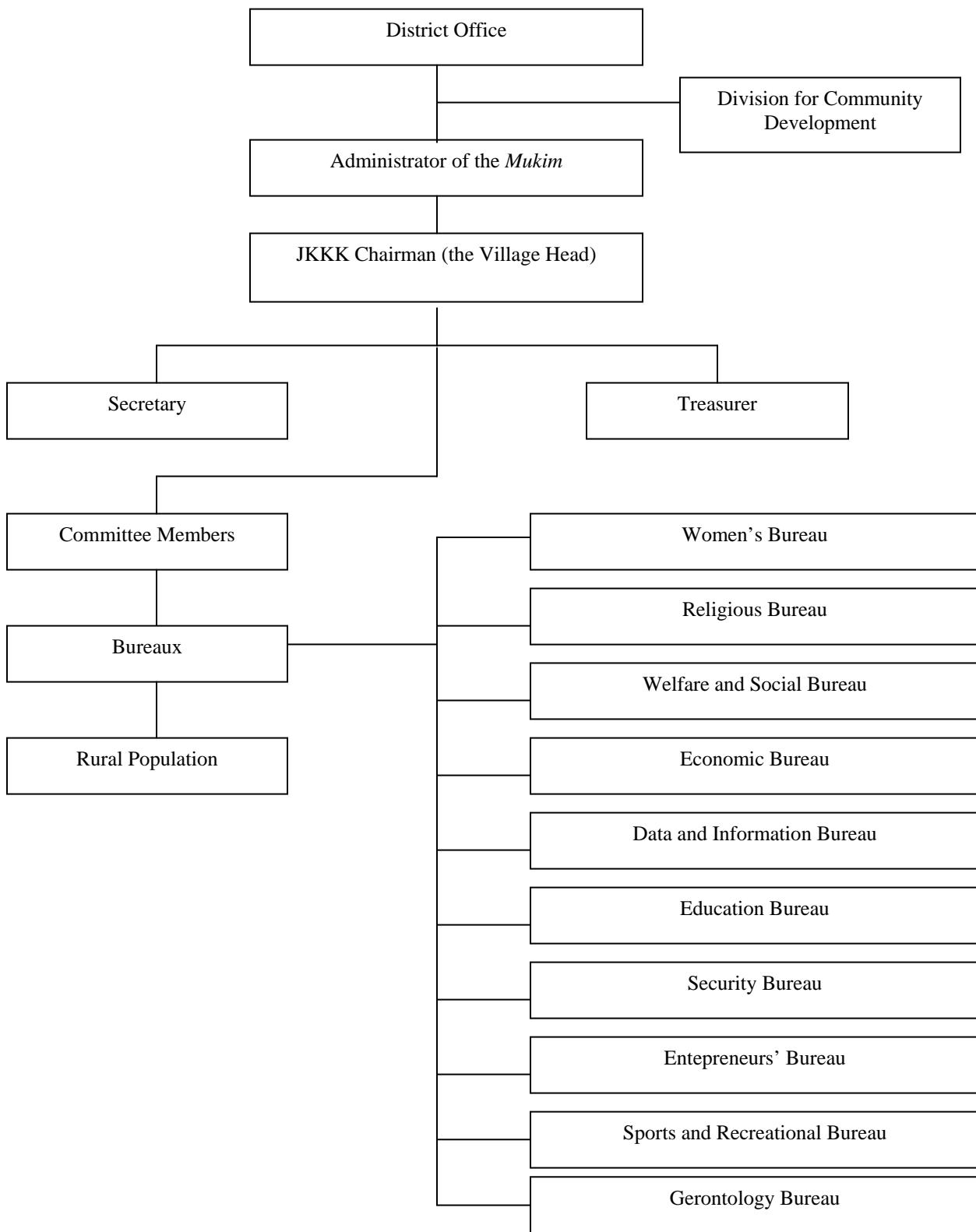
The same experience was reported from Special Rural Development (SRDP) in Kenya which indicated that departmentalism has resulted in conflicts, confusion, duplication and gaps, all of which hinder the progress of the development programme (Chambers, 1994). Other advocates also include Oerleman and Assouline (2004); Asadi-Lari *et.al* (2005); Maru *et.al*, (2007) and Bouma *et al*, (2008). They make points on trust and cooperation; community interaction; integrated community and networking strategies as prerequisite for successful rural development. The evidence of rural problems that need to be clearly understood were found in studies by Loveridge and Schmid (1993); (Green, 2001) and (Sharp *et al.*, 2002).

Bottcher (1995) has rightly argued that competition which has become part of the government regime and bureaucratically rigid-structured framework does provide the opportunity for competition to take place amongst public agencies. Due to this compartmentalised culture, one respondent was quoted to have said “their differences were not synergies to strength to enable them to complement each other”<sup>10</sup> Even though these situations do not overall jeopardise the momentum of the development in the rural areas but in words of one of the members of JKKK “it is probably much easier and more effective if all agencies could sit together to discuss in order to outline and plan programmes that they intend to develop”<sup>11</sup>

#### **8.4.6 The Approach of JKKK in the Development Process**

Apart from the government organisations mentioned above, JKKK is the main institution representing the rural communities in relation to development in the rural areas. This is a well structured community-based institution in rural areas of Malaysia. Except for some minor differences, the general structure of the committee is standard for every rural area in the country. An example of the structure of the committee is illustrated in Diagram 8.2. Apart from the district officer and administrator of the *mukim*, who sit on the committee in their capacity as government officers, the rest of the committee members are local dwellers. They are the appointed members of the committee. The village head will automatically be the chairman. Officially he will be appointed by the district office but normally after consultation and with the consent of the local politicians. The rest of the committee members will normally be appointed by the village head. However, their selection is sometimes subject to the influence of the politicians as well.

**Diagram 8.2 Organisational structure of JKKK of the Gembut Village**



This is a ‘new’ structure adapted from the traditional rural administrative system of *Ketua Kampung* or village head that had been in practice for decades during the period of the Malay Sultanate. During that period, the *Ketua Kampung* was appointed by the Sultan and answerable to, as well as pledging his loyalty directly to him. In this new administrative system, he and his committee members are appointed by the district office and placed under the jurisdiction of the State Government. They are required to act as a bridge between the rural communities and the authorities. Although formed as part of the government’s administrative and development mechanism at the village level, it is actually a voluntary institution. None of its members who sit in the committee in their capacity as villagers receive a fixed salary. Only the chairman who is also the village head receives a monthly allowance of about £28.6 - £37.5 (RM200-250) plus £7.00 (RM50.00) as the committee chairman. The committee secretary receives an allowance of £3.00 (RM20.00) per meeting.

Apart from acting as the administrative body at the village level, the JKKK was also established to play an important role in the planning and implementation of programmes and projects at this level. This was clearly stated in its functions as discussed earlier. Their involvement in assisting the agencies in planning and implementing development programmes or projects at the village level is crucial as the agencies, in particular the district offices, normally have limited manpower and financial resources to oversee and implement development programmes in every village under their jurisdiction. As they can only manage to disseminate information about the programmes and projects to the villagers, it is therefore the responsibility of the JKKK to make use of the opportunities and available resources to bring development to their villages. The important roles that they have to play in village development were recognised by most of the respondents. An administrator of the *mukim*, for example, admitted that;

“JKKK is the principal body in the village administration. Therefore, whatever affairs relate to the villages must first be referred to JKKK so that it does not engender dissatisfaction among the people towards the government and its machinery as well as towards the process of development”

(Administrator of the *mukim*, respondent 30, Jempol)

However, in spite of its importance, this institution is said to have possessed several weaknesses which prevent it from performing effectively in developing the villages. As

mentioned earlier in Chapter Six, this institution has not been provided with adequate financial resources to enable it to function effectively. Despite some arrangements designed by the government and its agencies to provide it with financial resources, these are far from sufficient to make it a financially viable and strong institution. This is in contrast with other community based institutions in developing countries such as *Cunmin weiyuanhu* in China (Feuchtwang, 1998), *Tambon* Administration Organisation in Thailand (Hanpakdeesakul, 1998) and *panchayat* in India (Dube, 1999), which were provided with clear means of access to financial resources through household tax and authority on land. Without clear means on how JKKK could access financial resources, its ability to plan and implement programmes for village development, without being totally dependent on government allocations, is actually very limited. This has been one of the major hindrances preventing the JKKK from performing effectively in this area.

In addition, its voluntary nature has also made the institution unattractive to local people especially those who are more educated. On most occasions the committee members are hand-picked by the village heads or proposed by local politicians. This is possible because the committee members are not democratically elected. Consequently, most of the committee members are those who have a close relationship with the village head, who can work closely with him and generally will not oppose him. However, as a voluntary body, there is nothing much to bind its members to the institution other than perhaps their social obligation and respect for the village head. Therefore, they can just leave the committee at any time they like. It is difficult to get the members to work together as there is nothing much that the JKKK can offer to motivate and unite them. Obviously, when it comes to working for a living, this will definitely have higher priority over their voluntary activities. Since their involvement is on a voluntary basis, requiring them to give more than they can contribute voluntarily is certainly too much to ask. Not surprisingly, it is very difficult to get full involvement and commitment from the members of the committee in activities organised by the JKKK. Lack of commitment and enthusiasm among the committee members and members of the community are also said to be factors which have caused the failure in some economic activities implemented by the agencies in the villages.

The involvement of educated people in JKKKs is also said to be minimal. For example, out of the 30 members of JKKKs interviewed, 20 of them possess only primary or lower secondary education, while the rest possess Malaysia School Certificate (completed secondary five and passed major examination at that level). There are some educated people such as teachers on the committee but their involvement is minimal. With less educated and experienced people in the JKKK, it is difficult for them to play their roles effectively. Due to their low level of education, lack of exposure and experience, they are also said to lack vision in planning for village developments. Therefore, in terms of development more emphasis was given to infrastructure and basic amenities because it was easier for them to realise the deficiencies in this aspect of development and simply put forward requests for it to be improved by the agencies, rather than to think and plan for business and human capital development.

There are also plenty of evidences showing that JKKK was formed as a political means, not only to support the political ideology of the ruling political party that forms the government, but also to act as an eye and ear for the government. This can obviously be seen from the selection of the chairman and members of the committee who are normally selected by the district office but with the consent of the local politicians. In some places such as in the District of Jempol, the local politicians played a much greater role in determining the members of the committee. This is in contrast with *Cunmin weiyuanhu*, *Tambon* and *formal panchayat* where the selection of its committee members is made through democratic election.

Given that the United Malay National Organisation (UMNO), the main political party forming the government is also the prominent political party in the rural areas, most of the JKKK members are actually UMNO members or party supporters. This has made JKKKs more of a political wing of the ruling party at the village level than an administrative and development mechanism. This situation has limited the possibility of the JKKK being accepted by the wider rural community, not only by the members of opposing parties in particular but also by those who have different political views within the same party, as well as those who have little or no interest in politics. This situation has also caused those who have the capacity to lead not to be interested in joining the committee. Even though the practice of selecting JKKK members from the supporters of the ruling party is supported by some respondents because it will make the village administration and development much easier, it also has certain unfortunate consequences. Some government officials and local people suggested that certain chairmen of

JKKKs and their committee members tend to get carried away by their political position as they seemed unable to separate their role as a village administrator from their role as members of a political party. To some extent these attitudes have compromised their duty to their village.<sup>12</sup> They have also drawn attention to the situation where those who have the capacity to lead have been sidelined because they are not in favour with some politicians. Some government officers have also suggested the possibility that the list of committee members changes whenever there are changes in the political leadership at the local level. This is because whoever becomes a new political master, normally prefers to select and appoint his own people to be the members of the JKKK.<sup>13</sup> This can result in some people without credibility being appointed to the committee. The regular changes of JKKK line-ups are also said to have affected the human development programmes involving the committee members organised by the government agencies.<sup>14</sup>

The institution is also said to have been led by less talented leaders. This is mainly due to outward migration of rural educated adults and young people to urban areas as well as the migration of certain sections of the population to settlement areas developed by government agencies such as FELDA and FELCRA. Without them rural areas were left with no model figure to be inspired upon. Demographically, traditional villages in Malaysia were also said to have small populations in particular of those in their early twenties and forties. Therefore, those who are available to be chosen as the village heads are normally elderly. With less involvement of educated and young people, JKKK is also left with limited options other than to be led by elderly and normally less educated leaders. Due to this limitation, the elder obviously needs all the support that he or she can get from the rest of the committee members. Without many educated members on the committee, there are always limitations to what the head man can possibly get. On top of that, the practice of appointing village heads on a political basis has also made the scope from which they can be chosen even narrower. To be chosen as a leader in the political sphere is not really dependent on individual capabilities, but more on his or her contributions and loyalty to the party and their relationship with the local politicians. Those who are selected as the local leaders on a political basis are sometimes not the ones who are really capable of managing developments in the rural areas. This situation will not improve the condition of the villages. The selection of the village head on a political basis has also reduced the possibility of attracting and getting talented persons to take on that position. Apart from limited leadership talent, the steady outflow of rural young people and

skilled workers is said to have left many rural communities with only limited leadership capacity (Drabenstott, 2000; Murray and Dunn, 1995) or leadership styles where people can see as role models for the community, motivating and inspiring others to be innovative and creative (Bass, 1998). This limitation is made more crucial as most of the local leaders have a low level education and income and are elderly. These limitations hinder them from playing more effective roles in the development of their village.

In view of the fact that almost all respondents agreed that local leadership plays a significant role in village development, limited leadership talents and capacity will certainly affect the level of development of these villages. Whether the villages will have adequate development to satisfy the needs of its population will largely depend on the ability of their leaders to bring developments into their villages. Obviously the villages with active village heads will probably be much better off in terms of development as they tend to have a good rapport with the agencies and political figures, and are willing to go to the extent of having regular meetings with the government officials either at the district or state level to highlight the needs of their villages. However, not all village heads possess the same experience and exposure. Some, due to limited capacity, are probably quite passive, largely dependent on government assistance rather than having the ability to use their own initiative for development. Due to their weakness, there is a tendency for them to be by-passed or ignored during the development process, not only by their own subordinates, but by the agencies and the local politicians as well.

Based on the above weaknesses, it is appropriate to conclude that JKKK is not a strong and effective community-based institution, which is able to play a major role in rural development. This is in line with the claim that one of the most striking gaps in the developing world is the small number of representative organisations of rural workers, be they trade unions or peasant organisations. The comprehensive employment strategy enquiries carried out by the ILO have also found it extremely difficult to obtain the views of the rural masses in analysing employment problems in the countries visited, simply because there are so few representative organisations, whose leaders they can talk to (Anker, 1975). While European experience has been that such organisations have a vital role to play in rural development as well as in protecting the interests of their members, especially the rural poor (Flores, 1971), lack of

management and organisational skill therefore appears to be the main factor preventing rural work programmes from being fruitful (Jackson and Turner, 1973).

Therefore, using this ineffective institution as part of the development mechanism in rural development will not help the agencies in addressing the problem faced by the rural population. Not surprisingly therefore after six years in implementation, GDW, the programme which was meant to empower rural communities so that they can play a bigger role in planning and implementing their own development, still has not been fruitful. This is mainly because the programme was using this weak institution as a mechanism to implement the programme. Without adequate financial resources and the much needed support from the committee members and the local communities, combined with the limited leadership capacity, the JKKKs are unable to play significant roles in helping the agencies to develop local resources for economic development. It also cannot help to empower the local communities as it does not have the resources to do so. Therefore, in reality it is the agencies that have played the major roles in the development of the study areas. This raises the question as to what extent the local population are actually participating in the development process.

#### **8.4.7 Effectiveness Participation in the Process of Development**

In general there are several means whereby locals can voice their views in the development process. The establishment of the JKKK itself is evidence that locals are being provided with the means to participate in that process. There are also few barriers between the local population and the agencies as there is easy access for them to go to the agencies and discuss rural matters. The establishment of a Consumer Meeting Day by the government, where locals are invited to go to the agencies to discuss development programmes, forward inquiries, file complaints or to follow up matters regarding development in their village is another indication that there are means by which they can be involved in the local development. Nevertheless, this does not mean that these mechanisms are effective.

With numerous weaknesses, it is difficult for JKKK obviously to act effectively as the people's representative in dealing with the government organisations in the development process. In fact the establishment of various development agencies and the active roles played by the local politicians in the development process have also overshadowed and weakened the

position of the JKKK. The tendency of some locals who prefer to go direct to the agencies and politicians or even to the newspapers in order to make their voices heard is itself evidence of the ineffectiveness of this institution. There is also the tendency of agencies and politicians to bypass the committee in planning and implementing development programmes in the villages. Therefore, although through JKKK the rural communities are able to voice their views, its inability to be a strong and respected institution has actually made it ineffective.

Customer Meeting Day is also another means introduced by the government to provide the local population with wider access to the agencies. However, this arrangement whereby the locals have to go to the agency to meet the officers does not really meet the needs of the local population. Firstly, this arrangement means that those who want to participate in this programme will have to abandon their job for that day. As they are struggling to earn a living, this could be costly for them. Secondly, with the generally low level of education, some of the people actually lack ideas and confidence to face the officers of the agencies. Thirdly, locals normally prefer a hands-on approach to development where they are more comfortable with the agencies coming to them and not the other way around. This attitude was illustrated in remarks made by one of the respondents;

“Agencies should perhaps more regularly go on the ground, go to the villages and discuss with the villagers to solve whatever problems they are facing. The most important thing is for them to be on the ground. If we are hoping for the villagers to go to the offices, probably not everybody will like to do that, firstly due to time constraint, secondly, without having close contacts with the officers it would be difficult for them to speak intimately”

(The Members of JKKK, respondent 56, Kota Tinggi)

Therefore, even though there are platforms where locals can voice their views in relation to development programmes, they have actually made little impact.

Furthermore, even though there are means for the locals to voice their views this does not mean that the agencies are taking account of their views in making decisions regarding development programmes. There are indications from some locals that their views on certain development projects have not been given much attention by the government officials. Although local knowledge can help the agencies to understand local situations better, the

officers will normally stand by their own opinions and decisions. One respondent gives an example where the agency implementing fish farming failed to consult with the Fishermen's Association for their opinions before implementing the project which ended up with the project failing to meet its objective.<sup>15</sup>

To locals, it seems that the agencies prefer to implement projects on a trial and error basis, rather than to ask for their opinion. Some officers were said to be arrogant or ashamed of accepting opinions from the grass roots.<sup>16</sup> They believe that they possess all the expertise, while locals are less knowledgeable. There are concerns among some respondents that the agencies are reluctant to accept views from the grass roots, but choose to impose their views on the villagers especially when it comes to big development projects which affect the policy of the agencies.<sup>17</sup> Lack of consultation between agencies and their stake-holders is also claimed to have caused the agencies to implement lavish projects which do not really benefit the target groups.<sup>18</sup>

Some officers interviewed did convey the impression that the locals are lacking in knowledge. One official, for example, claimed that locals will have problems in managing their finances if they are given projects worth more than £1500.00 (RM10,000).<sup>19</sup> Another officer even suggested that locals cannot produce constructive ideas when they are given opportunities to do so.<sup>20</sup> Overall there are always negative perceptions on the part of government officers toward locals' capabilities. Perhaps this is one of the reasons why the JKKK meetings were not a priority for them, as evidenced by their reluctance to attend the meetings and their ignorance of the committee's views. To them the locals still need to be guided and assisted in manoeuvring rural developments, as two of the officers' point out;

“If we look to the younger generation they really have a lot of strength, the strength is there, but in terms of guidance we have to guide them because they still lack knowledge and exposure and we have to assist them to a certain stage”

(Senior Manager of Regional Development Agency, respondent 38, Kota Tinggi)

“You put in place those with low level of education to lead the grass roots, what could they possibly offer? Only what is apparent to them, they will not have any analysis ...thus we have to build up, we have to have the capacity building, and we should be focusing on that”

(Officer of the Ministry of Rural and Regional Development, respondent 27)

These perceptions have to some extent deterred officials from accepting local opinion on development programmes, whether or not they involve the policy of the agencies. Certainly this negative perception is not going to bring about long-term economic and environmental success to rural areas because as in the words of Pimbert and Petty (1997), success can only be achieved when the ideas and knowledge of local people receive attention, and the local people possess the power of autonomy in policy-making.

Since the JKKK suffers from several weaknesses and the local population is viewed as less capable of undertaking development on their own behalf, the roles of developing the rural areas actually falls heavily on the government agencies. However, as has been discussed in the earlier sections, the strategy of having state-based and national-based agencies to carry out development programmes also has its limitations. In order to address these limitations, one of the measures undertaken by the government is through a privatisation exercise.

#### **8.4.8 Ineffective Privatisation and Corporatisation of Agencies**

Even though the establishment of numerous organisations to perform their roles in rural development is an intense and robust approach with the objective of bringing rapid economic and social transformation to the rural areas, it does not seem to be bringing much improvement to the level of income of the rural population. Disadvantages of the rural economy, as this study has identified, are still a profound problem faced by the rural communities. Rural-urban disparities are still high. In 1970 when the National Economy Policy (NEP) was introduced, income disparity between rural and urban areas was at the ratio of 1.2:14. In 2002, it still stood at almost the same ratio that is 1.2:1 (Noor Azam Shairi, Utusan Malaysia, 17 Ogos 2004). Most of the rural population are still receiving low wages from the agriculture sector. For example in 1995, the mean household income for the agriculture sector was £151.00 (RM1, 060) as compared with £323.00 (RM2, 264) in manufacturing and £352.00 (RM2, 462) in the service sector. (<http://members.lycos.co.uk>,). The rural population also received a low level of income from manufacturing, tourism and entrepreneurial activities. Even though the incidence of poverty is said to be decreasing, it is still a major concern in the rural areas.

In addition, the multiple organisations approach to development has not only caused problems of co-operation and co-ordination between the agencies, but it has also proved to be too costly

to the government. The establishment of numerous agencies has significantly increased public sector expenditure. The size of government employment, for example, has expanded rapidly from 200,000 in 1960 to 622,000 by the end of 1979 (Munro-Kua, 1996). To date there are about one million government servants in the country (Bernama.com. <http://www.bernama.com>). Total public sector expenditure, which accounted for 28.7% of GNP at market price in 1970, has also increased to 40% in 1979 and its proportion had leapt to 61.2% in 1982. Even more alarming, the consolidated public sector deficit, which was only 3.5% of GNP in 1970, rose gradually to 8.8% by 1979 and then jumped to 26.3% by 1982, being one of the highest deficit-GNP ratios in the world (Mehmet, 1983). In order to reduce this burden and also making it in line with the world wide trend of turning to the private sector as the engine of growth in the 1980s, the government had to turn to the private sector to regenerate the economy. Consequently, several rural development agencies have also been dissolved, corporatised and privatised.

The privatisation of Southeast Pahang Development Authority (DARA) and corporatisation of FELCRA are two of the examples of this exercise. The privatisation of the agency among others is to tackle the problem of duplication of functions between this agency and other government agencies operating in southeast Pahang region, and to accelerate development in the area in the belief that the private sector could perform better in delivering value for money services compared to the public sector. It can also be seen as an attempt to challenge the existing development arrangements. However, the study has revealed that this approach has actually brought negative impact to the development of the area. Concentration of the private entity that took over the functions of DARA on its commercial sector, in particular oil palm estates, has left other functions such as the development of traditional villages, infrastructure and basic amenities, small business and human capital development less well supported. This has not only become a setback to the local population but has actually hampered the momentum of development in the area. Since the privatisation exercise was not followed up with an arrangement where the district office would be provided with additional development funding to take over functions that have been left by DARA, many of these functions were neglected. To the local residents the privatisation of DARA is actually a loss to the development of the area because it has taken out the development funds from the Federal Government which were the most important resource needed for the development of the area.

The corporatisation of FELCRA was also claimed to have brought some negative impacts to the rural economy. As the agency was concentrating more on business activity to ensure its sustainability, it was also competing with the local entrepreneurs who were involved in small economic activities such as palm oil buyers and small contractors engaging in estate-related work. As a private entity, FELCRA was also said to have gained little access to government funds and therefore was unable to play a more active role in developing new land for the benefit of the local economy, as remarks made by one of the village heads indicate;

“We take FELCRA, for example, before they were corporatised, they turned rural cluster lands into developed estates using the government allocation, meaning the Ministry of Rural and Regional Development allocated them with funds to develop lands for the benefit of the rural communities. Today we are also appointing them as the development agency to develop lands in the traditional villages, but they have to wait for funding from the Ministry. This is a bit of a problem, as long as the Ministry does not provide them with funding to develop the lands; they seem to be doing nothing”

(Village head, respondent 32, Rompin)

Overall the privatisation of some rural development agencies does not make the arrangement more effective, nor does it significantly contribute to the development of the rural areas. To some locals it has actually benefited and served the interest of the privatised organisations rather than theirs. Some have even suggested that it has distorted the momentum of the development.

#### **8.4.9 Effective Institutional Arrangements for Rural Development**

Having illustrated the ineffectiveness of the existing institutional arrangements, what is probably the most appropriate arrangement for rural development which will enable rural development programmes to be delivered more effectively to the rural areas?

##### **Existing arrangement**

Numerous answers were given by the respondents when they were asked the question. Obviously to some local people and even government officials, the existing arrangement is already appropriate and has to be continued. To them the existence of various government agencies and community-based institutions, in particular the JKKK which is involved in

delivering rural development programmes, will allow the rural population to have a range of resources and accessibility to assist in their development. Despite admitting that there are deficiencies in the existing arrangement due to the weaknesses of JKKK and limitations faced by the agencies, some of the respondents stressed that, this is the arrangement that they have come to adapt to in order to gain access to development.

### **‘Model Villages’**

There are others who suggested there must be different approaches and institutional arrangements for rural development. Some government officials suggested emphasis on development must be given only to selected potential villages. This will allow significant resources to be provided to the villages to give better impact to their development rather than dispersing the development to more villages but with lesser impact. The developments were then moved from these successful villages or ‘model villages’ to other villages. This can be done through an integrated approach to development, in which several agencies draw together their resources in developing particular villages. In contrast, a few locals have also suggested that every village must be given its share of the development. This should be done by determining the percentage of development allocation that should be provided to the villages and this percentage must be increased on a yearly basis. There are also some who suggested that there must be a creation of sub-regional areas where concentration of development could be emphasised in these areas in order for them to have rapid development.

### **Territorial Approach**

On a much wider scope, some locals and government officials even suggested the overall arrangement must be revamped. To them there must be a regional or territorial approach to development. This could be done by extending the functions of the existing regional development authorities and the formation of other such agencies that would be responsible for the development of particular areas or regions. This will lessen the bureaucratic nature of the arrangement and will make it much easier for the local population to deal with the agencies. Significant resources in terms of allocation and manpower could also be provided to the agencies by the Federal Government, to enable them to carry out their roles more effectively. Apart from the emphasis given to the role played by the agencies, there are also

respondents who suggested that there must be bottom-up approach to development with the grass roots performing much bigger roles in planning for their own development. This could be done by revamping JKKK and the establishment of a rural co-operative.

The essence of their suggestions is that rural areas should be provided with an appropriate amount of resources for their development. This can be in the form of the present arrangement, where there are numerous agencies engaging in rural development, or focusing the development to certain areas where adequate amount of resources could be allocated to enable them to have significant impact in terms of development. However, with the limitations faced by the state-based and sectoral-based agencies, the present arrangement could only be effective with the presence of a broad-based agency, such as the regional development agency to assist them with the development. 82% of the respondents have also suggested that the presence of this agency has and will be able to bring much needed assistance to rural development as remarked by one of the government officials;

“To me the presence of an agency such as KEJORA is imperative. This is because we in the district office suffer from a shortage of technical strength. Since the District of Kota Tinggi is a tourism as well as historical area, the concentration of KEJORA in this area is most essential to assist the development of the district. I think KEJORA has helped a lot in the district development especially the villages”

(Staff of the district office, respondent 26, Kota Tinggi)

The presence of this agency will help in providing more resources, obviously from the Federal Government, needed for rural development. Its broadly based functions will also allow them to play the much needed roles of diversifying the rural economy and empowering the local population. However, as the study has shown, there must also be effective mechanisms by which all the agencies involved in rural development could collaborate and be better co-ordinated to enable them to compliment each other in a more effective way. Greater emphasis must also be given by the agencies to efforts of empowering the local population through human capital development, to enable them to play more significant roles in the development.

Apart from maintaining the existing arrangement, the suggestion made by some respondents for a more territorial approach to rural development should also be taken into consideration as

an alternative arrangement for this purpose. This will probably result in the formation of the main agencies responsible for implementing rural development programmes according to region or area of development. This is also in line with the suggestions made by some of the respondents that there is a need for concentration of development on specific areas so that more resources could be provided to bring a significant impact to the development of that particular area. With one main agency responsible for delivering rural development programmes in the particular areas, the complicated bureaucratic nature of the existing arrangement could be lessened. It will also make it easier for the rural communities to deal with the agency when encountering problems with development because there is only one agency performing that role in that particular area. This will also lessen the problems of limited co-operation and co-ordination between the agencies, as well as allowing for more adequate resources to be provided to the agency and to be managed more effectively, in order to tackle rural development problems faced by the rural population.

However, as has been highlighted by several government officers, it is not easy for the government to revamp the existing arrangement. Since the establishment of government organisations are closely related to the nation's constitution and political establishment, it also needs political will to make it happen. One of these difficulties is as highlighted by one of the officers;

“To have only one main agency delivering the rural development programmes is a good idea that deserves to be studied. Since we will be serving all sections of rural communities in our area, we will probably be able to have a better picture of problems that they are facing. This will make it easier for us to channel the necessary assistance as well as to control the resources and plan the programmes to be implemented. However, in the present government’s system, where there are divisions in organisations according to state and federal-based agencies, it will be difficult for us to determine where this agency will be placed, under jurisdiction of which ministry and to determine the nature of its relationship with the State Government. Yet to me it is an interesting approach worth looking into and could be implemented to a certain extent”

(Senior officer of regional development agency, respondent 38, Kota Tinggi)

Without the political will to revamp the existing arrangements, the best option that rural areas have is to have a broad-based agency such as the regional development authorities deliver their functions alongside other state-based and national-based organisations. There must also be serious efforts to improve the mechanism for better co-operation and co-ordination between

agencies, so that the limited resources available could be used effectively to tackle problems faced by the rural population and to empower them to the extent that they could contribute significantly to their own development.

#### **8.4 SUMMARY**

This chapter has illustrated that the development process in the study areas involves three main organisations, the state-based agencies, the national-based agencies and the Village Development and Security Committee or JKKK. This is the institutional arrangement that was designed by the government to enable development to take place in the rural areas. At the village level, the JKKK was established not only to perform administrative roles but development roles as well. Its role in development was even more crucial as agencies normally have only limited financial resources and manpower to oversee and fulfil the needs for development of the local population. Not only was it established to assist the agencies in delivering development programmes in the rural areas, the committee itself was expected to play an active role in generating and accelerating economic activities in their localities. However, despite these stated functions, the JKKK has not been provided with clear means of accessing financial resources. This has limited its ability to organise social activities, to plan and implement economic activities for the benefit of the local communities and to be less dependent on government subsidies.

As a voluntary institution with limited financial resources it cannot afford to offer financial benefits to its members. It was, therefore, unable to obtain full commitments from its members and was unpopular with the local population. Some do not even concern themselves about its existence and do not see its significance for local development. Its political association with the main political party that forms the government has made it more like a political wing of the party rather than an administrative and development body at the village level. This has distanced it even further from certain sections of the local population, especially those with a different political ideology and less interest in politics. Due to these circumstances, the committee is normally led by leaders with limited capacity and lack of vision. These limitations render them unable to plan programmes for the betterment of their community such as implementing sustainable economic activities or empowering the rural community to be self-reliant. Due to these weaknesses, it is perceived as a passive institution. These weaknesses

have also limited its function as a provider of the information needed by the agencies for development planning or security matters. Apart from that, its role in the development process is mainly to forward applications for projects that are required by the villagers to the agencies, largely in the form of infrastructure and basic amenities. This ineffective bottom-up approach is one of the barriers to successful participation.

As a result of these inherent weaknesses in the JKKK, the roles of developing rural areas fall heavily on the government agencies. In fact the establishment of numerous agencies involved in delivering rural development programmes is to serve that purpose. However, the division of these agencies into state-based and national-based agencies, as well as sectoral-based agencies, has also limited their ability to perform effectively in delivering development to the rural areas. Even though the presence of the national-based agencies would mean that the state would benefit in terms of development allocations, it has also raised problems of co-operation and co-ordination between agencies and has resulted in the ineffective use of resources, in particular development allocations and manpower. The engagement of this multiple organisations approach to development has also proved to be too costly for the government. In its efforts to reduce public expenditure, the government has turned to the private sector as the engine of growth, even in rural development. Privatisation and corporatisation of agencies such as DARA and FELCRA are examples of such action. They can also be seen as attempts to change the institutional arrangements in the rural development process by having more private sector involvement in rural development programmes. However, this change has not been well received by the local communities who see it as being of more beneficial to the private organisations than themselves. Lack of co-operations and co-ordinations bring about the problems of ineffective institutional arrangement.

Concentration of sectoral-based agencies mainly on agriculture-related activities has made them somewhat isolated from other aspects of rural development such as infrastructure and basic amenities, industry, tourism, entrepreneurship and human capital development. Even though these tasks could be shouldered by more broadly based agencies such as the district offices and the regional development agencies, limited financial resources and manpower have reduced their capacity to engage in these aspects of development. The arrangement whereby not every state has a regional development agency has also prevented the district offices from acquiring services from this agency to help develop areas under its administration. As a result,

the concentration of sectoral-based agencies on agriculture-related activities, especially in the cultivation of commodity crops, has prevented it from bringing stable incomes to the local population because of their reliance on world commodity prices. On the other hand, the limitations faced by the district offices in the form of financial resources and staffing have also hindered them from providing satisfactory progress for the local economy compared with what they have achieved in infrastructure development and basic amenities. Agencies look to try to confine themselves towards their own objectives to bring successful rural development.

Since the agencies are playing major roles in rural development, local participation in the decision-making process is actually limited. Undoubtedly the JKKK was formed as a local representative in the development process, but its weakness has meant that it cannot be a strong grass roots institution where local people's views will be heard and taken seriously by the agencies in the decision-making process. Often they are disregarded not only by the agencies and the politicians, but also by some sections of the local population itself and are sidelined in the decision-making process. Even though there are several other means for locals to voice their views such as Customer Meeting Day, these do not provide effective means whereby local views will be taken seriously by the agencies in formulating their development policies and implementing development programmes. This is mainly due to the perception that government officers normally have better knowledge than the locals on how to plan and implement development programmes in the rural areas.

Generally this kind of arrangement leads to a situation where at the grass roots level, JKKK is unable to play a more significant role in rural development than simply to forward applications for projects, mainly in the form of infrastructure and basic amenities. Agencies are heavily bureaucratic in nature. Their division in the form of sectoral-based agencies has limited their concentration on economic development, mainly on the cultivation of commodity crops, while limitations in terms of financial resources and manpower limited the concentration of state-based agencies such as the district office mainly on infrastructure development and basic amenities.

Therefore, in this kind of arrangement, it is very difficult for the government to put emphasis on the development of the local economy, except probably through agriculture development as the arrangement itself does not provide suitable conditions for this to happen. The presence of

more broad-based agencies such as the regional development agencies could counterbalance the deficiencies faced by the state-based and sectoral-based agencies, and contribute significantly to rural development mainly because it could bring in more resources to the rural areas. Even so there must be effective mechanisms that will allow these agencies to co-operate better and co-ordinate to deliver their functions more effectively. Perhaps the government should also be looking into the possibility of shifting the rural policy from one that focuses on individual sectors to one which focuses on regions or territories. This can be done through the extension of the existing regional development authorities and the formation of several other regional development authorities to serve other specific areas. This, however, can only materialise if the government has the political will to revamp the existing institutional arrangements.

**Notes:**

- <sup>1</sup>. Interview Respondent 61, Members of the Village Development and Security Committee in the District of Rompin.
- <sup>2</sup>. Interview Respondent 10, an ordinary villager in the District of Kota Tinggi.
- <sup>3</sup>. Interview Respondent 2, an ordinary villager in the District of Rompin
- <sup>4</sup>. Interview Respondent 45, a village head in the District of Kota Tinggi.
- <sup>5</sup>. Interview Respondent 1, Members of the Village Development and Security Committee in the District of Kota Tinggi.
- <sup>6</sup>. Interview Respondent 6, Agriculture Officer in the District of Rompin.
- <sup>7</sup>. Interview Respondent 27, Assistant Secretary in the Ministry of Rural and Regional Development, Putra Jaya.
- <sup>8</sup>. Interview Respondent 30, Administrator of the *mukim* in the District of Jempol.
- <sup>9</sup>. Interview Respondent 59, a politician in the District of Kota Tinggi.
- <sup>10</sup>. Interview Respondent Interview Respondent 27, Assistant Secretary in the Ministry of Rural and Regional Development, Putra Jaya.
- <sup>11</sup>. Interview Respondent 56, Members of the Village Development and Security Committee in the District of Kota Tinggi.
- <sup>12</sup>. Interview Respondent 21, an ordinary villager in the District of Kota Tinggi.
- <sup>13</sup>. Interview Respondent 55, Senior Officer in Jempol District Office in the District of Jempol.
- <sup>14</sup>. Interview Respondent 4, Assistant Secretary in the Ministry of Rural and

Regional Development, Putra Jaya.

- <sup>15</sup>. Interview Respondent 10, an ordinary villager in the District of Kota Tinggi.
- <sup>16</sup>. Interview Respondent 44, a village head in the District of Kota Tinggi.
- <sup>17</sup>. Interview Respondent 41, Members of the Village Development and Security Committee in the District of Kota Tinggi.
- <sup>18</sup>. Interview Respondent 60, a politician in the District of Kota Tinggi.
- <sup>19</sup>. Interview Respondent 26, Staff of Kota Tinggi District Office in the District of Kota Tinggi.
- <sup>20</sup>. Interview Respondent 3, administrator of the *mukim* in the District of Kota Tinggi.

## **CHAPTER NINE**

### **KEY FINDINGS: INTERPRETATION AND IMPLCATION**

#### **9.1 INTRODUCTION**

Having discussed the main findings of the research in Chapter Six, Seven and Eight, this final chapter is to conclude the overall study that has been carried out. It is important that in this final chapter, the major findings of the dissertation are interpreted. Therefore, this chapter provides the summaries of all chapters in this dissertation. In addition, it will also provide an overview of the research implications, the research's contributions, its limitations and strength and recommendations for further research. For that purpose this chapter will be divided into ten sections;

- Section one is the introduction to the chapter.
- Section two is the summaries of all the chapters of this dissertation.
- The interpretation of the key findings is in section three, four and five.
- Some implications and conclusion of the research will be discussed in section six and seven.
- Contributions of the research will be discussed in section eight.
- In section nine some limitations and strength of the study will be illustrated.
- Finally the recommendations for further research will be made in section ten.

#### **9.2 SUMMARIES OF THE CHAPTERS**

**Chapter One:** This chapter has outlined the framework of the research. The main argument made in this chapter is that despite efforts that have been given to rural development, income

disparity between urban and rural is still high. This imbalance could be worsening and increase in years to come if there are no concrete measures taken to improve the situation. This is the research problem that has driven the study to be carried out. Research in the area of rural development is significant because it helps in providing vital information needed to improve the imbalance of development between the two sectors, as well as improving the well being of the majority of the rural population especially in the developing countries, which is imperative for their political stability. In this chapter the researcher has also argued that even though literatures have touched almost every aspects of the rural development, only a paucity of them have analysed it from the aspect of institutional arrangement. Therefore, other than to fill in this literature gap the study aimed at illustrating that institutional arrangements affect the effectiveness of the rural development programmes. To answer this main research question, the researcher has also emphasised the importance of the study to look at the profound problems faced by the rural communities and the interventions that have taken place in tackling those problems.

**Chapter Two:** This chapter illustrated problems faced by the rural communities in developing and developed countries as well as in rural areas in Malaysia. Overall this chapter has shown that rural problems are diverse and complex. While rural problems in the developing countries are mainly related to their dependency on agriculture such as low level of income, poverty, limited job opportunities, unemployment and underemployment and outward migration of rural young people, the problems faced by the rural communities in the developed countries are mainly related to lost of population, decaying public services, lack of job opportunities, lack of housing facilities and migration of the rural youths. As an upper middle income economy, the development problems faced by rural communities in Malaysia are mainly due to the transition of the country's economy from being agriculture dominated to an increasingly industrialised economy. Therefore, while agriculture still contributed significantly to the country's rural economy, the decreasing importance of this sector to the country's economy as a whole and the growing manufacturing sector has caused problems such as the decreasing interest among rural young people towards the primary sector and outward migration of the rural labour force to the manufacturing sector. This has caused other related problems such as the heavy dependence of the agriculture sector on foreign labour, unutilised land, poverty, depopulation of rural areas, lack of leadership talent and leadership capacity among the local leaders, unemployment among rural young people and other social problems.

**Chapter Three:** This chapter has illustrated several interventions in rural developments, either by exogenous, endogenous or mixed approach. It indicated that rural development in the developing nations is very much exogenous in nature, in which the government is playing major roles in planning and implementing for its development. Conversely, in the developed nations, rural development is more endogenous in nature where the government work in partnership with the local communities in planning and developing the rural areas.

**Chapter Four:** This chapter indicated the importance of institutional arrangements in organisational management and economic development. Therefore, while sound development planning and effective organisation is crucial for successful economic development, effective institutional arrangements are also important to provide a suitable environment for a participatory approach to take place for better management, as well as implementation of successful economic development programmes. Thus, it is important to recognise this aspect in organisation management and to take the steps necessary to improve the existing institutional arrangements, so that development programmes can be delivered more effectively to tackle rural development problems.

**Chapter Five:** This chapter described, explained and justified reasons for the adaptation of qualitative approach to the topic, the use of semi-structured interviews and documentary materials as means for data collection. Qualitative approach was adopted for the study because it is the interpretive study of a specified issue or problem which allows the researcher to acquire and analyse the views or perspectives of the respondents on the subject matter being studied, in order to answer the three research questions of the study.

**Chapter Six:** This chapter provided the empirical findings of the dissertation in answering the first research question of the dissertation, that is “what are the most profound problems faced by the rural communities in the study areas?” It demonstrated that the disadvantage of the local economy is the most profound problem faced by the local community in the study areas. 89.8% of the overall respondents have suggested so. The study also revealed that the rural population is facing other profound problems in relation to their development, which is the weakness of the rural development agencies, the weakness of the community based

institutions, the negative attitudes of the local population and the weakness of the local leadership.

**Chapter Seven:** This chapter provided the empirical findings of the dissertation in answering the second research question of the dissertation, that is “what kind of interventions are probably the most appropriate to tackle rural development problems?” It has demonstrated some of the interventions or approaches that have been carried out by the agencies for the development of the study areas. Overall, the government is very much involved in determining the direction of development in the study areas as the rural people are also dependent on them to bring development to their areas. Efforts have been made to develop rural areas through infrastructure, economic and human capital development. However, there is imbalance in the emphasis given to these three aspects of development. While continuing emphasis has been given to infrastructure and basic amenities where satisfactory progress has been made in this aspect of development, comparatively less has been achieved in the economic development. This is because the concentration on economic development is still being given to the agriculture sector, especially the development of commodity crops, in spite of the instability of their prices and the lack of interest from the younger generation of the rural population towards this sector.

**Chapter Eight:** This chapter provided the empirical findings of the dissertation in answering the third research question of the dissertation, that is “what are probably the most appropriate institutional arrangements in tackling rural development problems?” It has illustrated that the development process in the study areas involves three main organisations: the state-based agencies, the national-based agencies and the Village Development and Security Committee or the JKKK. This is the arrangement that was designed by the government to enable development to take place in the rural areas. However, as the chapter has revealed, this institutional arrangement is ineffective. This is primarily because at the grass roots level, JKKK is a weak community base institution that is unable to play a more significant role in rural development, but rather does nothing more than simply forwarding applications for projects, mainly in the form of infrastructure and basic amenities. Agencies are heavily bureaucratic in nature that made their co-operation and co-ordination difficult. Their division in the form of sectoral based agencies has limited their concentration on economic development, mainly on cultivation of commodity crops, while limitations in terms of

financial resources and manpower limited the concentration of state-base agencies such as the district office mainly to infrastructure development and basic amenities.

**Chapter Nine:** The main discussion of this chapter is the interpretation of the findings and the implication of the study. It also summarizes the thesis. In the main discussion it has highlighted that emphasis on agriculture has actually contributed to the disadvantage of the rural economy. Despite efforts to diversify the rural economy through non-farm sector such as manufacturing, tourism and small business, there were no serious efforts on part of the government to improve the local economy beyond the scope of agriculture. This was partly based on the assumption that through improved productivity in agriculture and thus improved income, an individual or community would become equipped with means of satisfying basic needs and thus improving their welfare. Although rural incomes could be increased through enhancing agriculture sector, serious measures must also be taken to diversify the rural economy through non-farm sectors. This chapter has also highlighted that the weaknesses of the rural development agencies have not only hindered their ability to put forward plans and engage in more constructive development for the betterment of rural areas, but its bureaucratic nature has also limited local involvement in the decision-making process. This has weakened the efforts to improve their social and economic conditions through their active participation in that process. The weakness of JKKK, the lack of constructive attitudes of the local population towards development and the weakness of the local leadership has further limited their ability to contribute significantly to the development.

### **9.3 THE INTREPETION OF KEY FINDINGS**

#### **9.3.1 Disadvantages of the Rural Economy**

Despite efforts by the government to improve the rural economy, 89.2% of the respondents suggested that the disadvantage of rural economy is a profound problem faced by the rural communities in the study areas. This is mainly because agriculture is still being given a central place in the rural development process. Even though agriculture contribution to Malaysia GDP has decreased from 0.5% in 2003 to 0.2% in 2005 (New Straits Times Economic Report, September 11, 2004), it is still contributing 38.5% of the employment in the country's rural areas, compared to 18.2% in manufacturing and 9.8% in wholesale and retail trade (Malaysia

Labour Force Survey Report, 2002). This situation is the same with most of the developing or third world countries (Dixon, 1990, Mukherjee and Kuroda, 2002, Thiesenhusen, 2003). In Indonesia, for example, even though the share of agriculture in the country's GDP has dropped from 50% in 1970 to approximately 25% in 1988, it still remains the largest source of employment for unskilled labour, providing incomes to more than half of the population (Altemeier *et al*, 1991).

Based on the premise that qualitative changes can be achieved by increasing agriculture productivity, business development in the study areas is very much concentrated on agriculture and its related activities. In particular this relates to the cultivation of commodity crops, even though overall the contribution of agriculture to the country's economy is decreasing and the interest of young people in this sector is diminishing. However, emphasis on commodity crops that are subjected to external market forces does not really help the rural population when external and internal forces for their own benefit can manipulate the prices of these commodities. The highest incidence of poverty in Malaysia, for example, is to be found in rubber smallholdings (Munro-kua, 1996). Even in other developing countries such as India, after three decades of the 'Green Revolution', the situation for the rural poor has not improved significantly (Mukherjee and Kuroda, 2002). This is due to the fact that even when agricultural productivity grows, rural household incomes may not increase (Gardner, 2003). This problem was reflected from the study where those involved in agriculture were experiencing low prices for agriculture products, problems of marketing their products and the increasing cost of agriculture production. Consequently, these situations have led to low level of incomes, poverty, diminishing interest among young people in the agriculture sector, out-migration of rural young people to urban areas in search of better opportunities, heavy dependency of agriculture sector on foreign labourers and the problem of land not being utilised.

Despite efforts to diversify the rural economy through non-farm sectors such as manufacturing, tourism and small business, rural development in most developing countries can be said never to have really gone beyond agriculture development. This was based on the assumption that through improved productivity in agriculture and thus income, an individual or community would become equipped with the means of satisfying the basic needs, and thus improving their welfare. Perhaps this is by far the objective of rural development. The argument made by some government officers during the interviews who presumed that the

rural population does not really need heavy development in their areas, as they will be satisfied with having only basic amenities such as roads, water and electricity probably provided some basis for this assumption. Based on this presumption, we could therefore say that there are no serious efforts on the part of the government to improve the local economy beyond the scope of agriculture.

Therefore, some locals might have had a strong basis for their arguments when they claimed that the government could actually make a real difference in terms of development in the rural areas if there were really serious efforts to push for its development in particular through capital investment. This is not surprising because in most developing countries, where state intervention to achieve equal development between geographic regions appears to be seen only in terms of distribution of social amenities. Some researchers have also argued that in reality, all local economic policy is simply about redistributing, rather than creating jobs (Willis and Saunders, 1988; Eisenchitz and Gough, 1993). This has left some parties claiming that the government has deliberately left rural areas lagging in development so that the situation could be manipulated for political purposes.

### **9.3.2 Weakness of the Rural Development Agencies**

88.5% of the respondents have suggested that the rural development agencies possessed some weaknesses, such as limited financial resources for development and shortage of administrative and professional staff. Limited financial capacity has hampered the agencies' ability to put forward plans and engage in more constructive development for the betterment of rural areas or at least to deal with growing demands made by the local population for infrastructure and economic projects to be implemented in their areas. This has consequently led to the problem of selected or pitched development, where certain villages or areas were claimed to have received more projects than others. This has occurred partly because the practice of awarding projects would normally be based on intimacy and close relationship between the village heads or JKKKs with the agencies.

Shortage of staff has also made it difficult for the agencies to focus on rural planning, monitoring, co-ordinating and overseeing the overall development in the rural areas, in particular when the rural population preferred a more hands-on approach to development. In

addition, the bureaucratic nature of the agencies has raised problems of co-operation and co-ordination and limited consultations with the local population, which has led to project redundancies, ineffective use of resources and limited involvement of the local population in the decision-making process. This, as Metha (1984) put it, has weakened the efforts to improve the social and economic conditions of the villagers through their involvement in the decision-making process. These situations will also prevent long-term economic and environmental success for the rural areas because, in the words of Pimbert and Petty (1997), success can only be achieved when the ideas and knowledge of the local people receive attention, and only when local people possess the power of autonomy in policy-making.

### **9.3.3 Weakness of Community Based Institution (JKKK)**

82.0% of the respondents have also indicated that JKKK as a prominent community based institution in the rural areas is actually a weak institution. This is mainly because it has not been provided with clear and concrete means to access financial resources to make it self-reliant and able to plan and implement programmes for the benefit of the local communities. Although it was formed as part of the government development mechanism at the village level, its weakness has limited local ability to play active roles in the development process and become an effective representation of community interests. This is in line with the claim that one of the most striking gaps in the developing world is the small number of representative organisations of rural workers, be they trade unions or peasant organisations (Anker, 1973; Flores, 1971; Jackson and Turner, 1973).

### **9.3.4 Lack of Constructive Attitudes of the Local Population Towards Development**

Local population was also claimed to lack constructive attitudes towards development. 77.0% of the respondents indicated that the rural population possesses attitudes such as complacency, lack of enthusiasm for development, being too dependent on government assistance, lack of co-operation and not being dependable. These attitudes have undermined their views towards development and reduced their capacity to participate constructively in the development process. Due to this weakness, Alzamani Mohammad Idrose (Utusan Malaysia, 18 August 2004) argued that the Malays, in particular in the rural areas, could only achieve greater development if they were willing to give up these negative attitudes and become mentally

focussed on survival like their Chinese counterparts. A leading academician and economist have also suggested that the Malays should have the ‘kiasu’ drive or to be a little more aggressive to succeed (Ungku Aziz, 2006). The study by Vogt and O’Dea (1962) in New Mexico on two ecologically similar communities, the Mormon community of Rimrock and the people of Homestead, demonstrated that attitude affects rural development programmes. While the people of the Mormon community of Rimrock placed a very high stress on the value of co-operation and were successful in a number of development ventures, by contrast the residents of Homestead were less successful because they refused to co-operate in the same type of joint venture.

### **9.3.5 Weakness of the Local Leadership**

The problem faced by the rural communities has been made even more severe as there is limited leadership talent at the village level. 75.4% of the respondents have suggested that rural areas lack leadership talent and capacity. These weaknesses have hampered their ability to contribute significantly to village development. Limited leadership talent in the rural areas is mainly due to the small population of villages resulting from out-migration of the educated and young people from these areas and also from the migration of more talented people to new settlement areas or plantation estates. Villages were then left with the elderly, low income and normally less educated leaders. The practice of selecting local leaders on political grounds has also resulted in those who are more capable being left out and those less capable but politically active being appointed as the local leaders. This is in line with the practice of appointing local leaders in countries such as Ghana (Botchie, 2000) and Zimbabwe (PlanAfric, 2000) which have limited local representation because those appointed tend to favour the government rather than the locals in their decision-making. Since leadership and citizen participation are key elements in the successful development of rural communities (Wall and Luther 1989; Reed and Paulsen, 1990; Wall and Luther, 1992; Knapp and Simon, 1994; Lawhead 1995; Seekins and Arnold, 1999) and the rural areas require effective community leadership to make the best use of the available capacity for development (OECD, 1986), lack of leadership talent and capacity are hampering the level of development in the study areas.

## **9.4 GOVERNMENT INTERVENTIONS**

The study has also demonstrated some of the approaches that were employed by the development agencies to bring about development in the study areas. Overall government interventions in the study areas are very much exogenous in nature or what Korten (1980) termed as the bureaucratic blue-print approach to development. Programmes and targets were formulated centrally with little regard to the willingness or capability of the people to respond, often with little real participation involved. This is because locals are still being seen as incapable of planning their development due to the lack of appropriate knowledge and therefore need to be guided. For this reason, major programmes and projects are normally initiated and planned by the ministries or agencies in accordance with the overall objectives of those organisations. However, claims are made by the government officers that a bottom-up approach is engaged in the development process.

### **9.4.1 Emphasis on Minor Infrastructure and Basic Amenities**

Much emphasis on rural development is still being given to the development of minor infrastructure and basic amenities. It has been a tradition in Malaysia where development planning emphasises more on physical development as compared with other aspects of developments. Infrastructure development has been a key characteristic of government policy in Malaysia since independence (Athukorala, 2003). For rural areas, physical development has been emphasised since the launching of the Rural Development Plan, only a few years after the country achieved its independence in 1957 (Husin Ali, S. 1981). Consequently, rural development in Malaysia was claimed to be biased towards basic amenities (Shamsul, 1990). Not surprisingly therefore, as the study has shown, substantial progress has been made in this aspect of development as compared with business and human capital.

There are several reasons why emphasis was given to minor infrastructure and basic amenities. These projects are easily managed. Most importantly they can be completed relatively quickly and provide visible effects in the rural landscape. This has made it the most suitable kind of development to be used and publicised as signs of progress by the politicians. The projects also mainly respond to the people's felt needs for any reasonable amenities. Normally these minor projects were projected as gifts from a benevolent government. According to Esman

(1972), they were considered to be “development cover crops” of little economic significance, but as evidence of government concern prior to embarking on larger and more substantial projects like major irrigation and land development schemes. Therefore, they were more to suit the political agenda of the government. Thus, even though these projects covered only a small proportion of the government’s rural development expenditure, they were the most highly publicised. This is not surprising because as OECD put it, the main objective of the strategy is to create temporary employment within the construction industries which have more political appeal than economic justification (OECD, 1986).

#### **9.4.2 Agriculture Development**

The government has also intervened directly in agriculture development. The focus on agriculture has been the natural result of the important role played by agricultural activities as natural resource industries within both rural economies and national economies as a whole. The concentration of agriculture development in rural areas is predominantly on land development programmes. Undoubtedly, the establishment of land development agencies such as FELDA, FELCRA and RISDA have enabled the government to distribute land to landless villagers and develop the lands with large plantations of commodity crops. Thousands of landless villagers are also able to own land through FELDA land development schemes and thousands more are able to develop their land with high quality seedlings with the help of FELCRA and RISDA. Nevertheless, as mentioned earlier, the concentration of land development on commodity crops cannot provide steady incomes for the farmers due to its dependency on global markets which are highly unstable. Lack of interest among the second generation towards the agriculture sector has also become a major threat not only to these land development schemes but to other agriculture related activities as a whole.

Therefore, as accepted, rural development can no longer rely solely on improvements and increased production in agriculture. Only a diversified rural economic structure, offering a wide range of employment opportunities outside an often overcrowded and stagnating agricultural sector, and supplemented by a number of basic social amenities will enable the marginal farmers and landless labourers to escape persistent and aggravating poverty. These employment opportunities outside the agricultural sectors are often referred to as non-

agricultural or off-farm employment. Briefly, it refers to any activity other than cultivating one's own land with the aim of generating additional income.

#### **9.4.3 Industrial Development**

There are efforts by the government to diversify the rural economy through industrial, tourism, educational and entrepreneurial developments. These approaches, however, do not seem to bring much improvement to the rural economy. Rural areas, as previous studies have revealed, are not a favourable location for the manufacturing sector (OECD, 1986; Marshall 1975; Glasmeier, 1991; Stearns *et al*, 1995; Goetz and Rupasingha, 2002; Drabenstott, 2003). Even if the government has the political will to transform rural areas into new industrial hubs, it will obviously involve huge investments especially to provide capital infrastructure for that purpose. In developing countries, where development is normally urban biased, it is really difficult for the government to shift its policy on development in favour of the rural areas. Therefore, the number and size of industries in the rural areas are normally small, employing only limited numbers of people at low wages. These limitations mean that the abundant supply of labour in the rural areas could never be provided with appropriate jobs nor could they be persuaded to stay in their localities. There are also initiatives taken by the government to develop rural industry as it could play a pivotal role in the development strategy. However, these initiatives are only to the extant of providing small job opportunities in the local communities and are normally unsustainable. Thus, the migration of the younger generation to urban areas and the incidence of villagers commuting to growth centres on a daily basis to work in the manufacturing sector in the urban areas are normal phenomena.

#### **9.4.4 Tourism Development**

Tourism developments which have exploited rural potential do not also seem to bring much benefit to the local population. It is highly dependent on private sector initiatives and heavy investment making it too vulnerable to market instability. With a low level of education, rural young people will normally be employed in low level positions with low wages and most likely to be made redundant if the sector is facing difficult economic situations. With still less emphasis given by the government to the development of rural tourism, local participation in this sector is limited to small tourism related activities such as operating low budget chalets,

organising fishing trips for tourists, river cruises or participating in home stay programmes. Limited financial capital and knowledge have normally hampered their initiative to participate actively in this sector even though it has a large potential for development. While tourism has long been realised as an alternative development strategy for economic and social regeneration of rural areas in many western nations (William and Shaw, 1991; Dernoi, 1991; Pompl and Lavery, 1993; Hannigan 1994a; Wickens, 1999), the involvement of local people in this sector in developing countries has normally been hampered by lack of education and financial resources as well as inadequate support from the public sector. The majority of the population in these countries has also a limited understanding of tourism, its impact and potential benefits, and therefore, do not realise their own potential, or the value of their resources, as tourist attractions (Briedenhann and Wickens, 2004).

#### **9.4.5 Education Development**

The government has also taken several initiatives to develop rural education by providing better schooling facilities and financial assistance to the rural poor. This is probably because education was seen to be the most appropriate and reliable means for the rural poor to improve their living standards especially when rural development programmes that identified variously with economic growth, modernisation, increased agriculture production, socialist forms of organisation and provision of services for basic needs actually failed to benefit them (Kallaway, 2001). They even tried to generate the rural economy through education related development by locating boarding schools, community colleges and other institutes of higher learning in the rural areas. A similar initiative has been undertaken in rural America, where community colleges and universities are uniquely positioned to provide the spark to create new regional economic development efforts (Rosenfeld and Sheaff, 2002). Nevertheless, without the creation of job opportunities in the rural areas this approach does not seem to bring much impact to the development of these areas. To some extent it has actually distorted the existing rural development programmes, creating the problems of abandoned farms, unused land and leaving only the ageing and less educated population to manage local resources.

#### **9.4.6 Entrepreneurial Development**

The study has also shown that there are efforts being made by the government to improve the rural economy through entrepreneurial developments. Overall, the efforts are very marginal and have made little improvement in rural economy. With a small population, weak purchasing power; limited access to financial capital and problems of marketing, entrepreneurial development does not also seem to be the best approach for rural populations to improve their level of income. Products need markets. The inability of rural entrepreneurs to access markets for their products and their heavy dependence on government agencies to secure outlets for their products normally prevents them from achieving commercial success in their activities. In fact entrepreneurial or new business has not been the traditional approach to rural development (Popovich and Buss, 1990). Most rural areas have difficulty establishing the necessary critical mass of facilities and investments to support economic development so that entrepreneurs have no difficulty in starting up enterprises in the area (Pezzini, 2000). Instead, the increasing involvement of the rural population in small, low income generating economic activities such as rural industries in the developing countries is in fact a sign of rural poverty rather than rural development (Tambunan, 1995).

#### **9.4.7 Human Resource Development**

Since much concentration has been given to infrastructural and economic development, relatively less emphasis has been to human resource development. Only a small number of agencies is said to have focussed on this aspect of development, mainly because of its intangible nature, that is it does not give a quick impact to rural development as compared with infrastructural and economic approaches. Less emphasis has also been given to this aspect of development because agencies were provided with limited financial resources for this purpose and there was a lack of interest from the local population in these programmes. These arguments are in line with the suggestion made by Marshall (1975: 560);

“The shortage of human resources funds has been particularly damaging because the agribusiness interests dominating rural political structure have had little concern in promoting human resource development. To some extent the lack of attention to necessary programs has been due to fiscal constraints. Rural political leaders have not been eager to spend limited public resources on people who are likely to make their productive contributions in other areas”

Based on the above arguments we could certainly conclude that despite substantial progress in the development of minor infrastructure and basic amenities, government interventions in rural development have been unable to address the profound problems faced by the rural communities in the study areas. Since the communities are also confronted with the weakness of their local leadership and community based institutions as well as not having constructive attitudes toward development, limited emphasis given to human resource development was also unable to empower them to be self-reliant and able to play active roles in their own development. In order to address these problems, more emphasis must be given to business development in particular to diversify the rural economy within or outside the farm sector so there will be a creation of jobs for the rural communities. Emphasis must also be given to human resource development so that rural communities can be empowered to be self-reliant and capable to reinvent themselves. Since for a long period of time agricultural policies have been considered as rural policies, what is required now is an approach extended far beyond agriculture to cure rural ills (Pezzini, 2000).

However, the key question is this; do the institutional arrangements designed by the government as a framework for the development process in the rural areas provide a suitable foundation for these sorts of interventions and the effective delivery of the rural policy to take place? Obviously the government through its agencies can make significant changes to the phase of development in the rural areas if it has the political will and determination to make it happen, but can development be achieved without the involvement of various other parties such as the local communities themselves? With reference to this point Foster and McBeth (1996: 395) argued;

“It is easy for bureaucrats and consultants to take over the local economic development process. It is easier for them to help the communities establish a process that allows the community to reinvent itself. Doing it the economic development practitioner’s way is easier and fits the result-oriented demands of granting agencies and state political leaders. It is also ineffective, counterproductive, and results in only short-term and shallow change”

## **9.5 THE EFFECTIVENESS OF INSTITUTIONAL ARRANGEMENT**

The study has shown there are three organisations that play major roles in rural development in the study areas. They are the state-based agencies, the federal-based agencies and the JKKK. Their relationship and involvements in the development process formed the institutional arrangement through which the development is planned and implemented in the study areas. At the village level, JKKK was formed not only to play administrative roles but also to take an active role in assisting agencies in the development process. Various agencies either the state-based or federal-based agencies in the form of sectoral and regional based agencies were formed to bring robust development to lagging rural areas. However, despite this clear structure, there are weaknesses in this arrangement that have made it ineffective.

### **9.5.1 Weaknesses of the JKKS**

At the village level, the JKKS, as a grassroots institution is actually a weak institution. They are lacking in financial resources and thus heavily dependent on government funding for every aspect of their activities. This has made it unattractive to some sections of the local population and unable to attain full commitment from its members. With little involvement of young and educated people, the committees were mostly made up of those with a low level of education and led by leaders with limited talents and capacities. These deficiencies have made the JKKS unable to be a vocal opponent to any policy that is not benefiting them. Without adequate knowledge and resources they are also limited in what they can plan for the rural economy. Allowing them to become involved in the development process through what was loosely termed as ‘bottom-up’ approach to development has resulted in their contributions being mainly confined to the provision of minor infrastructure and basic amenities rather than economic or human resource development which could improve the local economy and empower the local communities.

The practice of selecting the JKKS’s leaders and its members on political grounds has further weakened this institution. They not only have to perform administrative and development roles but political roles as well, within their limited capacities. This has also made them seem more as a political entity rather than an administrative and development body and unable to

represent wider rural communities. This situation was in fact seen as unhealthy by the political leaders themselves as remarks made by Chief Minister of one of the states indicate;

“The members of JKKK constitute only the political leaders and it does not reflect the true composition of the society which represents various interests...based on the current practice, the members of JKKK normally constitute of the political party branch head, its secretary and their youth head as if there are another political body in the area. Its composition does not represent wider voice despite it is a body that links the government and the grassroots”

(New Strait Times, 10 August 2006)

Due to this circumstance there are tendencies that the JKKKs were significantly being used as political tools rather than as a development agency. There is evidence from the interviews that the JKKK tends to make decisions on a political basis. For example, they tend to sideline those with a different political stance, preventing them from receiving government assistance or being committee members. In short, these deficiencies have prevented them from functioning effectively and becoming a strong and respected institution at the village level and playing constructive roles in the local development.

Due to these weaknesses there are some locals and government officers who have voiced their view that the JKKK need to be revamped to make it more effective to enable it to play more constructive roles in development. In fact, already efforts are being made by the Federal Government and some State governments to increase the allowance of the village heads who are also the chairmen of the JKKK and to provide the committee with a fixed allocation in order to strengthen the institution. But this initiative is far from changing the nature of the institution itself, especially the practice of selecting and appointing the village heads and the committee members on political grounds. There is evidence that JKKKs are meant to maintain their status quo as political tools at the village level and to perform this role more than their other functions. This is not surprising because sometimes governments in developing countries have been known to use NGOs (and probably community based institutions such as JKKK) as convenient vehicles for establishing grassroots links more for consolidating top-down political control than for implementing programmes aimed at poverty alleviation (Thiesenhusen, 2003).

The weaknesses of the JKKK have also weakened community participation in the rural development process. This has been one of the reasons why there is limited success of rural

development programmes. Berma (2001), for example, argued that one of the reasons for the limited “success” of many large-scale rural projects is that they tend to limit participation of certain underprivileged individuals (for example women, the elderly, the landless and smallholders). According to Williams (2003), the implementation of policies is likely to be most effective when officials work with established “stakeholders”. Therefore, real development must be people-centred rather than production-oriented. In fact, some critics define beneficiary participation as integral to authentic development (Finsterbusch and Wicklin III, 1989). In Thailand, for example, nearly all development programmes were said to have failed because they were designed from the top down, involved no participation of the local people, and seldom provided effective follow-up on completed projects (Korten, 1980). A study of 230 rural development institutions employing some 30,000 staff in 41 countries in Africa also found that to local people, participation was more likely to mean simply having discussions or providing information to external agencies (Gujt, 1991).

### **9.5.2 Weaknesses of the Development Agencies**

Since JKKK is a weak community based institution, the responsibility to develop rural areas falls heavily on the government agencies. The establishment of various agencies to carry out rural development programmes is probably designed to serve this purpose by bringing intense and robust development to the rural areas. However, as the study has revealed, the engagement of a multi-agencies approach to development does not necessarily mean that it is an effective approach. Fee (1985), for example, suggested that although a multi-organisation model provided a more intense approach in rural development, it provided only a little improvement in farm efficiency and rural poverty. There are tendencies among these agencies to operate within their own priorities, capacities and boundaries. This has prevented them from gathering resources and manpower to engage in a more integrated approach to achieve common ends in rural development. This situation is noted by William (2003:50)

“Policies are implemented through political and administrative mechanisms. They should conform to the plans of policy-makers but are constrained by the lack of fiscal and administrative capacity and failure of relevant agencies to co-ordinate their activities towards a common end. They may, therefore, fail to realise the goals of the policies. This approach sees the policy process more or less as an exercise in social engineering. Unfortunately, the bridges are not always built and when they are, they are liable to fall down”.

In addition, the division of agencies in the form of state and federal agencies as well as sectoral and regional based agencies has increased the level of bureaucracy and made co-operation and co-ordination between agencies in delivering rural development programmes even more difficult. By concentrating on specific sectors of the economy especially agriculture related activities, sectoral based agencies tend to limit their roles in other aspects of development such as infrastructure, manufacturing, tourism, small businesses and human capital development. These agencies, according to Madden (1970), tend to forget that there are other agencies working on other relevant problems and that there is a limited supply of resources with which to solve the overall problems of society. Most seriously, sectoral planning discourages co-ordination between sectors and between agencies. This leads to inefficiencies in the use of resources between agencies, discourages and complicates the planning of projects or programmes which involve more than one sector or agency and, in the worst cases, results in conflict or duplication between agencies (Conyers and Hills, 1986).

## **9.6 IMPLICATION FOR GOVERNMENT POLICY ON RURAL DEVELOPMENT**

In order to increase rural incomes it is crucial for the agriculture sector to be enhanced. The new initiative by the Malaysian government to regenerate this sector as a third engine of growth partly due to decline of the manufacturing sector is one of the ways in which this sector can be revitalised. However, considerable assistance must be given to the rural population in term of adequate information, knowledge, technology and marketing strategy because one of the most difficult services to provide to beneficiaries is help with product marketing (Thiesenhusen, 2003). Yet the most important is to develop a new interest in agriculture among the younger generation of the rural population because as the study has shown, this sector is actually losing its adherents.

Since income diversification is increasingly recognised as an enduring and pervasive strategy in developing countries (Ellis, 1998), there must also be a move towards a diversification of the rural economy to comprise a wider variety of component elements such as small business, crafts, trades, tourism etc. So the key for economic development in the rural areas is diversification of their economy, not only in the non-farm sector but also within the farm sector such as through agro-industries. Without it, rural communities do not have the necessary stability to endure the inevitable shifts resulting from global economic and political

changes (Winter, 1996). The experience of some developed countries has also shown that the non-farm sector has been a major contributor to rural incomes (OECD, 1986; Drabenstott, 2003).

It is important therefore for the government to have a clear picture of these problems in underlying development strategy for rural development. An effective intervention should be able to tackle the most profound problem as well as other significant problems in the rural areas. Priority must not only be given to efforts to diversify the rural economy, but also to strengthen rural organisations and empower the rural communities so that they can initiate and generate their own solutions to their own common economic problems.

In terms of effectiveness of JKJKK, there should be active participation of the community not only in the doing, the producing, but also in the design of the activities, in the formulation of the most suitable project, and in taking decisions one way or another, to give the people the chance to recognise their own capacities and limitations, and to look for different ways to improve their knowledge as a way to begin to overcome their unresolved problems (Garce and Middleton, 2003). There must be resources to encourage community organisation, participation and the strengthening of local initiative, to enable people to engage in the process of sustainable development. There must also be adequate representation in the decision-making bodies and empowerments to ensure local communities have the bargaining power in the negotiation over local resources (Clayton *et al*, 2003). Thus, there is actually an urgent need for the JKJKK to be revamped or restructured. However, restructuring would not be considered successful if it did not involve a change in mentalities, bringing about a change in behaviour in an irreversible way, and if it did not install management methods which favour the constant improvement of human resources and the continuous adaptation of structures to the needs of development (Bonnal, 2003).

There is also a need for rural policy to shift from a focus on individual sectors such as farms to one based on regions or territories. This policy is becoming much more common in many OECD countries as steps to improve the co-ordination of the sectoral policies which still remain (Pezzini, 2000). This will allow for a broader and more integrated approach to development in the rural areas and the decentralisation of powers and responsibilities, giving local representative organisations more freedom and decision-making powers, as well as the

means to carry them out. As part of the policy, the existence of the regional development agencies in rural development is needed to provide additional financial resources and manpower in the development process. The study has shown that the privatisation of agencies such as DARA has actually disrupted the development process in the rural areas rather than enhance it. Thus, the decision of the Ministry of Rural and Regional Development to consider re-establishment of regional development agencies such as DARA which was dissolved in 1997 (New Straits Times, 14 February 2006) provide evidence that there is a need for this form of agency in rural development.

There is also a need for better co-ordinated policies affecting rural areas. At the federal level, this often involves creating a new inter-ministerial working committee as has been done in Canada (Pezzini, 2000). For this purpose, inter-ministerial working committees between the Ministry of Rural and Regional Development and the Ministry of Agriculture and Agro-based Industries that have been set up in Malaysia could be extended to other ministries and agencies. At the local level new partnerships among various public departments and agencies as well as the private and non-profit sector could also be formed. For this purpose, the system-model approach as opposed to the goal-model could be used. In the latter, the optimising criterion is how well an individual unit achieves its assignments. This approach is frequently adopted in cases of new or highly specialised change agents. The system-model is based on a broader perspective. This approach analyses the relationships that must exist for organisations to operate at various level of effectiveness. It determines the balance among the various component parts that will make for higher overall achievement than other combinations. This perspective helps the researcher and policy-maker to see distortions not apparent through the goal-model perspective (Madden, 1970).

Political involvements in development are important. However, this involvement must be limited only to policy matters and not affect the planning and implementation of development programmes and projects. Therefore, there must be a clear demarcation of political involvement in the development process to avoid development being used as a means to gain political advantage.

There is also a need for private sector involvement in rural development especially for capital and strategy investments to develop new activities as well as providing marketing facilities for

rural products. There is no evidence of active private sector involvement in the development projects in the study area. This situation is in line with arguments made by Ahmad (1975:135) that ‘private sector has not been properly used in rural development projects, or more accurately has been kept at arm’s length for a variety of reasons’. Since there are already policies of corporatisation and privatisation of some development agencies dealing with economic activities, probably this policy could remain to play a major role in private sector involvement in rural development, besides involving other private entities into the sector.

Obviously with all the limitations in terms of staffing and resources, the public sector should not be the only party given the tasks to generate growth in the rural areas. There must be a private sector involvement or public-private partnership in rural development projects. This sort of arrangement is needed in order to generate growth in rural areas. While government agencies can provide the infrastructure and social capital, their private counterparts can provide the capital and expertise for marketing rural products. This will allow the establishment of economic activities in rural areas which can create job opportunities and prevent the outflow of talents from these areas.

## **9.7 CONCLUSION OF THE STUDY**

To conclude, rural problems are massive and complex. There are no easy ways in which they can be addressed. No strategy will give the desired results unless long-range perspective planning for economic decisions is formulated. Nevertheless, sound development planning alone cannot guarantee that rural areas will be successfully developed. It must be supported by an effective institutional arrangement that can provide suitable conditions where initiatives can be built up by each party involved in the development process effectively to plan and implement programmes to tackle profound problems faced by the rural communities. The study has shown that the existing institutional arrangement is ineffective in addressing the disadvantage of the rural economy that is the profound problem faced by the rural communities in the study areas. It is also unable to address other significant problems faced by the rural communities. At the village level, JKKK is too weak to play a significant role in the development process, and therefore, has little say in the process of decision-making. Since JKKK is at a disadvantage, the role of bringing development to the rural areas lies heavily on the development agencies. Therefore, the concentration of power is actually in the hands of

urban-based bureaucrats, and the alienation of the rural population from the process of decision-making can be seen as positively adding to the unequal opportunities of access to resources. Halting this growing inequality thus becomes also an issue of creating appropriate institutional structures for more active participation by the local population in the process of decision-making.

The presence of numerous development agencies in the arrangement is important to provide numerous resources and to bring robust and intense development to the rural areas. However, their bureaucratic nature has hampered the level of co-operation and co-ordination between them and prevented them from synergising the resources for better delivery of rural development programmes to achieve the common goal of rural development. The involvement of politicians in the arrangement has also made it even more ineffective as they have tended to use their influence in the development process to achieve their political agenda.

This arrangement has allowed greater emphasis on rural development to be given to infrastructure and basic amenities and less on other aspect of development. Therefore, while development approaches undertaken by the government have been unable to address the profound problem and other significant problems faced by the rural communities, the existing arrangement does not also provide conditions where appropriate actions can be taken to address the same problems.

This arrangement needs to be strengthened to make it effective. Therefore, there is an urgent need for JKJKK as the community based institution at the village level to be revamped and empowered to enable it to play a significant and effective role in rural development. Better co-operation and co-ordination between development agencies is also required to ensure that their resources are synergised to achieve a common goal in rural development. There is also a need for a shift of policy from sectoral planning to territorial or regional planning to allow for a more integrated approach to rural development. There must also be public-private partnership in rural development that could provide for better investment in development and the marketing of rural products. Politicians' involvement in development is important but their role in the development process should be limited to policy matters and not permit interference in the planning, decision-making process or project implementation. In the interest of effectiveness and ultimate accountability, it is crucial that the role of each party in this

arrangement is clear; their power is formalised and legitimate. Hopefully with effective institutional arrangement the objective of rural policy to encourage sustainable development can be achieved.

## **9.8 CONTRIBUTIONS OF THE STUDY**

It contributed to the existing body of knowledge. The study has expanded the existing body of knowledge, particularly in its contribution to the literature of development studies looking from the aspect of institution that was claimed to have been given less attention in the literature, as discussed in Chapter Two, Three and Four.

The study is a comprehensive analysis on the problems faced by the rural communities in Malaysia. It also provided some understanding on the deficiency of the government approaches to rural development and weakness of the institutional arrangement that was designed to deliver development programmes in the rural areas. This will certainly help the rural development planners in designing appropriate approaches to development and effective institutional arrangement to address some of the problems faced by the rural communities in Malaysia.

Therefore the often large gap between the rhetoric of national policy and planning and what happens ‘on the ground’ is clearly evidence from the study, requires close-up analysis of types of interactions, power relation, negotiating resources, and legitimating norms and values of village population and government official. This study reveal concretely the effectiveness of government departments either under the federal or state level, and thus directly facilitate a fuller understanding of the character and the significance of particular institutional arrangement.

## **9.9 LIMITATIONS AND STRENGTH OF THE STUDY**

The study has several limitations that should be mentioned. Firstly, the selection of respondents from the categories of the target groups or the local population was confined to the Malay community in the villages. Even though there are other ethnic groups living in the rural areas such as the Chinese and Indians, the focus of the study are on the Malay

community mainly because they are the majority in this area. Therefore, while the findings of the research can possibly represent the situations face by the Malays community in the rural areas, it cannot reflect the experience face by other ethic groups.

Secondly, although district office in each district and one department of agriculture were chosen as samples, they represent only a small portion of organisation from the state agency. Such decision was made on assumption that the district offices are the key agencies at the district level that are involved in rural development. Data from other state agencies might have provided valuable information to the study and probably will provide much better understanding on the subject matter being studied. However, due to time constraint the possibility cannot be explored.

In terms of research method the study adopted qualitative approach in the belief that it is appropriate for this type of research as its best suited for understanding complex socio-economic phenomena or relatively unknown process characteristics. Probably it would have been much better if the quantitative methods such as survey was also been adopted in this research. This will help to strengthen the arguments that was made especially on the problems faced by the rural communities, their views on the specific approaches undertaken by the government to solve the problems that their facing and their views on the arrangements that was designed to deliver development programmes for their betterment.

Despite its limitations, some strength of this study is also worth mentioning. Firstly, the research was carried out in three different areas in three different states in Malaysia. They are the District of Kota Tinggi in the state of Johor, the District of Rompin in the state of Pahang and the District of Jempol in the state of Negeri Sembilan. This has made it more representative in terms of analysing the problems faced by the rural communities in Malaysia. This will allow for better understanding of the problems that they are facing and for the designing of a more appropriate approach to development.

Secondly, the study has also involved different sections of people involved in rural development, from the highest level of the officers in the Ministry of Rural and Regional development right to the bottom to the ordinary villagers. Therefore, it has provided different

opinions and perspectives from every level of people involved in delivering rural development programmes as well as receiving them.

## **9.10 RECOMMENDATIONS FOR FURTHER RESEARCH**

This study has illustrated that among others the main problems faced by the government organisations involved in delivering rural development programmes are limited co-operation and co-ordination between them. These problems have hindered their ability to co-operate and make optimum use of their limited resources. Further study to analyse the factors which have hindered their partnership in delivering rural development programmes should be explored.

In order to make the institution arrangement more effective in delivering development programmes to the rural areas, the researcher has proposed in Chapter Eight and Nine for the shifting of policy from sectoral approach to development to more regional or territorial approach to development. Since there are already few regional development authorities operating in some states in Malaysia it is important for further research to be made on these existing agencies as to evaluate their functions, problems that they face and effectiveness in delivering rural development programmes. In spite of that, it is also important to evaluate whether the introduction of technology in particular information technology such as the local area networks, web and the internet could have contributed to the improvements of delivery system of the rural development agencies involved in rural development.

The study has also concentrated on analysing the institutional arrangements at the district level of development; further study at analysing the arrangements at the ministerial level especially in planning and delivering rural development programmes is also worth looking into. This will probably provide a better picture of the overall institutional arrangements for rural development in Malaysia.

In terms of research designs, it is worth distinguishing one alternative design; comparative design. The design will be basically using more or less identical methods of two contrasting cases. It embodies or less the logic comparison in that it implies that we can understand social phenomena better when they are compared in relation to two or more cases. For example, further research can be done by contrasting rural economic development of two countries;

Malaysia and Ghana. In the research, we could establish the common and differentiating factors that lay behind the successful planning and implementation of rural economic development in both countries.

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## **Question guide (Group 1)**

Number of respondent

Date of interview \_\_\_\_/\_\_\_\_/2004

Category of respondent: The rural population

Position of the respondent: **The village headman**

### **A. Basic information of the respondent**

1. Name: \_\_\_\_\_ Male  Female
2. Age: \_\_\_\_\_
3. Address: \_\_\_\_\_  
\_\_\_\_\_
4. Telephone Number: House/Office: \_\_\_\_\_
5. E-mail address (if available): \_\_\_\_\_
6. Length of service: \_\_\_\_\_ months/years.
7. Level of education: \_\_\_\_\_

### **B. Nature of the job**

8. How many villages are under your responsibility?
9. How long have you been serving for the villages?
10. What does you actually the village headman?
11. What is your main task?
12. Who are you superior that to whom you report?
13. Are you a member of any development committee?
14. What are the functions of this committee?
15. How does this committee help you in relations to your works?
16. How do you describes your relationship with rural communities in your areas?
17. Do you have a close contact with them? If yes. On what purpose? If not, why?
18. Do they consult you about matters related to their daily life?
19. What sort of consultation that they always wanted from you?
20. Can you normally provide that assistance? If yes, what sort of assistance do you always give them? If not, why?

21. Do you think you have been able to provide an adequate assistance to them? If yes, on what basis you're saying so. If not, why?
22. Do you think they satisfy with your service? If yes, what are your basis for saying that? If not, why?
23. Do you think there is a need for you to improve your relationship with the local communities? If yes, what sort of improvement do you think is most important? Why? If not, on what basis you're saying that?
24. Do you think leadership capacity is an important factor in rural developments? How do you think they are related?
25. Do you think there is a need for you to improve your leadership capacity? Why?
26. How do you think the improvements could be done?
27. How often do you meet your local community officially?
28. What are normally the purposes of this meeting?
29. What sort of mechanism or arrangements did you normally used for the meeting?
30. Do you satisfy with the existing mechanism or arrangements? If not, what sort of arrangements do you think is more appropriate? Why?
31. What do you normally discuss in the meeting?
32. Do you think the matters discussed able to reach the rest of the local communities? If yes, what make you made that conclusion? If not why?

### **C. Background of the villages (rural problems/solution)**

33. How many villages under your administration? Can you please name the villages?

Number	Name of the villages
1.	
2.	
3.	
4.	
5.	
6.	
7.	

34. Can you please tell me roughly the population of these villages?

Number	Name of the villages	Population
1.		
2.		
3.		
4.		
5.		
6.		
7.		

35. Is the population of the villages increasing or decreasing?

36. If it is increasing, other than the normal birth rate, what do you think the factors that contributed to that increment?

37. If it is decreasing, what do you think the factors contributed to that reduction?
38. Are there any effects between the number of population and the level of development in these villages?
39. Do you look at this factor as an obstacle to the development of those villages? In what way?
40. What do you think should be done to improve this situation? Who do you think should play the role? Why?
41. Do you think development agencies operate in your area take into consideration this factor in planning and implementing their development programmes? If yes, what make you say so? If, not, why do you say so?
42. What is their composition in terms of age?

Number	Name of the villages	Age composition		
		Young	Adult	Elderly
1.				
2.				
3.				
4.				
5.				
6.				
7.				

43. Do you see any effect between their age composition and the level of development of these villages? What kinds of effect?
44. Do you think this factor is an obstacle to the development of those villages? Why?
45. How do you think this situation could be improved? Why?
46. Who should play the role? Why?
47. Do you think this factor is taken into consideration by development agencies when planning and implementing their development programmes? If yes, what make you say so? If not, what are your reasons for saying that?
48. What is their composition in terms of gender?

Number	Name of the villages	Gender composition	
		Male	Female
1.			
2.			
3.			
4.			
5.			
6.			
7.			

49. Do you think there is an effect between their gender composition and the level of development of these villages? What sort of effect?
50. How do you think this situation could be improved? Why?
51. How do you think the development agencies should react to this problems inline with their development programmes? Why?

52. Do you think the development agencies take into consideration this factor in planning and implementing their development programmes? If yes, what make you say so? If no, what are you reason for saying so?

53. How do you describe the level of education in the respective villages?

Number	Name of the villages	Level of education			
		Primary	Secondary	Tertiary	Higher
1.					
2.					
3.					
4.					
5.					
6.					
7.					

54. Do you see any effect between their level of education and the level of development of the respective villages? What sort of effect?

55. What do you think should be done to improve this situation? Who should play the role? Why?

56. Do you see any effect between their level of education and the level of their economic development? What sort of effect?

57. What do you think should be done to improve this situation? Who should play the role? Why?

58. Do you think the development agencies take into consideration this factor in planning and implementing their development programmes? If yes, what make you say so? If no, what are you reason for saying so?

59. How do you describe the level of employment in these villages?

60. Is there adequate job opportunity for the villagers?

61. Do they have to find jobs outside the villages? If yes, what kind of jobs that they engaged in? Why? Where?

62. Do they face the problem of out-migration of their youth? Why?

63. Does this situation have an effect on the village development? What kind of effect?

64. What do you think should be done to tackle this problem? Why?

65. Who do you think should take that action? Why?

66. Do you think the development agencies take into consideration this factor in planning and implementing their development programmes? If yes, what make you say so? If no, what are you reason for saying so?

67. Other than the problems above, what do you think the major problems faced by the rural population in pursuing their economic activities? How does this problem affect their economic activities?

68. How do you think this problem could be tackle? Who should take the action? Why?

69. What are the main economic activities of these respective villages?

Number	Name of the villages	Types of economic activities
1.		
2.		
3.		

4.		
5.		
6.		
7.		

70. How long has they been involved in these activities?
71. Could these be considered as traditional or new economic activities?
72. If this is a traditional activity, why do you think they keep on engaging in this activity?
73. Do you think by engaging in this traditional economic activity it hinder their economic development? Why?
74. If this is a new economic activity, when do they engage in this new activity? Why do they shift to this activity?
75. Does this activity is their main source of income?
76. What is their level of income?
77. Do you think their income is adequate as compared to the current standard of living?
78. Do they receive any assistant from the government agencies in pursuing their economic activities? If yes, what kinds of assistant that they received?
79. Do you think the assistance given by the government agencies is adequate for their betterment? If yes. In what way it has helped? If not, why?
80. Do they involve in other economic activities? What kinds of activities?
81. Do they receive any kinds of assistant from government agencies for these economic activities? If yes, what kinds of assistant?
82. Do you think this assistance helped them in improving their standard of living? If not, why?
83. Do you see any kinds of obstacles that hinder rural population engaging in other kinds of economic activities? What kinds of obstacles?
84. How these obstacles could be overcome?
85. What kind of economic activities do you think should be implemented in rural areas in order to improve their living standard? Why?
86. How do you think that improvement could be made? Why?
87. Do you think they should be involved in non-farm activities in order to upgrade their standard of living? Why?
88. What sort of non-farm activities do you think is more appropriate for them in order to achieve that objective?
89. Do the development agencies provide assistance or programmes for them to involve in that activities?
90. Do you think they will be able to involve in this kind of activities? Why?
91. Do you think they will face difficulties to involve in this activity? What kind of difficulties? Why?
92. Do you think they have a means to solve the difficulties? If yes, what kind of means? If not, how do you think the difficulties could be solved?

## **D. The village development and government intervention**

84. How do you define development in rural context?
85. To what extent do the villages under your administration reach that level of development? Why?
86. Could you please describe the form of development in these villages?
87. Do you satisfy with the level of development? If yes, what are your reasons for saying that? If not, why?
88. Does the development programmes implemented in your villages able to tackle the problems faced by your rural communities? If yes, on what basis you're saying that? If not, why?
89. Does these development programmes able to improve and upgrade their living standard? If yes, on what basis you're saying that? If not, why?
90. Does majority of the population benefited from these developments? If yes, in what way they have benefited? If not, why?
91. What sorts of other developments you think should be brought to the villages?
92. Why these kinds of developments are required?
93. Who do you think should be responsible for these developments? Why?
94. Is there an obstacle for these developments to be brought to the villages? What kinds of obstacle?
95. Is there a way to tackle it? How should it be tackle? Who should tackle it? Why?

## **Consultation with rural population of development programmes**

96. Do you think rural communities should be given an opportunity to express their views in relation to development programmes implemented in their area? Why?
97. Do you think they will be able to express their views if they were given that opportunity? If not, why?
98. How do you think they should express their views?
99. Is there a means for them to do that? If yes, is that mechanism adequate? If not, should there be a mechanism for them to do that? What sort of mechanism? Why?
100. Were they been given that opportunity in the existing arrangements? If yes, in what way the opportunity was given?
101. Do they able to contribute fruitfully? If not why?
102. What sorts of view that they were asked for?
103. How the view was gathered?
104. At what stage of development that they were asked to give their views?
105. Does their views been taken into consideration by development agencies in planning and implementing their development programmes? If, yes, what are your basis for saying that? If not, why do you think their view was sidelined?
106. Do you think it is enough for them to just express their views without actually participate in the development process or given some sort of power to actually plan and implementing their own development? Why?

## **Local participation in the developments**

107. Other than just giving their view on development programmes, do you think they should participate in the decision-making process relating to rural developments? Why?
108. Do you think they can participate actively in that process? If yes, what are your reasons for saying that? If not why?
109. At what stage of development do you think their participation is important? Why?
110. What kind of participation other than decision-making do you think is appropriate for them? Why?
111. Does the existing arrangements allow them to participate in the development process? If yes, in what way? If not, why?
112. Do they able to participate adequately? Or there is an obstacle for them to perform well? What sort of problems?
113. How do you think this problem could be overcome?

## **Power to make decision**

114. Do you think rural communities should be given a wider role in planning and implementing their own development? What sort of role? Why?
115. Do you think they should be given a power to plan and implementing their own development programmes? Why?
116. To what extent do you think they should be given the power? Why?
117. Do you think they have the capability to plan and implemented their own development? On what basis you're saying that?
118. In your opinion what is the advantage to rural areas if the rural population have the power to plan and implement their own development?
119. What is the obstacle? How do you think this obstacle could be overcome?

## **Leadership Capacity**

120. How do you define local leadership?
121. What are the indications of a good leadership in rural context?
122. Do you think leadership play an important role for village development? In what way it is important?
123. How do you view the role of local leadership in relation to rural developments?
124. Do you think it is important to have their involvement in the planning and implementation of the rural development programmes? Why?
125. Do they were given an opportunity to involve in the previous or current programmes by rural development agencies? What kind of involvement?
126. Do you think they heve contribute meaningfully to the development process?
127. How do you describe the relationship between local leadership and its population in your areas?
128. Does this relationship have any effects on the development of the areas? What kinds of effects?
129. Do you satisfy with the existing leadership in your areas? Why?

130. Do you think there is a need to improve local leadership capacity? If yes, how do you think it should be done?

## **E. The role of rural development agencies**

131. Can you name me the development agencies that operate in your areas?

Number of agencies	Name of the agencies
1.	
2.	
3.	
4.	
5.	
6.	
7.	
8.	

132. Do you know their functions?

133. Do you have adequate information about these agencies? If yes, how you managed to get information about them? If not why?

134. Do you think you should have more information about these organisations? Why?

135. Are there any obstacles for you to get access to these organisations? If yes, what kind of obstacles? If no, can you please describe the nature of your accessibility?

136. Do you think the existing arrangements provide you with adequate opportunity to get access to these organisations? If not, can you please explain way? If yes, how do you think the arrangement has provided that accessibility?

137. How do you describe your relationship with the officials of these organisations?

138. Do you face any difficulties to get in contact with them? What sort of difficulties?

139. Do you think it is necessary to have a regular meeting with them? Why?

140. Do you have regular meeting with them in relations with the development programmes in your area? If yes, what sorts of matters are normally discussed?

141. Are you given an opportunity to express your views in the meetings? Do you able to express your views? Do you think they give attention to your view?

142. Do you have a fixed schedule for meeting with them?

143. Do you satisfy with the existing relationship between you and the organisations? Why?

144. What kinds of projects and programmes did they implement in your areas/villages?

145. Are these projects and programmes able to contribute to the betterment of rural communities? If yes, in what way they have contributed? If not, why?

146. Do you satisfy with the development programmes that they have implemented? If yes, what make you say so? If not, why?

147. Do you think they have adequate number of staff to implement rural development programmes? If yes, what make you say so? If not, why?

148. Do you think the officers involved in rural development have a clear view about rural problems and how to deal with it?

149. Do you think they have performed well in delivering rural development programmes? What are your reasons for saying that?
150. Do you see weakness in the operations of these agencies? If yes, what kind of weakness?
151. How do you think these agencies could improve their performance?
152. Which agency played a major role in the developments of your areas? On what basis does you made your judgement?
153. Do they give some sort of power or authority to the rural communities to plan and implementing their own development? If yes, to what extent does the power has been given?
154. Does the agency allowed for local participation in their development process? At what stage of development does local participation is allowed?
155. Do they ask for local the views before planning and implementing any development projects or programmes? If yes, what kinds of feedbacks that they asked?
156. What mechanism that they used to gather that feedbacks? Do you satisfy with those arrangements?
157. How do you view relationships between local population and development agencies operating in your area?

### **Inter-organisational cooperation**

158. Do you think it is good to have several rural development agencies serving in your area? Why?
159. Do you think it is a proper and effective arrangement for rural development? Why? If not, what do you think the most appropriate and effective arrangements/model for the rural development?
160. How do you view relationship between several development agencies in relating to project planning and implementation in your areas?
161. Do you think inter-organisational cooperation is important in pursuing a better rural development programmes? If yes, in what way?
162. Do you think they have managed to co-operate well in implementing rural development programmes? If yes, what make you say so?
163. Do you face any problems with so many rural development agencies around? What sort of problems? How do you think these problems could be overcome?
164. Do you think these agencies have served rural communities well? If yes, in what way? If not, why?
165. Do you see any room for improvement? How?
166. Overall how do you view rural development programmes in your area?
167. Do you satisfy with the present arrangements? Why?
168. Do you think there should be a wider role by private sector in rural development? Why?
169. What do you think of an idea of rural development run by the private sector?
170. What do think about the involvement of NGOs in rural developments?

**THANK YOU FOR YOUR CO-OPERATION.**

## **Question guide (Group 1)**

Number of respondent

Date of interview \_\_\_\_/\_\_\_\_/2004

Category of respondent: The rural population

Position of the respondent: **Member of the village development committee**

### **A. Basic information of the respondent**

1. Name: \_\_\_\_\_ Male  Female

2. Age: \_\_\_\_\_

3. Address: \_\_\_\_\_  
\_\_\_\_\_

4. Telephone Number: House/Office: \_\_\_\_\_

5. E-mail address (if available): \_\_\_\_\_

6. Length of service as a member of village development committee:  
\_\_\_\_\_ months/years.

7. Level of education: \_\_\_\_\_

### **B. Nature of the job**

8. How many villages are under the committee jurisdiction?

9. What is your function as the member of the committee?

10. What is your main task?

11. How does this committee help you in relations to your works?

12. Who are you superior that to whom you report?

13. Are you a member of any other development committee?

14. What are the functions of this committee?
15. How does this committee help you in relations to your works?
16. How do you describes your relationship as a member of the committee with rural communities in your areas?
17. Do you have a close contact with them? If yes. On what purpose? If not, why?
18. Do they consult you about matters related to their daily life?
19. What sort of consultation that they normally asked you?
20. Can you normally provide them with the assistance? If yes, what sort of assistance do you normally give them? If not, why?
21. Do you think you have been able to provide an adequate assistance to them? If yes, on what basis you're saying so. If not, why?
22. Do you think they satisfy with you service? If yes, what are you basis for saying that? If not, why?
23. Do you think there is a need for you to improve your relationship with the local communities? If yes, what sort of improvement do you think is most important? Why? If not, on what basis you're saying that?
24. Do you think leadership capacity is an important factor in rural developments? How do you think they are related?
25. Do you think there is a need for you to improve your leadership capacity? Why?
26. How do you think the improvements could be done?
27. How often do you meet your local community officially?
28. What are normally the purposes of this meeting?
29. What sort of mechanism or arrangements did you normally used for the meeting?
30. Do you satisfy with the existing mechanism or arrangements? If not, what sort of arrangements do you think is more appropriate? Why?
31. What do you normally discussed in the meeting?
32. Do you think the matters discussed in the meeting reach the rest of the local communities? If yes, what make you made that conclusion? If not why?

### **C. Background of the villages (rural problems/solution)**

33. Can you please name the villages under the committee jurisdiction?

Number	Name of the villages
1.	
2.	
3.	
4.	
5.	
6.	
7.	

34. Can you please tell me roughly the population of these villages?

Number	Name of the villages	Population
1.		
2.		
3.		
4.		
5.		
6.		
7.		

35. Is the population of the villages in the state of increasing or decreasing?

36. If it is increasing, other than the normal birth rate, what do you think the factors that contributed to that increment?

37. If it is decreasing, what do you think the factors contributed to that reduction?

38. Are there any effects between the number of population and the level of development in these villages?

39. Do you look at this factor as obstacle to the development of those villages? In what way?

40. What do you think should be done to improve this situation? Who do you think should play the role? Why?

41. Do you think development agencies operate in your area take into consideration this factor in planning and implementing their development programmes? If yes, what make you say so? If, not, why do you say so?

42. What is their composition in terms of age?

Number	Name of the villages	Age composition		
		Young	Adult	Elderly
1.				
2.				
3.				
4.				
5.				
6.				
7.				

43. Do you see any effect between their age composition and the level of development of these villages? What kinds of effect?
44. Do you think this factor is an obstacle to the development of those villages? Why?
45. How do you think this situation could be improved? Why?
46. Who should play the role? Why?
47. Do you think this factor is taken into consideration by development agencies when planning and implementing their development programmes? If yes, what make you say so? If not, what are your reasons for saying that?
48. What is their composition in terms of gender?

Number	Name of the villages	Gender composition	
		Male	Female
1.			
2.			
3.			
4.			
5.			
6.			
7.			

49. Do you think there is an effect between their gender composition and the level of development of these villages? What sort of effect?
50. How do you think this situation could be improved? Why?
51. How do you think the development agencies should react to this problems inline with their development programmes? Why?
52. Do you think the development agencies take into consideration this factor in planning and implementing their development programmes? If yes, what make you say so? If no, what are you reason for saying so?

53. How do you describe the level of education in the respective villages?

Number	Name of the villages	Level of education			
		Primary	Secondary	Tertiary	Higher
1.					
2.					
3.					
4.					
5.					
6.					
7.					

54. Do you see any effect between their level of education and the level of development of the respective villages? What sort of effect?

55. What do you think should be done to improve this situation? Who should play the role? Why?

56. Do you see any effect between their level of education and the level of their economic development? What sort of effect?

57. What do you think should be done to improve this situation? Who should play the role? Why?

58. Do you think the development agencies take into consideration this factor in planning and implementing their development programmes? If yes, what make you say so? If no, what are you reason for saying so?

59. How do you describe the level of employment in these villages?

60. Is there adequate job opportunity for the villagers?

61. Do they have to find jobs outside the villages? If yes, what kind of jobs that they engaged in? Why? Where?

62. Do they face the problem of out-migration of their youth? Why?

63. Does this situation have an effect on the village development? What kind of effect?

64. What do you think should be done to tackle this problem? Why?

65. Who do you think should take that action? Why?

66. Do you think the development agencies take into consideration this factor in planning and implementing their development programmes? If yes, what make you say so? If no, what are you reason for saying so?
67. Other than the problems above, what do you think the major problems faced by the rural population in pursuing their economic activities? How does this problem affect their economic activities?
68. How do you think this problem could be tackle? Who should take the action? Why?
69. What are the main economic activities of these respective villages?

Number	Name of the villages	Types of economic activities
1.		
2.		
3.		
4.		
5.		
6.		
7.		

70. How long they have been involved in these activities?
71. Could these be considered as traditional or new economic activities?
72. If this is a traditional activity, why do you think they keep on engaging in this activity?
73. Do you think by engaging in this traditional economic activity it hinder their economic development? Why?
74. If this is a new economic activity, when do they engage in this new activity? Why do they shift to this activity?
75. Does this activity is their main source of income?
76. What is their level of income?
77. Do you think their income is adequate as compared to the current standard of living?
78. Do they receive any assistant from the government agencies in pursuing their economic activities? If yes, what kinds of assistant that they received?
79. Do you think the assistance given by the government agencies is adequate for their betterment? If yes. In what way it has helped? If not, why?
80. Do they involve in other economic activities? What kinds of activities?

81. Do they receive any kinds of assistant from government agencies for these economic activities? If yes, what kinds of assistant?
82. Do you think this assistance helped them in improving their standard of living? If not, why?
83. Do you see any kinds of obstacles that hinder rural population engaging in other kinds of economic activities? What kinds of obstacles?
84. How these obstacles could be overcome?
85. What kind of economic activities do you think should be implemented in rural areas in order to improve their living standard? Why?
86. How do you think that improvement could be made? Why?
87. Do you think they should be involved in non-farm activities in order to upgrade their standard of living? Why?
88. What sort of non-farm activities do you think is more appropriate for them in order to achieve that objective?
89. Do the development agencies provide assistance or programmes for them to involve in that activities?
90. Do you think they will be able to involve in this kind of activities? Why?
91. Do you think they will face difficulties to involve in this activity? What kind of difficulties? Why?
92. Do you think they have a means to solve the difficulties? If yes, what kind of means? If not, how do you think the difficulties could be solved?

#### **D. Further information about the respondent and his/her economic activity?**

93. How long you have been living in the village?
94. What do you do for living?
95. Do you consider this activity a traditional or new economic activity? If it is a traditional activity why do you still engaged in this activity? If it is a new activity why are you changing to this activity?
96. How long have you been doing this job?
97. Does the large amount of your monthly income from this activity?
98. How much do you earn monthly from this activity?

99. Does its adequate to support your family as compared to the current standard of living?
100. What sort of problem do you face in pursuing your economic activity?
101. Do you have a means to tackle this problem? If yes, how could you tackle it? If not, why?
102. Do you know of any assistant that you could get from development agencies in pursuing your economic activity? If yes, who provide that assistant? How do come to know about it?
103. Do you receive any assistant from development agencies in pursuing you economic activities? If yes, what kinds of assistance that you received? If not, is there any problem for you to get that assistant? What kind of problem?
104. If you receive the assistant from the agencies, do you think it adequate? Why? In what way it has helped you in your economic activity? If not, why?
105. Do you think you deserve the assistant? Why?
106. What is the main problem that you face in pursuing your economic activity?
107. What assistant do you think the most needed to enhance your economic activity? Why? Who do you think should provide the assistant? Why?
108. Do you involve in other economic activity? If yes, what kind of activity? If not, why?
109. Do you like to get involve in another economic activity? What kind of activity? Why this particular activity?
110. Do you think you should involve in non-farm activity in order to upgrade you standard of living?
111. What sort of non-farm activity do you think is more appropriate for you to achieve that objective?
112. Do development agencies provide assistant or programmes for you to involve in this activity?
113. Do you think you can really involve in this activity? What is your justification for saying that?
114. Don't you think your going to face difficulties involving in this activity? What kind of difficulties? Why?
115. Do you think you will be able to find a means to solve these difficulties? If yes, what kind of means? If not, how do you think these difficulties could be overcome?

## **E. The village development and government intervention**

116. How does development mean to you in rural context?
117. To what extent do you think the villages under the committee jurisdiction have reached that level of development? Why?
118. Could you please describe the form of development in these villages?
119. Do you satisfy with the level of development? If yes, what are your reasons for saying that? If not, why?
120. Does the development programmes implemented in your villages able to tackle the problems faced by your rural communities? If yes, on what basis you're saying that? If not, why?
121. Does these development programmes able to improve and upgrade their living standard? If yes, on what basis you're saying that? If not, why?
122. Does majority of the population benefited from these developments? If yes, in what way they have benefited? If not, why?
123. What sorts of other developments you think should be brought to the villages?
124. Why these kinds of developments are required?
125. Who do you think should be responsible for these developments? Why?
126. Is there an obstacle for these developments to be brought to the villages? What kinds of obstacle?
127. Is there a way to tackle it? How should it be tackled? Who should tackle it? Why?

### **Consultation with rural population of development programmes**

128. Do you think rural communities should be given an opportunity to express their views in relation to development programmes implemented in their area? Why?
129. Do you think they will be able to express their views if they were given that opportunity? If not, why?
130. How do you think they should express their views?
131. Is there a means for them to do that? If yes, is that mechanism adequate? If not, should there be a mechanism for them to do that? What sort of mechanism? Why?
132. Were they been given that opportunity in the existing arrangements? If yes, in what way the opportunity was given?

133. Do you think you will be able to express your views if you are given that chance?  
If not, why?
134. Do you ever given a chance to express your views regarding development programmes in your area by the development agencies?
134. Do they able to contribute fruitfully? If not why?
135. What sorts of view that they asked from you?
136. How the view was gathered?
137. At what stage of development that they asked for your views?
138. Does your views been taken into consideration by development agencies in planning and implementing their development programmes? If, yes, what are your basis for saying that? If not, why do you think their view was sidelined?
139. Do you think it is enough for you to just express your views without actually participate in the development process or given some sort of power to actually plan and implementing their own development? Why?

### **Local participation in the developments**

140. Other than just giving your views on development programmes, do you think you should participate in the decision-making process relating to rural developments?  
Why?
141. Do you think you can participate actively in that process? If yes, what are your reasons for saying that? If not why?
142. At what stage of development do you think your participation is important?  
Why?
143. What kind of participation other than decision-making do you think is appropriate for you? Why?
144. Does the existing arrangements allow you to participate in the development process? If yes, in what way? If not, why?
145. Do you able to participate adequately? Or there is an obstacle for you to perform well?  
What sort of problems?
146. How do you think this problem could be overcome?

### **Power to make decision**

147. Do you think rural communities should be given a wider role in planning and implementing their own development? What sort of role? Why?

148.Do you think they should be given a power to plan and implementing their own development programmes? Why?

149.To what extent do you think they should be given the power? Why?

150.Do you think they have the capability to plan and implemented their own development? On what basis you're saying that?

151.In your opinion what is the advantage to rural areas if the rural population have the power to plan and implement their own development?

152.What is the obstacle? How do you think this obstacle could be overcome?

### **Leadership Capacity**

153.How do you define local leadership?

154.What are the indications of a good leadership in rural context?

155.Do you think leadership play an important role for village development? In what way it is important?

156.How do you view the role of local leadership in relation to rural developments?

157.Do you think it is important to have their involvement in the planning and implementation of the rural development programmes? Why?

158.Were they be given an opportunity to involve in the previous or current programmes by rural development agencies? What kind of involvement?

159.Do you think they have contribute meaningfully to the development process?

160.How do you describe the relationship between local leadership and its population in your areas?

161.Does this relationship have any effects on the development of the areas? What kinds of effects?

162.Do you satisfy with the existing leadership in your areas? Why?

163.Do you think there is a need to improve local leadership capacity? If yes, how do you think it should be done?

### **F. The role of rural development agencies**

164.Can you name me the development agencies that operate in your areas?

Number of agencies	Name of the agencies
--------------------	----------------------

1.	
2.	
3.	
4.	
5.	
6.	
7.	
8.	

165.Do you know their functions?

166.Do you have adequate information about these agencies? If yes, how you managed to get information about them? If not why?

167.Do you think you should have more information about these organisations? Why?

168.Are there any obstacles for you to get access to these organisations? If yes, what kind of obstacles? If no, can you please describe the nature of your accessibility?

169.Do you think the existing arrangements provide you with adequate opportunity to get access to these organisations? If not, can you please explain way? If yes, how do you think the arrangement has provided that accessibility?

170.How do you describe your relationship with the official of these organisations?

171.Do you face any difficulties to get in contact with them? What sort of difficulties?

172.Do you think it is necessary to have a regular meeting with them? Why?

173.Do you have regular meeting with them in relations with the development programmes in your area? If yes, what sorts of matters are normally discussed?

174.Are you given an opportunity to express your views in the meetings? Do you able to express your views? Do you think they give attention to your view?

175.Do you have a fixed schedule for meeting with them?

176.Do you satisfy with the existing relationship between you and the organisations? Why?

177.What kinds of projects and programmes did they implement in your areas/villages?

178.Are these projects and programmes able to contribute to the betterment of rural communities? If yes, in what way they have contributed? If not, why?

179.Do you satisfy with the development programmes that they have implemented? If yes, what make you say so? If not, why?

- 180.Do you think they have adequate number of staff to implement rural development programmes? If yes, what make you say so? If not, why?
- 181.Do you think the officers involved in rural development have a clear view about rural problems and how to deal with it?
- 182.Do you think they have performed well in delivering rural development programmes? What are your reasons for saying that?
- 183.Do you see weakness in the operations of these agencies? If yes, what kind of weakness?
- 184.How do you think these agencies could improve their performance?
- 185.Which agency played a major role in the developments of your areas? On what basis does you made your judgement?
- 186.Do they ask for local the views before planning and implementing any development projects or programmes? If yes, what kinds of feedbacks that they asked?
- 187.What mechanism that they used to gather that feedbacks? Do you satisfy with those arrangements?
- 188.Does the agency allowed for local participation in their development process? At what stage of development does local participation is allowed?
- 189.Do they give some sort of power or authority to the rural communities to plan and implementing their own development? If yes, to what extent does the power has been given?
- 190.How do you view relationships between local population and development agencies operating in your area?

### **Inter-organisational cooperation**

- 191.Do you think it is good to have several rural development agencies serving in your area? Why?
- 192.Do you think it is a proper and effective arrangement for rural development? Why? If not, what do you think the most appropriate and effective arrangements/model for the rural development?
- 193.How do you view relationship between several development agencies in relating to project planning and implementation in your areas?
- 194.Do you think inter-organisational cooperation is important in pursuing a better rural development programmes? If yes, in what way?

- 195.Do you think they have managed to co-operate well in implementing rural development programmes? If yes, what make you say so?
- 196.Do you face any problems with so many rural development agencies around? What sort of problems? How do you think these problems could be overcome?
- 197.Do you think these agencies have served rural communities well? If yes, in what way? If not, why?
- 198.Do you see any room for improvement? How?
- 199.Overall how do you view rural development programmes in your area?
- 200.Do you satisfy with the present arrangements? Why?
- 201.Do you think there should be a wider role by private sector in rural development? Why?
- 202.What do you think of an idea of rural development run by the private sector?
- 203.What do think about the involvement of NGOs in rural developments?

**THANK YOU FOR YOUR CO-OPERATION.**

## **Question guide (Group 1)**

Number of respondent

Date of interview \_\_\_\_/\_\_\_\_/2004

Category of respondent: The rural population

Position of the respondent: **The ordinary villager**

### **A. Basic information of the respondent**

1. Name: \_\_\_\_\_ Male  Female
2. Age: \_\_\_\_\_
3. Address: \_\_\_\_\_  
\_\_\_\_\_
4. Telephone Number: House/Office: \_\_\_\_\_
5. E-mail address (if available): \_\_\_\_\_
6. Level of education: \_\_\_\_\_

### **B. Nature of the job**

7. Are you a member of any development committee in the village?
8. What is your function as the member of that committee?
9. What is your main task?
10. How does this committee help you in relations to your works?
11. Do you have a superior to whom you report?
12. Are you a member of any other development committee?
13. What are the functions of this committee?
14. How does this committee help you in relations to your works?
15. How do you describes your relationship as a member of the committee with rural communities in your areas?
16. Do you have a close contact with them? If yes. On what purpose? If not, why?
17. Do they consult you about matters related to their daily life?
18. What sort of consultation that they normally asked you?
19. Can you normally provide them with the assistance? If yes, what sort of assistance do you normally give them? If not, why?

20. Do you think you have been able to provide an adequate assistance to them? If yes, on what basis you're saying so. If not, why?
21. Do you think they satisfy with your service? If yes, what are your basis for saying that? If not, why?
22. Do you think there is a need for you to improve your relationship with the local communities? If yes, what sort of improvement do you think is most important? Why? If not, on what basis you're saying that?
23. Do you think leadership capacity is an important factor in rural developments? How do you think they are related?
24. Do you think there is a need for you to improve your leadership capacity? Why?
25. How do you think the improvements could be done?
26. How often do you meet your local community officially?
27. What are normally the purposes of this meeting?
28. What sort of mechanism or arrangements did you normally use for the meeting?
29. Do you satisfy with the existing mechanism or arrangements? If not, what sort of arrangements do you think is more appropriate? Why?
30. What do you normally discuss in the meeting?
31. Do you think the matters discussed in the meeting reach the rest of the local communities? If yes, what make you made that conclusion? If not why?

### **C. Background of the villages (rural problems/solution)**

32. What is the name of the village that you live in?

Number	Name of the villages
1.	
2.	
3.	

33. Can you please tell me roughly the population of this village?

Number	Name of the villages	Population
1.		
2.		
3.		

34. Is the population of the village in the state of increasing or decreasing?
35. If it is increasing, other than the normal birth rate, what do you think the factors that contributed to that increment?
36. If it is decreasing, what do you think the factors contributed to that reduction?
37. Are there any effects between the number of population and the level of development in these villages?
38. Do you look at this factor as obstacle to the development of those villages? In what way?
39. What do you think should be done to improve this situation? Who do you think should play the role? Why?

40. Do you think development agencies operate in your area take into consideration this factor in planning and implementing their development programmes? If yes, what make you say so? If, not, why do you say so?
41. What is the composition of the population of the village in terms of age?

Number	Name of the villages	Age composition		
		Young	Adult	Elderly
1.				
2.				
3.				

42. Do you see any effect between their age composition and the level of development of these villages? What kinds of effect?
43. Do you think this factor is an obstacle to the development of those villages? Why?
44. How do you think this situation could be improved? Why?
45. Who should play the role? Why?
46. Do you think this factor is taken into consideration by development agencies when planning and implementing their development programmes? If yes, what make you say so? If not, what are your reasons for saying that?
47. What is the composition of the population of the village in terms of gender?

Number	Name of the villages	Gender composition	
		Male	Female
1.			
2.			
3.			

48. Do you think there is an effect between their gender composition and the level of development of these villages? What sort of effect?
49. How do you think this situation could be improved? Why?
50. How do you think the development agencies should react to this problems inline with their development programmes? Why?
51. Do you think the development agencies take into consideration this factor in planning and implementing their development programmes? If yes, what make you say so? If no, what are your reason for saying so?
52. How do you describe the level of education in your village?

Number	Name of the villages	Level of education			
		Primary	Secondary	Tertiary	Higher
1.					
2.					
3.					

53. Do you see any effect between their level of education and the level of development of this village? What sort of effect?
54. What do you think should be done to improve this situation? Who do you think should play the role? Why?

55. Do you see any effect between their level of education and the level of their economic development? What sort of effect?
56. What do you think should be done to improve this situation? Who should play the role? Why?
57. Do you think the development agencies take into consideration this factor in planning and implementing their development programmes? If yes, what make you say so? If no, what are your reason for saying so?
58. How do you describe the level of employment in this village?
59. Is there adequate job opportunity for the villagers?
60. Do they have to find jobs outside the villages? If yes, what kind of jobs that they engaged in? Why? Where?
61. Do they face the problem of out-migration of their youth? Why?
62. Does this situation have an effect on the village development? What kind of effect?
63. What do you think should be done to tackle this problem? Why?
64. Who do you think should take that action? Why?
65. Do you think the development agencies take into consideration this factor in planning and implementing their development programmes? If yes, what make you say so? If no, what are your reason for saying so?
66. Other than the problems above, what do you think the major problems faced by the rural population in pursuing their economic activities? How does this problem affect their economic activities?
67. How do you think this problem could be tackled? Who should take the action? Why?
68. What is the main economic activity of this village?

Number	Name of the villages	Types of economic activities
1.		
2.		
3.		
4.		
5.		
6.		
7.		

69. How long they have been involved in these activities?
70. Could these be considered as traditional or new economic activities?
71. If this is a traditional activity, why do you think they keep on engaging in this activity?
72. Do you think by engaging in this traditional economic activity it hinders their economic development? Why?
73. If this is a new economic activity, when do they engage in this new activity? Why do they shift to this activity?
74. Does this activity is their main source of income?
75. What is their level of income?
76. Do you think their income is adequate as compared to the current standard of living?

77. Do they receive any assistant from the government agencies in pursuing their economic activities? If yes, what kinds of assistant that they received?
78. Do you think the assistance given by the government agencies is adequate for their betterment? If yes. In what way it has helped? If not, why?
79. Do they involve in other economic activities? What kinds of activities?
80. Do they receive any kinds of assistant from government agencies for these economic activities? If yes, what kinds of assistant?
81. Do you think this assistance helped them in improving their standard of living? If not, why?
82. Do you see any kinds of obstacles that hinder rural population engaging in other kinds of economic activities? What kinds of obstacles?
83. How these obstacles could be overcome?
84. What kind of economic activities do you think should be implemented in rural areas in order to improve their living standard? Why?
85. How do you think that improvement could be made? Why?
86. Do you think they should be involved in non-farm activities in order to upgrade their standard of living? Why?
87. What sort of non-farm activities do you think is more appropriate for them in order to achieve that objective?
88. Do the development agencies provide assistance or programmes for them to involve in that activities?
89. Do you think they will be able to involve in this kind of activities? Why?
90. Do you think they will face difficulties to involve in this activity? What kind of difficulties? Why?
91. Do you think they have a means to solve the difficulties? If yes, what kind of means? If not, how do you think the difficulties could be solved?

#### **D. Further information about the respondent and his/her economic activity?**

92. How long you have been living in the village?
93. What do you do for living?
94. Do you consider this activity a traditional or new economic activity? If it is a traditional activity why do you still engaged in this activity? If it is a new activity why are you changing to this activity?
95. How long have you been doing this job?
96. Does the large amount of your monthly income from this activity?
97. How much do you earn monthly from this activity?
98. Does its adequate to support your family as compared to the current standard of living?
99. What sort of problem do you face in pursuing your economic activity?
100. Do you have a means to tackle this problem? If yes, how could you tackle it? If not, why?
101. Do you know of any assistant that you could get from development agencies in pursuing your economic activity? If yes, who provide that assistant? How do come to know about it?

103. Do you receive any assistant from development agencies in pursuing you economic activities? If yes, what kinds of assistance that you received? If not, is there any problem for you to get that assistant? What kind of problem?
104. If you receive the assistant from the agencies, do you think it adequate? Why? In what way it has helped you in your economic activity? If not, why?
105. Do you think you deserve the assistant? Why?
106. What is the main problem that you face in pursuing your economic activity?
107. What assistant do you think the most needed to enhance your economic activity? Why? Who do you think should provide the assistant? Why?
108. Do you involve in other economic activity? If yes, what kind of activity? If not, why?
109. Do you like to get involve in another economic activity? What kind of activity? Why this particular activity?
110. Do you think you should involve in non-farm activity in order to upgrade you standard of living?
111. What sort of non-farm activity do you think is more appropriate for you to achieve that objective?
112. Do development agencies provide assistant or programmes for you to involve in this activity?
113. Do you think you can really involve in this activity? What is your justification for saying that?
114. Don't you think your going to face difficulties involving in this activity? What kind of difficulties? Why?
115. Do you think you will be able to find a means to solve these difficulties? If yes, what kind of means? If not, how do you think these difficulties could be overcome?

#### **E. The village development and government intervention**

116. How does development mean to you in rural context?
117. To what extent do you think your village have reach that level of development? Why?
118. Could you please describe the form of development in this village?
119. Do you satisfy with the level of development? If yes, what are you reasons for saying that? If not, why?
120. Does the development programmes implemented in your village able to tackle the problems faced by your rural communities? If yes, on what basis you're saying that? If not, why?
121. Does these development programmes able to improve and upgrade their living standard? If yes, on what basis you're saying that? If not, why?
122. Does majority of the population benefited from these developments? If yes, in what way they have benefited? If not, why?
123. What sorts of other developments you think should be brought to the villages?
124. Why these kinds of developments are required?

125. Who do you think should be responsible for these developments? Why?
126. Is there an obstacle for these developments to be brought to the villages? What kinds of obstacle?
127. Is there a way to tackle it? How should it be tackle? Who should tackle it? Why?

### **Consultation with rural population of development programmes**

128. Do you think rural communities should be given an opportunity to express their views in relation to development programmes implemented in their area? Why?
129. Do you think they will be able to express their views if they were given that opportunity? If not, why?
130. How do you think they should express their views?
131. Is there a means for them to do that? If yes, is that mechanism adequate? If not, should there be a mechanism for them to do that? What sort of mechanism? Why?
132. Were they been given that opportunity in the existing arrangements? If yes, in what way the opportunity was given?
133. Do you think you will be able to express your views if you are given that chance? If not, why?
134. Do you ever been given a chance to express your views regarding development programmes in your area by the development agencies?
134. Do they able to contribute fruitfully? If not why?
135. What sorts of view that they asked from you?
136. How the view was gathered?
137. At what stage of development that they asked for your views?
138. Does your views been taken into consideration by development agencies in planning and implementing their development programmes? If, yes, what are your basis for saying that? If not, why do you think their view was sidelined?
139. Do you think it is enough for you to just express your views without actually participate in the development process or given some sort of power to actually plan and implementing their own development? Why?

### **Local participation in the developments**

140. Other than just giving your views on development programmes, do you think you should participate in the decision-making process relating to rural developments? Why?
141. Do you think you can participate actively in that process? If yes, what are your reasons for saying that? If not why?
142. At what stage of development do you think your participation is important? Why?
143. What kind of participation other than decision-making do you think is appropriate for you? Why?
144. Does the existing arrangements allow you to participate in the development process? If yes, in what way? If not, why?
145. Do you able to participate adequately? Or there is an obstacle for you to perform well? What sort of problems?

146. How do you think this problem could be overcome?

### **Power to make decision**

147. Do you think rural communities should be given a wider role in planning and implementing their own development? What sort of role? Why?

148. Do you think they should be given a power to plan and implementing their own development programmes? Why?

149. To what extent do you think they should be given the power? Why?

150. Do you think they have the capability to plan and implemented their own development? On what basis you're saying that?

151. In your opinion what is the advantage to rural areas if the rural population have the power to plan and implement their own development?

152. What is the obstacle? How do you think this obstacle could be overcome?

### **Leadership Capacity**

153. How do you define local leadership?

154. What are the indications of a good leadership in rural context?

155. Do you think leadership play an important role for village development? In what way it is important?

156. How do you view the role of local leadership in relation to rural developments?

157. Do you think it is important to have their involvement in the planning and implementation of the rural development programmes? Why?

158. Were they be given an opportunity to involve in the previous or current programmes by rural development agencies? What kind of involvement?

159. Do you think they have contributed meaningfully to the development process?

160. How do you describe the relationship between local leadership and its population in your village?

161. Does this relationship have any effects on the development of the areas? What kinds of effects?

162. Do you satisfy with the existing leadership in your village? Why?

163. Do you think there is a need to improve local leadership capacity? If yes, how do you think it should be done?

### **F. The role of rural development agencies**

164. Can you name me the development agencies that operate in your village?

Number of agencies	Name of the agencies
1.	
2.	
3.	
4.	
5.	
6.	
7.	
8.	

165. Do you know their functions?
166. Do you have adequate information about these agencies? If yes, how do you managed to get information about them? If not why?
167. Do you think you should have more information about these organisations? Why?
168. Are there any obstacles for you to get access to these organisations? If yes, what kind of obstacles? If no, can you please describe the nature of your accessibility?
169. Do you think the existing arrangements provide you with adequate opportunity to get access to these organisations? If not, can you please explain way? If yes, how do you think the arrangement has provided that accessibility?
170. How do you describe you relationship with the official of these organisations?
171. Do you face any difficulties to get in contact with them? What sort of difficulties?
172. Do you think it is necessary to have a regular meeting with them? Why?
173. Do you have regular meeting with them in relations with the development programmes in your village? If yes, what sorts of matters are normally discussed?
174. Are you been given an opportunity to express you views in the meetings? Do you able to express you views? Do you think they give attention to your view?
175. Do you have a fixed schedule for meeting with them?
176. Do you satisfy with the existing relationship between you and the organisations? Why?
177. What kinds of projects and programmes did they implement in your village?
178. Are these projects and programmes able to contribute to the betterment of rural communities? If yes, in what way they have contributed? If not, why?
179. Do you satisfy with the development programmes that they have implemented? If yes, what make you say so? If not, why?
180. Do you think they have adequate number of staff to implement rural development programmes? If yes, what make you say so? If not, why?
181. Do you think the officers involved in rural development have a clear view about rural problems and how to deal with it?
182. Do you think they have performed well in delivering rural development programmes? What are your reasons for saying that?
183. Do you see weakness in the operations of these agencies? If yes, what kind of weakness?
184. How do you think these agencies could improve their performance?
185. Which agency played a major role in the developments of your areas? On what basis does you made your judgement?
186. Do they ask for local the views before planning and implementing any development projects or programmes? If yes, what kinds of feedbacks that they asked?
187. What mechanism that they used to gather that feedbacks? Do you satisfy with those arrangements?
188. Does the agency allowed for local participation in their development process? At what stage of development does local participation is allowed?
189. Do they give some sort of power or authority to the rural communities to plan and implementing their own development? If yes, to what extent does the power has been given?

190. How do you view relationships between local population and development agencies operating in your village?

### **Inter-organisational cooperation**

191. Do you think it is good to have several rural development agencies serving in your village? Why?

192. Do you think it is a proper and effective arrangement for rural development? Why? If not, what do you think the most appropriate and effective arrangements/model for the rural development?

193. How do you view relationship between several development agencies in relating to project planning and implementation in your areas?

194. Do you think inter-organisational cooperation is important in pursuing a better rural development programmes? If yes, in what way?

195. Do you think they have managed to co-operate well in implementing rural development programmes? If yes, what make you say so?

196. Do you face any problems with so many rural development agencies around? What sort of problems? How do you think these problems could be overcome?

197. Do you think these agencies have served rural communities well? If yes, in what way? If not, why?

198. Do you see any room for improvement? How?

199. Overall how do you view rural development programmes in your village?

200. Do you satisfy with the present arrangements? Why?

201. Do you think there should be a wider role by private sector in rural development? Why?

202. What do you think of an idea of rural development run by the private sector?

203. What do think about the involvement of NGOs in rural developments?

**THANK YOU FOR YOUR CO-OPERATION.**

## **Question Guide (Group 2)**

Number of respondent

Date of interview \_\_\_\_\_ / \_\_\_\_\_ /2004

Category of respondent: The officers of rural development agency

Position of the respondent: **The head of the agency**

### **A. Basic information of the respondent**

1. Name: \_\_\_\_\_ Male  Female

2. Name of the organisation: \_\_\_\_\_  
\_\_\_\_\_

3. Address of the organisation: \_\_\_\_\_  
\_\_\_\_\_

4. Telephone number (office): \_\_\_\_\_

5. E-mail address: \_\_\_\_\_

6. Length of service with the agency: \_\_\_\_\_ months/year.

### **B. The function of the agency**

7. Could you please describe generally the functions of this agency?

8. What are the agency main functions?

9. What are your objectives of establishment?

10. Could you please describe the agency role in rural developments?

11. Do you regard it as your main functions? If not, why? If yes on what basis are you saying that?

12. What are your objectives in term of rural developments?

13. In term of allocation, what percentage was allocated for rural developments annually?
14. Do you think it is adequate to achieve the objective that you have just mentioned? If not, why? If yes, what make you say so?
15. What form of development programmes did you implemented in order to achieve these objectives?
16. Do you think through these programmes your agency can achieve the said objectives? If not, why? If yes, how do you see these programmes can achieve those objectives?
17. How do you describe your achievements in term of rural developments?
18. Do you satisfy with these achievements? If yes, on what basis do you satisfy? If not, why?
19. Do you face obstacles in delivering your functions in term of rural developments? What sort of obstacles?
20. Do you managed to overcome it? If not why? If yes, could you please describe how do you managed to overcome it?
21. Do you think you should be able to perform much better in rural developments? How could you do that?
22. Do you think the present structure of your organisation allow you to performed better in rural development? If not, why? If yes, what is your basis for saying that?
23. Do you satisfy with the present structure of your organisation? If not, why? How do you think it should be improved?

### C. **Rural Problems**

#### **C1. Rural Problems in General**

24. Rural population facing numerous problems, what do you think the main problems that deter their economic development?
25. How does these problems effect their economic development?
26. What do you think the cause of these problems?

27. How do you think these problems could be overcome?
28. Who do you think should play a role to tackle these problems? Why?
29. Do you agree that the establishment of rural development agencies supposed to be dealing with these problems? Could you please explain?
30. Do you think that supposed to be their aims and objectives currently? If not, why do you say so? If yes, on what basis do you saying that?
31. Do you think they have been able to achieve their aims and objectives? If not, why? If yes, on what basis are you saying that?
32. Do you think the present structure of rural development is effective enough to tackle rural development problems? If not, why? If yes, in what way do you think it has been effective?
33. Based on the present structure, do you see any obstacles for the development agencies to tackle these problems? If yes, what sort of obstacles?
34. Should there be better arrangements for rural development in order to tackle these problems? Why? How do you think the arrangements should be?

## **C2. Rural problems and the functions of the agency**

35. Talking about the rural problems faced by the rural communities, how do you see your role as rural development agency in dealing with these problems?
36. What kind of rural problems that your agency dealing with in particular?
37. Do you still at present focusing on these problems? Why?
38. Does the establishment of this agency and your involvement in the rural development aim at tackling these particular problems?
39. Do you emphasize on these problems when planning and implementing your development programmes for rural areas? If not, why? If yes, could you please describe the development programmes that you carry out in order to tackle these problems?
40. Do you think the development approaches taken by your agency will enable you to tackle these problems? In what way?
41. Do the present organisation structure allow you to perform well in tackling these problems? If not, why? What sort of structure do you think the most appropriate? Why? If yes, how does the structure allow you to do that?

42. Other than the organisation structure, do you face any other problems in implementing your development programmes in order to tackle these problems? What sort of problems?
43. How do you think these problems could be overcome? Why?
44. Do you think it is important to have a clear understanding about rural development problems before embarking on your planning and implementing rural development programmes? If not, why? If yes? In what way do you think it is important?
45. Do you have a procedure or arrangements of identifying problems faced by rural communities before embarking on you planning and implementing rural development programmes? If not, why? If yes, could you please describe the procedure?
46. Do you think this procedure allow you to have a sufficient information about problems faced by the rural communities in order for you to embark in your development planning and implementation?
47. Do you think this procedure is sufficient? If not, why? What sort of improvement do you think should be made to make it more sufficient? If yes, how does this procedure help you in your planning and implementation of rural development programmes?
48. Do you face any problems in identifying rural problems faced by the rural communities? What sort of problems?
49. How do you think these problems could be overcome?
50. Do you see any strength in rural communities to overcome these problems on their own? If yes, how do you think they will be able to do that? If not, why?
51. Do you think the number of rural population have an effect on their development? If not, why? If yes, how does it effect their development?
52. Do you take this problem into consideration when planning developments for the rural areas? If not, why? If yes, what kind of development programmes that you implemented in order to tackle this problem?
53. Do you think their age composition have an effect on their development? If not, why? If yes, in what way do you think it has effected their development?
54. In what way do you think this problem can be overcome?

55. Do you take this problem into consideration when planning and implementing development for rural areas under your jurisdiction? If not, why?
56. If yes, what sorts of programmes do you implemented in order to tackle this problem?
57. Do you think their gender composition have an effect on their development? If not, why? If yes, in what way do you think it has effected their development?
58. How do you think this problem could be overcome?
59. Do you take this problem into consideration when planning and implementing development for you rural areas? If not, why?
60. Do you think their level of education have an effect on their development? If not, what is your reason for saying that? If yes, in what way do you think it has effected their development?
61. How do you think this problem could be overcome?
62. Do you take this problem into consideration when planning and implementing development for rural areas?
63. How do you think rural communities could enhance their economic activities?
64. What sort of programmes do you provide to help them enhancing their economic activities? If no, why there are no such programmes?
65. Do you think these programmes are adequate in helping them enhancing their economic activities? If not, why? If yes, what is your justification for saying that?
66. Do you organise training to assist them in their economic activities? What kind of training?
67. Do you think this training is adequate in helping help them enhancing their economic activities? If not, why? If yes, how does this training help?
68. Do you provide them with adequate information that will help them in their economic activities? What kind of information?
69. Do you think the information given is sufficient to help them enhancing their economic activities? If not, why? If yes, in what way it's help?
70. What else do you think should be done to improve their standard of living? Why?

71. Who do you think should play the role? Why?
72. Do you think they should involve in non-farm activities in order to upgrade their standard of living? Why?
73. What sort of non-farm activities is more appropriate for them to achieve that objective? Why?
74. Do you provide assistance or programmes for them to involve in these activities? What sort of assistance?
75. Do you think they will be able to involve in this kind of activities? Why?
76. Do you think they will face problems to get involved in these activities? What sort of problems?
77. Do you think they have means to solve these problems? If yes, what kind of means?

#### **D. Project Planning and Implementation**

78. How do you plan your development programme for the rural areas?
79. What is the basis that you used in planning and implementing development programmes for the rural areas?
80. Do you have an adequate database on the rural areas and its population?
81. How do you gather the information for the database?
82. Do you use the database as a source for your development programmes for the rural areas? If not, why?
83. Do you get the views or feedback from the rural communities before embarking in your planning and implementation of development programmes for the rural areas? If not, why? If yes, how do you get their views?
84. What mechanism did you use to get their views? Is that mechanism appropriate? Do you think it should be improved? Why? How?
85. Do you allow them to express their views in relation to any rural development programmes? If not, why? If yes, do they able to contribute?
86. Do you think the present arrangements allow them to express their views in relation to rural development programmes? If not, why?

87. Do you think there is a need to improve the present arrangements in order to give them more opportunity to express their views in relation to development programmes?
88. Do you think the rural communities should be involve in the decision making process related to development programmes in their areas?
89. Do you involve them in the decision making process related to development programmes in their areas? If no, why? If yes, to what extent they were allowed to make decision? Why?
90. Do you think it is appropriate for them to be involve in the decision making process? What effect does it have on the rural development?
91. Do you think their involvement in the decision making process will contribute to a better planning and implementation of rural development programmes? If yes, in what way? If not, why?
92. Do you think the present arrangements will provide an adequate means for them to participate in the decision making process? If yes, in what way? If not, why?
93. Do you think rural communities should be given a wider role in planning and implementing their own development?
94. Is there a consequence if they were given that role? What sorts of consequence?
95. Do you think they will be able to plan and implement their own developments if they were given that opportunity? If no why? If yes, could they perform to your expectation?
96. Is there any case where they were given such opportunity in your development programmes? If no, why? If yes, could they perform to your expectation?
97. Do you think the present arrangements allow them to be given that sort of opportunity? If not, why?
98. What sort of arrangements do you think necessary in order to give them that opportunity? Why?

#### **E. The agency development programmes**

100. How do you define development in rural context?
101. Do you think rural areas under you jurisdiction have reach that level of development as you define it? If yes, on what basis you are saying that? If not, why do you think they not able to achieve that level of development?

- 102.What is your vision on rural development?
- 103.Do you think your staffs share the same vision? If yes, on what basis you're saying that? If not, why?
- 104.How do you materialise this vision? Do you have a blue print to materialise your vision? If not, don't you think it important?
- 105.If yes, do you able to materialise this vision through existing projects and programmes? Could you please give some examples?
- 106.What are the main development programmes that you carry out for rural areas?
- 107.On what basis this developments programme was been implemented?
- 108.How is these programmes help rural population in upgrading their standard of living?
- 109.Do you satisfy with the progress you have made from those programmes? If yes, what make you say so? If not why?
- 110.What kind of problems do you face in delivering your development programmes?
- 105.What effects does these problems have on rural communities? What are the approaches taken to tackle it?
- 106.Do you have a proper set-up to implement rural development programmes?
- 107.Do you think the existing set-up of your organisation will be able to bring the needed developments to rural areas?
- 108.Do you have adequate source (allocation) to deliver your development programmes?
- 109.Do you have appropriate number of staffs to deliver it?
- 111.Do they were given a proper training to enable them to performed sufficiently in their job?
- 112.Do you think they were able to perform sufficiently in delivering their tasks? If yes, what are you basis for saying that? If not, why?
- 112.What do you think the most important element that must be there in your organisation in order to make rural development successful?
- 113.How do you describe your relationship with the rural communities in relation to

the development programmes?

114.Do you face any problems with them in planning and implementing your development programmes? What sort of problems?

115.Do you manage to solve those problems? How do you go about settling it?

116.Do your staffs have close contacts with them in relations to development programmes? What sort of contact?

117.Do the rural communities have an access to your staffs on matters related to development programmes? Could you please explain?

118.What are your views towards the rural communities? Do you consider them as an important element in the development process? Why?

#### **F. Local Leadership**

118.What do you think the most important element that must be there within local population to make rural development successful?

119.How do you view the role of local leadership in relation to rural developments?

120. Do you think local leadership play an important role in rural development? If no, why? If yes, in what way?

121. Do you think they have a good leadership capacity to help enhancing the development of the rural areas? If not, why? If yes, what makes you say so?

122. Do you satisfy with their leadership? If not, why? If yes, what is your justification for saying that?

123.Do you think it is important to have their involvement in planning and implementing rural development programmes?

124.Do you involve them in the previous and current development programmes? If, yes, what kind of involvement? If not, why?

125.Do you satisfy with their involvement? If not, why? If yes, in what way they have contributed to the developments?

126.Do you think there is to improve their leadership capacity? Why? If yes, how do you think it should be done?

## **G. Organisation set-up**

- 127.What kind of set-up do you have within your organisation structure for rural development?
- 128.Do you think the set-up is adequate in helping you pursuing your rural development programmes?
- 129.Base on your organisational set-up do you see any obstacles for you to deliver your functions on rural development? If yes, what sort of obstacles. How do you think it could be overcome?
- 130.What stages of development planning that you have to go through before you could finalise your development programmes?
- 131.Do you have a full authority in implementing your development's programmes or do you have to go to higher authority for authorisation?
- 132.How you fund your development programmes? Are you able to use your own funds without subjected to approval from higher authority?

## **H. Inter-organisation co-operation**

- 133.What are your views on the existence of several rural development agencies operating in one area of development?
- 134.Do you think it is proper and effective arrangement for rural development? Why?
135. If not, what do you think the most appropriate and effective arrangement for rural development? Why?
- 136.How do you view your relationship with these agencies in relation to development programmes?
- 137.In implementing your development programmes do you face any problem relating to other rural development agencies? If yes, what kinds of problems? How do you think these problems could be overcome?
- 138.Do you think inter organisational co-operation are important in pursing rural development programmes?
- 139.In pursuing your development programmes do you emphasise inter-organisational

co-operation with other rural development agencies? If yes, what sort of co-operation. If not, why?

140.In the existing arrangements do you see any room for any kind of co-operation?

141.Do you think it is important to coordinate the role and functions of several rural development agencies at the district level? Why?

142.Is there a mechanism that co-ordinate the role-played by several rural developments agencies? What is your view towards this mechanism?

143.Who do think should play a role as a coordinator of several rural development agencies at the district or regional level? Why?

144.Do you think it is appropriate to have a private sector involvement in rural development?

145.What do your think of the idea of rural development run by private sector?

146.What do you think about the involvement of NGOs in rural development?

147.What do you think the most effective arrangements/model for rural development? Why?

**THANK YOU FOR YOUR CO-OPERATION**

## **Question Guide (Group 2)**

Number of respondent

Date of interview \_\_\_\_\_ / \_\_\_\_\_ /2004

Category of respondent: The officers of rural development agency

Position of the respondent: **Planning or Project's Implementation Manager of the Organisation.**

### **A. Basic information of the respondent**

1. Name: \_\_\_\_\_ Male  Female
2. Name of the organisation: \_\_\_\_\_  
\_\_\_\_\_
3. Address of the organisation: \_\_\_\_\_  
\_\_\_\_\_
4. Telephone number (office): \_\_\_\_\_
5. E-mail address: \_\_\_\_\_
6. Length of service with the agency: \_\_\_\_\_ months/year.

### **B. The function of the agency**

7. How long you have been the manager of the department/division?
8. Could you please describe generally the functions of this agency?
9. What are the agency main functions?
10. What are your objectives of establishment?
11. Could you please describe the agency role in rural developments?
12. Do you regard it as your main functions? If not, why? If yes on what basis are you saying that?
13. What are your objectives in term of rural developments?
14. In term of allocation, what percentage was allocated for rural developments annually?
15. Do you think it is adequate to achieve the objective that you have just mentioned? If not, why? If yes, what make you say so?
16. What form of development programmes did you implemented in order to achieve these objectives?
17. Do you think through these programmes your agency can achieve the said objectives? If not, why? If yes, how do you see these programmes can achieve those objectives?
18. How do you describe your achievements in term of rural developments?
19. Do you satisfy with these achievements? If yes, on what basis do you satisfy? If not, why?
20. Do you face obstacles in delivering your functions in term of rural developments? What sort of obstacles?

21. Do you managed to overcome it? If not why? If yes, could you please describe how do you managed to overcome it?
22. Do you think you should be able to perform much better in rural developments? How could you do that?
23. Do you think the present structure of your organisation allow you to performed better in rural development? If not, why? If yes, what is your basis for saying that?
24. Do you satisfy with the present structure of your organisation? If not, why? How do you think it should be improved?

## **C. Rural Problems**

### **C1. Rural Problems in General**

25. Rural population facing numerous problems, what do you think the main problems that deter their economic development?
26. How does these problems effect their economic development?
27. What do you think the cause of these problems?
28. How do you think these problems could be overcome?
29. Who do you think should play a role to tackle these problems? Why?
30. Do you agree that the establishment of rural development agencies supposed to be dealing with these problems? Could you please explain?
31. Do you think that supposed to be their aims and objectives currently? If not, why do you say so? If yes, on what basis do you saying that?
32. Do you think they have been able to achieve their aims and objectives? If not, why? If yes, on what basis are you saying that?
33. Do you think the present structure of rural development is effective enough to tackle rural development problems? If not, why? If yes, in what way do you think it has been effective?
34. Based on the present structure, do you see any obstacles for the development agencies to tackle these problems? If yes, what sort of obstacles?
35. Should there be better arrangements for rural development in order to tackle these problems? Why? How do you think the arrangements should be?

### **C2. Rural problems and the functions of the agency**

36. Talking about the rural problems faced by the rural communities, how do you see your role as rural development agency in dealing with these problems?
37. What kind of rural problems that your agency dealing with in particular?
38. Do you still at present focusing on these problems? Why?
39. Does the establishment of this agency and your involvement in the rural development aim at tackling these particular problems?
40. Do you emphasis on these problems when planning and implementing your development programmes for rural areas? If not, why? If yes, could you please describe the development programmes that you carry out in order to tackle these problems?

41. Do you think the development approaches taken by your agency will enable you to tackle these problems? In what way?
42. Do the present organisation structure allow you to perform well in tackling these problems? If not, why? What sort of structure do you think the most appropriate? Why? If yes, how does the structure allow you to do that?
43. Other than the organisation structure, do you face any other problems in implementing your development programmes in order to tackle these problems? What sort of problems?
44. How do you think these problems could be overcome? Why?
45. Do you think it is important to have a clear understanding about rural development problems before embarking on your planning and implementing rural development programmes? If not, why? If yes? In what way do you think it is important?
46. Do you have a procedure or arrangements of identifying problems faced by rural communities before embarking on you planning and implementing rural development programmes? If not, why? If yes, could you please describe the procedure?
47. Do you think this procedure allow you to have a sufficient information about problems faced by the rural communities in order for you to embark in your development planning and implementation?
48. Do you think this procedure is sufficient? If not, why? What sort of improvement do you think should be made to make it more sufficient? If yes, how does this procedure help you in your planning and implementation of rural development programmes?
49. Do you face any problems in identifying rural problems faced by the rural communities? What sort of problems?
50. How do you think these problems could be overcome?
51. Do you see any strength in rural communities to overcome these problems on their own? If yes, how do you think they will be able to do that? If not, why?
52. Do you think the number of rural population have an effect on their development? If not, why? If yes, how does it effect their development?
53. Do you take this problem into consideration when planning developments for the rural areas? If not, why? If yes, what kind of development programmes that you implemented in order to tackle this problem?
54. Do you think their age composition have an effect on their development? If not, why? If yes, in what way do you think it has effected their development?
55. In what way do you think this problem can be overcome?
56. Do you take this problem into consideration when planning and implementing development for rural areas under your jurisdiction? If not, why?
57. If yes, what sorts of programmes do you implemented in order to tackle this problem?
58. Do you think their gender composition have an effect on their development? If not, why? If yes, in what way do you think it has effected their development?
59. How do you think this problem could be overcome?
60. Do you take this problem into consideration when planning and implementing development for you rural areas? If not, why?
61. Do you think their level of education have an effect on their development? If not, what is your reason for saying that? If yes, in what way do you think it has effected their development?

62. How do you think this problem could be overcome?
63. Do you take this problem into consideration when planning and implementing development for rural areas?
64. How do you think rural communities could enhance their economic activities?
65. What sort of programmes do you provide to help them enhancing their economic activities? If no, why there are no such programmes?
66. Do you think these programmes are adequate in helping them enhancing their economic activities? If not, why? If yes, what is your justification for saying that?
67. Do you organise training to assist them in their economic activities? What kind of training?
68. Do you think this training is adequate in helping help them enhancing their economic activities? If not, why? If yes, how does this training help?
69. Do you provide them with adequate information that will help them in their economic activities? What kind of information?
70. Do you think the information given is sufficient to help them enhancing their economic activities? If not, why? If yes, in what way it's help?
71. What else do you think should be done to improve their standard of living? Why?
72. Who do you think should play the role? Why?
73. Do you think they should involve in non-farm activities in order to upgrade their standard of living? Why?
74. What sort of non-farm activities is more appropriate for them to achieve that objective? Why?
75. Do you provides assistant or programmes for them to involve in these activities? What sort of assistant?
76. Do you think they will be able to involve in this kind of activities? Why?
77. Do you think they will face problems to get involve in these activities? What sort of problems?
78. Do you think they have means to solve these problems? If yes, what kind of means?

#### **D. Project Planning and Implementation**

79. How do you plan your development programme for the rural areas?
80. What is the basis that you used in planning and implementing development programmes for the rural areas?
81. Do you have an adequate database on the rural areas and its population?
82. How do you gather the information for the database?
83. Do you use the database as a source for your development programmes for the rural areas? If not, why?
84. Do you get the views or feedback from the rural communities before embarking in your planning and implementation of development programmes for the rural areas? If not, why? If yes, how do you get their views?
85. What mechanism did you used to get their views? Is that mechanism appropriate? Do you think it should be improved? Why? How?

86. Do you allow them to express their views in relations to any rural development programmes? If not, why? If yes, do they able to contribute?
87. Do you think the present arrangements allow them to express their views in relations to rural development programmes? If not, why?
88. Do you think there is a need to improve the present arrangements in order to give them more opportunity to express their views in relation to development programmes?
89. Do you think the rural communities should be involve in the decision making process related to development programmes in their areas?
90. Do you involve them in the decision making process related to development programmes in their areas? If no, why? If yes, to what extent they were allowed to make decision? Why?
91. Do you think it is appropriate for them to be involve in the decision making process? What effect does it have on the rural development?
92. Do you think their involvement in the decision making process will contribute to a better planning and implementation of rural development programmes? If yes, in what way? If not, why?
93. Do you think the present arrangements will provide an adequate means for them to participate in the decision making process? If yes, in what way? If not, why?
94. Do you think rural communities should be given a wider role in planning and implementing their own development?
95. Is there a consequence if they were given that role? What sorts of consequence?
96. Do you think they will be able to plan and implement their own developments if they were given that opportunity? If no why? If yes, could they perform to your expectation?
97. Is there any case where they were given such opportunity in your development programmes? If no, why? If yes, could they perform to your expectation?
98. Do you think the present arrangements allow them to be given that sort of opportunity? If not, why?
99. What sort of arrangements do you think necessary in order to give them that opportunity? Why?

#### **E. The agency development programmes**

100. How do you define development in rural context?
101. Do you think rural areas under you jurisdiction have reach that level of development as you define it? If yes, on what basis you are saying that? If not, why do you think they not able to achieve that level of development?
102. Do your organisation have a vision on rural development?
103. Do you think your staffs share that vision? If yes, on what basis you're saying that? If not, why?
104. How do you materialise this vision? Do you have a blue print to materialise your vision? If not, don't you think it important?
105. If yes, do you able to materialise this vision through existing projects and programmes? Could you please give some examples?
106. What are the main development programmes that you carry out for rural areas?
107. On what basis this developments programme was been implemented?
108. How is these programmes help rural population in upgrading their standard of living?

109. Do you satisfy with the progress you have made from those programmes? If yes, what make you say so? If not why?

110. What kind of problems do you face in delivering your development programmes?

105.What effects does these problems have on rural communities? What are the approaches taken to tackle it?

106.Do you have a proper set-up to implement rural development programmes?

107.Do you think the existing set-up of your organisation will be able to bring the needed developments to rural areas?

108.Do you have adequate source (allocation) to deliver your development programmes?

109.Do you have appropriate number of staffs to deliver it?

111. Do they were given a proper training to enable them to performed sufficiently in their job?

112.Do you think they were able to perform sufficiently in delivering their tasks? If yes, what are you basis for saying that? If not, why?

112.What do you think the most important element that must be there in your organisation in order to make rural development successful?

113.How do you describe your relationship with the rural communities in relation to the development programmes?

114.Do you face any problems with them in planning and implementing your development programmes? What sort of problems?

115.Do you manage to solve those problems? How do you go about settling it?

116.Do your staffs have close contacts with them in relations to development programmes? What sort of contact?

117.Do the rural communities have an access to your staffs on matters related to development programmes? Could you please explain?

118.What are you views towards the rural communities? Do you consider them as an important element in the development process? Why?

## **F. Local Leadership**

118.What do you think the most important element that must be there within local population to make rural development successful?

119.How do you view the role of local leadership in relation to rural developments?

120. Do you think local leadership play an important role in rural development? If no, why? If yes, in what way?

121. Do you think they have a good leadership capacity to help enhancing the development of the rural areas? If not, why? If yes, what make you say so?

122. Do you satisfy with their leadership? If not, why? If yes, what is your justification for saying that?

123.Do you think it is important to have their involvement in planning and implementing rural development programmes?

124.Do you involve them in the previous and current development programmes? If,

yes, what kind of involvement? If not, why?

125.Do you satisfy with their involvement? If not, why? If yes, in what way they have contributed to the developments?

126.Do you think there is to improve their leadership capacity? Why? If yes, how do you think it should be done?

## **G. Organisation set-up**

127.What kind of set-up do you have within your organisation structure for rural development?

128.Do you think the set-up is adequate in helping you pursuing your rural development programmes?

129.Base on your organisational set-up do you see any obstacles for you to deliver your functions on rural development? If yes, what sort of obstacles. How do you think it could be overcome?

130.What stages of development planning that you have to go through before you could finalise your development programmes?

131.Do you have a full authority in implementing your development's programmes or do you have to go to higher authority for authorisation?

132.How you fund your development programmes? Are you able to use your own funds without subjected to approval from higher authority?

## **H. Inter-organisation co-operation**

133.What are your views on the existence of several rural development agencies operating in one area of development?

134.Do you think it is proper and effective arrangement for rural development? Why?

135. If not, what do you think the most appropriate and effective arrangement for rural development? Why?

136.How do you view your relationship with these agencies in relation to development programmes?

137.In implementing your development programmes do you face any problem relating to other rural development agencies? If yes, what kinds of problems? How do you think these problems could be overcome?

138.Do you think inter organisational co-operation are important in pursing rural development programmes?

139.In pursuing your development programmes do you emphasis inter-organisational co-operation with other rural development agencies? If yes, what sort of co-operation. If not, why?

140.In the existing arrangements do you see any room for any kind of co-operation?

141.Do you think it is important to coordinate the role and functions of several rural development agencies at the district level? Why?

142.Is there a mechanism that co-ordinate the role-played by several rural developments agencies? What is your view towards this mechanism?

143. Who do you think should play a role as a coordinator of several rural development agencies at the district or regional level? Why?
144. Do you think it is appropriate to have a private sector involvement in rural development?
145. What do you think of the idea of privatising rural development programmes?
146. What do you think about the involvement of NGOs in rural development?
147. What do you think the most effective arrangements/model for rural development? Why?

**THANK YOU FOR YOUR CO-OPERATION**

## **Question guide (Group 2)**

Number of respondent

Date of interview \_\_\_\_/\_\_\_\_/2004

Category of respondent: The rural population

Position of the respondent: **Administrator of the Mukim**

### **A. Basic information of the respondent**

1. Name: \_\_\_\_\_ Male  Female

2. Age: \_\_\_\_\_

3. Address: \_\_\_\_\_  
\_\_\_\_\_

4. Telephone Number: House/Office: \_\_\_\_\_

5. E-mail address (if available): \_\_\_\_\_

6. Length of service: \_\_\_\_\_ months/years.

7. Level of education: \_\_\_\_\_

### **B. Nature of the job**

8. How long have you been serving for the villages?

9. What does you actually do as administrator of the village?

10. What is your main task?

11. Who are you superior that to whom you report?

12. Are you a member of any development committee?

13. What are the functions of this committee?

14. How does this committee help you in relations to your works?

15. How do you describes your relationship with rural communities in your areas?

16. Do you have a close contact with them? If yes. On what purpose? If not, why?
17. Do they consult you about matters related to their daily life?
18. What sort of consultation that they always wanted from you?
19. Can you normally provide that assistance? If yes, what sort of assistance do you always give them? If not, why?
20. Do you think you have been able to provide an adequate assistance to them? If yes, on what basis you're saying so. If not, why?
21. Do you think they satisfy with your service? If yes, what are your basis for saying that? If not, why?
22. Do you think there is a need for you to improve your relationship with the local communities? If yes, what sort of improvement do you think is most important? Why? If not, on what basis you're saying that?
23. Do you think leadership capacity is an important factor in rural developments? How do you think they are related?
24. Do you think there is a need for you to improve your leadership capacity? Why?
25. How do you think the improvements could be done?
26. How often do you meet your local community officially?
27. What are normally the purposes of this meeting?
28. What sort of mechanism or arrangements did you normally used for the meeting?
29. Do you satisfy with the existing mechanism or arrangements? If not, what sort of arrangements do you think is more appropriate? Why?
30. What do you normally discussed in the meeting?
31. Do you think the matters discussed able to reach the rest of the local communities? If yes, what make you made that conclusion? If not why?

### **C. Background of the villages (rural problems/solution)**

32. How many villages under your administration? Can you please name the villages?

Number	Name of the villages
1.	
2.	

3.	
4.	
5.	
6.	
7.	

33. Can you please tell me roughly the population of these villages?

Number	Name of the villages	Population
1.		
2.		
3.		
4.		
5.		
6.		
7.		

34. Is the population of the villages is increasing or decreasing?

35. If it is increasing, other than the normal birth rate, what do you think the factors that contributed to that increment?

36. If it is decreasing, what do you think the factors contributed to that reduction?

37. Are there any effects between the number of population and the level of development in these villages?

38. Do you look at this factor as an obstacle to the development of those villages? In what way?

39. What do you think should be done to improve this situation? Who do you think should play the role? Why?

40. Do you think development agencies operate in your area take into consideration this factor in planning and implementing their development programmes? If yes, what make you say so? If, not, why do you say so?

41. What is their composition in terms of age?

Number	Name of the villages	Age composition		
		Young	Adult	Elderly
1.				
2.				
3.				
4.				
5.				
6.				

42. Do you see any effect between their age composition and the level of development of these villages? What kinds of effect?
43. Do you think this factor is an obstacle to the development of those villages? Why?
44. How do you think this situation could be improved? Why?
45. Who should play the role? Why?
46. Do you think this factor is taken into consideration by development agencies when planning and implementing their development programmes? If yes, what make you say so? If not, what are your reasons for saying that?
47. What is their composition in terms of gender?

Number	Name of the villages	Gender composition	
		Male	Female
1.			
2.			
3.			
4.			
5.			
6.			
7.			

48. Do you think there is an effect between their gender composition and the level of development of these villages? What sort of effect?
49. How do you think this situation could be improved? Why?
50. How do you think the development agencies should react to this problems inline with their development programmes? Why?
51. Do you think the development agencies take into consideration this factor in planning and implementing their development programmes? If yes, what make you say so? If no, what are your reasons for saying so?
52. How do you describe the level of education in the respective villages?

Number	Name of the villages	Level of education			
		Primary	Secondary	Tertiary	Higher
1.					
2.					
3.					
4.					

5.					
6.					
7.					

53. Do you see any effect between their level of education and the level of development of the respective villages? What sort of effect?
54. What do you think should be done to improve this situation? Who should play the role? Why?
55. Do you see any effect between their level of education and the level of their economic development? What sort of effect?
56. What do you think should be done to improve this situation? Who should play the role? Why?
57. Do you think the development agencies take into consideration this factor in planning and implementing their development programmes? If yes, what make you say so? If no, what are you reason for saying so?
58. How do you describe the level of employment in these villages?
59. Is there adequate job opportunity for the villagers?
60. Do they have to find jobs outside the villages? If yes, what kind of jobs that they engaged in? Why? Where?
61. Do they face the problem of out-migration of their youth? Why?
62. Does this situation have an effect on the village development? What kind of effect?
63. What do you think should be done to tackle this problem? Why?
64. Who do you think should take that action? Why?
65. Do you think the development agencies take into consideration this factor in planning and implementing their development programmes? If yes, what make you say so? If no, what are you reason for saying so?
66. Other than the problems above, what do you think the major problems faced by the rural population in pursuing their economic activities? How does this problem affect their economic activities?
67. How do you think this problem could be tackle? Who should take the action? Why?

68. What are the main economic activities of these respective villages?

Number	Name of the villages	Types of economic activities
1.		
2.		
3.		
4.		
5.		
6.		
7.		

69. How long has they been involved in these activities?

70. Could these be considered as traditional or new economic activities?

71. If this is a traditional activity, why do you think they keep on engaging in this activity?

72. Do you think by engaging in this traditional economic activity it hinder their economic development? Why?

73. If this is a new economic activity, when do they engage in this new activity? Why do they shift to this activity?

74. Does this activity is their main source of income?

75. What is their level of income?

76. Do you think their income is adequate as compared to the current standard of living?

77. Do they receive any assistant from the government agencies in pursuing their economic activities? If yes, what kinds of assistant that they received?

78. Do you think the assistance given by the government agencies is adequate for their betterment? If yes. In what way it has helped? If not, why?

79. Do they involve in other economic activities? What kinds of activities?

80. Do they receive any kinds of assistant from government agencies for these economic activities? If yes, what kinds of assistant?

81. Do you think this assistance helped them in improving their standard of living? If not, why?

82. Do you see any kinds of obstacles that hinder rural population engaging in other kinds of economic activities? What kinds of obstacles?

83. How these obstacles could be overcome?

84. What kind of economic activities do you think should be implemented in rural areas in order to improve their living standard? Why?
85. How do you think that improvement could be made? Why?
86. Do you think they should be involved in non-farm activities in order to upgrade their standard of living? Why?
87. What sort of non-farm activities do you think is more appropriate for them in order to achieve that objective?
88. Do the development agencies provide assistance or programmes for them to involve in that activities?
89. Do you think they will be able to involve in this kind of activities? Why?
90. Do you think they will face difficulties to involve in this activity? What kind of difficulties? Why?
91. Do you think they have a means to solve the difficulties? If yes, what kind of means? If not, how do you think the difficulties could be solved?

#### **D. The village development and government intervention**

84. How do you define development in rural context?
85. To what extent do the villages under your administration reach that level of development? Why?
86. Could you please describe the form of development in these villages?
87. Do you satisfy with the level of development? If yes, what are you reasons for saying that? If not, way?
88. Does the development programmes implemented in your villages able to tackle the problems faced by your rural communities? If yes, on what basis you're saying that? If not, why?
89. Does these development programmes able to improve and upgrade their living standard? If yes, on what basis you're saying that? If not, why?
90. Does majority of the population benefited from these developments? If yes, in what way they have benefited? If not, why?
91. What sorts of other developments you think should be brought to the villages?
92. Why these kinds of developments are required?
93. Who do you think should be responsible for these developments? Why?

94. Is there an obstacle for these developments to be brought to the villages? What kinds of obstacle?

95. Is there a way to tackle it? How should it be tackle? Who should tackle it? Why?

### **Consultation with rural population of development programmes**

96. Do you think rural communities should be given an opportunity to express their views in relation to development programmes implemented in their area? Why?

97. Do you think they will be able to express their views if they were given that opportunity? If not, why?

98. How do you think they should express their views?

99. Is there a means for them to do that? If yes, is that mechanism adequate? If not, should there be a mechanism for them to do that? What sort of mechanism? Why?

100. Were they been given that opportunity in the existing arrangements? If yes, in what way the opportunity was given?

101. Do they able to contribute fruitfully? If not why?

102. What sorts of view that they were asked for?

103. How the view was gathered?

104. At what stage of development that they were asked to give their views?

105. Does their views been taken into consideration by development agencies in planning and implementing their development programmes? If, yes, what are your basis for saying that? If not, why do you think their view was sidelined?

106. Do you think it is enough for them to just express their views without actually participate in the development process or given some sort of power to actually plan and implementing their own development? Why?

### **Local participation in the developments**

107. Other than just giving their view on development programmes, do you think they should participate in the decision-making process relating to rural developments? Why?

108. Do you think they can participate actively in that process? If yes, what are your reasons for saying that? If not why?

109. At what stage of development do you think their participation is important? Why?

- 110.What kind of participation other than decision-making do you think is appropriate for them? Why?
- 111.Does the existing arrangements allow them to participate in the development process? If yes, in what way? If not, why?
- 112.Do they able to participate adequately? Or there is an obstacle for them to perform well? What sort of problems?
- 113.How do you think this problem could be overcome?

### **Power to make decision**

- 114.Do you think rural communities should be given a wider role in planning and implementing their own development? What sort of role? Why?
- 115.Do you think they should be given a power to plan and implementing their own development programmes? Why?
- 116.To what extent do you think they should be given the power? Why?
- 117.Do you think they have the capability to plan and implemented their own development? On what basis you're saying that?
- 118.In your opinion what is the advantage to rural areas if the rural population have the power to plan and implement their own development?
- 119.What is the obstacle? How do you think this obstacle could be overcome?

### **Leadership Capacity**

- 120.How do you define local leadership?
- 121.What are the indications of a good leadership in rural context?
- 122.Do you think leadership play an important role for village development? In what way it is important?
- 123.How do you view the role of local leadership in relation to rural developments?
- 124.Do you think it is important to have their involvement in the planning and implementation of the rural development programmes? Why?
- 125.Do they were given an opportunity to involve in the previous or current programmes by rural development agencies? What kind of involvement?
- 126.Do you think they heve contribute meaningfully to the development process?

127.How do you describe the relationship between local leadership and its population in your areas?

128.Does this relationship have any effects on the development of the areas? What kinds of effects?

129.Do you satisfy with the existing leadership in your areas? Why?

130.Do you think there is a need to improve local leadership capacity? If yes, how do you think it should be done?

#### **E. The role of rural development agencies**

131.Can you name me the development agencies that operate in your areas?

Number of agencies	Name of the agencies
1.	
2.	
3.	
4.	
5.	
6.	
7.	
8.	

132.Do you know their functions?

133.Do you have adequate information about these agencies? If yes, how you managed to get information about them? If not why?

134.Do you think you should have more information about these organisations? Why?

135.Are there any obstacles for you to get access to these organisations? If yes, what kind of obstacles? If no, can you please describe the nature of your accessibility?

136.Do you think the existing arrangements provide you with adequate opportunity to get access to these organisations? If not, can you please explain way? If yes, how do you think the arrangement has provided that accessibility?

137.How do you describe your relationship with the official of these organisations?

138.Do you face any difficulties to get in contact with them? What sort of difficulties?

139.Do you think it is necessary to have a regular meeting with them? Why?

140.Do you have regular meeting with them in relations with the development programmes in your area? If yes, what sorts of matters are normally discussed?

- 141.Are you been given an opportunity to express you views in the meetings? Do you able to express you views? Do you think they give attention to your view?
- 142.Do you have a fixed schedule for meeting with them?
- 143.Do you satisfy with the existing relationship between you and the organisations? Why?
- 144.What kinds of projects and programmes did they implemented in your areas/villages?
- 145.Are these projects and programmes able to contribute to the betterment of rural communities? If yes, in what way they have contributed? If not, why?
- 146.Do you satisfy with the development programmes that they have implemented? If yes, what make you say so? If not, why?
- 147.Do you think they have adequate number of staff to implement rural development programmes? If yes, what make you say so? If not, why?
- 148.Do you think the officers involved in rural development have a clear view about rural problems and how to deal with it?
- 149.Do you think they have performed well in delivering rural development programmes? What are your reasons for saying that?
- 150.Do you see weakness in the operations of these agencies? If yes, what kind of weakness?
- 151.How do you think these agencies could improve their performance?
- 152.Which agency played a major role in the developments of your areas? On what basis does you made your judgement?
- 153.Do they give some sort of power or authority to the rural communities to plan and implementing their own development? If yes, to what extent does the power has been given?
- 154.Does the agency allowed for local participation in their development process? At what stage of development does local participation is allowed?
- 155.Do they ask for local the views before planning and implementing any development projects or programmes? If yes, what kinds of feedbacks that they asked?
- 156.What mechanism that they used to gather that feedbacks? Do you satisfy with those arrangements?
- 157.How do you view relationships between local population and development agencies operating in your area?

## **Inter-organisational cooperation**

- 158.Do you think it is good to have several rural development agencies serving in your area? Why?
- 159.Do you think it is a proper and effective arrangement for rural development? Why? If not, what do you think the most appropriate and effective arrangements/model for the rural development?
- 160.How do you view relationship between several development agencies in relating to project planning and implementation in your areas?
- 161.Do you think inter-organisational cooperation is important in pursuing a better rural development programmes? If yes, in what way?
- 162.Do you think they have managed to co-operate well in implementing rural development programmes? If yes, what make you say so?
- 163.Do you face any problems with so many rural development agencies around? What sort of problems? How do you think these problems could be overcome?
- 164.Do you think these agencies have served rural communities well? If yes, in what way? If not, why?
- 165.Do you see any room for improvement? How?
- 166.Overall how do you view rural development programmes in your area?
- 167.Do you satisfy with the present arrangements? Why?
- 168.Do you think there should be a wider role by private sector in rural development? Why?
- 169.What do you think of an idea of rural development run by the private sector?
- 170.What do think about the involvement of NGOs in rural developments?

**THANK YOU FOR YOUR CO-OPERATION.**

### **Question Guide (Group 3)**

Number of respondent

Date of interview \_\_\_\_\_ / \_\_\_\_\_ /2004

Category of respondent: The Interested Parties

Position of the respondent: **Politicians**

#### **A. Basic information of the respondent**

1. Name: \_\_\_\_\_ Male  Female

2. Designation: \_\_\_\_\_  
\_\_\_\_\_

3. Address: \_\_\_\_\_  
\_\_\_\_\_

4. Telephone number (office): \_\_\_\_\_

5. E-mail address: \_\_\_\_\_

6. Length of service as State Assemblyman/ woman:  
\_\_\_\_\_ months/year.

#### **B. The function of the agency**

7. There are several rural development agencies operating in your constituency. How do you describe their role in your areas?
8. Do you have clear pictures about their functions and objectives? If not, way?
9. If yes, do you think you have sufficient information about these agencies? How do you managed to get these information?
10. Do you think you should have more information about these agencies? Why?
11. How do you think you should be able to get that information?
12. From the information that you have already had could you please describe their functions in general?
13. What do you think the objectives of their establishment?
14. Could you please describe the development programmes that they implemented in your constituency in order to achieve their objectives?
15. Do you think they have achieved sufficient achievement in rural development? If not, why? If yes, what is your basis for saying that?
16. Do you satisfy with their achievements? If not, why? If yes, on what basis you're saying that?
17. What do you think the obstacles that they face in delivering their functions in rural developments?
18. Do you think they managed to overcome these problems? If not, why? If yes, on what basis you're saying that?

19. Do you think these agencies have adequate allocation to deliver their functions in order to achieve their objectives of establishment?
20. Do you satisfy with the present arrangements in rural development? Why?
21. What do you think should be done in order to improve the living standard of the rural communities, why?

## **C. Rural Problems**

### **C1. Rural Problems in General**

22. Rural population facing numerous problems, what do you think the main problems that deter their economic development?
23. How does these problems effect their economic development?
24. What do you think the cause of these problems?
25. How do you think these problems could be overcome?
26. Who do you think should play a role to tackle these problems? Why?
27. Do you agree that the establishment of rural development agencies should deals with these problems? Could you please explain?
28. Do you think that should be their aims and objectives currently? If not, why do you say so? If yes, on what basis do you saying that?
29. Do you think they have been able to achieve their aims and objectives? If not, why? If yes, on what basis are you saying that?
30. Do you think the present structure of rural development is effective enough to tackle rural development problems? If not, why? If yes, in what way do you think it has been effective?
31. Based on the present structure, do you see any obstacles for the development agencies to tackle these problems? If yes, what sort of obstacles?
32. Should there be better arrangements for rural development in order to tackle these problems? Why? How do you think the arrangements should be?

### **C2. Rural problems and the functions of the agency**

33. Talking about the rural problems faced by the rural communities, how do you see the role of these agencies in dealing with these problems?
34. What kind of rural problems that you think these agencies dealing with in particular?
35. Do you think they still at present focusing on those problems? Why?
36. Does the establishment of this agency and their involvement in the rural development aim at tackling these particular problems?
37. Do you think they emphasis on these problems when planning and implementing their development programmes for rural areas? If not, why? If yes, could you please describe the development programmes that they carry out in order to tackle these problems?
38. Do you think the development approaches taken by these agencies will enable them to tackle these problems? In what way?

39. Do the present organisational structure allow them to perform well in tackling these problems? If not, why? What sort of structure do you think the most appropriate? Why? If yes, how does the structure allow them to do that?
40. Other than the organisational structure, do you think they face any other problems in implementing their development programmes in order to tackle these problems? What sort of problems?
41. How do you think these problems could be overcome? Why?
42. Do you think it is important for the rural agencies to have a clear understanding about rural development problems before embarking on their planning and implementing rural development programmes? If not, why? If yes? In what way do you think it is important?
43. Do you think they have a procedure or arrangements of identifying problems faced by rural communities before embarking on their planning and implementing rural development programmes? If not, why? If yes, could you please describe the procedure?
44. Do you think this procedure allow them to have a sufficient information about problems faced by the rural communities in order for them to embark in their development planning and implementation?
45. Do you think this procedure is sufficient? If not, why? What sort of improvement do you think should be made to make it more sufficient? If yes, how does this procedure help them in their planning and implementation of rural development programmes?
46. Do you think they face any problems in identifying rural problems faced by the rural communities? What sort of problems?
47. How do you think these problems could be overcome?
48. Do you see any strength in rural communities to overcome these problems on their own? If yes, how do you think they will be able to confront it? If not, why?
49. Do you think the number of rural population have an effect on their development? If not, why? If yes, how does it effect their development?
50. Do you think they take this problem into consideration when planning developments for the rural areas? If not, why? If yes, what kind of development programmes do you think have been implemented in order to tackle this problem?
51. Do you think their age composition have an effect on their development? If not, why? If yes, in what way do you think it has effected their development?
52. In what way do you think this problem can be overcome?
53. Do you think the agencies take this problem into consideration when planning and implementing development for rural areas under their jurisdiction? If not, why?
54. If yes, what sorts of programmes do you think was implemented in order to tackle this problem?
55. Do you think their gender composition have an effect on their development? If not, why? If yes, in what way do you think it has effected their development?
56. How do you think this problem could be overcome?
57. Do you think they take this problem into consideration when planning and implementing development for you rural areas? If not, why?
58. Do you think their level of education have an effect on their development? If not, what is your reason for saying that? If yes, in what way do you think it has effected their development?
59. How do you think this problem could be overcome?
60. Do you think they take this problem into consideration when planning and implementing development for rural areas?

61. How do you think rural communities could enhance their economic activities?
62. What sort of programmes do you think should be provided to help them enhancing their economic activities? If no, why there are no such programmes?
63. Do you think these programmes are adequate in helping them enhancing their economic activities? If not, why? If yes, what is your justification for saying that?
64. Do you think the agencies organised training to assist them in their economic activities? What kind of training?
65. Do you think this training is adequate in helping help them enhancing their economic activities? If not, why? If yes, how does this training help?
66. Do you think the agencies have provided them with adequate information to help them in their economic activities? What kind of information?
67. Do you think the information given is sufficient to help them enhancing their economic activities? If not, why? If yes, in what way it's help?
68. What else do you think should be done to improve their standard of living? Why?
69. Who do you think should play the role? Why?
70. Do you think rural communities should involve in non-farm activities in order to upgrade their standard of living? Why?
71. What sort of non-farm activities is more appropriate for them to achieve that objective? Why?
72. Do you think provides assistant or programmes for them to involve in these activities? What sort of assistant?
73. Do you think they will be able to involve in this kind of activities? Why?
74. Do you think they will face problems in getting involved in these activities? What sort of problems?
75. Do you think they have means to solve these problems? If yes, what kind of means?

#### **D. Project Planning and Implementation**

76. As a State Assemblyman/woman do you have development programme for your constituency? How do you plan?
77. Do you think the agencies have an adequate database on the rural areas and its population?
78. Do you think they used this database in planning and implementing development programmes for rural communities?
79. Do you have any knowledge on how the information was gathered?
80. Do you think the agencies get the views or feedback from the rural communities before embarking in their planning and implementation of development programmes for the rural areas? If not, why? If yes, what make you say so?
81. What mechanism did they used to get the views from rural communities? Is that mechanism appropriate? Do you think it should be improved? Why? How?
82. Do you think the agencies allow rural communities to express their views in relations to any rural development programmes? If not, why? If yes, do they able to contribute?
83. Do you think the present arrangements allow them to express their views in relations to rural development programmes? If not, why?

84. Do you think there is a need to improve the present arrangements in order to give them more opportunity to express their views in relation to development programmes?
85. Do you think the rural communities should be involve in the decision making process related to development programmes in their areas?
86. Do you think the agencies involve them in the decision making process related to development programmes in their areas? If no, why? If yes, to what extent they were allowed to make decision? Why?
87. Do you think it is appropriate for them to be involve in the decision making process? What effect does it have on the rural development?
88. Do you think their involvement in the decision making process will contribute to a better planning and implementation of rural development programmes? If yes, in what way? If not, why?
89. Do you think the present arrangements will provide an adequate means for them to participate in the decision making process? If yes, in what way? If not, why?
90. Do you think rural communities should be given a wider role in planning and implementing their own development?
91. Is there a consequence if they were given that role? What sorts of consequence?
92. Do you think they will be able to plan and implement their own developments if they were given that opportunity? If no why? If yes, could they perform to your expectation?
93. In your knowledge is there any case where they were given such opportunity in the agencies development programmes? If no, why? If yes, could they perform to your expectation?
94. Do you think the present arrangements allow them to be given that sort of opportunity? If not, why?
95. What sort of arrangements do you think necessary in order to give them that opportunity? Why?

#### **E. The agency development programmes**

96. .How do you define development in rural context?
97. Do you think rural areas under you jurisdiction have reach that level of development as you define it? If yes, on what basis you are saying that? If not, why do you think they not able to achieve that level of development?
98. Do you have any knowledge about the agencies vision on rural development?
99. Do you think the agencies staffs share that vision? If yes, on what basis you're saying that? If not, why?
100. In your knowledge did they materialise this vision? Do you think they have a blue print to materialise that vision? If not, don't you think it important for them to have the blue print?
101. If yes, do you think they able to materialise this vision through existing projects and programmes? Could you please give some examples?
102. What is the main development programmes carried out by these agencies in your constituency?
103. On what basis do you think this development programmes been implemented?
104. How is these programmes help rural population in upgrading their standard of living?
105. Do you satisfy with the progress they have made from these programmes? If yes, what make you say so? If not why?
106. What kind of problems do you think they face in delivering their development programmes?

107. What effects does these problems have on rural communities? What are the approaches that you think should be taken to tackle it?
108. Do you think the agencies have a proper set-up to implement rural development programmes?
109. Do you think the existing set-up of the organisation will be able to bring the needed developments to rural areas?
110. Do you think they have appropriate number of staffs to deliver it?
111. Do you think they were given a proper training to enable them to perform sufficiently in their job?
112. Do you think they were able to perform sufficiently in delivering their tasks? If yes, what are your basis for saying that? If not, why?
113. What do you think the most important element that must be there in these organisations in order to make rural development successful?
114. How do you describe the agencies relationship with the rural communities in relation to the development programmes?
115. Do you think they face any problems with rural communities in planning and implementing your development programmes? What sort of problems?
116. Do you think they manage to solve those problems? How do they go about settling it?
117. Do you think the staffs of the agencies have close contacts with them in relations to development programmes? What sort of contact?
118. Do the rural communities have an access to the agencies staffs on matters related to development programmes? Could you please explain?
119. What are your views towards the rural communities? Do you consider them as an important element in the development process? Why?

## **F. Local Leadership**

120. What do you think the most important element that must be there within local population to make rural development successful?
121. How do you view the role of local leadership in relation to rural developments?
122. Do you think local leadership play an important role in rural development? If no, why? If yes, in what way?
123. Do you think they have a good leadership capacity to help enhancing the development of the rural areas? If not, why? If yes, what makes you say so?
124. Do you satisfy with their leadership? If not, why? If yes, what is your justification for saying that?
125. Do you think it is important to have their involvement in planning and implementing rural development programmes?
126. Do you think the agencies involve them in the previous and current development programmes? If yes, what kind of involvement? If not, why?
127. Do you satisfy with their involvement? If not, why? If yes, in what way they have contributed to the developments?
128. Do you think they have to improve their leadership capacity? Why? If yes, how do you think it should be done?

## **G. Organisation set-up**

129. Do you think the set-up of the agencies is adequate in helping them pursuing their rural development programmes?
130. Base on their organisational set-up do you see any obstacles for them to deliver their functions on rural development? If yes, what sort of obstacles. How do you think it could be overcome?
131. Do you think they have a pull authority in implementing their development's programmes or do you think they have to go to higher authority for authorisation?

## **H. Inter-organisation co-operation**

132. What are your views on the existence of several rural development agencies operating in one area of development?
133. Do you think it is proper and effective arrangement for rural development? Why?
134. If not, what do you think the most appropriate and effective arrangement for rural development? Why?
135. How do you view your relationship with these agencies in relation to development programmes?
136. In implementing their development programmes do you think they face any problem relating to other rural development agencies? If yes, what kinds of problems? How do you think these problems could be overcome?
137. Do you think inter organisational co-operation are important in pursuing rural development programmes?
138. In pursuing their development programmes do you think they emphasis on inter-organisational co-operation with other rural development agencies? If yes, what sort of co-operation. If not, why?
139. In the existing arrangements do you see any room for any kind of co-operation?
140. Do you think it is important to coordinate the role and functions of several rural development agencies at the district level? Why?
141. Is there a mechanism that co-ordinate the role-played by several rural developments agencies? What is your view towards this mechanism?
142. Who do you think should play a role as a coordinator of several rural development agencies at the district or regional level? Why?
143. Do you think it is appropriate to have a private sector involvement in rural development?
144. What do you think of the idea of privatising rural development programmes?
145. What do you think about the involvement of NGOs in rural development?
146. What do you think the most effective arrangements/model for rural development? Why?

**THANK YOU FOR YOUR CO-OPERATION**