

Strengthening Rural Economy through Regional Development Planning Approach in Sarawak

Daniel, U.E.¹, Novel Lyndon², Suhana, S.³, Sarmila, M.S.³ & Zaimah, R.³

¹School of Social Sciences, Universiti Sains Malaysia, 11800 Pulau Pinang, Malaysia

²Program of Anthropology and Sociology, ³Program of Development Science
Faculty of Social Sciences and Humanities, Universiti Kebangsaan Malaysia 43600
Bangi, Selangor, Malaysia.

Corresponding Author: danielusm@hotmail.my

To Link this Article: <http://dx.doi.org/10.6007/IJARBSS/v8-i13/4816>

DOI:10.6007/IJARBSS/v8-i13/4816

Published Date: 12 November 2018

Abstract

Rural development often linked with regional development and both are considered as detached entities in regional development efforts whereby they are mutually dependent on their development. Both of these developments are tied together by various types of rural-urban-regional linkages and the understanding of the reciprocal relationship behind these areas and consideration of this relationship in regional development strategies are very effective in the development of both areas. This paper seeks to discuss the rural development strategies in Sarawak through the implementation of regional development planning approaches such as the Sarawak Corridor of Renewable Energy (SCORE). For the purpose of data collection, this paper utilized qualitative research method of secondary data analysis of previous studies which did by government agencies and researchers. Therefore, the content analysis was used to analyze the data. The study found that the regional development policies in Sarawak have changed the rural economy by developing physical, social and economic programs under the corridor economic projects.

Keywords: *Rural Development, Regional Development, Economy, Sarawak, Score*

Introduction

Rural development remains a priority in the development policy of developing countries like Malaysia because the majority of poor people live in rural areas (Maxwell, 2005). After independence in 1957, Malaysia was characterized by uneven development between rural and urban sector. The urban sector, mainly relying on industrial economic activities which are generating more economic multiplier effects than agricultural activities in rural areas. Agricultural production has risen in rural areas and the rapid industrialization, especially in urban was lead to uneven development between rural

and urban area. Therefore, developing rural sector has become the main focus in the development agenda in Malaysia such as in Sarawak as discussed in this paper. The government has success in reducing poverty, ignorance and inequality has been quite limited because the incidence of poverty among rural community is still high. Until the 1970s, Malaysia was predominantly an exporter of rubber and tin. The Malaysian economy transformed itself from a primary commodity based economy to a manufacturing and industrial based. However, the country overcame the colonial heritage that shaped its economic structure based on primary commodity dependency and became an exporter of manufactured goods. At the same time, Sarawak did not follow suit and its economy remains being driven by exports of primary commodities, such as liquefied natural gas (LNG) and crude petroleum. The agriculture sector in rural area is to enhance economic development and as a basic means of livelihood for the rural community. Since independence, many development strategies have been adopted by the Sarawak government to eradicate rural poverty, such as land development of oil palm development scheme. At the same time, the government also introducing agrarian resettlement schemes, in-situ development programmes and the joint venture concept of development. Refer to Ngindang (1995), development efforts in Sarawak are often complicated by political conflicts and structural rigidities imposed by prevailing socioeconomic and political systems.

Uneven development between rural and urban area in Sarawak

Sarawak is located along the Northwest Coast of the Island of Borneo (Figure 1). The state has a land size which is almost equivalent to Peninsular Malaysia, whereby the size is 124,449 square kilometres. Since joining the federation of Malaysia in 1963, the state was facing uneven development problem for a long time ago and it was contributed by some factors such as the land development policy introduced by the government (King and Jawan, 1992). Meanwhile, developing the rural sector in Sarawak is very challenging due to poor transport and urban infrastructure. The uneven development also occurs between rural and urban area whereby all towns are located along the coastal area of Sarawak including Kuching, Sibu, Bintulu and Miri due to economic attraction and better life quality (Daniel Ugih, 2018). The settlement is scattered and most of them are still hard to reach and some are reachable only by river or from the sea. Most of rural areas in Sarawak are reliant almost entirely on river as their main transportation and remains underdeveloped area. The rivers connect rural community such as the Iban and Orang Ulu ethnic groups in inland areas with various towns such as in Kapit, Belaga and Baram with various coastal towns.

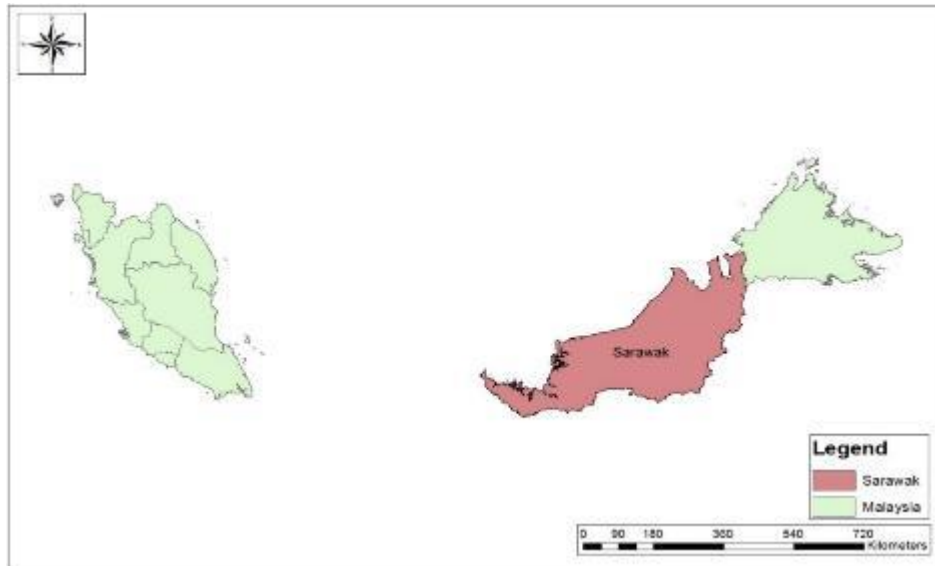


Figure 1: Location of Sarawak

Limited accessibility in rural of Sarawak also affects the size of agriculture commodity market. Therefore, the farmers have limited options to produce their commodity. In this era of globalization, the rural community has to struggle to cope financially when the prices of commodities fluctuate such as oil palm and rubber sectors. The regional development approach is important to strengthening the rural economy in Sarawak through spatial development because some area especially the rural area was lagged due to imbalance development. In regional development approach, the main focus of this development mainly to develop the targeted area by building the infrastructure project such as road, bridges and attracting private sector to invest in any potential economic sector in the area. This is in line with the idea by Windle and Cramb (1997) which is suggesting rural development by providing accessibility such as access roads, so that local people will stay and working the rural areas. After the launching the New Economic Policy (1970-1990), regional development planning had been seen as one of the strategy to address the incident of poverty and restructuring of socioeconomic and spatial inequalities in Malaysia including Sarawak.

Sarawak Corridor of Renewable Energy

SCORE (Figure 2) is the second largest corridors among five corridors in Malaysia, taking in a land area of 70,000 square kilometres and a population of 600,000. This corridor is one of five economic development corridors created by the Federal Government of Malaysia as part of its ambitious plan to stimulate investment-led growth in traditionally rural areas. The idea of establishing the SCORE is to address the issue of uneven development between regions in Sarawak especially the central region which is located in four divisional administrations such as Kapit, Mukah, Bintulu and Miri. The state's economy could not rely heavily on the agricultural sector for growth and called for more private investments to develop new sources of growth through SCORE.

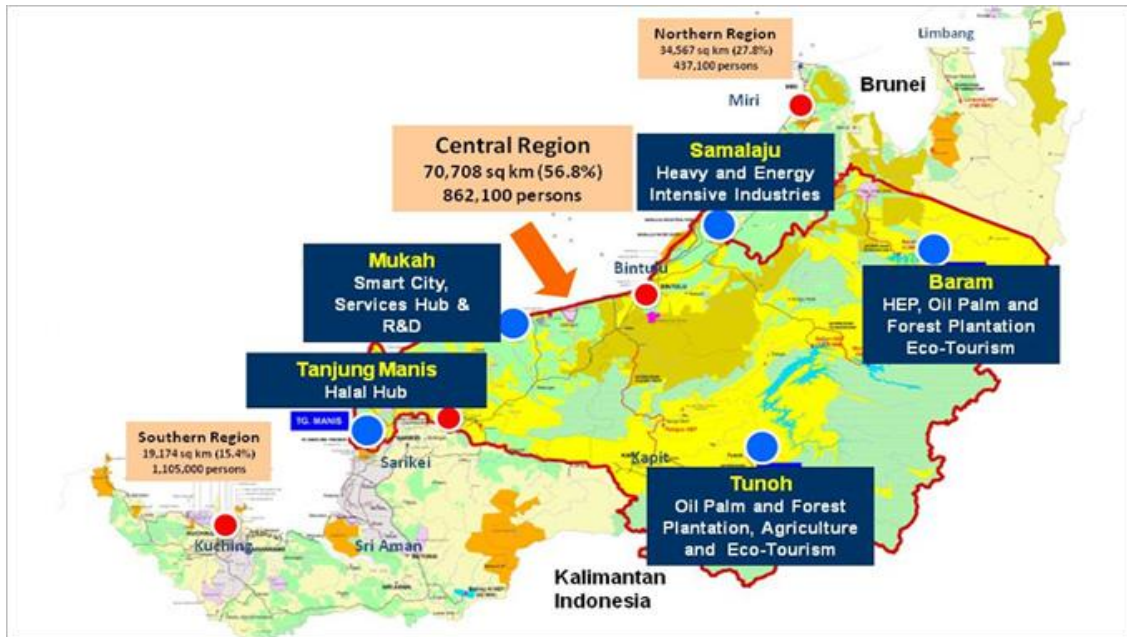


Figure 2: The Main Focus Area of SCORE Projects in Sarawak Regional Development
Source: RECODA (2015)

SCORE focuses on developing the energy sector and targets ten high impact priority industries that will complement the development plan and also provide downstream opportunities for small and medium-sized enterprises (RECODA, 2014). Sarawak government estimates the total investment of RM334 billion and an increase in employment opportunities by 2.5 fold from 0.9 million in 2006 to 2.5 million in 2030 (State Planning Unit Negeri Sarawak (UPE), 2009). It is estimated of manpower demand for various industries and estimates of indirect jobs indicate that a total of 836,000 jobs will be created in the corridor by 2030.

Research Method

This paper utilised qualitative research method such as collecting the secondary data from government agencies, previous study and related data on development history and economic reports. Refer to Cnossen (1997), this method is as one of the data analysis or information that was either gathered by someone else like institutions, researchers, NGOs or for some other purpose than the one currently being considered, or often a combination of the two. The data were gathered by secondary data from previous studies on Malaysia's regional development planning reports especially in Sarawak context, such as state economic reports, and regional development report by RECODA. The literature review of Sarawak historical development populations and related data was gathered from a previous study. Content analysis through reading is used as well to analyse the data. At the same time, researcher also interviewing several government from government agencies such as RECODA, Bintulu District Office, Bintulu Development Authority and Sarawak's State Planning Unit where the respondents were selected through purposive sampling. Interviews were conducted by using an interview guide and were tape-recorded. Again, after the categories and sub-categories were developed, each transcription was then reviewed several times for clarity.

Strengthening Rural Economy Through SCORE

SCORE also focuses on developing a modern power system in rural areas and ensure access to reliable 24 hour power for communities residing in its interior. Power is supplied to the villages through rural substations to the Samalaju growth node. The rapid development in the area has intensified infrastructure development in the area, resulting in an under-supply of houses and providing more economic opportunities for rural community such as in Nyalau, Sebauh and Suai. In this context, the energy-intensive businesses will provide a major economic boost for the areas identified as SCORE growth nodes. This project also providing more jobs and money into these rural areas and generate new business opportunities in manufacturing, retailing and services (RECODA, 2015).

Besides that, SCORE also established to increase the rural economy in Sarawak by increasing the accessibility. Accessibility is a very important factor to markets and services because it will allow capital, labor and other inputs to raise average incomes and living standards. In this project, SCORE also focuses on economic and infrastructure development, such as bridges and roads in rural and remote area, especially in SCORE's areas. Refer to Wilson (2004), an access road would undermine the existing social structure and stimulate outward migration. It is also an important element for rural people in achieving equality in national welfare distribution (Cheers, 2002). The SCORE's project involved putting in place road bases, road pavements and road furniture; water reticulation system; electrical and telecommunication infrastructure; and water retention facility in all growth nodes (RECODA, 2015). For example, the construction of a five kilometres access road to the Tanjung Manis Halal Hub was 75.4 percent complete in 2015. Roads and bridges in rural areas contribute significantly to time savings in giving local communities access to the labour, produce and consumer markets, and social reproductive services such as welfare, schools and health. Given the labour intensive condition of rural life such time savings can and do have a profound effect on productivity and well being.

These infrastructure developments lead to more convenient accessibility between urban and rural area, along with increasing economic opportunities. The natives are among the community which benefit from this project, as they are not likely to get the chance of involvement in a previous project in aspect of spatial development. Overall, the development of SCORE is one of the government's initiatives to establish a more organized urban system through infrastructure and economic development in each growth node. In terms of economic development, SCORE has identified four main economic sectors for rural economic development in Sarawak such as aquaculture, livestock, tourism and palm oil industry (RECODA, 2015). The development of aquaculture industry will increase the income among the rural community such as farmers by selling the aquaculture product and involve in downstream industry such as supplying fish seeds and logistic services. In this case, rural community in highland areas in the area of Tunoh and Baram growth nodes like Batang Ai and Bakun will harvest the benefit because the hydro power lakes are available for aquaculture and yields across the industry. At the same time, the lowland area such as Tanjung Manis also gets the same benefits as that area on its way to being the world's largest integrated Halal Hub. The area mainly focuses much on the development of infrastructure items such as a deep water port with full deep sea fishery port facilities.

Besides, the Tanjung Manis growth node also expected to be a food basket for Sarawak in the future development of the economic corridor will also be spread out to secondary growth centres such as Long Lama, Semop, Selangau, Balingian, Bakun, Samarakan, Nangka Merit, Baleh and Murum in the future besides major growth nodes for instance, Samalaju, Mukah, Tanjung Manis, Baram and Tunoh. RECODA will be developing the Integrated Highland Agriculture Station (IHAS) in Baram with the Department of Agriculture (DOA) whereby the DOA will implement the IHAS covering 634 hectares. The state government further observed that a 1,178 hectare of high-yielding rubber project in Baram involving six villages had begun (RECODA, 2015). The other economic potentials at Baram growth node include oil palm plantations, forest plantations, eco-tourism and most importantly hydroelectric power generation with the upcoming construction of the 1,200 megawatt (MW) Baram Dam. Besides that, under this corridor, the state government also set up the Upper Rajang Development Authority (URDA). It would spur development to rural and remote areas in areas as large as 38,000 square kilometres in Upper Rajang. The economic and infrastructure development in rural areas will increase the rural economic and this is in line with the Sarawak state government's aim to bring living standards up to the level of Malaysia's wealthier states.

Conclusion

The discussion shows the importance of regional development approach in strengthening rural economy in Sarawak. Meanwhile, the establishment of SCORE will be a vehicle for attracting and securing public and private investments to Sarawak. At the same time, the effort of developing rural economy is necessary for the future of political stability in Sarawak to make sure the distribution of economic impacts is equal for urban and rural sector. The aquaculture industry will continue to benefit from constantly improving production technologies. Through SCORE, the rural people's quality of life will be permanently improved; the higher income jobs will be created.

Acknowledgement

The authors gratefully acknowledge the support of UKM-MPOB Endowment research funding code EP-2017-034 and Centre of Research Instrumentation Management (CRIM), UKM for this publication.

Corresponding Author

Danel Ugeh Echoh is a Researcher from School of Social Sciences, Universiti Sains Malaysia, 11800 Pulau Pinang, Malaysia, E-mail: danielusm@hotmail.my

References

- Cheers, B. (2002). Road and people: The social impact of road investment decisions in rural and remote North Queensland, Rural Society, vol. 3, no. 1, pp. 1-9.
- Cnossen, C. (1997). *Secondary research: learning paper 7*. School of Public Administration and Law, the Robert Gordon University.
- Daniel, U. (2018). The impacts of the implementation of Sarawak Corridor of Renewable Energy to local community; Case study in Samalaju Growth Node. PhD thesis, Universiti Sains Malaysia, Penang.

- Maxwell, S. (2005). "Debate between Simon Maxwell and Peter Hazell. In The future of small farms, Research Workshop Proceedings, 135–149, Wye, U.K., June 26–29, 2005. Jointly organized by the International Food Policy Research Institute (IFPRI/2020 Vision Initiative), the Overseas Development Institute (ODI), and Imperial College London.
- Ngidang, S. (1995). Politics of Development in Longhouse Communities in Sarawak, East Malaysia. *Development in Practice* 5 (4): 305–312.
- RECODA (2014). *Project Information*. Retrieved from: <http://www.recoda.com.my/invest-in-score/score-areas/>.
- RECODA (2015). *Project Information*. Retrieved from: <http://www.recoda.com.my/invest-in-score/project-information/>.
- Windle, J. and Cramb, R. A. (1997). Remotes and rural development: Economic impacts of rural roads on upland farmers in Sarawak, Malaysia, *Asia Pacific Viewpoint* ,vol. 38, no. 1, pp. 37-53
- Wilson, F. (2004). Towards a political economy of roads: Experiences from Peru, *Development and Change* , vol. 35, no. 3, pp. 525– 546.
- Unit Perancang Negeri (State Planning Unit) Sarawak (2009). Sarawak facts and figures. Unit Perancang Negeri, Jabatan Ketua Menteri, Wisma Bapa Malaysia. Kuching: Government Printing Office, Sarawak.