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MODELS IN MALAYSIA 1957-2007

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Abstract

Malaysia, a relatively small country, gained independence from Britain in 1957 after a lengthy colonial rule and the national government began an economic re-structuring process to become a developed country. The initial rural development push to rectify the colonial policy of benign neglect of the Malay, rural, peasant sector rested on the urban industrial growth models in neo-classical growth theory. Integrated rural development was the second approach, conceptually fuzzy and diffuse. Broader policy formulations followed anchored on multiple policy interventions approximately focused on rural poverty. In these policy formulations, the notions of geography, space, place and territory – the spatial dimensions- in rural development gradually emerged in the regional development area and growth poles approaches. Regional growth corridors (an extension of the agropolitan model) reflecting a deepening sensitivity to territorial, population and global dynamics (Terluin,2003) are the current policy instruments. These rural development processes and their spatial dynamics in post-independent Malaysia are explored in this paper.

1. Introduction

Malaysia, a relatively small country with a multiracial population of about 27 million, gained Independence from Britain in 1957 after a lengthy colonial rule. With Independence, the national government began a long economic re-

(R)

structuring process moving from being resource-based and serving colonial interests to one well on the path to developed country status. As rural development was, and still is, a pivotal plank in Malaysia's national growth strategy, this paper explores its spatial dimensions bracketed by regional development theory.

Compared to contemporary rural development constructs, the initial push in the then Malaya was to rectify the colonial policy of benign neglect of the rural, Malay, peasant sector. This intervention, simultaneously broad (in its planned sectoral embrace) and simple (in conceptualization), rested on the urban industrial growth models in neo-classical development theory applying market forces to attenuate urban-rural linkages (or value chains). The second, integrated rural development approach, was conceptually fuzzy and diffuse. Broader policy interpretations followed anchored on multiple policy interventions with a more or less consistent focus on rural poverty. In these formulations, the notions of geography, space, place and territory – the spatial dimension - in rural development gradually evolved into the regional development area and growth pole approaches. Regional growth corridors (an extension of the agropolitan model) reflecting a deepening sensitivity to territorial, population and global dynamics (Terluin, 2003) are the current policy instruments. These rural development processes and their internal spatial dynamics in post-Independent Malaysia are examined in this paper.

2. Conceptual underpinnings

"Rural" is a spatial categorization relative to "agricultural" denoting a sectoral activity (Saraceno, 1994). Thus, as a policy instrument, rural development conceptually transcends agricultural development as a technology-led, agricultural productivity growth intervention. It encompasses rural life and culture and mirrors a unique way of living that, with modernization, has seen a resurgence of its heritage and nostalgic value. Significantly, too, rural space cannot be disjointed from its larger context (region or country) although, invariably, it has been confounded by the rural-urban metaphor. This, however, is a contemporary contextualization much influenced by regional development theory.

In the developing world, the initial growth paradigm was structural transformation of the traditional, rural, subsistence-based economy to an industrializing urban sector drawing away surplus agricultural labour. This

classical two-sector model, espoused by Lewis (1954) and Ranis-Fei (1961), assumed the inevitability of subsistence labour wages (akin the iron law of wages linked to labour oversupply), and the creation of a surplus spurring further industrial investments. In this paradigm, development favours the urban relative to the rural sector. Other, more benign model variations assume some positive impact on the rural sector: Ruttan's (1975) urban-industrial impact hypothesis, Friedmann's (1966) centre-periphery model, Hirschman's (1958) trickle-down theory, or Myrdal's (1957) spread effects. Urban industrialization (at the core of regional development theory), thus, becomes the origin of the backward and forward linkages in agglomeration economics initiating rural growth.

The World Bank, mindful that "the mechanism implied by the traditional labour surplus, two-sector model is incapable of solving the problems of the rural sector in the short- to medium-term," prescribed that "The traditional small-farm sector would have to become the producer of agricultural surplus rather than the provider of surplus labour, as in the past" (Yudelman, 1976, pp.311-312). This undergirded the second rural development paradigm predicated on agricultural development, technology-led or technology-based, consistent with induced technical change theory (Ruttan, 1975). The World Bank financed multiple capital-intensive agricultural irrigation projects globally to enable rice double-cropping in a productivity/production intensification strategy.

While meeting output/productivity goals, unease with their distributional impact led to the third rural development paradigm – integrated rural development (IRD)– signaling a shift to the small and poor farming community, and from off-farm to on-farm investments. This model, more attenuated in scope and focus to the spatial dimension, was diffuse as to its integral elements. Project-wise, it signified the synergistic coordination of multiple technical services to the farming community (research, extension, farm inputs, marketing and processing, etc.), together with the provision of public utilities and infrastructure. At the broader level, linkages to rural territory or space were less explicit. Thus, Kuhnén (1977) perceived rural development as being integrated into society's social, political and economic fabric and, ultimately, national socio-economic development. To Yudelman (1976), IRD was indivisible from national plans and resource allocations depicting a long-term political commitment to rural poor upliftment. Contrastingly, Cohen, Binns and Funnell (cited in Binns and Funnell, 1983, p.57) emphasize the agricultural project's link to a "specific spatial unit, chosen from a wider geographical area, and defined on physical and administrative criteria." This

itself raises policy and equity rationalizations for excluded areas and whether sectoral are preferable to more targeted interventions.

Rural development conceptualizations slowly evolved in tandem with a deeper appreciation of rural dynamics and, especially, its spatial context. In the developing country context (including Malaysia), this intervention is exogenous to the rural space, eschews market mechanisms and is public sector-based. To Nemes (2005, p. 2), it reflects "the practice of central authorities in designing interventions which deal with sectors of social and economic life in isolation from each other and/or which assume that socio-economic problems can be solved by standard measures, regardless of location or culture." A second perspective stresses the endogenous roots of rural development exploiting collective territorial resources, geared towards qualitative and quantitative growth indicators and greater local control over environmental relationships (Nemes, 2005; Kostov and Lingard, 2002). That this second model is more ideologically satisfying does not detract from its numerous challenges and its longer planning horizon.

The network paradigm bridges the endogenous-exogenous rural development models. To Murdoch (2000), networks, embracing political economy, actor network theory (ANT) and innovation and learning theories, comprise two typologies. Vertical networks link rural spaces in the agro-food sector but transcend commodity or value chains in incorporating ANT reflecting power relativities particularly of firms involved in industrialized food processes. Horizontal networks, connecting the rural with national and global economies, initially exogenously motivated, were, in the European context, balanced by more local inputs. As pointed out later, the network paradigm of rural development is partly applicable to Malaysia's experience.

Rural development theory is intellectually indebted to regional science and regional development theory. The comparative advantage of rural regions has, to some extent, been made subservient to their competitive advantages. Regional comparative advantage is primarily linked to factor endowments. Rural regions, apart from their shrinking agricultural economies, suffer more comparative disadvantages than advantages. To Nemes (2005), there are access-type (physical, economic and political) and resource-type disadvantages (financial, human and institutional). With competitiveness now perceived as a key element in regional economic development (Stimson et al., 2006), rural regional competitiveness relates to the theory of immobile resources (Bryden, cited in Terluin, 2003) which,

definitionally, are unique and intangible. These immobile, unique and intangible rural resources embed ecological (clean environment, biodiversity, clean and healthy food, high quality agricultural products, open space, natural and cultural landscapes), cultural (rural culture, folklore and the built environment, local cuisine, arts and crafts, local products and production methods, minority languages, traditional ways of life), and community values (social networks, kinship relations, mutual trust and understanding, special ways of communication)(Nemes, 2005). Such analytical frames underpin the contemporary Malaysian rural development model.

Regional development policy is at the polar end of the spatial dimension relative to rural development. The former, a sub-unit of national development, evolved to understand and address inter-regional growth disparities. The spatial-economic models underlying regional economic development can be construed as a territorial extension of the rural development paradigms outlined above. Unlike in the developed countries, however, rural growth in the developing world remains primarily agriculture-centric. Thus, Terluin's (2003) review of rural-regional economic development is conceptually distant from Malaysia's experience, although generally and theoretically cogent.

Regional economic development is grounded on a spatially defined area's relative competitiveness in resource endowments and locational advantages. Regional growth potential can be naturally endowed or be stimulated by fiscal, monetary or administrative policy instruments. In Malaysia, one regional economic development variant extended rural development into virtually virgin areas. In this "resource frontier" model, both agricultural intensification and extensification interventions were applied together with planned urban centres and rural-rural migration flows. Within these regional economic areas or zones, growth poles, invariably industrial-based, were planned as the impetus for new rural growth. In the process, rural-urban population drift could be curtailed and rural urbanization processes initiated within an agropolitan framework.

Regional science as the study of the impact of space on economic decision-making owes its provenance to Isard (1957, cited in Dawkins, 2003) positioned partially on location and central place theory. Their economic rationalization was the external scale or agglomeration economies generated by growth poles (Perroux, 1950) or centres on their hinterland. However, the widening disparities between these urban industrial centres and their rural hinterland led to Friedmann's agropolitan concept (1975, cited in Friedmann and Douglass, 1978) as a strategy

for accelerated rural development or planned rural urbanization (agropolis). As examined below, this concept has blossomed into Malaysia's growth corridors encapsulating areas which were the targets of previous rural development interventions.

3. Evolution of rural development models

A strong statist philosophy underpins Malaysia's rural development policy and the evolution of its models more than fifty years after Independence in 1957. The overarching model was, and still continues to be, exogenously-determined and scripted in its economic development plans, the most recent of which is the 9th Malaysia Plan 2006-2010. "Nominal first priority" was assigned to rural development to rectify the colonial bias against the rural, Malay, peasant sector in the First Malaya Plan (1956-1960) although investment allocations favoured the urban industrialization strategy. The *padi* producing sector was targeted partially because of the post-war rice shortages and its domination by the poor, small-scale Malay farmer. The main interventions were investments in small-scale irrigation projects, the establishment of the Rural and Industrial Development Authority (RIDA) to finance a network of cooperative credit, marketing and milling, and retail institutions and the enactment of the *Padi* Cultivators' (Control of Rent and Security of Tenure) Ordinance 1955. These interventions reflected the policymaker's understanding that rural structural economic weaknesses were largely productivity and institutional-based; their conceptual and implementation shortcomings have been noted (Rudner, 1971, 1979; Ungku Aziz, 1964). MacAndrews (1977) observes that the predominantly Malay rural voter introduced a political imperative into this rudimentary rural development approach.

The technology-led, agricultural productivity model of rural development continued into the Second Malaya Plan (1961-65) with a three-fold increase in investments prompted by the 1959 General Elections losses by the ruling Alliance Party (Rudner, 1971). This merged into the Third Malaysia Plan (1966-1970) and evolved into the integrated rural development (IRD) model reflecting four transitions: agricultural project-based to rural area-based; productivity to an integrated focus; targeting rural, Malay poverty, equity and re-distribution goals; and the initiation of multiple development interventions.

The evolving, spatially-oriented rural development paradigm was complemented by other innovations. Chief among these was the consolidation and

decentralization of the bureaucracy coordinating rural development implementation in the National Rural Development Council and Rural Development Executive Committee under the Deputy Prime Minister/Minister of Rural Development. Bureaucratic integration extended from the National Operations Room down to the States, districts and villages. The Minister of Rural Development played a commanding role and travelled widely bringing his considerable "power to bear upon the functionaries of the bureaucracy, punishing recalcitrant officers and rewarding those who had achieved the results that he demanded" (Ness, 1965, p. 470).

A second policy thrust was institutional and built upon the rural cooperative network introduced in the colonial era. The then Minister of Agriculture and Cooperatives spearheaded this structural economic transformation competing with the exploitative, rural, capitalistic moneylenders and middlemen, mainly Chinese. Additionally, in several States, monopsonistic powers were assigned to cooperative rice marketing and milling societies but this confronted ideological, ethnic and political opposition that threatened the unity of the multi-communal Alliance Government (see Fredericks and Wells, 1983; Pletcher, 1989, 1990). This strategy lost steam with the Minister's resignation. Disillusionment with the rural cooperatives led to the introduction of farmers' associations in 1967 blunting this endogenous-type institutional innovation.

The policy re-direction to a spatial rather than a project-based approach in rural development began with the *in situ* Integrated Area Development Projects (IADPs). Its rationale was to systematically exploit the growth potential of a coherent geographical space based on an anchor, large-scale, capital-intensive intervention such as an irrigation project to stimulate rice double-cropping. Apart from the technical and infrastructural inputs delivered in a systematic approach, rural-urban linkages [supply or value chains or, Murdoch's (2000) horizontal networks] were to be strengthened. The widening rural-urban income disparities underpinned this re-direction as rural poverty incidence remained high and because of the rural Malay clout in national politics. In 1970, the rural poverty incidence was 58.7%, mean rural incomes were 47% of urban incomes, while the sectoral poverty incidence was 88.1% (*padi* farmers), 73.2% (fishermen), 64.9% (mixed farmers), 64.7% (rubber smallholders) and 52.8% (coconut smallholders) (Chamhuri and Nik Hashim, 1988).

As examples of IRD, most IADPs were, unsurprisingly, in the traditional rice granaries and superimposed upon pre-existing irrigation infrastructure developed

in the colonial era. Such IADPs included MADA I & II, KADA I & II, Besut, North-West Selangor, Krian-Sungei-Manik, Kemasin-Semarak, Trans-Perak and Balik Pulau-Seberang Prai. Other IADPs were based on mixed crops or involved replanting or rehabilitation of existing farms. The Malaysia Plans (1986-2010) make less explicit reference to IADPs as their innovative value had been internalized and complemented by other interventions. Their overall impact is diverse and ambivalent and includes the following:

- a. The output objective has been realized. In 2006, of the national *padi* output of 1.754 million metric tons meeting 73.1% rice self-sufficiency, 83% was produced by the rice granary areas (IADPs) covering 57% of the aggregate *padi* acreage.
- b. *Padi* sector poverty incidence has declined significantly not wholly attributable to the IADPs. However, rural poverty incidence in 2004 is five times as much relative to urban poverty and is higher among the Malay community.
- c. While *padi* incomes have multiplied, the indirect income transfers through the Guaranteed Minimum Price of rice and fertilizer subsidies cannot be disregarded.
- d. While the IADPs distributional impact among farmers is controversial, *padi* farm sizes are small, *padi* farmers have a more diversified income base (23% from non-agricultural sources, 17% from agricultural, non-*padi* sources in 2006) and out-migration has taken place over the years.
- e. The IADPs have initiated a structural transformation of the rural, *padi*-growing sector and led to closer horizontal linkages with other sectors.
- f. Two institutional changes are evident: the public bureaucracy is pervasive in the rural sector, is intertwined with the political machinery while endogenous forms of participation and decision-making are relatively weak. For two contrasting perspectives on the endogenously-driven rural development model see Friedmann(1981) and Mansuri and Rao(2004).
- g. In territorial terms, IRD reflects a more sensitive regard for integration with the broader space than earlier conceptions. Ironically, the statist-driven rural development process represents more effective downward bureaucratic and political linkages than the reverse.

A contrasting and complementary rural development intervention departed from the IADP concept. Recognizing that the rice granaries were over-populated relative to the area under *padi* and that technology was to some

extent labour-displacing, planned rural out-migration was required, preferably within the rural space. The Federal Land Development Authority (FELDA) was conceived in 1956 as an extensification strategy into new areas (virgin jungle) to create viable farming communities for individuals who satisfied the twin criteria of "suitability" (large family size, landlessness or land ownership under 2 acres) and "need" (18-35 years and with agricultural skills). Other criteria included marital status, basic education, health and physical condition, and a non-criminal record. At end 2006, FELDA had developed 853,313 ha with 720,076 ha under oilpalm, 86,183 ha under rubber and the balance under other crops and village areas. It has settled 112,635 settlers totalling about 1 million individuals in 317 land schemes with each settler given 4.04 ha of developed agricultural land and a 0.1 ha house plot. In Peninsular Malaysia, no new settlers were recruited after 1990 because of land and development cost constraints. FELDA, then, has successfully built up new and viable farming communities in "frontier region" areas based on settler-owned but FELDA-managed plantations. Settler incomes range above the poverty line income with a matching quality of life. Nevertheless, the issues of aging settlers, younger generations less attracted to agriculture or rural living, and replanting costs to maintain productivity have surfaced (Ahmad Tarmizi Alias, 2008). To a greater extent than in the IADPs, vertical networks seem stronger in the FELDA communities while FELDA's downstream processing activities more clearly link it horizontally to the national and global value chains.

4. Regional development policy

The notion of "regional balance" implying the existence of regional welfare disparities in the constituent States of Malaysia (11 in Peninsular and 2 in East Malaysia) entered development policy in the Second Malaysia Plan 1971-1975 (p.45) thus:

The introduction of modern industries in rural areas and the development of new growth centres in new areas and the migration of rural inhabitants to urban areas are essential to economic balance between the urban and rural areas and elimination of the identification of race with vocation and location.

and,

The Second Malaysia Plan includes projects for the establishment of new manufacturing activities in areas which are now almost exclusively devoted to

agriculture or mining. Greater geographic dispersal of industries will relieve dependence of employment on a few activities, in addition to widening contact with modern and new approaches to economic activity and facilitating the spread of urbanization.

In the Third Malaysia Plan 1976-1980, the regional policy focus aimed at integration among the States based on resource strengths, a more equitable spread of public facilities, selective migration from over-populated States and trading-off optimal output goals with equity.

The Fourth (1981-1985) and Sixth Malaysia Plans (1991-1995) were relatively silent on regional policy while the Fifth Malaysia Plan 1986-1990 (p.106) extrapolated the State-defined region to "the adoption of broader spatial units as a basis of planning" enabling "states which are poor in resources and experience growth constraints to benefit from the overall development efforts undertaken in the region." Six regions were identified: Northern (Kedah, Perak, Perlis, Penang), Central (Malacca, Negri Sembilan, Selangor, Kuala Lumpur), Eastern (Kelantan, Pahang, Terengganu), Southern (Johore), Sabah and Sarawak. Implicit weaknesses in the previous policy were underlined: unplanned dispersal of industrial estates and new townships, including rural townships; striking a balance between employment creation (in leading regions) and population concentrations (in lagging rural areas), the latter, spread over too many centres, could not generate scale economies; and unsatisfactory intra-regional migration flows.

From the Seventh (1996-2000) to the Ninth Malaysia Plans (2006-2010), there are no new regional policy interventions apart from industrialization, urbanization, infrastructure and utilities and, especially, highway links.

Over the period 1957-2008, the confluence of the rural and regional development paradigms in Malaysia generates diverse contextual interpretations discussed below.

1. It is incontrovertible that the notion of space in rural development has become more explicit in the calculus of Malaysian economic planners over the years. It would be naïve to perceive "space" and "place" primarily as an extrapolation of the agricultural project hinterland or command area. It is the economic linkages (as in a supply chain) or community coherence (as in ANT) or tightening periphery-centre relationships (as in national

bureaucracies, political structures), etc., that buttress the logic of place or region.

2. Regional science theoretically underpins these linkages focusing on the agglomerative processes associated with growth poles and urban connurbations invariably tied to industrialization and manufacturing activities. Hence, in Malaysia, rural development has been encapsulated in regions, whether defined by State boundaries or groupings of States.
3. Coincidentally, the East Coast states of Peninsular Malaysia are less developed and constitute the frontier regions (especially Terengganu and Pahang). This led to the FELDA land colonization and settlement schemes (Wikramateleke, 1965) which evolved into legitimate regional zones by the planned inclusion of rural townships and industries supported by downstream agricultural processing. Among these is the Jengka Triangle anchored on a massive 100,000 acres of oil-palm, 23 contiguous land settlement schemes and 9000 settlers "which could well become a new regional focus in West Malaysia. When completed, the entire complex will have good internal roads linked to key highways and rail nodes, processing plants for oil palm and rubber, controlled lumbering and timber and plywood factories, three new towns, one of which is the regional administrative center, and agricultural experimental stations for the improvement of crop culture and animal husbandry. In addition, it could provide a firm and prosperous settlement link between the hitherto productive but overpopulated western flank of the Malay Peninsula and the seemingly disassociated eastern flank" (Wikramateleke, 1972, pp.480-483). Even larger is DARA (Pahang Tenggara Development Authority), established in 1972 spanning 2.5 million acres with a target 1990 population of 400,000 from 40,000 in 1972 (Alden and Awang, 1985). Other similar Regional Development Areas (RDAs) include KEJORA (Johor Tenggara Development Authority), KETENGAH (Terengganu Tengah Development Authority) and KESEDAR (South Kelantan Development Authority). Lo and Kamal Salih (1978) see the RDAs not so much a manifestation of regional development policy as extensions of the Jengka-FELDA model.
4. The RDAs have been more successful in terms of new land settlement and as an instrument of rural-rural migration than in the evolution of developed regions. Below anticipated new township growth is a major causal factor: the Fifth Malaysia Plan 1986-1990 noted limited new township growth

together with some medium and small-scale industries in the RDAs. The RDAs new township population grew from 17-24% (1980-1985) with the largest growth in DARA (39-55%; Alden and Awang (1985) attribute this to slower in-migration, inter-RDA competition for investments, and the lack of infrastructure and amenities. A preliminary but insightful analysis of regional growth dynamics in the Jengka Triangle highlights the sphere of influence over the settlers of the established towns of Jerantut, Maran and Temerloh against the new town of Bandar Pusat, and the FELDA settlers' children clear intention to migrate to the Klang Valley (Shamsul et al., , 1988). The Sixth Malaysia Plan notes the main progress of the RDAs in agriculture with lagging township and industrial development, except in KEJORA (see also the Seventh Malaysia Plan 1996-2000 and the Eighth Malaysia Plan 2001-2005).

5. McTaggart (1969) applies an early, and elementary, regional development perspective to the growth of Perlis, the smallest Malaysian state, based on its resource configuration. With a population of 91,000 in 1957 and an estimated 112,000 in 1965, it ranked only as a district while its soil and climatic conditions pre-disposed it to predominantly rice mono-cultivation. Rainfall and climatic conditions suggested that only capital-intensive irrigation infrastructure could support *padi* double-cropping in its southern region of 18,800 ha (integrated into the MUDA scheme). Otherwise, small-scale agriculture and fisheries were the supplementary income sources. Hence, the state's development was contingent on agricultural (and rural) interventions; industrial development was relatively unattractive because of its location.
6. Bell et al., 's (1982) evaluation of the regional impact of MADA emphasizes the following: a. For every dollar value directly generated, the project added \$0.80 of additional value indirectly, b. incomes generated indirectly accrued largely to non-agricultural households in the region, c. each dollar of downstream value added was supported by greater than a dollar of plant and equipment investment, c. Incomes for landless workers and *padi* farmers increased substantially post-project, d. the project's direct benefits were spread equitably among landless labour, labour- and land-intensive farms, and absentee landlords despite the substantial tractorization in the region between 1967-74.
7. In 2008, Malaysia launched the three economic corridors – Iskandar Development Region (IDR), Northern Corridor Economic Region (NCER

covering Perlis, Kedah, Penang and northern Perak)) and the East Coast Economic Region (ECER covering Kelantan, Terengganu and Pahang) (apart from two corridors in Sabah and Sarawak). While IDR's focus is primarily property and real estate development in Johore (to compete with Singapore), NCER and ECER aim to exploit regional resources coherently under their respective masterplans linking them to national, sectoral and global supply chains. The ECER focuses on selected economic clusters comprising tourism, oil, gas and petrochemicals, manufacturing, agriculture and education similar to the NCER (barring oil, gas and petrochemicals). Thus, NCER and ECER can be viewed as spatial extensions of previous regional development plans to reduce the welfare differentials of the less developed regions with a substantive focus on rural development. Many projects have begun although one worrying challenge is the coordination of the myriad agencies, NGOs and the private sector harnessed to accelerate regional growth in the corridors. It is also a telling comment that, in the *padi* growing areas, policymakers are still strongly averse to reform the small size of farms to increase the scale of production (see Courtney, 1988). It is as interesting to observe that, in the NCER, private land is being developed for large-scale *padi* production (www.ncer.com.my; www.ecerdc.com).

8. A useful document by the UN Country Team Malaysia (2005) on Malaysia's successes and challenges in meeting the Millennium Development Goals (MDGs, provides data relevant to this paper's themes.
 - a. Between 1970-2000, Malaysia's population has become more urban than rural. The predominantly rural states in 2000 were Perlis, Kedah, Kelantan, Pahang and Terengganu.
 - b. National poverty incidence has declined from 49.3% (1970) to only 5.1% in 2002. Rural poverty incidence decreased from 44%-11.4% between 1970-2002. In 2002, poverty was still markedly higher among the Malays (7.3%) compared to the Chinese (1.5%) and Indians (1.9%). Among the states, Kelantan and Terengganu had the highest poverty rates in 1970: in 2002, the highest poverty rates were in Kelantan (12.4%), Kedah (10.7%), Terengganu (10.7%), and Perlis (10.1%) averaging two to three times higher than the national level, per capita GDP lower than national figures, with predominantly Malay populations and substantial dependence on agriculture.

5. Conclusion

Since Independence, Malaysian rural development has evolved through models based on investments in urban industrial growth, technology-led agricultural productivity growth, Integrated Rural Development and, currently, regional development interventions. The policy focus has simultaneously moved beyond broad agricultural production/output goals to anti-poverty programmes embracing both income and other social parameters. Over this period, the exogenous model of rural development has generated tangible gains for the rural sector although distributional issues still elicit policy concern. That the Malaysian model for rural growth is discernibly exogenous (and massively bureaucratic) underscores the relatively modest levels of endogenous participation in its dynamics.

In contrast to these rural development models, the regional economic development models assigned a more explicit role to space, place and geography. They aimed at initiating and creating more balanced regional growth in the lesser developed regions by adopting the growth pole approach. In the frontier regions of the East Coast, the extensification strategy of FELDA was the basis of the regional development areas (RDAs) attempting, with limited success, to create agropolitan zones. The regional growth corridors express the most recent policy attempt to forge networks linking and embedding the rural economic systems to the regional, national and global value chains. In this setting, can be discerned the full blossoming of the spatial dimensions of rural development in Malaysia.

Nevertheless, the spatial context of rural development in Malaysia is conceptually far removed from the European model with industrial agricultural enterprises co-existing with the small rural enterprises capitalizing on the competitive advantages of their immobile, unique and intangible resources. While there are some promising indications (as for instance, in the budding rural tourism initiatives), these are the first steps on a long journey that Malaysia has to travel.

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