

# IMPLEMENTATION OF AGROPOLITAN APPROACH IN MALAYSIA: PRELIMINARY STUDY AT PULAU BANGGI

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## ABSTRACT

This paper provides a preliminary review on the current progress of agropolitan approach in Malaysia based on agropolitan approach implementation at Pulau Banggi, Sabah. Agropolitan approach as introduced by Friedman and Douglass (1978) became one of the development concepts that have been used in Malaysia to improve rural socio-economic level. Agropolitan approach is a strategy in restructuring rural area by adapting appropriate urban idea to the rural environment based on agriculture. It turns the existing traditional economic activities that are already on going for so long to new modern economic activities. It integrates urban economic activities such as market centre, training centre, processing centre, agro base industries centre and also residential that is fully provided with infrastructure and social facilities. This paper will then discuss about issues and problems faced during the implementation since it was introduced at the end of years 2006 to eradicating hardcore poverty in Malaysia. According to Ministry of Rural and Regional Development of Malaysia (2007), Malaysian government has allocated for agropolitan schemes almost RM960 million for land development of 16,903 hectares that are managed by various government agencies such as FELCRA, KEDA, KESEDAR, RISDA and others. Among the areas involved are Pulau Banggi in Sabah, Tanjung Gahai in Pahang, Gua Musang in Kelantan, Sik in Kedah and a few more coming in the pipeline. Initial appraisal to the projects as earlier studies has shown, there seems to be numerous benefits received by the target group such as increase in average income from around RM250 to RM1200 per month per individual. Provision of infrastructure and utilities also gave benefit to the whole resident. Site visit and questionnaire survey carried out in July 2012 to the Agropolitan Community at Pulau Banggi, Sabah. Despite of its remarkable achievement, the implementation of this agropolitan approach in Malaysia is not excluded from having problems. Challenges related to land matters, selection of candidates, political environment, social economic background, different ethnic groups, administrative systems of the government and many others are among the issues often faced by the implementer. At the end of this paper, the authors summarise prospects of this approach in the future in Malaysian environment and the prospect of implementing it in other places.

**KEYWORD:** Regional development, Poverty, Income, Challenges, Agropolitan approach

## 1. INTRODUCTION

Accordingly, economic development and progress measurement are considered in the right track when physical development spread to all corners of the country. Imbalance development between urban and rural areas is a challenge faced by developing countries such as Malaysia. Compared to urban areas, development of rural areas in Malaysia is far behind in many aspects, especially in economic

aspects due to low level of technology employed, low living and education standard, high poverty rates and difficult to obtain employment opportunities. Development strategies thus need to expand its ability to develop rural areas in order to provide a significant leap towards balancing urban and rural development. The Ninth Malaysia Plan 2006-2010 (RMK-9) has put a target that the development of the country needs to achieve

balanced development between urban and rural development. The policy of the National Physical Plan also emphasizes that the role of rural development must be strengthened by implementing program and plan as a whole to realize its services to rural communities.

**Table 1.** The rural-urban property incident in Malaysia in 30 years

Year	Urban	Rural	Total
1976	15.4	45.7	37.1
1990	7.5	21.8	17.1
1999	3.3	14.8	8.5
2004	2.5	11.9	5.7

Source : Adapted from MOA, 2005

Therefore, Malaysian Government applies agropolitan approach introduced by Friedman and Douglass (1978) to boost the rural socio-economic status progress. In overall, the concept practiced is quite similar to the concept of new town development based on agricultural and plantation production. This study will make an initial assessment of the agropolitan implementation that has been done by several previous studies and also discuss about issues and problems encountered during its implementation.

## 2. BACKGROUND OF STUDY

Agropolitan approach is a strategy in structuring rural area by adapting appropriate urban idea to the rural environment based on agriculture. It turns the existing traditional economic activities that already on going for so long to new modern economic activities. It integrates urban economic activities such as Market Centre, Training Centre, Processing Centre, agro base Industries centre and also residential that is fully provided with infrastructure and social facilities. Since its introduction by the government at the end of years 2006, this approach acts as a catalyst for poverty eradication in Malaysia. It uses the approach by predicated strength and resources of each country, aimed to eradicating extreme poverty. Implementation method will be divided into two either relocation method or "insitu". It was conducted in a sustainable and integrated with agriculture activity, agro-industry and rural industry. According to Ministry of Rural and Regional Development of Malaysia (2007), Malaysian government has

allocated for agropolitan schemes almost RM960 million for land development of 16,903 hectares that managed by various government agencies such as FELCRA<sup>4</sup>, KEDA<sup>5</sup>, KESEDAR<sup>5</sup>, RISDA<sup>6</sup> and others. The private sector also involved with efforts to facilitate a farming business, such as sheep, corn, cocoa, herbs and chicken. Local universities also provide human capital while social institutions are involved in community programs such as 'rukun tetangga', etc. Among the areas involved are Pulau Banggi in Sabah, Tanjung Gahai in Pahang, Sik in Kedah, Gua Musang in Kelantan and a few more coming in the pipeline. Direct benefit from the implementation of this agropolitan approach can be seen from the increase of the average income of RM520 to RM1200 per month for each selected participant. By having the complete infrastructure facilities and utilities, the agropolitan population indirectly feels the impact of these changes.



**Figure 1.** Developing house and infrastructures for participant in Pulau Banggi, Sabah.

This project has created many job opportunities as well as reducing hardcore poverty. Studies have shown that rural communities are able to obtain services that are either associated with their production and marketing problems or problems related to socio-culture within the agropolitan area itself. However, their implementation does have various problems especially that arise related to land matters, the selection of participants and others. Occurred in Kota Belud, Sabah where grazing reserve land to be developed for the agropolitan project covering 364 hectares are found to have a title in the name of a particular individual. So, at the end of this paper, prospects of agropolitan approach in the future will be formulated,

whether it is appropriate to continue or not continued or be amended in accordance with the current situation. Experience in Malaysia in scaling successes and challenges during the implementation of this approach are likely to be a guide of applying it elsewhere.

### 3. OBJECTIVES

The objectives of this paper are to:

- Discuss and evaluate the success and challenges of implementing Agropolitan approach in developing rural areas in Malaysia
- Formulated the prospects of its implementation in the future according to the findings.
- Identify potential constraints which appeared in its current implementation so it can be addressed in future projects.

### 4. IMPLEMENTATION IN MALAYSIA

Aimed at eradicating poverty among the people of East Coast states in Malaysia, In mid 2000's, the government had set up an economic corridor along the east coast of Peninsular Malaysia named East Corridor Economic Region (ECER). ECER creates new growth centres in those rural areas. ECER development plan has divided the region into five Agropolitan project focusing on 14, 362 hardcore poor families throughout the East Coast where the majority of whom are Malays. Nurizzati in 2009 carried out a study in one area of the Gua Musang, Kelantan, where it involves the development of agropolitan zone on Malay reserve land including commercial farming that focused mainly to relocate poor families. The main activity of the project is commercial plantations of oil palm plantations, besides providing electricity, piped water, road, city hall and business center. Secondary activities also involve the planting of herbs and poultry industry All families involved are given a house, land and holdings or shares in the development of this field. The two main parties responsible for implementing this project are Economic Corridor Region Development Council (ECERDC) and other support agencies.

While Norasyikin, (2008), conducted another study area located in east Malaysia, ie. Kampung Tanjung Gahai, Pahang. The villages were selected by the Ministry of Rural and

Regional Development of Malaysia as one of the Projek Lonjakan Mega Luar Bandar (PLMLB) area due to its remote and far away from city center. The project which began in 2007 was the second agropolitan projects after Banggi, Sabah with project cost amounting to RM13.2 million. The main goal for this agropolitan project is to eliminate poverty and accelerate development of rural areas. Project agropolitan Tanjung Gahai involved an area of 223 hectares, which 203 hectares assigned for rubber estate as a main plantation in accordance to the existing type of soil and geographical conditions. 14 hectares of the total area allocated for commercial agriculture area consist of pineapple planting and also for the Small and Medium Enterprises (SMEs), while six hectares for the placement of 50 homes participating. The implementation of the project is placed under the RISDA administration and monitored by the National Implementation Directorate (NID). RISDA provides house where participants need to move to a designated settlement area. In addition, training and skills about rubber agriculture on large-scale is also given and focus on human capital training courses in order to improve the quality of participants and increase the number of facilities in the Agropolitan Tanjung Gahai area.

Nani, (2009), had done a study at Banggi Island within 126,570 acres where it is the largest island in Malaysia, located in northern Sabah. Development of Agropolitan Banggi Island project began in June 2007. The project is divided into several components which focus more on advancing the economy and at the same time improving the infrastructure without compromising the community of Banggi Island. From the analysis, found this approach improved the socio-economic and living standards of Pulau Banggi communities.

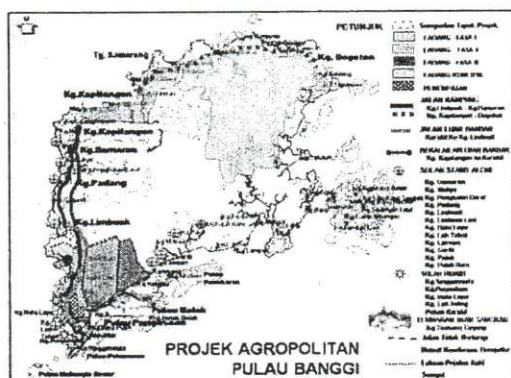


Figure 2. Agropolitan project of Pulau Banggi, Sabah

From the economic aspect, the effort to develop an area about 4000 hectares of the farm conducted for 1000 participants. In addition, fish farming for 20 permanent employees with an area of 499 hectares. Other economies are also undertaken such as tourism, small and medium industries, boats manufacturing and other. From the infrastructure aspect, the electricity generated by solar hybrid technology over the 24-hour while water supply using reticulation system. For the development of human capital, institutions such as kindergartens and training skills were establishment. Other facilities are also given as 200 housing units provided for the participants and also mosque, hall and playground. Economic impact can be seen as an average household income increased to RM520 per month. The physical changes that made through the development of housing, basic amenities and infrastructure help them carry out daily activities.

### 5. PRELIMINARY FINDINGS

In July 2012, field questionnaire survey carried out for one week at pulau Banggi, Sabah to gather preliminary data on agropolitan current project. 200 respondents visited to gather information required.

A brief preview of agropolitan in Pulau Banggi Sabah illustrated in table 2.

Table 2. Demographic background of respondent

Gender	Numbers	Percentage(n= 200)
-male	170	85
-female	30	15
<b>Race</b>		
-malay	176	88
-others	24	12
<b>Religion</b>		
-islam	176	88
-others	24	12
<b>Status</b>		
-unmarried	8	4
-married	176	88
-widows	4	2
-widowed	12	6
<b>Ages</b>		
<30	12	6
31-40	68	34
41-50	76	38
51-60	28	14
>61	16	8
<b>Origin</b>		
-Local	162	81
-immigran	38	19

Source : Field survey, July 2012

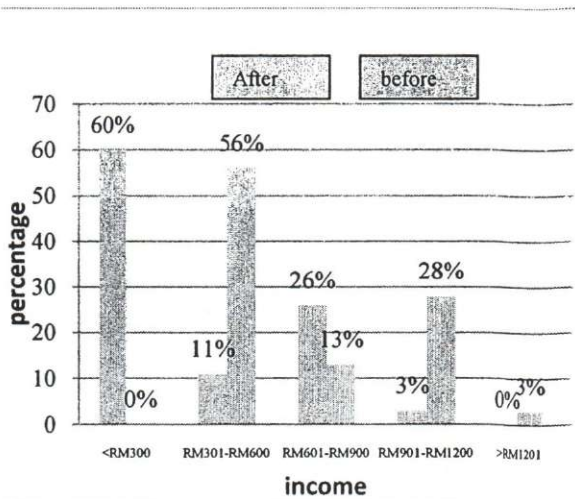


Figure 3. Income progress of respondent

Source : Field survey, July 2012

Income's progress of house holders can be seen extended by joint the agropolitan projects. The increases seen making sense in range of income RM 301-600 Monthly (45%), from RM 601-900 RM monthly(13%) as well in range of RM 901-1200 (25%).

## 6. PROBLEMS AND CHALLENGES

Despite of significant progress in economic aspects, especially in income of respondents after joint the program, Previous researchers acknowledge several potential constraints that need to be addressed by all stakeholders. According to Nurizzaitie, (2009) there were some issues and problems faced by the agencies involved in the Agropolitan project conducted on Malay reserve land. Among the problems are:

- a. Participants are less concerned to work hard
- b. Participants are not skilled in carrying the agriculture activities
- c. Illegal settlers who dare to invade the site of agropolitan project
- d. Complex mechanisms in management of farm
- e. The project located on hilly area

Study conducted by Nurasyikin, (2008), has also identified some problems such as: it was found that some of participant do not afford to work, faced health problems, and other. Thus, they are willing to hire another person for the job. Due to that agricultural outputs are less productive, thus resulting to participants receiving smaller income. The outcome is seen as the implementation of agro-based industry is less rewarding.

## 7. RECOMMENDATIONS FOR PRACTICE

After deliberating on pulau Banggi and strengthen by previous agropolitan studies, it can be suggested that for long term development;

- a. Give greater emphasis in terms of human capital in enhancing the ability of rural communities as well as help reduce the digital gap between rural and city communities.
- b. Expand the Tanjong Gahai Agropolitan Project area as the area is small compared to the other agropolitan project.
- c. Providing incentives to residents to encourage them participate into the project with financial support. It was found that the initial capital is required by the participants to carry out agricultural activities, farming and business.
- d. Lack of qualified participants can be overcome by deliberate listing and expand

the participants list to outside the district or outside the project area as long as they are categorized as poor groups.

- e. Lack of financial assistance can be further enhanced with the help of certain financial institutions in assisting the participants to actively participate in development projects agropolitan.
- f. In-situ agropolitan development is more appropriate in the present situation due to unavailability of big piece of land owned by the government. Nevertheless, to achieve the in-situ development is not straight forward because of different political ideology that exists within the community.

## 8. CONCLUSION

Agropolitan approach as a concepts is well understood and defined. Nevertheless, its implementation in Malaysia needs further fine tuning in order to achieve the objectives of developing the rural country side. Some potential constrains should be addressed to deal with problems on agropolitan project in future. The aimed achievement cannot be put only in one stake holder. There are many parties that should be involved in making it as a successful concept.

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Key notes:

- <sup>4</sup> Federal Land Consolidations and Rehabilitation Authority
- <sup>5</sup> Kedah Regional Development Authority
- <sup>6</sup> Kelantan Selatan Development Authority
- <sup>7</sup> Rubber Industry Smallholders Development Authority