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Rural Transformations Development¹

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Abstract

This paper examines the concept of rural transformation development in relation to the Malaysian Government's transformation initiatives. The various ways in which rural change has been conceptualized is discussed and interpreted in the context of rural change in Malaysia. A brief overview of rural development strategy and programmes in Malaysia is discussed with emphasis on the recent rural transformations programmes, including the Economic Transformation Programmes and the rural transformation centre (RTC). The final part discusses some of the future outlooks on the nature of issues needed to be addressed by the rural transformation development in Malaysia.

Key words: rural transformation, development, change, programme

Introduction

The word transformation denotes complete change of something such as to its form, appearance and character². In relation to the transformation initiative undertaken by the Malaysian government, the term connotes the rapid and fundamental changes to be pursued by the government to achieve certain goals within the framework of vision 2020 and 1 Malaysia. The transformation began with addressing priority issues as defined under National Key Result Areas (NKRAs) and Ministerial Key Result Areas (MKRAs) and then proceeded with the drive to achieve high income nation and finally achieving the vision 2020 of high level of prosperity and better public services (Malaysia, 2010).

Although the terms rural transformation or rural change are widely used in rural development literatures, but the phrase "rural transformations development" as proposed by the conference organizer for the title of this key note paper is something new. From my search through google

¹ Paper presented at the International Conference on Social Sciences & Humanities UKM 2012 (ICOSH-UKM 2012) 12-13 December 2012.

² Longman Dictionary of Contemporary English.

scholar, I found only one article that define the term rural transformation development which refers to the rapid and radical rural restructuring such as changes in agricultural intensity, crop selection patterns, farmland, land productivity and farm income, labour and technological productivity, and major improvements in rural housing and economic and social conditions resulting from industrialization and urbanization (Long et.al., 2011). It focuses on changes that are material in nature, in particular the transformation of the economic activities, those related to the means of production and rural environment.

This paper will discuss the concept of rural transformations development in relation to the Malaysian Government's transformation initiatives and the definition by Long will be a starting point. I shall proceed with some understanding on the concept of rural change or transformation, the various approaches of rural development and how the rural transformations development should be viewed in the context of Malaysia transformation initiatives.

Rural Transformation Concepts

There are series of concepts of rural transformation that emerged from the debates about the nature of change affecting rural people on communities in different world regions. Among them are postproductivist, deagrarianization, the new rural development paradigm, new rurality, commodification of the countryside, global and hybrid countryside etc. (Mackay et.al, 2009; Preston and Ngah, 2012; Bryceson, 1996; Gibson et.al, 2010; Kay, 2008).

In the conceptualization of rural transformation during the early post World War II, the term productivism was used particular with reference to the advanced capitalist countries. The productivist farming regime is described as "a commitment to an intensive, industrially driven and expansionist agriculture with state support based primarily on output and increased productivity" (Low et.al. in Wilson, 2001: 78). Among the characteristics of productivist agriculture production are industrialization/commercialization, intensification, specialization and surplus production. The agriculture techniques uses more mechanization, high-yielding crop varieties and agrochemicals which are environmentally incompatible. The agriculture policies include those of protectionism (such as tariffs), subsidies for farm input, minimum price guarantee and other financial support from the state to encourage farmers to expand food production. This relates to the aims to enhance food security and achieving self-sufficiency (Mackay, et al (2009).

Postproductivism, on the other hand, which emerged in 1980s refers to farming practices that revert to the use of less intensive production methods, rely on fewer chemical inputs and less use of high-yielding varieties of plants and livestock, and moving towards environmental conservation of farm and sustainable agriculture. The underlying forces for the transformation include a growing public awareness of the environmental damage caused by intensive farming, the shift of consumer preference towards organic food, concerns over the ongoing cost of supporting over production of rural sector, and pressure from globalization and neo-liberal

economy (Mackay, et. al., 2009) . The policy drives under postproductivist are those of neo-liberal policies which remove state intervention measures (such as agriculture subsidy and protectionist regulation) to foster growth and economic efficiency but expose local primary production to global competition. The consequences has been term 'rural crisis' initially marked by falling farm incomes, increasing farm debt , and job losses in primary sector.

However, Postproductivism has also been link to the diversification of rural economies, the emergence of multi-functional rural spaces, counter urbanization, the development of small scale farm enterprises and farmers market. Parallel to this is the concept of commodification of the country side which draw attentions on the changes such as the increase commodification of non-agriculture commodities such as rural culture, places and landscape for tourism, leisure and recreational purposes.

In another conceptualization of rural change in sub-Sahara Arfica, Bryceson (1996) used the term deagrarianization which describe the process of transformation under structural adjustment marked by the decline in primary sector and the emergence of economic diversification in rural areas. But the economic diversification were derived from individuals activity diversification as a strategy safeguarding the means of livelihood in the context of falling income. Kay (2008) discussed a parallel concept of the transformation of rural economy and society towards increasing diversification of rural activities in Latin America under the title new rurality. The changes was related to neoliberal shift in development strategy and globalization of economic activities. To sum-up the new conceptualization of rural change has move away the focus of the debate on rural change from one predominantly focus on agriculture to the changes in a wider spheres of rural activities and spaces. The descriptions of process changes display the complex interplay of local-global, and endogenous-exogenous factors, which could be related to strategies of individual and various actors in the rural areas or outside in response to the changes.

Rural Transformation in Malaysia

At the initial stage after independence (1957), there was little progress in rural Malaysia. Persistence of chronic poverty, low productivity, lack of access to basic infrastructure, poor health and education were common problems faced by the rural communities (Ngah, 2009). Rapid pace of economic development in the last few decades and rural development initiatives taken by the Malaysian government have stimulated rapid progress in rural areas. Outstanding achievement was recorded in alleviating poverty and addressing problems of underdevelopment of rural traditional sector. National poverty rates fell from 49 per cent to less than 4 percent between 1970 and 2009, although poverty rates remain higher in rural areas compared to urban areas (Malaysia, 2010a). There were relatively large numbers of poor households in the states of Kedah, Kelantan, Terengganu, Sabah and Sarawak. The percentage of households with piped water in rural areas of Peninsular Malaysia increased from 42 percent in 1980 to 90 per cent in 2009. The coverage of rural water supply for Sabah and Sarawak was 59 per cent. Electricity supply was widely covered in rural areas of Peninsular Malaysia in which 99.5 per cent of

households had electricity in 2009. Lower coverage of 77 per cent was recorded in Sabah and 67 per cent in Sarawak (Figure 1). Among factors for lower coverage of rural infrastructure in Sabah and Sarawak include the location of some of the settlements in remote areas with undulating topography which impose high cost for the provision of infrastructure.

Since rapid rate of economic growth was associated principally with manufacturing and service industries, over the period of time rural sector has become less important in national economy. Share of agriculture sector shrunk from 20 per cent in 1985 to 7.8 percent by 2009. The share of rural population decreased from 73 per cent in 1970 to 35 per cent in 2010. During the past decades population growth continued to concentrate in a few urbanised region while rural areas experienced low population growth and outmigration. Changes of mobility of rural people were also remarkable with better quality of highways, increased ownership of vehicles and availability of public transport. More people seek work in distant metropolitan centres not only due to improved transportation but also general improvement in education levels. Non-farm work became more important in rural areas which included tourism.

Preston and Ngah (2012) visualized rural economic change in three dimensions (Figure 1). First the process of broadening involves new land based activities such as protection and management of land resources, production of new crops which benefit local people as well as attract visitors. Second, re-grounding involves the use of existing and new human capital for off-farm activities such as offering transport for people and goods to nearby commercial centre, as well as activities such as home stay to diversify rural household income sources. Thirdly, deepening which is farming based including new farming methods such as organic or biodynamic using existing biodiversity in the form of wild plants, fish and other wild life with value added. The process of change is dynamic and spread unevenly in space. Remote rural areas such as Sabah and Sarawak tended to be less connected by road and transportation. Places nearer to urban centres are more connected as well as better access to market.

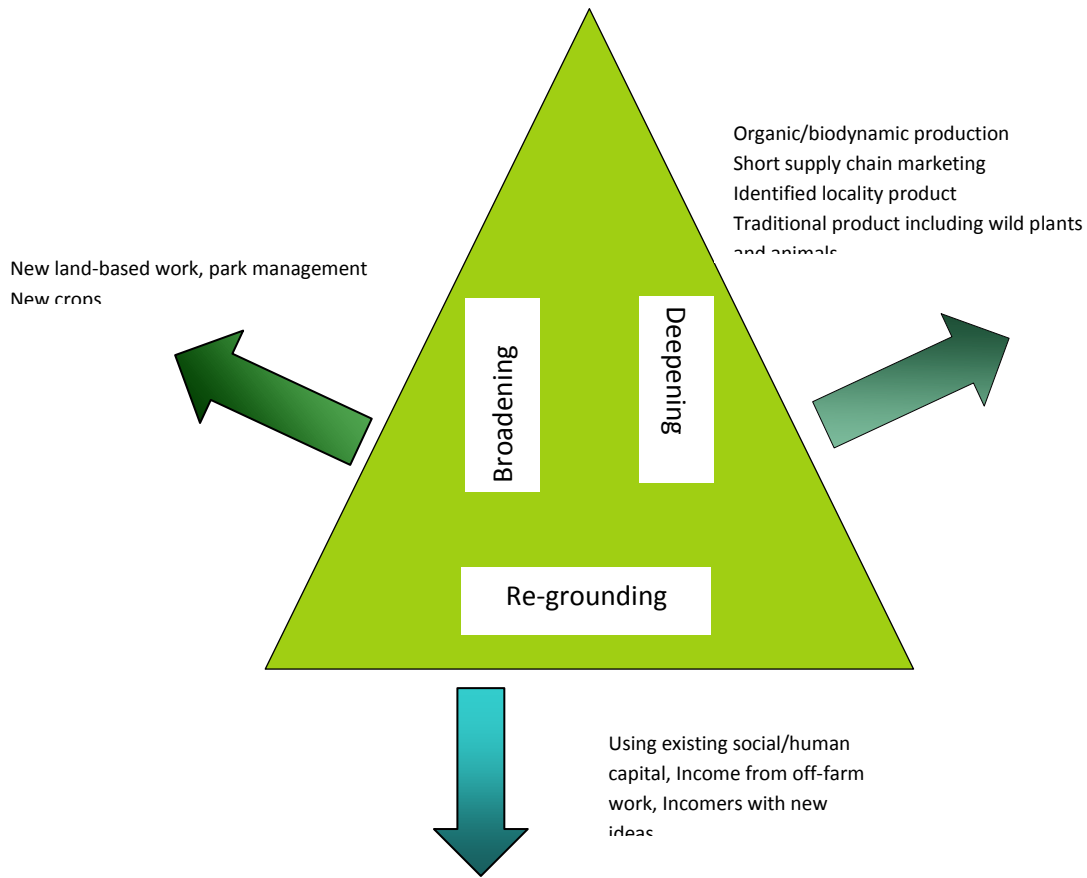


Figure 1: A Framework of Rural Change
Source: Preston and Ngah (2012)

Rural transformation in Malaysia reflects the multi-dimensional changes towards diversification of rural activities with the increase of the non-farm activities, and broadening of farm or land based activities, and the introduction of quality and local distinctive products. However, these new forms of rural activities appear side by side with the older forms of productivist agriculture in the same localities. The changes are also unevenly distributed, related to variations of rural resources in the localities, the culture and other capitals.

The Malaysian's Rural Transformations Development

The overview of rural development strategy and programmes in Malaysia is has been elaborated by the author in other article (see Ngah, 2009). Figure 2 provide a brief description on rural development strategies and programmes since independence. On the basis of the

framework outline by Lea and Chaudhri (1983), there were mixture of approaches in rural development in Malaysia from those of technocratic model, to reformist and free market. The emphasis on rural development approaches tended to varies from different periods of development, although we can trace the overlapping in the approaches. Generally, the approaches had been relatively free market model during colonial and early post independence, then shifted towards technocratic and reformists models toward the end of 1960s to 1990, and reemphasis on market model during the post-1990.

In the current phase of rural development, within the general development framework of neo-liberal and globalization of the economy, rural development has tended to provide more ground for free market approach with the development of rural infrastructure and incentives for private capitals in rural areas. This can be discerned in the Economic Programme Programme (ETP) launched by the government in 2010.

ETP is a comprehensive effort to transform Malaysia into a high-income nation by 2020. To achieve the vision of high-income nation, the target growth of the gross national income (GNI) is 6 per cent per annum with per capita GNI change from USD6,700 or RM23,700 in 2009 to at least USD15,000 or RM48,000 by 2020 (Malaysia, 2010a). Under ETP, 12 key economic growth areas were identified. These “12 National Key Economic Areas (NKEAs)” are to receive priority for public investment and policy support. However, the main players and funding will come from the private sector with public sector investment as catalyst to spark private sector participation.

The NKEAs under agriculture focus on selected activities which have high growth potential including aquaculture, seaweed farming, swiftlet nests, herbal products, fruit and vegetables and premium processed food (Table 1).

Table 1: The 16 entry points projects for the transformation of agriculture sectors

	Agriculture Projects	2020 GNI (RM Million)	Jobs Created
1	Expanding the production of swiftlet nests	4,541.2	20,800
2	Unlocking value from Malaysia’s biodiversity through herbal products	2,213.9	1,822
3	Upgrading capabilities to produce premium fruit and vegetables	1,571.5	9,075
4	Venturing into commercial scale seaweed farming in Sabah	1,410.6	12,700
5	Farming through integrated cage aquaculture systems	1,383.0	10,072
6	Scaling up and strengthening of paddy in other irrigated area	1,370.3	(9,618)
7	Replicating integrated aquaculture model (IZAQs)	1,273.2	11,890
8	Scaling up and strengthening paddy farming in Muda Area	1,033.6	(14,880)
9	Securing foreign direct investment in agriculture biotechnology	819.9	1,208
10	Strengthening the export capability of the processed food industry	884.3	4,928
11	Establishing a leadership position in regional breeding services	466.6	5,390
12	Establishing dairy clusters in Malaysia	326.3	761
13	Strengthening current anchor companies in cattle feedlots	182.9	2,000

14	Rearing cattle in oil palm estates	150.0	3,600
15	Investing in foreign cattle farming	116.5	NA
16	Introducing fragrant rice variety for non-irrigated areas	100.1	NA

Source: Malaysia (2010b)

The agriculture projects provide business opportunities such as snack industry, ornamental fish, aqua feed mill, herbal products distributors, poultry farming, mushroom farming, aqua export centre and packaged fruit production. Since the nature of business require high capital and technology not many rural people will be able to participate. Capital from big local and foreign companies is expected to undertake the businesses and the success will be depending on the factors such as:

- Global economic situation.
- Ability to compete at international market.
- Business support and conducive local environment/ infrastructure/regulation.
- Availability of skills and reliable workforce.

Although under the Tenth Malaysia Plan (Malaysia, 2010), rural development did focus on the provision of basic infrastructure to the rural people as targeted under the National Key Result Areas (NKRA) such as building and upgrading of roads, water supply, electricity in remote areas and housing for the poor but the end results will strengthen rural-urban relations and integration in the market economy which will favor urban areas as improvement in physical infrastructure and human capital will encourage more rural-urban migrations. Other 'rural programmes' of the Rural and Regional Development Ministries, tended to have marginal impact on rural transformation such as providing employment to the youths as small enterprises and farmers in the rural areas are most unlikely able to compete with the large global and local capitals.

The latest project is the development of Rural Transformation Centres (RTC), the pioneer one is in Gopeng, launched by the Prime Minister in 18 February 2012. RTC suppose to play supporting roles in realizing rural potential to generate economic growth in rural areas in particular those sectors with high value added and high income potential. The RTC will focus on Eight initiatives³: Skills training for rural people, providing information kiosk, fostering high value added agriculture, processing of agro-products, value chain management, smart-partnership with universities, food safety and pharmaceutical services, and credit facilities for rural entrepreneurs.

³ Information is based on *Teks Ucapan Perdana Menteri, Majlis Pelancaran RTC Gopeng, 18 Februari 2012*.

Future Outlooks

Rural transformation development in Malaysia appears to be fragmented, project oriented and lack of integration on the overall transformations development. For example it appears to be lack of relationship and coordination between the various rural transformation programmes such as NKRA, ETP and RTC. By implication to the nature of rural change in Malaysia, the transformations rural development has to look into the various dimensions of rural changes, rural diversities, and the increasing differentiated rural spaces.

The existing issues related to the outcome of the process of transformation need to be addressed such as:

- Continuous out-migration and aging of rural population
- Labour shortage and heavy dependent on foreign labour
- Environmental degradation related to logging, agriculture practice, waste management problems.
- Increase rural urban relation and gap.
- Rural marginalization and deprivations.
- Emerging social problems

The increase integration between rural-urban and local global, requires more integrated approach and multilevel coordination of rural development including local, regional, national and global.

There is a need to focus on local development as well so that rural plan, programmes and projects relate to specific area to cater for diversities and distinctiveness.

Conclusion

We are living in a dynamic and more integrated world. Rural areas can no longer be viewed in isolation. Rural-rural, rural-urban and local-global relations are part of the rural system. Rural area is just a sub-system of the larger system of human activities and the broader ecological system. Rural transformations development thus required changes in mind set or mental landscape in the conceptualization of rural transformations and approaches in managing changes. It call for more integrated approach which view changes in a system of inter related parts, the changes of one component of a system will affect other components of the system, the repercussions of which may cut across local spaces and international boundaries. The drivers of changes could be triggered from outside local areas or rural spaces and beyond the control of a locality or nation. It means rural transformation development has to be integrated and coordinated at local, national and international levels to manage changes.

Rural Transformations Development also has to look into development based on local needs, local distinctiveness and potentials which called for the 'territorial' or local based development

and empowering local people in decision making and implementation of development initiatives. It also required the mechanism for planning, managing and financing rural development at the local level to be improved. Also important is the integration of research with planning so that decision making is well inform about the nature and reality of change.

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FIGURE 1 : RURAL DEVELOPMENT (Source: Ngah, 2009: 28)

