

MOBILITY AND MODERNISATION: A STUDY OF THE MALAYSIAN FEDERAL LAND
DEVELOPMENT AUTHORITY AND ITS ROLE IN MODERNISING THE RURAL MALAY

by

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ABSTRACT

Mobility and Modernisation: A Study of the Malaysian Federal Land Development Authority and Its Role in Modernising the Rural Malay.

Colin MacAndrews

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requirements for the degree of Doctor of Philosophy.

The problems and processes involved in modernising traditional groups in developing countries have long been a major focus of study for social scientists. However, in most cases, the processes under study have either been long term or gradual and there are few examples of a society trying by a deliberate policy strategy to induce large scale change in a short time span to meet political and economic imperatives.

This study is a study of one such effort, that of the attempt of the Malaysian government since 1957 to modernise a large and important segment of its multi-racial population, the rural Malay. Faced with strong political and economic demands from Independence in 1957, the Malaysian government undertook a large scale rural modernisation program aimed at bringing the poorer and predominantly Malay sections of its population into the modern sector. The optimum mechanism to do this in light of the wide spread availability of land in Malaysia was extensive land development and resettlement of the poorer rural groups in land schemes. The principal organisation involved in this policy has been the Federal Land Development Authority (Felda) set up in 1956 which by 1975 had opened up 180 land schemes throughout Peninsular Malaysia, developing some 750,000 acres of land, and settled over 34,000 settlers, moving in this process a total of some 200,000 people.

This study is the study of this one particular policy mechanism--that of land development--and the major organisation involved in its application, the Federal Land Development Authority (Felda) in modernising the rural Malay. Focusing first on the growth of land development policies in Malaysia and, then on the creation, development and work of the Federal Land Development Authority, the study examines--by the use of interview, participant observation and survey techniques--Felda's role in the success of this overall policy. The study shows that in Malaysia this policy of massive land development and the use of integrated land schemes in particular to achieve certain policy aims, has been generally effective and that the Federal Land Development Authority has played a major role in this process in two major ways. Firstly, by making a marked contribution, in the process of opening

up its schemes to internal migration in Malaysia in the important development period from 1957, and, secondly, by actively socialising and modernising its settlers in its integrated schemes. Finally by isolating the factors that have led to the success of the Felda model, the study examines the utility of the application of this integrated approach as a policy mechanism in other developing countries.

Thesis Supervisor: Myron Weiner
Title: Professor of
Political Science

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 Unexpectedly high incomes for settlers leading to undesirable developments such as absentee landlordism and politicalisation
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A. Introduction

Summary of the aim of the study

The use of a particular mechanism to induce rapid social and economic change

Malaysia particularly significant because of large rural poverty sector

Mechanism used is that of land development
 Organisation utilised is Federal Land Development
 Authority

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INTRODUCTION

Mobility and Modernisation: A Study of the Malaysian Federal Land Development Authority and Its Role in Modernising the Rural Malay

This is a study of how one particular policy instrument has been successfully used to induce rapid change and development in the rural section of a predominantly agricultural developing country. The policy instrument in question is land development, the country Malaysia¹ and the organisation that has been utilised with great effect and success over the last 19 years has been the Malaysian Federal Land Development Authority.

The problems of inducing and implementing rapid change in the large rural sections of less developed countries has presented both to the scholars and to practitioners immense and often insurmountable problems and attempts to induce sustained rural development have in many cases, due to political, cultural and economic reasons, often failed. Yet for all their failure, the problems of inducing rapid change, increasing rural incomes and improving the standard of life of people in the large poverty stricken rural areas of the major part of the developing world remains a matter of immediate and lasting importance.

Malaysia as a country has, along with many other developing countries, a large, poor, undeveloped rural sector but, unlike many such

1. For the purposes of this paper, 'Malaysia' is used throughout to denote Western or 'peninsular' Malaysia and not Sabah and Sarawak.

countries, it has managed to develop over the last nineteen years a remarkably effective policy mechanism to deal with its problems of rural poverty, that of large scale land development involving the creation of numerous land schemes.

In the Malaysian case, 75% of the population live in the rural and less developed parts of the country and there has existed for many years both widespread land hunger, unemployment and underemployment in the rural sector. At the same time, Malaysia is an ethnically mixed society with the more developed and Western parts of the country inhabited mainly by the large Chinese communal groups while the numerically larger and politically more important Malay ethnic groups are situated in the less developed and rural sector of the country. The result is that when Independence came to Malaysia in 1957, there was a strong demand from the poor rural Malaysian, predominantly Malay in ethnicity, for rapid rural improvements and the Malay dominated government consequently introduced a large scale programme of rural development.

The spearhead of this rural development programme was land development that because of the widespread availability of undeveloped yet cultivatable land in Malaysia, and the existing land hunger offered the logical means to meet both the demand for land by the predominantly rural Malay voter, and the opportunity to raise rural incomes. Thus in Malaysia there emerged in the late nineteen fifties and throughout the nineteen sixties, a strong rural modernisation programme with a focus on land development as the centre of its development policy. This policy took on greater impetus and importance after the 1969

racial riots in Malaysia that led to the introduction of the new economic policy whose aim was to restructure Malaysian society by reducing overall rural poverty and providing the means for the Malay to have a larger share in the Chinese dominated economy.

Thus land development in Malaysia has since 1957 been a central part of government rural development policy and it has achieved considerable success in its aim of modernising the rural Malaysian through the work of one particular organisation, the Federal Land Development Authority (FELDA) that has been the main, and most effective, mechanism for land development in Malaysia since it was set up in 1956.

By 1971, FELDA had opened up 167 land schemes throughout Peninsular Malaysia, developed some one million acres of land and taken in 34,000 settlers who with their families and the support staff, total more than 200,000 people in its schemes. Its aims have been twofold. In the early years, it was seen and acted primarily as a land developer, opening up land and setting up schemes in order to provide employment and raise rural income. But it soon became a mechanism to directly socialise and modernise its settlers and introduce them to a more modern way of life. In both aims, FELDA, as this study will show, has been on the whole, successful and its land schemes have become one of the main instruments of inducing rapid change in the rural sector in Malaysia today.

This success is based on a number of factors. It is due first, and perhaps most importantly, to the use of a fully 'integrated' approach to land development by FELDA since 1960--an approach in which the settler is moved into an established land scheme where the jungle

has been cleared, a house built, basic facilities provided and the crop sown. He is also paid a subsistence allowance until he starts harvesting his crop and then he repays most of the initial cost of setting up the scheme by FELDA before receiving the final title and ownership of his land after a time period of some 18 years. At the same time, the settler is provided with expert advice on his harvesting and on the many problems that may arise to do with his everyday life including, as the income from his crop comes in, on how to invest and maximise his money. Secondly, this success of the FELDA schemes is also due to the strong political support FELDA has received from the Malaysian government since its inception in 1956 and from the provision of almost unlimited government funding.

The result is that this FELDA type of land development policy has led in Malaysia to the rapid modernisation of a large section of the rural population and has shown that rapid change and development of its settlers and of their dependents can be induced by this kind of large scale intervention. At the same time this FELDA mechanism while clearly effective and successful is also an expensive means to induce change and it clearly varies in its overall level of effectiveness dependent on a number of local conditions. However as an overall policy mechanism used to induce rapid change in the rural sector, FELDA has clearly evolved a highly successful mode of operation over the last twenty years and thus it offers an interesting insight into the kinds of policy mechanisms that can be effectively built into different conditions and societies to meet widespread rural poverty and underdevelopment.

This study focuses on this land development policy in Malaysia and on the utilisation of the Malaysian Federal Land Development Authority as a mechanism to successfully modernise the rural Malay. It examines the background to the growth of land development policies in Malaysia, the emergence of FELDA and the evolution of its important integrated approach, and it then by examination of selected case studies, looks at the way that such fully integrated land schemes can induce rapid change in behavior and attitudes in a relatively short time period. To show this, the importance of FELDA's role in inducing internal migration as a first step in the process of change is emphasized. Then to measure the change that is undergone by the settlers in selected FELDA schemes, indicators of occupational mobility and modernisation are examined.

The study concludes that given certain conditions, this kind of land development policy involving fully integrated land schemes, is an effective means of rural modernisation. At the same time, the utility of the kind of policy in Malaysia, particularly its place in inducing large scale internal migration and rapid rural modernisation in a rapidly developing country is shown. Finally by isolating the factors that led to the success of FELDA schemes in Malaysia, it suggests that this type of integrated approach might effectively be applied to other countries with similar rural problems.

Structurally the study is divided into the following parts: Chapter 1 looks at the factors leading to the evolution of land development policies in Malaysia as a major part in Malaysia's overall development policies and traces the emergence of a cohesive land

development strategy from 1957 to meet particular political and economic demands in Malaysia. It also examines the various kinds of land schemes, including FELDA, that have been utilized in the process in Malaysia since 1957. Chapter 2 examines the emergence, growth, organisation and structure of the Federal Land Development Authority (FELDA), from its inception in 1956 to the large multi-purpose corporation it has become by 1975.

Chapter 3 looks at the role FELDA plays in modernising the rural Malay by initially inducing internal migration, and then by actively modernising the FELDA settlers in the schemes. Then, in Chapter 4 and 5, four case studies are examined in detail to see the kind of change that takes place. The first two case studies (Chapter 4) are rubber schemes, one of which (Bilut Valley, 1958), is the first rubber scheme opened by FELDA and the only non-integrated one in FELDA's development while the second (Jengka 12, 1975), is one of the latest and fully integrated schemes. The two oil palm schemes (Ulu Jempol, 1966 and Bukit Besar, 1968), examined in Chapter 5, represent FELDA oil palm schemes opened up in different parts of the country, at different times and with settlers from different regional backgrounds.

Finally, in Chapter 6 the overall effectiveness of the Federal Land Development Authority as a policy mechanism for inducing rapid change in Malaysia is examined. FELDA's levels of success as an organisation with specific goals are examined with the problems of the costs involved in this kind of integrated approach. Possible alternative models that might be applicable to Malaysia are looked at and FELDA's overall contribution and significance in Malaysia's general

development policies since 1957 is assessed. The integrated FELDA model of land development in Malaysia is then contrasted with models utilised in other countries and the key elements necessary for the success of both types are pinpointed. Finally the application of the FELDA model to other countries with similar problems is assessed.

Chapter 7 summarises the findings of the study and suggests various possible applications of its kind of policy and finally suggests possible areas for potential research. Throughout this study, the term 'Malaysia' is used to denote West of what is now called 'Peninsular Malaysia.' It does not include East Malaysia (Sabah and Sarawak) nor Singapore, which has been an independent country since it split with Malaysia in 1965. At the same time, the 'Malay' people, or the 'Malays' refer to those of the Malay ethnic group, while 'Malaysians' refer to members of all ethnic groups who are citizens of the Federation of Malay or the Federation of Malaysia respectively.

Finally all amounts are, unless otherwise stated, quoted in Malaysian dollars. Where conversion is made or is required, the current rate in use in 1975 was US\$1 = M\$2.40.

CHAPTER 1

LAND DEVELOPMENT POLICIES IN MALAYSIA

A. Factors Favouring Land Development in Malaysia

Malaysia is a predominantly agricultural country with 73% of its 9 million population living in the rural areas, and a country that has undergone rapid economic development over a short space of some 20 years.¹ It is not surprising therefore that the agricultural sector has been the main element in Malaysia's economy both before Independence with the gradual development of the country from the middle of the nineteenth century onwards and particularly from 1957 when a deliberate Government strategy of extensive land development was introduced. This emphasis on developing the agricultural sector in Malaysia is due to a number of factors.

Firstly there is the physical nature of the country. Though small in size, Malaysia is a densely forested country of some 50,700 square miles divided into two parts by mountain ranges up to 7000 feet. Approximately 25% of the country is over 1000 feet and below 250 of which the portion over 1000 feet is too steep for cultivation as Malaysia has no tableland (Ooi 1963). Climatically the country is characterised

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1. Population in 1970 (adjusted for underenumeration) was estimated at 10,810,000 of which 9,181,000 (84.9%) was in Peninsular Malaysia, referred to as 'Malaysia' throughout this study. 73.1% of the total population live in rural areas. See Midterm Review of the Second Malaysian Plan, 1971-75, p.23-24.
 2. 1957 is used as the starting point of the change in policy to one of intensive rural development as the new Government that came to power at Independence in 1957 was pledged to improving the position of the predominantly Malay community which resulted in the agricultural sector becoming the focal point of developmental planning.

by a high rate of rainfall, humidity and uniform temperatures that favours the cultivation of certain crops such as rubber, padi and coconut.

Secondly there is the unique ethnic balance in the country with the majority of the indigenous Malay population concentrated in the rural areas in the North and Eastern sections of the country, and the new immigrant groups of the Chinese and Indians settled predominantly in the Western areas and in the urban areas of the country.

Thirdly there is the nature of Malaysian economic growth shaped both by the physical nature of the country and of the influence of British colonial policy. Originally settled mainly along the river mouths and around a number of small ports that grew up under the stimulus of trade such as Malacca, the interior of Malaysia was sparsely developed with an economic base of smallholding farming and with a loose political feudal type of Government. With the advent of the British with their centralised bureaucracy, the discovery of tin mining and the development of rubber, the pace of economic development rapidly increased but the emphasis throughout the colonial period^{was} on developing Malaysia's primary products of rubber and tin that were of the greatest need to the West. As a result there was little diversification of the economy by Independence in 1957, and even today, Malaysia has a primarily orientated economy.

At the same time, the direction and nature of economic development led mainly to the rapid development of the Western

and Southern parts of the country and to the comparative lack of development in the North and Eastern parts of Malaysia. It also had two other effects. The first was the concentration of Indian and Chinese migrants in the more developed parts of the country and in the urban areas. The second was the relative isolation of the predominant Malay population in agricultural occupations and in the lesser developed Northern and Eastern parts of Malaysia. Thus the direction and nature of economic development in Malaysia has led to both the economic and ethnic imbalance that have been, and still are, major factors in the overall development of Malaysia.

Malaysia has also, from the middle of the nineteenth century, experienced two constant and important problems--those of a continuous and high growth in population and of an increasing shortage of land.

The population pressure that has played a major role in Malaysian history has been due to two main factors--that of immigration and of natural increase.

A sparsely populated country (see Table 1.1) in the early nineteenth century, the Malaysian population grew rapidly with economic development in the latter half of the nineteenth century, particularly with the immigration of Chinese and Indian workers for the tin mines and rubber estates in the western states of Perak, Selangor, Negeri Sembilan and Johore. Between 1874 and 1891, the population increased by no less than 243% and this continued to increase within the first three decades of this century with the continued flow of immigrants--Chinese, Indian and Indonesians--coming to work in the booming economy and in the expanding government department.

TABLE 1.1
POPULATION--MALAY STATES* 1835-1931

	Area (Sq. Miles)	1835	1874	1891	1911	1931
Perak	(7,980)	35,000	40-60,000	214,250	494,000	765,990
Selangor	(3,166)	12,000	6-12,000	81,590	294,030	533,200
Negri Sembilan	(2,565)	27,000	40-50,000	65,220	130,200	233,800
Pahang	(13,873)	40,000	30-50,000	57,450	118,710	180,110
Johore	(7,330)	25,000	--	--	180,000	505,311
Kedah	(3,660)	50,000**	--	--	246,000	429,691
Perlis	(310)	--	--	--	32,000	49,296
Kelantan	(5,750)	50,000	--	--	286,300	362,517
Trangganu	(5,027)	31,000	--	--	154,000	179,789
Total		549,000	144,000	418,510	1,935,010	3,239,704

Source: Goldman (1975).

* Malay States do not include Penang, Malacca and Singapore.

** Estimated at 100,000 at time of Siamese invasion, 1921. About half moved to Province Wellesley. In the 1840s, there was an influx of population into Kedah following restoration of the Sultan.

This migration slowed down in the 1920s due to a number of factors such as the British restriction on the immigration of Chinese males in 1933, and the rubber and tin slump at the time of the 1929 recession. But a generally high natural rate of population increase which even in 1969 at 2.8% was one of the highest in an undeveloped country (Lim 1973) has led to an overall growth rate from 1911 to 1969 of 2.7% (see Table 1.2 below).

Table 1.2

POPULATION AND AVERAGE ANNUAL INCREASE
1911-69

	Population (million)	Inter-Period Average ('000)	Annual Increase (%)
1911	2.34	-	-
1921	2.91	57	2.4
1931	3.79	88	3.0
1947	4.91	70	1.9
1957	6.28	137	2.8
1967	8.54	222	3.5
1969	9.02	240	2.8

Source: Department of Statistics, Monthly Statistical Bulletin of West Malaysia, December 1970 (Kuala Lumpur)

This population pressure allied with the nature of Malaysia's ethnic makeup and the disparate economic growth has also not surprisingly led to under-utilisation of labour and to unemployment.

At the same time Malaysia, for all the land apparently available for development, is actually short of available cultivating land. This

is due to a number of reasons. In terms of possible land available for development the 1970 Land Capability Classification³ showed that there were 3.12 million acres available for development as of June 30th, 1969.

However, a number of factors have stood in the way of the rapid land alienation of this land for cultivation. One of the most important of these, as it has a marked influence on the overall development of agricultural land in Malaysia's history, has been the effect of the Islamic law on fragmentation of holdings in which the land owned by a family is handed down to all the heirs.⁴ This practice undoubtedly makes the poor peasant family poorer while the richer family has more to share (Hussin Ali 1975). The result of this in Malaysia has been the predominance of small holdings that were neither economic to cultivate nor gave a sound basis for increased incomes or for capital investment. The effect of this fragmentation, as shown in Table 1.3 which shows that no less than 67% of small holdings in Malaysia in 1960 were below 5 acres. At the same time 88% of these

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3. See P.C. Lee and W.P. Pawton, First Malaysia Plan Land Capability Classification Report, West Malaysia, Economic Planning Unit 1971. Until the 1960 Census of Agriculture there was no clear classification of land in Malaysia and various Government committees set up land questions had to depend on estimation. The 1960 Census although it has its limitations, was the basis for a later more precise classification and the work started in 1967 on land classification with the report published in 1971, The Land Capability Classification Report, West Malaysia. It must be emphasised that this figure is open to question and that it "would be safer to assume that no more than 3 to 4 million acres are still available for agricultural development." See Problems of Rural Poverty in Malaysia report prepared by FAO/World Bank Cooperative Programs 1974, p. 75.
 4. For details of the law, see The Holy Quran text, Translation and Commentary Lahore. Shaikh Mohd. Ashra Sura 4 verse 11 and 12 for the Islamic Laws of Importance.

smallholdings are below the defined poverty line for Malaysia.⁵

Another important factor contributing in Malaysia to the shortage of land has been the long history of bureaucratic holdups in the processing of land. Bureaucratically land offices are administered at the State level in Malaysia. These, particularly during the Second World War period and then during the Emergency from 1948-52 worked extremely slowly and inefficiently, and a land application often took years to be acted on. Consequently up to 200,000⁶ land applications were unprocessed when the Independence came and the Government, to deal with the situation and to meet political pressures, introduced large scale land development policies.

Table 1.3

SIZE OF PEASANT FARMS IN MALAYSIA, 1960

Size Group (Acres)	Number Of Farms	Percentage
Below 1	45,892	10
1 - 1 3/4	79,666	18
2 - 3 3/4	78,014	17
3 - 3 3/4	57,426	13
4 - 4 3/4	41,726	9
5 - 7 1/2	72,074	16
7 1/2 - 9 3/4	28,678	7
10 - 14 3/4	28,272	6
15 - 99 3/4	17,762	4
Total	449,510	100

Source: Ooi Jin Bee (1963).

5. See p.67.

6. See Andak Taib, The Work of the Federal Land Development Authority, Kuala Lumpur, 1964, p.11.

B. Use of Land Development as a Mechanism for Development in Malaysia

1. Historical Development

Malaysia, it has been pointed out, has seen almost every option in land development, both private and state, used in its development (Wafa 1972). These fall into three main categories: 1) precolonial development taking place in the nineteenth century; 2) colonial development in the first half of this century; and 3) postcolonial development after 1957.

Precolonial Land Development

Land development in the precolonial era was mainly in the hands of Chinese and European settlers with the indigenous Malay population continuing, as they had before the arrival of these two groups, to cultivate their predominantly scattered padi holdings. It was, with the exception of a few isolated cases, also predominantly private sector development.

Migrating into a region mainly devoid of commercial agriculture, these two groups--the Chinese and the Europeans--responded to the opportunity of land cultivation in different ways. The Chinese tended to look for quick returns on a small capital investment as they had been primarily drawn, as many other immigrants, to Malaysia with the purpose of making money quickly and then eventually returning home. As such long term involvement in land was seen, both in time and capital, as being unattractive and they tended to cultivate crops that required minimum care, a small capital investment and produced quick returns. Thus to the Chinese cultivator, land had little value unless it produced crops quickly and profitably. There was a tendency for the

abandoning the land once the returns began to diminish (Jackson 1968).

The European, on the other hand, was more interested in the long term potentialities and thus of developing land as a long term investment. This approach was due probably to a combination of two influences, that of the tradition of landed estates in Europe and of the plantation type of cultivation developed in other parts of the British Empire. As a result, the crops they chose were those with long maturation periods that did not return any economic investment for several years, and, at the same time, required relatively large inputs of capital and labour. Investing on a long term basis, the European planters also in contrast to the Chinese, placed importance on obtaining title to the land they developed.

Of the two approaches in the nineteenth century, it was the Chinese that proved more successful growing gambier, pepper, tapioca and sugar. How much land they cultivated is unclear as cultivation of these crops is transitory in nature, shifting from one area to another depending on soil fertility and the profitability of the venture. It is clear, however, that this type of land utilization did not lead to permanent settlement and was exhaustive to the soil (Wafa 1972). The Europeans were not particularly successful in their efforts at establishing plantations in the nineteenth century, due both to competition from other parts of the world for their crops and the generally unfavourable world prices that existed at that time for the crops they produced. The one exception was coffee and with its success in the latter half

of the nineteenth century, the structure of large scale planting--capital, management personnel, imported labour--were first utilized and consequently the groundwork was laid for the later and much more profitable expansion into rubber. At the same time, this period saw the first large scale Government intervention into the agricultural sector with the Krian irrigation and drainage scheme started in 1899 (and completed in 1906) on the coast of Perak.⁷

Colonial Period

The second period of land development in Malaysia--the colonial period running from 1900 to Independence in 1957--was characterised by the rapid expansion of rubber cultivation with a sudden upsurge in the world demand. The extent of this expansion can be seen in Table 2.4 below showing the acreage under cultivation for selected years from 1920 to 1956. It can be seen from this that there was a rapid increase in rubber cultivation from around 779,000 acres in 1920 to over three million acres eleven years later

7. There was a continual debate at the turn of the nineteenth century among colonial officers on the justification for increasing public expenditure on padi that was rapidly to become, because of its association with Malays, a 'political' crop. See Richard H. Goldman, The Political Economics of Malaysian Rice Policy from Precolonial Times to 1945, Stanford (Food Research Institute) Rice Project 1975. For a useful discussion on the development of irrigation policy that was the main public sector investment in colonial times, see D.E. Short, Some Aspects of the Role of Irrigation in Rural Development in Malaya, Unpublished Ph.D. Thesis, University of Hull, 1971.

Table 1.4

ACREAGE UNDER MAJOR CROPS IN MALAYA FOR SELECTED YEARS UNDER
COLONIAL ADMINISTRATION (1920-1956)
(acres)

	1920	1921	1931	1935	1938	1948*	1952*	1956*
<u>Rubber</u>								
<u>Smallholders</u>	n.a.	469,951	1,194,904	1,285,444	1,264,678	1,425,616	1,616,093	1,500,000
<u>Estates</u>	n.a.	765,000	1,815,098	2,018,379	2,031,969	1,963,950	1,996,727	2,008,000
<u>Total</u>	779,170	1,234,951	3,010,002	3,303,823	3,296,647	3,389,566	3,612,820	3,508,000
<u>Wet Padi</u>	197,000	669,262	707,740	734,730	682,120	802,729	790,110	825,000
<u>Coconut</u>	72,149	n.a.	601,000	610,000	613,417	510,824	500,000	530,000
<u>Oil Palm</u>	-	-	32,500	65,700	72,143	83,320	100,182	115,000
<u>Pineapple</u>	n.a.	n.a.	n.a.	58,916	67,394	n.a.	24,800	44,780
<u>Coffee</u>	2,364	n.a.	n.a.	16,200	22,923	7,047	n.a.	13,000
<u>Tea</u>	n.a.	n.a.	2,645	3,033	6,158	9,516	8,700	n.a.
<u>Total</u>	1,150,683	2,904,213	4,353,887	4,792,402	4,760,802	4,803,002	5,036,642	5,027,780

* Figures for Federation of Malaya only (Singapore excluded).

Sources:

1. Malaysia, The United Planting Association of Malaya, Annual Reports 1931 and 1935, Kuala Lumpur;
2. Malaysia, Department of Agriculture, Annual Reports 1938-1956, Kuala Lumpur, Federation of Malaya.

with this production figure remaining constant until Independence. There was also a rapid increase in padi production between 1920 and 1931 and also of coconuts. Oil palm first introduced in 1931, showed a general increase throughout the period.

The sudden world demand for rubber resulted from the development of the automobile industry at the turn of the century. As a result of this expanded demand and of the demand also with the First World War, Malaysia quickly established itself, with the full backing of the colonial British Government that subordinated all other agricultural developments to supporting its development, as the world's foremost rubber producer. As a result, even with the introduction of synthetic rubber in the late 1950s, rubber has been, and still is largely the main stay of the Malaysian economy.⁸

At the beginning, rubber planting was mainly in the hands of the Europeans and a few Chinese speculators but once it proved successful the Malay peasantry responded favourably and extensive acreage of smallholdings were developed.⁹

While most of the capital and management for the new industry came from England, other European as well as Australian and American interest plays an important role in the rubber boom.

8. In 1974, 35% of Malaysia's total foreign export earning came from rubber. See Economic Report 1974-5, Treasury, Kuala Lumpur 1974, p.12.

9. Of the total of 3,010,002 million acres under development in 1931, 1,194,904 (39.7%) was composed of Malay smallholdings.

In addition some local companies were formed and loans were made available from public funds to help European planters develop their plantations. The net result was that in the period 1905-1939, some 3,090,000 acres of rubber were opened up (Gates, Goering and Keate 1970). However, this rapid rate of development slowed down appreciably first with the 1931 depression and then with the Japanese occupation during the Second World War and the Emergency in Malaysia from 1948 to 1960, with the overall result that from 1930 to 1956 only a further 854,000 acres were developed.

Intervention by the public sector during this period was limited and it took two forms. One was the attempt to restrict the movement of Malay smallholders into rubber production. The reasons for it is unclear but it would appear that as padi was the traditional crop par excellence of the Malay community British officials were attempting, by introducing a restrictable policy, to halt a Malay smallholder flight out of padi cultivation into rubber (Goldman 1975).¹⁰ The second form of Government intervention took the form of setting up a rice Cultivation Committee in 1930 during the depression years and increasing public investment in padi land in the 1930s with the result that export receipts grew by 65% in the period 1929-31 (Goldman 1975).

10. It is unclear whether this restrictive policy was due to a concern over the welfare of Malay padi cultivators or official attempts to increase rice production for indigenous consumption. See Goldman, op. cit., p.2, and Lim Tech Ghee Peasant Agriculture in Colonial Malaya; its Development in Perak, Selangor, Negri Sembilan and Pahang 1874-1941. Ph.D. Dissertation, Australian National University 1971.

At the same time, the Government undertook two major irrigation projects, the Sungei Manik Scheme in lower Perak started in 1932, and the Panchang Bedina and Tanjong Karang drainage schemes in Selangor.

The overall picture for this second period was therefore of the rapid growth of the private sector centred around rubber and limited government intervention in the general agricultural development mainly aimed at stimulating padi production.

Post Colonial Period

The third period, that of the post colonial period from Independence in 1957 to the present day, has been characterised by massive government investment in land development as an essential part of its overall Rural Development Programme. This has covered both the setting of a large number of Government aided land schemes (including those of FELDA), large investments in irrigation schemes, and the large scale introduction of improved agricultural techniques such as high yielding rubber and double cropping in padi. At the same time, private sector development continued though it was very limited in comparison to the new Government flow of funds into agricultural development.

In the Second Malaya Plan 1961-65, an estimated 15.5% (\$411.1 million) of the total plan expenditure was invested in agriculture and rural development, of which 32% was spent on land development. This was increased to \$911 million or 25% of the

total public development expenditure in the First Malaysia Plan 1966-70 and the Second Malaysia Plan 1971-75 to \$1835.5. A summary of the expenditure from 1956-75 is given in Table 1.5 below:

Table 1.5

PUBLIC DEVELOPMENT EXPENDITURE FOR RURAL DEVELOPMENT
IN PENINSULAR MALAYSIA, 1956-1975
(M\$ million)

	1956-60 (actual)	1961-65 (estimated)	1966-70 (estimated)	1971-75 (revised allocation)
Agriculture and Rural Development	227.5	411.1	911.2	1,835.6
Transport	103.2	294.3	177.9	518.3
Communications	25.8	56.7	79.8	178.5
Utilities	119.3	263.7	323.4	415.5
Social Services	69.4	260.3	322.4	546.9
(a) Total Rural Development Expenditure	545.2	1,286.1	1,814.7	3,494.8
(b) Total Non-Security Development Expenditure	964.0	2,344.4	2,964.5	6,609.0
(c) (a) as a percent of (b)	56.6%	54.9%	61.2%	52.9%

Source: Computed from First Malaysia Plan 1966-1970, Tables 2.6 and 4.1, pp. 28-29, 69-70; Second Malaysia Plan 1971-1975, Table 5.1, pp. 68-71; Mid-Term Review of the Second Malaysia Plan 1971-1975, Table 5.1, pp. 98-101.

Computation note: 50 percent of the plan allocations for transport, communication, utilities, and social services in Peninsular Malaysia have been arbitrarily assigned to rural development.

This marked change of emphasis in Malaysia from 1957 on intensive development of the agricultural sector, was due to a number of factors--demographic pressure, land hunger, political expediency and economic demands. All of these are important in examining the development of the policy from 1957 to the present day and it is useful to examine them in detail.

As it has already been mentioned, Malaysia is a country that has had considerable population pressures, running at around 3% for the period 1957-70, with a continual forecast annual growth rate of 2.6% to 1990.¹¹ This is due to a number of factors, notably large scale immigration in the period 1786-1914, with little natural increase and a more balanced demographic picture from 1914 onwards, with a decline in immigration but a rise in natural birth increases as the immigrant dependents matured. The net result is an overall population increase of around 2.7% for the total period, 1911-69.¹²

One important point about this population growth in Malaysia, particularly in the nineteen sixties, is the age structure which is

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11. Estimated population increase in Malaysia 1970-90, is estimated at 2.6%. See Mid-Term Review of the Second Malaysia Plan, Kuala Lumpur 1975, p. 66, Table 4.1.
 12. See David Lim, Economic Growth and Development in West Malaysia 1947-70, Chapter 5 for a detailed summary of the demographic factors in Malaysia's economic development.

reflected in the figures for the number of youth coming into the labour force between 1957-70 (some 38%) and in the large number of people maturing to reproductive age.¹³

This increase in the labour force has also led to high rates of unemployment in Malaysia, with one overall average of 8% for the period 1965-70 (Lim 1972). Of this unemployment figure, 9% was in urban areas and 6% in rural areas.¹⁴

A final feature of the demographic pressures at work in shaping Malaysian development policy from 1957 is the higher rate of increase of Malays compared to other races since 1961 and the high rate of increase in particularly the urban Malay population. The urban Malay population increase of 61.7% in the period 1931-1947, was double that of the overall Malay population increase and this trend accelerated even faster in the period 1947-67 (Lim 1973).

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13. Young people made up 30% of the labour force in the period 1966-70, and due to the rapid expansion of education in the nineteen sixties, there was an overall upgrading of the labour force with 75% having some formal education in 1967, again less than 60% in 1957. The number of women maturing to reproductive age doubled between 1970-75. See Second Malaysian Plan, op. cit., p.96.
14. Unemployment in Malaysia is largely an urban and youth phenomenon with up to 9.9% unemployed in urban areas (as against 6.8% in rural areas) and 29% in the age group 15-24. See Lim, op.cit., p.75. On the other hand, it has been estimated that 25% of all agricultural workers in Malaysia are underutilised to the point of unemployment. See Economic Plannint Unit, The Role of Land in the Economic Development of West Malaysia 1965-85, (mimeo), (Kuala Lumpur 1967). Unemployed is defined in Malaysia as those without work who are actively seeking a job. This does not account for a considerable number who may have returned to their kampong or who have remained at home. At the same time, there is considerable underemployment defined in Malaysia as working 24 days or less a month. See Post Enumeration Census of Population 1970, Department of Statistics, Kuala Lumpur 1973, p.14.

The second factor in the overall change of policy to a marked emphasis on agricultural development after Independence in 1957 was the general shortage of cultivated land. This has already been referred to earlier and was due in part to the growing pressure of the cultivable land, to the fragmentation of holdings, and more particularly in the two decades prior to Independence in 1957, to the almost total halt in the processing of land applications as a result of World War II and the Malaysian Emergency.

Under Islamic law of inheritance, land in Malaysia is handed down on death to all the heirs with the result that in poorer families this results in extreme fragmentation of the owned land and also, as a consequence, to extensive poverty. The 1960 Census of agriculture showed that 96% of smallholding farms in Malaysia were less than 15 acres in size, 67% were less than five acres and 10% were of one acres. The majority of the holdings under 10 acres were also predominantly in long standing Malay areas (Ooi 1963, p.193).

This fragmentation was not only uneconomic but it also led to heavy pressure on available cultivable land.

At the same time, there was, with World War II and the period of Emergency in Malaysia that lasted from 1948-60, a marked slow-down in the processing of land applications. Before the Second World War (from December 1941 to the end of September 1945), 'land administration was in reasonably good order...staffs were adequate and the work was kept up to date.'¹⁵ But the war resulted in land records

15. See Report of the Land Administration Commission, Kuala Lumpur 1958, p.3.

being lost or destroyed, illegal occupation and civil service officers being posted elsewhere. What little could be done to restore normality was soon eroded after the war by the declaration of the state of emergency in June 1948, which generated far more important priorities.¹⁶ The net result of some 16 years of delay was that in 1957, there were over 100,000 applications for land processing in land offices throughout Malaysia.¹⁷ Finally, in assessing the extent of land hunger in Malaysia, it must be remembered that ownership of land in Malaysian society was seen as an important means of security and also of upward mobility (Swift 1962, Wilson 1967, Husin Ali 1975). In the case of adat land or land inherited under Islamic law, it usually represented a means of attachment to one's village although in the majority of cases the law operated to the detriment of the villager owing to the equal fragmentation of the inheritance (Swift 1965, Husin Ali 1975). But whatever the size or whether the land was held under adat or was saleable, land was a means of security and rather like the peasant in India who has an almost mystical attachment

16. "From being the principal activity of district officers, land administration became priority 7...land administration deteriorated and a psychological atmosphere has been created on which land administration did not count." Ibid, p.3, para.2.

17. See Federal Land Authority Annual Report 1963. Also quoted in Soon (1975). This figure varies considerably with Waafa (1972) who quotes 200,000 or more. What is quite clear as evinced by the summary of replies from the various states of their land need was that there was widespread hunger affecting every state in Malaysia. See Report of the Working Party Set Up to Consider the Development of New Areas of Land Settlement in the Federation of Malay, Kuala Lumpur, Government Printer 1956.

to his land,¹⁸ the Malay villager had an almost similar attitude. Thus there was also a strong psychological element in the desire to own land.

The net consequence of these factors--the shortage of land and the holdup of the processing of land applications and the long-standing desire of the Malays to own land--was that in 1957, there was a widespread land hunger.¹⁹

The third reason for the change in agricultural policy in 1957 from a primarily private sector one to a public Government sector policy was the coming of Independence in 1957, and the political necessity of the newly Independent government to deal with two major problems, those of ethnic balance and of poverty.

It has already been noted that one of the striking features of Malaysia is its multi-ethnic society with its three main communities--the Malays, the Chinese and the Indians, comprising in 1957 of 49.8%, 37.2%, 11.7% respectively of the population of Malaysia.²⁰ At the

18. See in the case of India, K. Ishwaran Shivapur, A South Indian Village (New York: Humanities Press, 1968), p.47.

19. This land shortage still remains today as for all the development of land in Malaysia since 1957, land is still in short supply. It has been noted that, "Land suitable for agriculture is coming scarce and the pressure of the landless claiming for land is mounting." See, Land Development Strategy (E.P.U. --mimeo, Economic Planning Unit), Kuala Lumpur, August 6, 1975.

20. See Malaysia--1957 Population Census. Country Vols. Department of Statistics, Kuala Lumpur, Government Printer, 1962.

same time, the historical development of the country and the marked regional and economic imbalances that emerged during the late nineteenth and twentieth century prior to Independence has led to the feeling on the part of the Malay community that they were discriminated against and needed special protection. In the early stages of the nationalist movement, this was one of the main platforms of the movement (Roff 1967), and though it became submerged to some extent with the focus of the movement on Independence as the major issue rather than for equal opportunities for the Malays, it was still an important factor shaping policy in the immediate Independence period. At the same time, while the Malays were the poorest element in Malaysian society, they held political dominance. This was due to two factors: the demographic distribution of ethnic groups in the country, and the weighting system in the distributing of seats favouring the predominantly Malay rural areas.

Malay voting power was and is today widely spread over the whole of Malaysia with Malays forming 50% of the electorate in 59 out of 104 of the country's constituents. In contrast, the Chinese voters are concentrated in urban areas on the West Coast and form only 50% of the electorate in 32 constituencies (Lim 1973). The result of this, and the adoption of a weighting system that favours the less densely populated rural areas have given "the scattered Malay communities a disproportionately large number of seats in relation to their percentage of the total electorates."²¹

21. See T. McGee, "The Malayan Election of 1959: A Study in Electoral Geography," Journal of Tropical Geography, Vol. 16 (October 1962), p.74.

The unequal representation of the non-Malays is brought out clearly in Table 1.6 below. In 1955, when the first General Elections were held for a small majority of the positions on the Colonial Legislative Council, the country was divided into 52 constituencies. As the table shows, Malay voters formed the majority in 50 or 96.2% of the 52 constituencies, yet in that year the Malays constituted only 50% of the Malaysian population. The 1959 and 1964 elections were for 104 seats in a fully-elected Federal Dewan Ra'ayat (House of Representatives) and the discrepancy in these two years was less pronounced as Malay voters then formed the majority in about 61% of the constituencies and Malays constituted about 51% of the total population. But, the weighting of the voting system was still significantly inclined towards the Malays.

TABLE 1.6

PARLIAMENTARY CONSTITUENCIES WITH VARIOUS RACIAL MAJORITIES
1955, 1959 and 1964

	1955	1959	1964
Malay absolute majority over all other races	50	60	59
Malay relative majority	--	3	3
Total (Malay majority)	50	63	62
Chinese absolute majority over all other races	2	26	32
Chinese relative majority	--	15	10
Total (Chinese majority)	2	41	42

Source: K.J. Ratnam and R.S. Milne, The Malayan Parliamentary Election of 1964 (University of Malaya Press, 1967) Table 23, p.368.

The consequences of this weighting can be seen quite clearly in Table 1.7. It shows that in 1955, the Malays accounted for 84% of the electorate, 67% of the number of parliamentary candidates and 67% of the number of parliamentary seats but only 50% of the population. And while this disparity between the share of the Malays in the population and the strength of their participation in the parliamentary process became less marked in the later elections it was still significant enough to ensure a Malay majority in the House of Representatives.

TABLE 1.7

PERCENTAGE DISTRIBUTION OF POPULATION, ELECTORATE AND PARLIAMENTARY CANDIDATES IN 1955, 1959, 1964 AND 1969

	1955	1959	1964	1969	1955	1959	1964	1969	1955	1959	1964	1969
Population	50	51	50	51	37	37	37	36	13	12	13	11
Electorate	84	56	54	55	11	36	38	38	5	8	8	7
Parliamentary Candidates	67	60	60	64	29	31	34	30	4	9	6	6
Parliamentary Seats	67	63	64	64	29	29	30	29	4	8	6	10

Sources: Ratnam and Milne, op. cit., and Martin Rudner, "The Malaysian General Elections of 1969: A Political Analysis," Modern Asian Studies, Vol. 4, Part 1 (January 1970); Election Commission, Report on the Parliamentary and State Legislative Assembly General Elections of the States of Malaya, (Kuala Lumpur 1964).

The communal breakdown of the parliamentary candidates put forward by the Alliance Party also shows the same picture. This party, an inter-communal one, was the only important party that took part in the elections for the Colonial Legislative Council in 1955, and the only party in 1959, 1964, 1969 and 1974 to put up enough candidates to secure a theoretical majority in the House of Representatives. Thus an analysis of the ethnic origins of its candidates is a good way of identifying the centre of political power in Malaysia.

As Table 1.8 shows in 1955, Malays formed about 67% of the total number of the candidates put forward by the Alliance Party-- a year in which they constituted as Table 1.8 shows, about 84% of the electorate. This arrangement in which of the Malayan Chinese Association (MCA) and the Malayan Indian Congress (MIC) was accepted by the United Malays National Organisation (UMNO) only to prevent a complete mockery of the inter-communal structure of the Alliance Party (Lim 1973). When the non-Malays increased their share of the electorate from 16% in 1955 to 44% in 1959, 46% in 1964 and 45% in 1969, this was not reflected in their share of the number of candidates put forward by the party.

The MCA was, however, able to increase its share from 29% in 1955 to 31.5% in both the 1964 and 1969 elections. However, this position was obtained only after heated argument and bargaining within the Alliance Party / ^{and} the MCA was warned not to

TABLE 1.8

COMMUNAL BREAKDOWN OF PARLIAMENTARY CANDIDATES OF THE
ALLIANCE PARTY FOR 1955, 1959, 1964 AND 1969

	Malays		Chinese		Indians		Total
	Number	Percent of Total	Number	Percent of Total	Number	Percent of Total	
1955	35	67.3	15	28.8	2	3.9	52
1959	69	66.3	31	29.8	4	3.9	104
1964	68	65.4	33	31.7	3	2.9	104
1969	68	65.4	33	31.7	3	2.9	104

Sources: Ratnam and Milne, op. cit., and Rudner, op. cit.

demand all the parliamentary candidates (40.4%) where Chinese voters were in the majority.²² Its leader, Tun Tan Siew Sin, justified the eventual outcome by saying that the Malays "feel that in order to counter-balance their weak economic position they have got to have political power."²³

22. Tengku Abdul Rahman, who was then the Prime Minister and the leader of the UMNO, was reported to have said: "There is talk now that the MCA will demand all the seats where Chinese voters are in the majority, but should you take this line then I am afraid you are not going to succeed. So you have to think twice before you work on this basis for the allocation of seats." See The Straits Times, March 6, 1964.

23. The Straits Times, March 6, 1964.

This weighting of the political system in favour of the Malays can also be seen in the provisions written into the Constitution in 1957 to provide special protection for Malays in four important fields--the reservation of land (Article 8), a preferential system of quotas for the public services and in the issuing of licences (Article 9) for certain businesses, and the granting of scholarships, bursaries and other educational aids (Article 143). At the same time, Islam was declared the national religion and only Bahasa Malaysia (and not Chinese or Indian languages) with English were allowed to be used in Parliament (Article 153). At a later stage, these provisions were reinforced with the 1972 Constitutional Bill that made it a seditious offense to question Malay rights, the ruler's sovereignty, Malay as the national language and the provisions on citizenship (Article 152). Later, with the introduction of the New Economic Policy in 1970, added emphasis ^{for more} ~~for~~ Malay rights ^{by} was provided/large scale government investments to help Bumiputra participation in the economy.²⁴

The result of this overall policy ^{was to} give the Malays a much deeper and stronger feeling of belonging to the country and a more natural claim to loyalty than either the Chinese or Indians whose links to Malaysia tended to be more political than social in character (Ratnam 1965), for the Malays had been encouraged by the British to see themselves as the original inhabitants of Malaysia

24. See Second Malaysia Five Year Plan 1970-75, op. cit.

tracing a long continuous tradition back in time to the Malacca Sultanate in the fifteenth century. And since Independence, the policy of the Malay dominated Government has been to encourage assimilation of the other ethnic groups rather than their accomodation.²⁵

Secondly, it led to strong political pressures on the newly independent Government by the predominantly poor Malays in the country in 1957, to take steps to redress their proverty and also to solve the problem of shortage of land. Poverty in Malaysia has been and still is today a predominantly Malay problem and from the time of Independence in 1957 to the present day, it remains the major problem in the country. Not surprisingly for political as well as general development reasons, its eradication has been the main feature of the Malaysian Government's development programmes.

The causes of poverty in Malaysia are twofold. Firstly, there is the pattern of uneven regional development with the evolution of a predominantly Malay rural sector and a predominantly Chinese urban sector. Secondly, there are clearly cultural factors in the Malay value system that, in contrast to the Chinese and those of other groups within the country, place greater importance on non-economic value.

In terms of regional development it has been pointed out earlier that the Malays in the late eighteenth and nineteenth centuries were mainly rural smallholders and that as the country

25. See Wang Gungwu, Perspective of Racial Aspirations, The Financial Times, September 4, 1968, p.12 quoted in Lim (1973) opp.cit.

was opened up on the West Coast with mining and rubber developments, these developed West Coast areas were filled by the incoming Chinese and Indian immigrants. Consequently the Malays were concentrated in the less developed Northern and Eastern sections of the country. This alignment can be illustrated in two ways, demographically and in employment distribution.

Demographically, as Table 1.9 shows, the Malays in 1947 and 1957 formed 59.7% and 69.8% respectively of the rural population.

TABLE 1.9
ETHNIC COMPOSITION OF THE RURAL AND URBAN POPULATION
OF WEST MALAYSIA, 1947 AND 1957

	Malays	Chinese	Indians	Others	Total
	Percent of Total	Percent of Total	Percent of Total	Percent of Total	Percent
1947 Rural	59.7	29.8	9.7	0.8	100.0
1947 Urban	21.1	62.3	13.8	2.8	100.0
Total	49.5	38.4	10.8	1.3	100.0
1957 Rural	69.8	17.5	11.7	1.0	100.0
1957 Urban	22.6	63.9	10.7	2.8	100.0
Total	49.8	37.2	11.3	1.7	100.0

Source: Department of Statistics, Census of Population of the Federation of Malaya, 1957, Report No. 14 (Kuala Lumpur).

Note: Rural population has been defined as those people living in communities of less than 1000 inhabitants.

At the same time, in terms of the industrial distribution of the labour force (see Table 1.10) of the main ethnic groups, the Malays were largely confined to the agricultural sector (70%) and to smallholding farming (88%).

TABLE 1.10
DISTRIBUTION OF EMPLOYMENT BY
ETHNIC GROUP, 1947*

	Malays %	Chinese %	Indians and others %	Total ('000)
1. Agriculture	57	30	13	889
a. Peasant (Rice)	70 (88)	27 (10)	3 (2)	508 (333)
b. Rubber	39	33	28	381
2. Mining	14	71	15	39
3. Manufacturing, Construction and Utilities	19	70	11	125
4. Services	27	48	25	407
5. Government	54	11	35	105
Total Employment	44	40	16	1,565

Source: G.D. Ness, Bureaucracy and Rural Development in Malaysia (University of California Press, 1967), p.30.

At the same time, as Table 1.11 and 1.12 below show, there is a distinct inequality in income levels between the Malays and the other two ethnic groups. Using Benham work on national income

(Table 1.11) for Malaysia and Singapore, it can be seen that the Malay income in 1947 was only 39% and 46% of the Chinese and Indian overall incomes. In 1957, as it can be seen in Table 1.12 below based on the 1957/58 household budget for the Federation of Malaya, the annual income for rural Malays was only 65% and 61% of the Chinese and Indians respectively. More significant is the average monthly income for the three groups in rural areas (in which Malays predominantly live) where the figure is only 49% and 60% of that of the Chinese and Indians respectively.²⁶

TABLE 1.11

AGGREGATE INCOME AND PER CAPITAL INCOME LEVELS BY ETHNIC GROUP FOR WEST MALAYSIA AND SINGAPORE, 1947

	Malays	Chinese	Indians	Total*
Aggregate Individual Incomes (M\$)	656	1,714	337	3,023
Percent of Total Income	22	57	11	100
Population (m.)	2.54	2.61	0.60	5.82
Percent of Total Population	44	45	10	100
Income Per Capita (\$)	258	657	562	519
Income Per Adult Male (\$)	979	2,090	1,296	1,700

Source: F. Benham, The National Income of Malaya, 1947-50 (Singapore, Government Printing Office, 1951), Chapters 1 and 4.

* Including Europeans and others.

26. Silcock has adjusted the findings of the Household Budget Survey to include distribution of household incomes greater than \$12,000 and finds that in 1957, the average annual income perhaps for Malays was \$367 compared to \$837 and \$669 for the Chinese and Indians respectively. See Silcock, T.H. "Approximate Racial Division of National Income," in Silcock and Fisk, eds., The Political Economy of Independent Malaya, Table 5A, p.279.

TABLE 1.12

AGGREGATE INCOME AND PER CAPITA INCOME LEVELS BY ETHNIC
GROUP FOR INCOMES UNDER \$12,000 P.A., 1957

	Malays		Chinese		Indians		Total
	Urban	Rural	Urban	Rural	Urban	Rural	
Aggregate Individual Income (\$m.)	169	860	589	165	103	249	2,585
Annual Income per Head (\$)	482	307	561	473	513	499	
Average Family Income per Month (\$)	229	128	285	260	216	212	
Population ('000)	350	2,800	1,050	1,300	200	500	6,200

Source: Department of Statistics, Household Budget Survey for the Federation of Malaya, 1957-58 (Kuala Lumpur).

A further way of looking at poverty is to look at the number of households below the poverty line in Malaysia.²⁷ It can be seen using this

27. The poverty line in Malaysia is defined as an income per person in cash and kind of \$25 or less (1970 constant dollar) a month. This is derived from the detailed analysis (see Sudhir Anand, The Size Distribution of Income in Malaysia, (World Bank 1975) of the Post Enumeration Survey of the 1970 Population Census (P.E.S.). The P.E.S. provided the most comprehensive information about the income of Malaysian households with a scientific sample of around 25,000 households in Malaysia. Using this as a basis, it has been shown that 37% of all households in Malaysia are under the 'poverty' line and of these, 88% were in rural areas (Survey of Rural Poverty in Malaysia, E.P.U., June 1974, p.2-6.)

Table 1.13

OVERVIEW OF POOR HOUSEHOLDS, RURAL AND URBAN, BY SECTOR

	Peninsular Malaysia			Urban			Rural		
	Poverty Households (th.)	Poverty Percentages (%)	Poor Households (th.)	Poverty Households (th.)	Poverty Percentages (%)	Poor Households (th.)	Poverty Households (th.)	Poverty Percentages (%)	Poor Households (th.)
<u>Total</u>	<u>1,606</u>	(37)	<u>590</u>	<u>439</u>	(16)	<u>70</u> (12%)	<u>1,167</u>	(45)	<u>520</u> (88%)
Agriculture	853	(53)	456	<u>37</u>	(41)	<u>15</u>	816	(54)	441
Mining	32	(19)	6	5	(19)	1	27	(19)	5
Manufacturing	150	(22)	34	84	(15)	13	66	(32)	21
Construction	35	(23)	8	20	(18)	4	16	(28)	4
Utilities	13	(23)	3	7	(24)	2	6	(23)	1
Commerce	162	(21)	34	88	(13)	12	74	(29)	22
Transport	61	(22)	14	35	(18)	6	26	(27)	7
Services	299	(12)	36	163	(11)	18	136	(14)	19

Source: Survey of Rural Poverty 1974.

Note: Households by sector are derived from labour force as reported in the Census, by using labour force/households ratios for each racial community, rural and urban. Poverty percentages are from the P.E.S. sample, adjusted for consistency with the rural and urban control totals.

indicator that in 1970 that 37% of all households in Malaysia were below the poverty line and 88% of these were in the predominantly Malay rural sector (see Table 1.13). At the same time, as Table 1.14 shows, 51.4% of Malays in Malaysia were poor as against 24.8% Indians and 14.7% Chinese and that 55.8% of all poor Malays were in the rural sector.

TABLE 1.14

INCIDENCE OF POVERTY, RURAL AND URBAN,
BY RACIAL COMMUNITY

(Percentage of Households with incomes
per member below \$25 per month)

	Pen. Mal.	Urban	Rural
Malay	51.4	22.9	55.8
Chinese	14.7	11.5	18.1
Indian	24.8	20.9	27.0
Other	40.3	13.0	59.7
All races	36.5	15.8	44.6

Source: Post Enumeration Survey 1972.

It can also be seen (Table 1.15) that it is the states with a predominantly Malay population that have the highest poverty percentages.

Of greater significance, however, in looking at the development of land policy from 1957 and assessing its effectiveness is the distribution of poverty by occupation groups.

Table 1.15

INCIDENCE OF POVERTY AND RELATED INDICATORS BY STATE

	Percentage of Households with Income per Member below \$25 per month			GDP per capita (\$)	Doctors per 100,000 Population	Motorcycles per 100 Population	Urban Residents (over 5,000) as Percentage of Population	Malays as Percentage of Population
	All H.H.	Urban	Rural					
Kelantan	65.2	43.6	68.6	420	6	1.7	18	98
Trengganlu	54.6	30.6	61.2	536	7	1.9	29	94
Perlis	58.9	9.0	58.7	605 ^a	9 ^a	2.5 ^a	14 ^a	56*
Kedah	48.6	18.7	53.3	605 ^a	9 ^a	2.5 ^a	14 ^a	56*
Melaka	32.0	10.6	37.0	761	25	3.5	28	52
Johor	32.9	17.1	38.6	835	18	3.4	36	58
Pahang	30.7	7.0	37.2	855	13	3.1	23	61
N. Sembilan	32.1	15.8	35.0	907	25	4.2	28	45
Perak	34.5	15.3	42.6	911	23	8.7	36	48
Penang	29.7	18.2	40.4	939	40	11.7	56	61
Selangor	19.1	10.2	27.5	1520	55	10.2	51	35
Peninsular Malaysia	36.5	15.8	44.6	912	26			

*Kedah and Perlis are considered together in these calculations.

Source: Survey of Rural Poverty 1974.

The second major factor in explaining Malay poverty is undoubtedly cultural. The traditional Malay value system clearly places more emphasis on factors other than those related purely to economic activity. This general problem of the Malay attitudes can be usefully seen in two ways.

In the first dimension, it is useful to hold in mind in looking at the problems of changes in attitudes that every society has its own value systems based on certain inherent conditions and that it is possible to assess and examine these objectively without any value laden conditions. In the case of Malaysia, it is essential to clarify an often mutually misunderstood set of attitudes on the Malay side (as well as on the Chinese) and to see that each ethnic group has its own system of values that places a different importance on certain attributes. In the Malaysian case, one could generalise and say that basically Malay values are noneconomic and Chinese values are essentially economic in orientation.

The second dimension is that of the existence and importance of ethnic stereotypes in which ethnic groups are stereotyped as having certain attributes. In the Malaysian case, the Malays have often been regarded as lazy and indolent and the Chinese as dirty, cunning and deceitful.²⁸ These stereotypes come up in daily interaction between ethnic groups and become ingrained in the folkways of the society, and are a viable and important element in examining a pluristic society and its components (political, economic or social). They

28. See J. Wilson, A Malay Village and Malaysia, H.R.A.F. Press, New Haven, 1967, p. VI.

cannot be dismissed as they are an intrinsic part of the balancing mechanism of intercommunal relations that in fact allows groups to live together and only in extreme cases--such as in racial riots--get out of control.

In the case of Malay, their social and economic position in Malaysia is part due to the external factors already mentioned and part due to their own traditions and attitudes.

Malay values and attitudes²⁹ are guided by a number of factors. One of the most important which is adat or traditional custom. Two value systems, it has been suggested,³⁰ underlie Malay adat: one stresses courage, individualism, and initiative while the other stresses conformity, cooperation (gotong royong) and work. The first, is characteristic of the ruling classes and the second of the

29. As Popenoe points out, little systematic social research has been carried out on Malay attitudes. What is analysed is the work of several anthropologists. See Judith Djamour, Malay Kinship and Marriage in Singapore, London School of Economics, Monographs on Social Anthropology 21, 1943; Raymond Firth, Malay Fishermen; their peasant economy, London: Keagan, Paul, Trench, Turner & Co., 1946; M.G. Swift, Malay Peasant Society in Jelebu, London School of Economics, Monographs on Social Anthropology 29, 1965; S. Husin Ali, Malay Peasant Society and Leadership, Oxford University Press, 1975. There are as far as I know, no studies of the 'urban' Malay who is rapidly becoming --due to government policy and immigration to cities--an important person to be analysed. For attitudes of Malay business men and entrepreneurs, see Oliver Popenoe, Malay Entrepreneurs, Ph.D. Thesis, London School of Economics, University of London, 1970.

30. See Syed Hussein Alatas, "The Grading of Occupational Prestige Amongst the Malays in Malaysia," Journal of Malaysian Branch, Royal Asiatic Society XII, 1 July 1968, pp.146-156.

subjugated agrarian sections of Malay society. The strength of adat today varies throughout Malaysia, still being strong on the East Coast and in the more rural areas and less strong in the developed parts of the country (Alatas 1968). But generally, Malay society is "still influenced to a considerable extent by a feudal outlook which hampers it in moving towards modern goals and means."³¹

A second factor is the nature of the family structure for the Malay family is essentially based on non-economic attachment. This can be seen, for instance, in child-rearing customs in which, as Popence notes, "self reliance and need to achieve are not instilled in the typical Malay family."³² Education of the child is seen as something done to one by an outside agency and generally the Malay child's upbringing encourages an apathetic attitude to life, best epitomised in the Malay expression 'tidak apa' (it doesn't matter). Djamour (1943) who made a study of Malay families in Singapore found

31. Popence, op.cit. p.247.

32. As Popence points out, the Malays (unlike Chinese) have a clear idea of their family's history and as each family's history will end with the parents' death. At the same time, the divorce rate is very high amongst Malays. As marriage is seen as a form of contract that is easily dissolved. See Popence, op.cit. p.249, and Raymond Firth, Malay Fishermen: Their Peasant Economy. London, Kegan Paul, Trench, Trubner & Co., 1946.

that:

The whole process of socialization of the child was based on a deliberate attempt by parents to make their offspring grow into peaceful and well-behaved human beings. The primary aim of Singapore Malay parents--with few exceptions--was not to have 'successful' children in the sense of wealthy and socially prominent adults, but to have children who derive happiness from personal relationships. They hoped that their sons would be contented in their job and happy in their home life, and that their daughters would become good housekeepers and loving mothers.³³

This attitude or value system is often applied to work. As Sir Richard Winstedt points out, to the Malay, work is not regarded as a virtue or an important aspect of life.³⁴ Leisure, peace of mind and serenity are generally regarded as being more important than work. As Djamour brings out contrasting the different cultural values of the Singapore Chinese:

Singapore Malays and Chinese certainly appeared to have different cultural values. Singapore Chinese on the whole considered the acquisition of wealth to be one of the most important aims in life, and almost an end in itself; they were indefatigable workers and keen businessmen. Singapore Malays on the other hand, attached great importance to easy and graceful living. Until very recently, the majority of them seemed content if they had a neat wooden house, sufficient food to eat, and a new suit of clothes for hari raya, the festival at the end of the Muslim fasting month of Ramadan.³⁵

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33. Judith Djamour, Malay Kinship and Marriage in Singapore, London: The Athlone Press, 1965, p.108-9.
34. Richard Winstedt, The Malays: A Cultural History, Revised edition. London: Routledge and Kegan Paul, 1950, *ibid.*
35. Djamour, *op. cit.*, p.73.

Similar attitudes also have been noted by Wilson (1967) and by Swift (1965) in their village studies in Malaysia.

At the same time, work relationships are seen basically as social and not economic in nature. They are governed by patterns of conduct and expectations which are aimed at facilitating their smooth functioning--an extension in fact of the family codes of conduct stressing equality and mutual respect seen, for example, in the 'tolong menolong' relationship³⁶ of mutual assistance. This value system is an important factor in assessing the traditional Malay attitude to work as the tolong menolong relationship is based on social customs and community spirit in which calculation of money is completely out of the question.

At the same time, there are, as Wilson (1967) found in his study of two villages, different categories of work with different statuses. On the one hand, there is 'kerja' or work applied to activities such as rice growing, gardening, fishing, cooking and clothes washing. These are activities that contribute directly to the subsistence of the household and are categorised as being worthwhile and contributing to one's family. On the other hand, other categories of work are classified as for only making money (bikun quit, chari wang or makan gaji) and have no dignity attached to them. Another important element in the understanding of Malay values is that of the importance or unimportance given

36. Tolong Menolong is derived from the view of the nature of the work performed in which, for instance, the relation between the landowner and coolie is idealized as being a reciprocal relationship between equals, rather than an employment relation between unequals. See Wilson, op.cit. p.77.

by Malays to money. In this attitude, Islam plays an important part as the Malay has the problem of rationalising Islamic principles to daily life. The Malay adapts himself to the problem of not taking interest (or Riba) by using another phrase for it, 'bunga,' but because of the influence of Islam, he generally does not use himself or see money being used productively. This can be seen in the Malay attitude that Wilson notes, to the responsibilities in the idea of contract. In the example, he quotes from his study of a Malay village,³⁷ a villager bought a radio and after two payments on it bought a bicycle and stopped payments on the radio, saying that having made two payments, the radio was rightfully his. He intended to eventually pay for the radio but saw no hurry or obligation to pay according to the contract terms.

Similarly, a Malay tends to borrow extensively from money lenders rather than from banks or cooperatives as the latter ask no questions and, unlike the former, are not worried about the productive use of money. The rural Malay will also borrow extensively for non-productive 'adat' purposes such a 'kenduri' or religious feasts. This is brought out in a study made by Tjoa (1963) on peasant economy in Malaysia, when one of the respondents, when asked why he spent so

37. Wilson, op. cit., p.91-92.

much money on kenduris, said:

We know it is actually a very heavy financial burden for us, but everybody whether rich or poor gives a kenduri. Besides, it is prescribed by our custom and religion which have regularly been observed for many generations by our forefathers. We just feel disturbed and funny (malu) if a kenduri is not given on important occasions in our life, such as birth, marriage, and death. Further, what will people think of us if a kenduri kahwin (wedding ceremony) is not held in a gradiose way? This is one of the few happy occasions when our relatives and friends get together, and of course it is a shame (malu) if we have nothing to offer. Even if we have to pawn our land or jewelry because of this celebration, it does not matter. Money can be earned but not happiness.³⁸

This can be seen as Swift has noted in the demonstration effect "where a Malay will often for impression and out of pride spend more than he earns and can afford."³⁹

Finally, there is sometimes a feeling of inferiority among Malays for a number of reasons. Owing to the authoritarian social structure in Malaysia before the British arrived and then British paternalism and protection, the Malay has never had to compete and, as a result, Malay village culture is "remarkably uncompetitive." The result of this is that the Malay has developed a stereotype of

38. Tjoa Soei Hock, Institutional Background to Modern Economic and Social Development in Malaya, (Kuala Lumpur: Liu and Liu, 1963).

39. Swift, op. cit., p. 73.

himself expressed--perhaps excessively--by one of the leading Malay intellectuals of the early part of this century, Zainal Abidin bin Ahmad in 1923:

The Malays, as a whole, are a particularly poor people. Poverty is their most outstanding characteristic and their greatest handicap in the race of progress. Poor in money, poor in education, poor in intellectual equipment and moral qualities, they cannot be otherwise but left behind in the march of nation...Intellectually the Malays are poor in knowledge, in culture, and in the general means of cultivating the mind. Their literature is poor and unelevating; their domestic surroundings from childhood are poor and seldom edifying; their outlook of life is poor and full of gloom; their religious life and practice is poor and far removed from the pure original teachings of the Prophet. In short, the Malays are poor figures in every department of life.⁴⁰

This has not been helped by the protection and special position extended to Malays under the 1957 Constitution and in the Second and Third Malaysia Plans. The special creation of specific Malay schools and centres of advanced training like M.A.R.A. may well only enforce this traditional attitude. As one Malay entrepreneur interviewed by Popenoe remarked:

40. Quoted in V.R. Roff, The Origin of Malay Nationalism (Kuala Lumpur: University of Malaya Press, 1967), p.151.

MARA has built lots of nice new stalls but they get little business because they are only for Malays. If the Malays don't learn to compete they'll never be independent. They'll be like the coconut trees in Kew Gardens. If you break the glass, they're dead.⁴¹

The result of this is that the Malay is often lost in the growing modern world in Malaysia. Popenoe in his study of Malay entrepreneurs summarised this feeling in this way:

Because the Malay peasant lack belief in his own capabilities outside his traditional domain, because the social controls break down in the cities and he has not yet assimilated the impersonal values of modern economic life, and because he is used to being care for by a paternalistic government, he often looks for the easy way out.⁴²

But in general, though, the values and attitudes of the rural and traditional Malay culture are beginning to be displaced by modern developments although they still play a strong role in Malaysia particularly among rural Malays, and it is exactly this view or style of life that is the most difficult to change in the process of development. Thus, while modern in many aspects, large parts of Malaysian society are still not fully developed. At the same time, the traditional way of life, attitudes and ties of the large Malay segment of the population remain essentially unaffected by modern development in the country.

41. Popenoe, *opp. cit.*, p.47.

42. Popenoe, *opp. cit.*, p.176.

If it is clear that in Malaysia the Malay ethnic group, through the historic development of the country, has remained in the poorer areas and in the poorer occupations, it is also clear that there are strong cultural factors that would also restrain Malays in particular in improving their lot. / Consequently, all these factors play a part in explaining the high incidence of poverty in the Malay community particularly in the Malay rural sector and the general political pressure on the Malay dominated Government in 1957, to do something to alleviate it. The result was the switch to widescale government sponsored land development programmes after Independence in 1957.

The need for rural development was first extensively debated in the Colonial Legislative Council in the early 1950s but no programme was implemented as the Emergency took priority until 1960. But meanwhile, Malay resentment and impatience with what was regarded as Government inaction grew with the extensive resettlement of Chinese in new villages during the Emergency period⁴³ and with the ending of the Emergency and the formulation of the Second Malaysia Plan in 1960, rural development and the eradication of poverty became the two major policy strategies.

C. Interlinking of Malaysian National Development Programmes and

Land Reform

Starting with the Second Malaysian Plan (1961-65) Malaysia

43. As Ness notes, Malay Legislative Council members pointed out that red tape had been cut for the Chinese while amenities had been denied to the Malay villages and cries of "What price loyalty" were frequently heard in the Legislative Council debates at this time. See Ness, Bureaucracy and Rural Development in Malaysia, opp. cit., p.98-100.

has now seen, in 1975, fifteen years of virtually uninterrupted development with the focus throughout on integration, on developing the country by increasing the rate of economic growth and decreasing the number of unemployed, and achieving greater economic stability and a more equitable distribution of income and wealth. These objectives have not changed throughout this period although the momentum of the implementation has, particularly after the 1969 communal riots and the introduction of accelerated development with the 'new economic policy' of the Second Malaysia Plan (1971-75), increased.

The basic objectives throughout this period, and until 1990,⁴⁴ firstly were/clearly stated in the First Malaysia Plan:

1. the integration of the peoples and states of Malaysia by promoting the welfare of all;
2. a steady increase in the level of income and consumption per head;
3. an improvement in the standard of living of the rural population and other low income groups by increasing their productivity;
4. the provision of employment opportunities for the additional labour force and a reduction in the existing level of unemployment and underemployment;
5. a diversification programme in agriculture and industry so as to reduce the dependence on rubber and tin;
6. an educational programme for all Malaysians so that they may participate effectively in the process of economic and social development;

44. The policy framework of development to 1990 was set out in the Outline Perspective Plan 1970-1990 with the dual aims of eradicating poverty and giving greater participation to Malays in the Mid-Term Review of the Second Malaysia Plan, Kuala Lumpur, Government Printer, 1973. The Third Malaysia Plan 1975-80 introduced more emphasis on developing the less developed states while reiterating the long term aims. See Third Malaysian Five Year Plan (1975-80), Government Printer, Kuala Lumpur, 1975.

7. a programme for effective family planning to reduce the demographic pressure;
8. a land settlement scheme to provide the landless with economic-size farms; and
9. an efficient and sufficient infrastructure.⁴⁵

This accelerated overall rural development was the key strategy in this whole development process. It provided a solution to two of the major problems--those of poverty and unemployment--and was politically attractive as it would satisfy the predominantly rural Malay majority in the country. And in this rural development strategy, land development was the logical mechanism to its successful implementation.

The idea of Government intervention in land development arose initially in internal government discussions in 1955 and a working party was set up in March 1955 to examine the need of the various state governments for assistance in land development. Its report in 1956 emphasized the need for planned development, of the existence of widescale land hunger and of the existence of land in the states available for development, and the availability

45. See The Second Malaya Plan 1961-65, p. 16; The First Malaysia Plan 1966-70, p. 2; and The Second Malaysia Plan 1971-75.

of people ready to participate in land schemes.⁴⁶ The recommendations of the committee were accepted by the Legislative Council and just before Independence in August 1957, the main mechanism for what was to be a national policy of extensive land development in Malaysia, the Federal Land Development Authority (FELDA) was set up by the Land Development Ordinance on July 1, 1956.

Other Types of Land Schemes in Malaysia

In addition to the FELDA which clears the land and whose settlers have to live on the scheme, five other types of land schemes have been and still are being utilized by the Government of Malaysia today for land development. These are:

1. Fringe Alienations schemes. In these, land is developed for agriculture usually within 3 to 4 miles of an existing Kampong with the primary aim of augmenting the income of smallholders. Initial development is carried out by the State Government with financial assistance from the Federal Government.
2. Controlled Alienation schemes. Under this type of scheme, large blocks of land are made available by the State Government for development by individual smallholders who have to provide the developmental capital from their own resources. The State Government charges rent for the land.
3. Youth schemes. These are state run schemes for the unemployed youths entirely financed by the State Government. The settler

46. See Working Party, op. cit. p.7.

who have to be unmarried as to repay cost of the development and each settler is allocated five to eight acres with eventual ownership.

4. State schemes. These include public sector schemes and joint ventures. The state schemes are those undertaken and managed by the various State Economic Development Corporations with loans from the Federal Government. They do not, like the Youth schemes provide ownership or settlement and workers are paid as labourers. The joint ventures are schemes between the private sector and State Development Corporation.
5. Group settlement or Bloc replanting schemes. These are blocks of land developed for agriculture by States Governments into holdings adequate to support a family unit (six to eight acres). Land clearing is financed by the Rubber Industry Replanting Board. Housing settlements are by the State or under Federal low-cost housing schemes. State schemes include those developed by the Kelantan State Land Development Authority (KSLDA), where settlers receive planting materials and are allotted six acres of rubber, an acres for garden, and two acres of rice land where available. A home site of one-quarter acres is also provided.

In addition, there are extensive private sector estates in Malaysia. These consist of land developed in blocs of 100 acres and above mainly for rubber and oil palm.

Table 1.16 below shows the amount of land alienated and developed for agriculture under the various schemes from 1961-70.

Table 1.16

LAND ALIENATED AND DEVELOPED FOR AGRICULTURE
BY TYPE OF PROGRAMME, 1961-1970

(000 acres)

Programme	Alienated		Developed	
	1961-65	1966-70	1961-65	1966-70
FLDA				
West Malaysia (WM) ...	176.1	132.1	119.3	179.0
East Malaysia (EM) ...	-	-	-	-
Fringe Alienation				
WM	128.5	11.3	115.6	11.7
EM	10.0	40.0	8.0	40.0
Youth Schemes				
WM	-	9.8	-	5.3
EM	-	-	-	-
Controlled Alienation				
WM	187.7	106.3	108.2	42.0
EM	-	-	-	-
SEDC's and Others				
WM	121.8	101.0	21.8	30.3
EM	1.0	70.5	4.0	88.5
Private Estates				
WM	139.0	225.8	140.1	46.0
EM	0.3	17.6	0.2	17.7
Block Planting and State Schemes				
WM	135.0	28.2	34.8	15.3
EM	n.a.	18.0	n.a.	18.0
Total				
WM	888.1	614.5	539.8	329.6
EM	n.a.	146.1	n.a.	164.2
Malaysia	n.a.	760.6	n.a.	493.8

Source: Second Malaysia Plan (1970-5)

Table 1.17 gives the expenditure allocation for public sector and it can be seen that Felda and Fringe Alienation schemes are the most heavily financed. Table 1.17 indicates the extent of land developed under the various agencies in the 1971-75 period.

Table 1.17

PUBLIC EXPENDITURE FOR LAND DEVELOPMENT
1966-75: MALAYSIA

Programme	Plan Allocation 1966-70	Expenditure 1966-70	Plan Allocation 1970-75	Expenditure 1970-75 (Anticipated)
Felda	305.0	284.4	582.42	582.42
Fringe Alienation Schemes	30.0	25.4	36.35	36.35
Youth Schemes	--	8.1	94.33	94.33
Pubic Estates and Outer Schemes	13.1	16.8	158.45	158.45
Oil Palm and Rural Schemes	27.8	11.0	57.10	57.10
Total Schemes	375.9	309.7	908.25	908.25

Source: Second Malaysia Plan (1970-75) p.44.

TABLE 1.18

LAND DEVELOPMENT PROGRAMME
SECOND MALAYSIA PLAN 1971-75
PROGRESS REVIEW

Agency	Target Acreage 1971-1975	Actual Planted Acreage 1971-1974	Estimated Acreage	Total Planted 1971-1975	Achievement
FELDA	275,000 *(403,000)	316,878	90,000	406,878	147.9%
FELCRA	100,000	51,338	5,550	56,888	56.8%
RISDA	150,000	30,980	10,000	40,980	21.31%
State Agencies	337,300	315,109	50,000	365,109	108.2%
Private Sector	172,500	112,781	20,000	132,781	76.9%
Total	1,034,800	827,086	175,550	1,002,636	96.8%

Source: Ministry of Land Programmes 1975.

Overall these types of schemes led to a total development of 329,000 thousand acres in the first two plans 1961-70, and just over one million acres in the period between 1970-75.⁴⁷ (see Table 1.18).

47. This is an impressive rate compared to the rate achieved since the depression of an annual acreage of 35,000 acres but slightly below the heyday of the 1920s when some 120,000 acres were opened up annually (Wafa 1972).

Summary

Thus, land development has been a major element in Malaysia's first growth /~~of~~ in precolonial then in colonial and finally in post-colonial times. In the early periods, it was engendered by the natural richness of the country and world demands and its use quickly established Malaysia as a major world raw commodity supplier. In the postcolonial era, land development became a key mechanism in the Government's overall rural development strategy, aimed at meeting the strong political and economic demands in the country for an effective programme to meet rural (and predominantly Malay) land hunger and poverty.

The major mechanism of Land Development Policy in Malaysia was the Federal Land Development Authority created just before Independence in 1956. This was followed by five other state sponsored schemes, all aimed at maximising the Government's national rural development policy and all using land development as the means to do this.

Of these agencies, the Federal Land Development Authority proved to be the most effective and in time grew to be the major organisation in Malaysia overall rural development policy. Its objectives as we will see in Chapter 2 were two-fold, firstly, opening land and secondly, ~~of~~ modernising its settlers.

CHAPTER 2

THE FEDERAL LAND DEVELOPMENT AUTHORITY

A. The Setting Up of FELDA

As it has already been noted in the last chapter, there were a number of factors leading up to the decision for large scale government intervention in agricultural and rural development (including the setting up of FELDA¹) and other land schemes at Independence in 1957. These included the existence of large scale land hunger at this time due to a series of events--the great depression in the early 1930's that led to a fall in world rubber prices and consequently a fall in land alienation, followed by a halt to development throughout Malaysia during World War II and the Emergency. As a result, there were some over 200,000 applications awaiting process in 1957.² At the same time, Independence brought in a new Government committed to raising the living standards and conditions of the Malay community in particular and large scale land development seemed the logical answer to both population pressures, rural poverty and the strong political pressure on the new Malay dominated Government to take action to alleviate these.³

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1. FELDA has been the official abbreviation for Federal Land Development Authority since 1972.
 2. See Taib Andak, The Work of the Federal Land Development Authority, Kuala Lumpur (mimeo), March 1964.
 3. Added impetus to this type of land development strategy had been given by a World Bank report in 1954 urging widescale planned agricultural expansion and land development. See ICRD, The Economic Development of Malaysia (Johns Hopkins Press, 1955).

The result was the setting up of a working party in August 1955 to:

- (a) assess the need in the various States and settlements for assistance from the Federal Government in the development of new areas for land settlement, and in the light of this assessment,
- (b) to make recommendations, with special reference to financial and administrative aspects, on the most suitable organization for providing such assistance.⁴

And after some six months of work, the Working Party published its report in early 1956 stating that there was a need for planned land development, and that most of the States and settlements needed and welcomed Federal help in land development. The report recognised that while existing land administration in the country needed to be strengthened, special machinery was needed in land settlement at the Federal level and recommended the setting up of a new body called the Federal Land Development Authority (FELDA). FELDA's "...function should in general be financial and coordinating but no administrative" and that, "...schemes should be proposed and executed by the States and settlements themselves, calling on Federal resources as needed."⁵

Thus FELDA was not intended to be a body which takes the initiative in land settlement. It was pointed out that land was a State prerogative and that land development needed the close cooperation of the population, which only a local agency could muster. As an example, the /

Working Party

4. Report of Working Party; set up to cover the development of new areas for land settlement, Kuala Lumpur, Government Printer, February 1956.

5. Op. cit., p.4 para 3.

pointed out the success of the Petaling Jaya Authority which was under State control, but having Federal financial support.

The Working Party also made an assessment of land shortage and the need for Federal aid in the States noting that there was an urgent need for land in Malaysia, as indicated by its own general assessment as well as the number of applications for land awaiting process in the land offices.

At the same time, the Working Party--in a wideranging and coherent report--made a number of observations on the problems of land development, its financing, settler selection, ownership of land, that in hindsight today were to be remarkably pertinent to the subsequent history and development of FELDA. Emphasising the need for planned development, the Working Party noted the 'present inadequacy of data on agricultural patterns and unrealised agricultural potentialities that were a serious handicap to planned land development in Malaysia.⁶

At the same time, the report emphasised that there was not only the necessity for planned development but "that economic development goes hand in hand with social development" and that "in the opening up of new areas--it is essential that provision of schools, roads, health services and the like, should be an integral part of any plan from the beginning." The Working Party also recommended that economic development should be controlled to "ensure that the size of the holdings are adequate, that steps are taken to prevent fragmentation and that a settler should have in addition to a cash crop, one or two

6. Op. cit., p.2 para 8. One consequence of this was the first Malaysian Agricultural Survey of 1960 and more comprehensive Land Capability Survey of 1970.

subsistence crops and that a reasonable standard of agriculture...be maintained."

As to financing, the Working Party emphasised the desirability of having an autonomous Federal body that could both utilise Government funds and, at the same time, have the freedom to borrow money on the open commercial market.

Another recommendation, in view of FELDA's later difficulties in stopping the sale of rubber outside FELDA schemes is that steps should be taken to make the "producer process his product at a central processing factory in schemes where central processing is undertaken,"⁷ and, laying down the guidelines that were to be implemented throughout FELDA's development, the Working Party recommended that development costs passed on to the settlers should not include extra cost "of any services provided beyond the normal standard of smallholders development." As to method of development, phased development was recommended so that there was fulltime work for the settlers during the maturing of the crop and that settlers should be chosen with care kept in mind.

Thus the 1955 working party provided an invaluable assessment of the needs and problems of large scale land development in Malaysia and foresaw most of the problems that were to plague FELDA at various stages in its development. As a result of this report, the Federal Land Development Authority was established by the Land Development

7. Op. cit., p. 7 para 4.

Ordinance (No.20) in 1956⁸ to "promote and assist the investigation, formation and carrying out of projects for the development and settlement of land in the Federation" and it started work in 1957.

B. Stages of Development

In its nineteen year history from 1956 to 1975, FELDA has undergone three stages of development.

The first was from 1956 to 1960, when it was mainly a financial organisation, acting as a supplier of funds to the State governments to start land schemes with the one exception--the Bilut Valley scheme--which it administered directly. During the second period, FELDA (from 1961-67) not only switched its policy and became actively involved in the running of land schemes in all their aspects but grew rapidly in staff and size. Finally in the third phase of its development from 1967, FELDA expanded both its size in terms of its number of schemes and the settlers taken . . . but diversified its crops moved into bulk processing and marketing, and also with the setting up of the Settler Development Division in 1967, started to actively try to socialise its settlers and move them into a more modern way of life.

1. Initial Years 1956-60

The Federal Land Development Authority that came into existence with the enactment of the Land Development Ordinance of 1956 and which

8. The Land Development Ordinance, 1956 (No.20).

started work on July 1st, 1956⁹ was a statutory body whose main aim was to channel Federal funds to State governments to support land schemes.

With this objective laid down by the Working Party Report of 1956 and the Land Ordinance, FELDA's early policy took shape through a series of Board meetings during this initial year. In August 1956, a Chairman, Mr. D.E.M. Fiennes was appointed (who had also been one of the members of the Working Party) and the first Board meeting was held in Kuala Lumpur on 8 August 1956 to discuss the Authority's principles and priorities. It is interesting to note that the meeting laid emphasis in the selection of settlers on giving opportunities "to those with initiative rather than charity to those who haven't"¹⁰ and that it was suggested that both large and medium size holdings as well as smallholders were developed. At the same time, it was decided to concentrate on the most valuable crops, these being rubber, coconuts, oil palm, pineapple and cocoa. At the second

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9. The Federal Land Development Authority was established by the Federal Land Development Ordinance which was passed by the Legislative Council on 17 May 1956 and received the High Commissioner's assent to have effect from 1 July 1956. See Interim Report on the History of FELDA (FELDA 1974 mimeo, p.1). It is often incorrectly assumed to have started work in 1957 with the opening of the Bilut Valley schemes, its only directly administered scheme in this first period, but in fact the first three meetings of its board were held in 1956.
 10. In recommending this, the Board followed closely the recommendation of the Working Party but with hindsight it is also interesting to note that FELDA in fact attracted generally a bad type of settler in the early years and that many of these ran away from the early schemes.

meeting, a number of important decisions were taken. These included that of only financing part of the cost of state schemes with the balance being picked up by the State governments, the establishment of the principle that funds were needed by way of grants as well as loans and that these be sought from two sources, the Federal Government under the Rubber Fund Ordinance, and from the commercial market. The meeting also decided that setting up its own auditing body for financial matters would be too expensive and that outside organisations should be called in as consultants were it necessary. As a result of this decision, the Rubber Producers' Council was approached to provide professional planting consultants to evaluate rubber projects and the Malaya Development Company was asked to act for the time being as the Authority's accountants. At the third meeting held on November 6th, it was decided that the Authority should have control over the use of its money which would be lent to the various State development boards and corporations and that FELDA must be able to intervene in a project which was being inefficiently managed technically or financially. At the same time, a secretary was appointed, Mr. Mohammed Hussein bin Ibrahim.

Thus, the end of 1956 FELDA had not only set up a small staff but had, in these first three board meetings, laid down the groundwork for its organisation and method of operation in this initial stage.

It now started in 1957 to actively invest in projects and at the fourth board meeting held on January 8, 1957, the decision was made to allocate \$11,450,000 to 10 projects.¹¹ These were located in six different states of which four were in the traditionally low income areas of Kelantan, Pahang, Trengganu and Kedah. At its sixth meeting, the Board received a report on the progress of its first state backed project--the Ayer Lanas Scheme in Kelantan. This report showed the kind of difficulties that FELDA was to experience acutely in these early years and also to some extent in its later development in the 1960's.

The Ayer Lepas scheme was a scheme financed by FELDA and run by the Kelantan Land Development Board. Initially \$800,000 was allocated in late 1956 to the first phase of its development. However, the contractors failed to carry out the work according to schedule. The report noted that out of the 100 men originally recruited from nearby kampongs, only seven appeared and they only managed to clear some 27 acres before they had to return to their kampongs to do padi harvesting work. Some 40 men were then brought in from the nearby town of Machong but they absconded after the first night as no accommodation was available on the scheme. Finally the Penghulu of a nearby kampong came with nine men and 15 acres were cleared. But by that time, the settlers were arriving and the clearing and feeling work had to be allocated to them on a contracter basis. Surprisingly enough, of some 357 settlers who arrived in March 1957

11. Five other projects had been approved in principle in late 1956 thus making a total of 15.

and were faced with uncleared land and no houses--they slept in a transit camp until they built their own house--only 8 left the scheme.¹² Work was also slow on other early schemes notably the Soloh Menggong scheme in Malacca where "little had been done but talking."¹³

In 1957 the Authority established a corporation to develop its first directly administered scheme in this period, at Bilut Valley in Pahang. This was the Bilut Valley Land Corporation which was formed in 1958 and this scheme in particular was to give FELDA many direct insights into the problems of land development that at times must have been nightmarish." (Tang 1973, p.7).

By the end of 1958, FELDA had approved detailed plans for the development and financing of State projects totalling \$3.2 million of its planned \$11 million. By the end of 1959 in its third year of operation this number had increased to 11 projects in six different states totally 31,000 acres in area and housing 3,000 settlers' families. At the same time as the 1959 FELDA annual report noted, FELDA was "cautious during the first two years for it did not like to plunge headlong into the unknown."¹⁴

But experience in these initial three years had led to decisions being taken on a number of issues and guidelines being laid down for future land development. Six basic principles were clearly recognised in this period, these being:

12. See op. cit., Interim History, p.6 for full details.

13. Minutes of the Sixth Meeting of the Federal Land Development Authority held in Kuala Lumpur on 6 November 1956.

14. Third Annual Report (ending June 30, 1959), FELDA, Kuala Lumpur 1959.

(i) There must be competent scheme management, leading rather than driving the rural community.

(ii) The best available land in each state should be chosen.

(iii) Settlers should be good farmers--land settlement should not be confused with slum clearance.

(iv) In the establishment of new settlements, the size of holdings should be planned to be as big as a family can manage working full time; it would be a mistake to divide the acreage available by the number of people who want it; it would be wrong to say "five acres is enough for a family to live on;" to allocate holdings too small for full employment would be one way to perpetuate rural poverty and subsequently create new agricultural slums.

(v) The crops to be grown should be those which are considered likely to produce the highest revenue to the farmer and subsequently increase his living standard.

(vi) A new living community, with roots in the new soil, should be formed as soon as practically possible. It should be big enough for economic provision of social services with farmers' representatives having a say in the management as soon as possible. Whole social units, preferably 50 connected families or more should be moved as a whole into the new land development scheme.¹⁵

15. Op. cit., Interim Report, p.11.

During the first few years, FELDA's staff strength was minimal, having in early 1959, one office assistant, a financial clerk, a typist and, at the executive level, an accountant secretary as well as, from 1959, a full time Chairman of the Board.¹⁶ But during 1958, FELDA had recognised the future need for trained managerial personnel and had recruited five cadet assistants in 1958 and increased this by six more in 1959. It is interesting to note today how the FELDA envisaged the type of person they were looking for and how even at that time they were clear that, contrary to the strong and still prevalent Malaysian tradition for security, they probably did not want to make this the prime motive for someone joining FELDA. As the Board minutes noted, "A rural background has been felt to be essential with academic training to School Certificate standard and clear evidence that the recruit has shown exceptional capacity for leadership and initiative. There were no salary scales or fixed schemes for promotion, each recruit accepted the job on the understanding that he was being offered opportunity but not security."¹⁷

By 1960 the FELDA had increased the number of schemes to 14 (see Table 2.1) and settler intake to 4662. But this was far short of the target set in the First Malayan Five Year Plan that ended in 1960 that had a target of 36 schemes, 15,000 acres and 14,400 settlers.¹⁸

16. Mr. Taib bin Haji Andak, a Malaysian, became the first fulltime Chairman of FELDA in 1959 when he succeeded the first Chairman, Mr. D.E.M. Fiennes who retired. Fiennes had been on secondment from the Commonwealth Development Corporation.

17. Op. cit., Interim Report, p.7.

18. See First Malaysia Plan 1956-60, Government Printer, Kuala Lumpur 1956, p.27.

TABLE 2.1

SCHEMES FINANCED BY THE FELDA (1957-60)
AND MANAGED BY THE STATE DEVELOPMENT CORPORATIONS

Scheme	State	Year Established	Crop	Number of Settlers (Eventual)
1) Endau	Johore	1959	Rubber	255
2) Kong Kong	Johore	1960	Rubber	430
3) Sungei Tiram	Johore	1960	Rubber	110
4) Parit Hj. Idris	Johore	1960	Rubber	54
5) Kulai	Johore	1960	Oil Palm	409
6) Kemendore	Malacca	1958	Rubber	380
7) Kg. Menggong	Malacca	1958	Rubber	100
8) Machap	Malacca	1959	Rubber	72
9) Chalok	Trengganu	1958	Rubber	400
10) Batu Lapan	Kedah	1958	Rubber	86
11) Sungei Tiang	Kedah	1959	Rubber	530
12) Bukit Tembaga	Kedah	1959	Rubber	152
13) Guar Napai	Kedah	1959	Rubber	144
14) Ayer Lanas	Kelantan	1957	Rubber	400

Source: FELDA, Annual Report, 1962

At the same time as this first period of FELDA development was drawing to a close, there was an added momentum in Malaysia in the late 1950's to increase government expenditure in the public sector and particularly in agricultural development. This could be seen first with the setting up of the Rural Industrial Development Authority (RIDA) in 1950 to extend rural credit and provide physical improvements to rural areas.¹⁹ Another had been FELDA itself set up in 1956 and others had included a Community Development programme. But undoubtedly the most important of all, for it marked the importance the Malaysian government was now to place on agricultural development, was the Ministry of Rural Development set up in 1959. Its importance, as Ness notes, is that the other organisations created, RIDA, FELDA, and the Community Development programmes, were ineffective and "it still remained to find an organisational instrument powerful enough to reshape the existing bureaucracy."²⁰

The Ministry of Rural Development set up on 7 October 1959 shortly after the Alliance government was returned to power in the 1959 elections. It was in fact to provide the organisational stimulus behind a new and important coordinated drive for rural development in Malaysia. Its importance was underlined by the fact that it was put in the Prime Minister's Department and under the active direction of the then Deputy Prime Minister, Tun Abdul Razak. Its aim spelt

19. For RIDA's role in this period and later, see Gayle Ness, Bureaucracy and Rural Development in Malaysia, University of California Press, 1967.

20. Ibid, Ness, p.74.

out in this period in a number of speeches and policy statements to mobilise, through coordination, the country's resources towards rural development. This policy had two clear underlying motives that could be seen thenceforth in Malaysian rural development policy--the straightforward political aim of accruing to the Alliance Party the goodwill from the Government's ability to fill the "peasants' pots," and the realisation that only by massive government planning would poverty be eradicated.

In light of this, a National Rural Development Board was formed to channel political power into the rural development programme in January 1960 with the Prime Minister and Deputy Prime Minister acting as Chairman and Deputy Chairman respectively. It set to work immediately preparing a plan for rural development to be integrated into the Second Malaysian Plan that was being prepared at that time. At the same time, the Ministry began its task of overall planning and coordination by issuing instructions for the formation of local committees that effectively circumnavigated the federal structure of Malaysia by taking over the states' right in this respect. These were formed with the State Development officer as executive secretary (the chairman was the Chief Minister of the state in question) and planning was standardised around the Red Book.²¹

And, as Ness points out, rural development rapidly became a popular programme epitomised in the Red Book concept and, as such, one

21. For a description of the Red Book, see Ness *op. cit.* pp.145-149. It was later succeeded by the Green Book aimed at stimulating the growing of home grown crops in 1974.

with additional political power(Ness, 1957).

Not surprisingly, these developments--the strong political commitment after the Alliance victory in 1959 for more rapid rural development, the slow pace of development of FELDA in the initial period from 1956-60 and the advent of the Second Five Year Malaysia Plan--all led to a drastic reappraisal of FELDA's role. As a result, a special committee was set up by the Minister of Rural Development to review FELDA's work in December 1960.²²

The findings of the committee that published its report in 1960 was to lead to the reorganisation of FELDA and a new direction in its development, this was to build on the groundwork laid in the initial stage but was also to take FELDA into a more active role as a direct administrator of land schemes in the two successive stages of its development from 1960-67 and from 1967-75. But these first four years were of crucial importance in FELDA's history as they built on the sure direction laid down by the Working Party of 1956 and, although progress was slow, established the basic working guidelines for land development in Malaysia.

2. The Second Stage: Large Scale Directly Administered Development

1961-67

The special committee set up in December 1960 focused a number of basic weaknesses in FELDA operations and, in light of its

22. Report of the Special Committee to Review the Role of the Federal Land Development Authority within the National Rural Development Programme, Kuala Lumpur, undated, about June, 1961, mimeo.

investigations, made a number of recommendations that were to reorientate and amplify FELDA's role in land development in Malaysia. Among the main recommendations were:

(1) FELDA should abandon the role of being a loan board and become directly responsible for the planning, setting up and administration of all the land schemes it financed.

(2) That the investigation and planning of all FELDA schemes should be coordinated through two high-level federal committees, one consisting of secretaries and heads of federal departments connected with Development.²³ At the same time FELDA was placed under the newly established Ministry of National and Rural Development to facilitate communication and to avoid previous administration of inter-governmental hold ups.²⁴

(3) That the FELDA Head Officer was to be strengthened with additional officers and staff to be divided into various administrative departments, that regional offices be established in various states and finally that adequate ground management be found. This also included recognition of the need for expert advice on agricultural maintenance and field aspects of FELDA's work and suitable training for managers and young recruits.

Other recommendations covered the streamlining and reorganisation of the Board to obtain people with more knowledge in land development

23. See Ness, *op. cit.*, p.88, for details of these. The two committees that evolved were the Technical Investigation Committee and the Technical Planning Committee.

24. This in effect led to some reduction in FELDA's autonomy but still left the FELDA with freedom to implement and run its schemes while obtaining an official umbrella.

matters and that in the future, FELDA administrative posts should be borne by FELDA and not charged as previously to the settlers' loan repayment account. As a result of these recommendations, FELDA was to rapidly change the direction of its policy and scope.

In terms of funding, FELDA received markedly additional funds under the Second Malaysia Plan and it also changed its policy in terms of the clearance of land and the planting of the crop for the settlers.

The initial funding in the early years from 1956 to 1960 had amounted to \$18 million and this was increased in the Second Malaya Plan period to \$175 million with the objective of opening up a far larger number of land schemes, and taking in a larger number of settler families.²⁵ At the same time, it was decided that FELDA should now clear the land, build the settlers' houses, and plant the crops instead of leaving this to the individual settler and as a result, contractors were used to open up schemes from late 1961. But to ensure adequate control over the settlers, it was also decided in 1962²⁶ that settlers in the future would be paid their subsistence allowance--some \$50-75 a month--on the number of days work and thus "the settler will now have to earn his daily allowance against a measured piece of work. The subsistence allowance cannot be claimed by him as a matter of right any more, irrespective of the number of days put in."²⁷

25. Second Malayan Plan 1961-65, p. 36.

26. Federation of Malaya, Federal Land Development Authority, H.O. Circular No. 95, 21 September 1962.

27. Op. cit., Interim History, p.24.

A further far reaching change was the decision by the Ministry of Rural Development to implement the 1960 Working Party's decision that FELDA should bear all administrative and organisational costs and this policy was put into effect from mid-1962. The result was a higher cost per acre developed to FELDA, but a decrease in what the settlers had to eventually repay, with the long term result that FELDA schemes were made more attractive to potential settlers who would get the title to their plot sooner.

In terms of staff, this period saw a rapid expansion with the re-organisation of FELDA staff structure and, towards the end of this period, the development of FELDA's own staff training programme.

In 1961-62 a Ministerial Review Committee²⁸ recommended that two top level posts be created, those of Deputy Chairman and Planning Director and these were filled almost immediately. At the same time, the Government seconded five Malaysian civil servants and an engineer to FELDA. In late 1961, FELDA underwent administrative reorganisation with the Head Office being split into eight sections and six regional offices being set up. Finally it was decided at the 36th meeting of the Board²⁹ that more trained agriculturalists were needed at the scheme and regional office level, and from 1964, four scholarships were awarded annually for the diploma course at the Agricultural College at Serdang.

But perhaps the most important change was the implementation of the recommendation that FELDA should be responsible for directly

28. Ness, *op. cit.*, p.114.

29. Held on 25 March 1964 in Kuala Lumpur.

developing state land. This was done by two important papers issued by the National Land Council in 1960.³⁰ Paper No. 12 divided land development into two categories, those lands that in the future would be administered by the states and those lands by FELDA.

More important, in Paper No. 13, all State Land Development Boards were dissolved with FELDA abandoning its previous loan function and taking over the direct development of land.

These two Land Council papers in effect met the basic problem seen by the Special Committee in its report, namely that the obstacles that were delaying FELDA in its work were:

(a) The lack of a sense of urgency in some State Governments with respect to land development. Proposals for land schemes were slow and in some cases difficult due to inevitable staff changes at the State level.

(b) A shortage of Survey and Land Office staff to carry out survey and settlement work.

(c) Lack of land use policy and a land development programme both within State and extending beyond State boundaries.

(d) Lack of basic land use survey.

(e) Lack of a programme for development of communications coordinated with plans for land development.

(f) Shortage of suitably qualified men to supervise and manage the land schemes.

30. National Land Council 1960, Paper No. 12.

(g) Consultation and reference to and coordination with not less than 12 departments and agencies responsible to eight ministries--in some cases both at Federal and state levels.

What is unusual and important about this change was that, apart from the fact that it demonstrated the strong government purpose to really move ahead with land development, it marked a successful attack by the Federal government on state perogatives over land. For Federal control of land in Malaysia is not merely a matter of formality. Land traditionally had been the property of the Sultan and the Constitution vests all unallocated land in the Sultan's hands. As state property, land was the major source of state revenue and with the gradual centralisation of governmental functions in Kuala Lumpur, land allocation was at this time one of the last remaining functions left to the states. By those two decisions, the National Land Council had effectively stepped in and subsumed this remaining state prerogative with the exception of the fringe alienation schemes that only represented a small portion of land development.

Not surprisingly there was some resistance. Kelantan in the North East which was controlled by the opposition Pan Malaysian Islamic Party until 1969, refused to turn over control of its schemes to FELDA. Johore and Kedah were also slow in accepting the decision although this appeared to benefit them as the majority of schemes developed by FELDA by mid-1962 were in these two states (Ness 1967).

Other developments in this period showed the rapid growth of FELDA. In 1964 funding of \$400,000 was approved for the present Head Office building in Kuala Lumpur and in the same year a Shop Division

was established to provide facilities for the settlers.

Major decisions were also made in the setting up of processing facilities. Originally in 1962, FELDA decided that it should process its own rubber to ensure that it recouped its investment. But in 1964, this policy was switched as FELDA decided it was more advantageous to sell its latex to commercial companies so as to avoid heavy capital expenditures. Thus a decision was taken to defer until 1966 the construction of its own rubber processing factories.

In 1966, new factories and processing plants were set up, the first two being commissioned at Ulu Jempol and Jeranagu in 1966. And in 1966, with the introduction of the First Malaysia Plan (1966-70), the Headquarters administration was once again reorganised to cope with the increased and new activities. Thus this second period in FELDA's development was characterised by a major change in policy as a result of the 1959 elections and the consequent wholehearted focusing of government efforts to extend and coordinate rural development. This led to a major emphasis on FELDA's importance in land development and as a result, FELDA was given the additional financing and was required to expand in organisation and to develop new policies to deal with this new phase of intensive land development.

3. Diversification and Social Development, 1967-75

The year 1967 and subsequent years showed a number of important developments and changes in FELDA's work that were to lead to the complex and wide ranging organisation that the Federal Land Development

Authority is today.

Three main developments characterised this period--the move by FELDA into large scale regional developments with three major schemes in Pahang and Johore totalling in all some 700,000 acres, the decision with continuing expansion to set up its own marketing and processing divisions and, at the same time, the structural reorganisation of the authority to meet this new expansion and, finally, with the creation of the Settler Development Division in 1967, the explicit recognition on FELDA's part of its role of socialising and modernising its settlers.

The concept of large scale regional development of land schemes grouped together was introduced in 1962 when the development of the Jengka Triangle in Pahang was first suggested by the Malaysian Government to the World Bank³¹ and was finally implemented in 1968. The Jengka Triangle--some 200,000 acres in area--was the first large regional development scheme and it was followed by another, that of Johore Tenggara (120,000 acres) in Johore. A fourth in the Keratong oil palm area is currently being developed as the result of the Pahang Tenggara Report, in the Southeast part of Malaysia's biggest state with completion expected in 1980.³²

The importance of these regional development schemes was twofold. Firstly, they provided FELDA with an opportunity to undertake land

31. The World Bank mission to investigate the feasibility of the project visited Malaysia from 26 July to 14 August 1963 and on their recommendations a consulting firm was appointed to draw up a master plan. This was completed in January 1967 and the World Bank loan of \$14 million approved in March 1968, see Interim History, p.17 for details.

32. Work started on this Keratong scheme in 1972.

development on massive scale and allowed for a much greater organizational level of inputs, particularly in the efficiency of the various services such as that of social development. Secondly, they inter-linked with the new emphasis following the completion of the Pahang Tenggara Master Plan in 1972 of the general Malaysian strategy involving the building up of a number of small growth poles or small urban centres on the outskirts of which local FELDA settlers would live.

The second major innovation in this third period of FELDA's development was the decision to set up its own marketing and processing facilities. As it has been noted earlier, FELDA has put aside the problem in 1964 of opening up its own rubber factories until 1966, after initially deciding to go ahead; but by 1966 there was enough production to enable rubber processing to be carried out on a large scale. At the same time, oil palm mills had been set up in 1967, comprising the first two FELDA oil palm mills at Jerantut and Ulu Jempol. These were soon followed by two more at Sungei Dusun and Bukit Besar.³³

To cope with this expansion, FELDA set up a separate processing and marketing division in 1967 and 1968 respectively. When the marketing division came into existence in September 1968, it was run on the principle that FELDA's marketing should be self-supporting and thus marketing charges were placed on rubber palm oil and palm kernel schemes.³⁴

33. In 1966 FELDA had joined the oil palm selling pool to market its own palm oil and made agreements with two commercial firms, the Singapore Shipping Party (for the Jerantut Mill) and the Harcos Shipping Party (for Ulu Jempol) to ship the products. Board Meeting 47, on 15 February 1967.

34. For rubber, this came to $\frac{1}{2}$ cent a pound; for palm oil, \$2.50 a ton and for palm kernel, \$3.00 a ton.

FELDA also took steps in this period to strengthen its agricultural research side and to diversify crops. The Tun Razak research centre was set up in 1961 to carry out research on improving agricultural methods and to experiment with other crops. At the same time, while oil palm and rubber remained the basic crops, 100,000 acres of sugar cane was planted in Perlis in 1972 and 700 acres of cocoa in Pahang.

Finally FELDA in 1967 with the setting up of a Settler Social Development Division, gave recognition to its overall responsibility of modernising the rural Malay. Set up with the policy aim of "changing the nature of the settlers," this division has taken on increased importance in FELDA.

For what emerged in this period was the beginning of what was to become known as the FELDA 'package approach' (Alladin 1973) to rural development. This involved not only the opening up of new land for development and its actual physical development but the provision of physical institutional infrastructure "conducive to both the economic and social well being of the settlers."³⁵ The settler now was in this new concept not just an unemployed and landless peasant to be settled in a scheme but one who now was to be actively socialised into more modern and structured ways of thinking and working.

Exactly how this modernising role was and is seen as it developed

35. Federal Land Development Authority, Malaysia, Kuala Lumpur, (Mimeo), April 1975, p.2.

from this period is shown in this extract from a FELDA press release:

FELDA's approach to land development and settlement is based on the concept of providing a "package deal" to settlers. This means that apart from opening new land and planting main crops such as rubber, oil palm, sugar cane and cocoa, FELDA's activities must also include establishment of physical and institutional infrastructure conducive to both the economic and social well being of settlers. A land settlement programme has both economic and social objectives and it is not possible to isolate one from the other. The overall objective is to maximise the use of available resources to provide the settler with a better life. To the settler this means having a reasonable income, being able to send his children to school and having access to some, if not all, of the modern conveniences in life. Agriculture is supposed to provide him with an economic holding. The next and perhaps the most difficult task is to see to it that he cultivates the land according to practices that will bring about maximum or near maximum yields. Even if he is able to make the best use of his land, he is still not assured of his entitlement to the full value of his production. The crop by its very nature may require processing before sale. Beyond this is the question of the price he receives for his product. Thus what one really has to consider is the integration of a range of interrelated economic actions. The economic process is thus used as the basis of the overall social transformation objective but it is not in itself the total objective. It is therefore inevitable that the social aspects of development must dovetail into the economic aspects and vice versa (FELDA 1975).

The eventual aim of this programme is "to create modern and progressive farmers playing a proper role in the commercial and social fields."

The Settler Social Development Division as a 1969 FELDA report states its functions, is responsible for the planning, development, promotion and implementation, and subsequent evaluation of community development projects through extension, education and training of both staff and settlers it has the following objectives:

- (1) to cater for the development of the broad aspects of human development in FELDA programmes;

- (2) to stimulate individual initiative among settlers towards self-help, self-improvement and mutual help;
- (3) to establish good working relations with the settlers and settler dependants and to offer them advice and guidance on various aspects of settler development work;
- (4) to induce and to develop the formation of various social settler group activities in the field of recreation, youth movement, women's groups, co-operatives, farmers' associations through effective and self-sustaining leadership structure;
- (5) to advise and educate settlers in matters of health, sanitation, home economics, family planning, adult education;
- (6) to guide and to encourage settlers to participate more actively in agricultural projects meant to increase their income and consumption;
- (7) to organise and hold training courses from time to time for both settler and scheme staff in various aspects of agricultural production and settler development;
- (8) to get the settlers involved and participate in the day to day administration and development of the scheme;
- (9) to narrow the communication gap that exists between various government agencies and the extension services and the settlers;
- (10) to carry out appropriate socio-economic research and evaluation exercises on selected aspects of settler development work;
- (11) to integrate the scheme communities into the life of the nation and to enable them to contribute fully towards the nation

and its progress."³⁶

In organisation terms, settler development in FELDA was organised centrally at the regional level and at the individual scheme level.

In Kuala Lumpur, the Social Development Division (see Table 2.2 below) was divided into four divisions, reflecting the four main areas which FELDA was identified for intervention:

- (1) The Settler Development Division in this framework is responsible for liaison with the J.K.K.R., the main settler organisation at the schemes level, the stimulation of business, of the education and training of settlers and their development and of the participation of youth in worthwhile activities.
- (2) The Women Settlers' Section of the Settler Development Division is responsible for the coordination with the Women's Club G.P.E. which exists on each scheme. This women's organisation runs sewing and instruction classes as well as popularising family planning. A third officer in this section acts as liaison with the kindergartens which are now to be found on most schemes.
- (3) The Communication Section of the Settler Development Division has a number of functions. It produces a monthly magazine, Pertaniwa, that is widely bought by settlers and which covers settlers' activities, meetings and usually features one particular scheme a month. At the same time, a travelling exhibition is sent out

36. See FELDA, "Functions and Responsibilities of the Settler Development Division and its Officers," Kuala Lumpur, October 1969. (mimeo)

TABLE 2.2

FELDA SOCIAL DEVELOPMENT SERVICE DEPARTMENT

Deputy Director General (operations)
Encik Alladin Hashim

Director Social Development Service
Encik Abdul Ghani Suratman

Home Economic Advisor
Cik Robin Wannan

<u>Head of the Settlers Development Division</u> Encik Mat Abbas Yusof	<u>Head of the Women Settlers Development Div.</u> Cik Habsah Nawawi	<u>Head of the Communications</u> Cik Malicca Ratne	<u>Head of the Research & Evaluation</u> Encik Fadzil Yunus
- <u>JKKR (Social)</u> Mat Abbas Yusof Yaakob Haji Mohd. Ali	- <u>GPW and Training</u> Cik Habsah Nawawi Ibu Khadijah	- <u>Communication and Visual Aid</u> Malicca Ratne	- <u>Evaluation</u> Fadzil Yunus
- <u>Settlers' Business Unit</u> Vacant	- <u>Administration and Family Planning</u> Wan Sarah Siti Aishah	- <u>Publication and Library</u> Norhan Abdullah	- <u>Women Research</u>
- <u>Educational and Training</u> Rosman Hashim	- <u>Kindergarten</u> Esah Bee	- <u>Radio, Film/ Moving Unit</u> Noraihan Shariff	- <u>Settlers Research and Documentation</u> Adnan Din
- <u>Youth and Culture</u> Syed Jamalil			
- <u>Religion</u> Ustad A. Baker Kassim			

Source: FELDA (1975).

once a month that tours the country, visiting schemes with cultural shows (usually Malays) and educational exhibitions. Visual aids that are used extensively by other sections of the Division, such as posters on nutrition and the best ways of using various local foods, are also produced by this section. In 1975, they also produced films on FELDA's activities for training purposes. FELDA also runs through this section a highly successful weekly radio programme built around the happenings in a typical FELDA family³⁷ and is responsible for occasional television coverage of FELDA's activities.

- (4) Finally the Evaluation and Research Section of the Social Development Division carries out a number (though currently limited as it is just moving into its work, having been only set up in 1974) of surveys of settler and scheme problems as well as organising conferences.

The Social Development Department thus has a wide range of functions. As such it has considerable staffing also in the field. Each region has a social development officer with one or more assistants in the regional office and two or more assistant social development officers on each scheme. As social development plays an important role in FELDA's philosophy, the scheme manager is responsible for the overall social development work in each scheme liaising with the social development officers in the schemes and in the

37. This was rated as the most popular weekly show on Radio Malaysia in the period January-March 1975.

regional office and with the social development department in Kuala Lumpur. The Headquarters/staff usually spend a third of each month visiting regional offices and the individual schemes.

Thus the role of FELDA in the late nineteen sixties changed from its original role of simple land development operations to one in which its task was much broader--that of modernising the rural Malay.

Not surprisingly neither the organisational adaption to cope with the increasing demands for physical development and at the same time social development were easy and FELDA faced a number of problems in this period that affected its ability to meet these demands. There were constant delays due to a number of factors in the actual opening up of schemes, and FELDA throughout this period lacked adequately trained staff to cope with the demands placed on it. However, gradually, organisational staffing and accounting problems were sorted out with FELDA undergoing a number of internal reorganisations,³⁸ leading to its well organised structure today (see Table 2.3).

Again outside events gave FELDA the funds and impetus to expand and develop its operations. Based on the 'new economic policy' that was the outcome of the 1969 racial riots in Malaysia, the Second

38. One major reorganisation under the stimulus of World Bank requirements and also due to the growing size and complexity of FELDA's total operations was a much needed overhaul of the accounting systems in 1971 with the introduction of a computerised system.

TABLE 2.3
 FELDA ORGANISATION 1975

Director General					
Deputy Director General (Services)		Auditor	Deputy Director General (operations)		General Manager (group services)
Finances Planning Director	Director Services Administration	Agr. Service Director	Resettlement Director	Shops Unit	Marketing Unit
Finance Director	Director Processing	Research & Special Projects Director	East Regional Controller	Latex Rubber Unit	Transport Unit
Director Projects	Asst. Director Data Processing	North Regional Controller	Jengka Regional Controller	Factory Unit	
		Centre Regional Controller	West Pahang Regional Controller	Sugar:FELDA Perlis Industries PTE. Ltd.	FELDA Johore Bulkers PTE. Ltd.
		South Regional Controller	Central Pahang Regional Controller	FELDA Oil Products PTE. Ltd.	FELDA Kelkay Oil Mills PTE. Ltd.
		Regional Controller	South East Regional Controller		

Source: FELDA, 1 July 1975.

Malaysia Plan was aimed at eradicating poverty in the country and restructuring the economy to give a greater share to all segments of the community. This policy effectively involved the greater participation of the Malay or Bumiputra segment of the population that with Government help was to be given a greater share in the primarily Chinese and non-Malay dominated economy.

Inevitably because of the predominant grouping of Malays in the rural areas and in the less developed Eastern and Northern States of the country the rapid modernisation of the rural areas and, consequently the emphasis on land development, took on added importance. FELDA as the most successful organisation to date was the obvious institution to implement the land development component of this new overall policy and was given the task of markedly increasing its pace of development in the 1970-75 period.

Thus FELDA had developed two main roles with short but active history--one of physically opening up and placing settlers on land schemes and secondly, that of socialising its settlers into a more modern way of life.

In its first role--that of physically opening up land and placing settlers--FELDA has, as it can be seen from Table 2.4 and 2.5, clearly been successful. In the 18 years from 1956 to mid-1975, FELDA has opened up 167 schemes, some 730,000 acres of land and settled 36,100 settlers' families. And by 1974, it had grown into a large multipurpose organisation. With (as Tables 2.6, 2.7 and 2.8 show) an operations budget in 1974 of U.S. \$69.9 million, it had a staff of 4750 and sales in 1974 of U.S. \$81.9 million. As a World Bank

TABLE 2.4
 FELDA SCHEMES AND ACREAGE DEVELOPED 1957-1975

Year	Number of Projects					Acreage Developed (acres)				
	Rubber	Oil Palm	Sugar-cane	Cocoa	Total	Rubber	Oil Palm	Sugar-	Cocoa	Total
1959 & earlier	10	-	-	-	10	4,091	-	-	-	4,091
1960	4	-	-	-	4	10,509	-	-	-	10,509
1961	10	1	-	-	11	14,471	926	-	-	15,397
1962	11	-	-	-	11	24,673	1,749	-	-	26,422
1963	8	4	-	-	12	17,343	6,839	-	-	24,182
1964	8	3	-	-	11	22,398	8,317	-	-	30,715
1965	-	1	-	-	1	8,475	9,578	-	-	18,053
1966	-	1	-	-	1	14,442	14,032	-	-	28,474
1967	-	7	-	-	7	9,144	18,235	-	-	27,379
1968	-	6	-	-	6	2,344	31,044	-	-	33,388
1969	-	7	-	-	7	1,928	36,321	-	-	38,249
1970	5	4	-	-	9	18,007	33,554	-	-	51,561
1971	4	6	-	-	10	19,319	28,410	-	-	47,729
1972	3	9	1	-	13	21,045	49,999	2,000	-	73,044
1973	4	13	-	-	17	31,134	68,569	2,921	-	102,624
1974	2	16	-	-	19	13,640	77,320	3,700	1,170	95,830
1975 (30 April '75)	6	12	-	-	18	26,850	63,765	1,250	1,280	93,145
Total	75	90	1	1	167	259,812	448,662	9,871	2,450	720,755

Source: FELDA Records 1975.

TABLE 2.5
SETTLER INTAKE AND VILLAGE ACREAGE

Year	No. of Settler Families	Village Acreage Developed
1959 & Earlier	791	657
1960	1,981	1,184
1961	715	2,967
1962	881	2,920
1963	2,043	3,655
1964	1,150	2,936
1965	1,294	286
1966	1,465	230
1967	1,670	1,594
1968	3,791	2,410
1969	2,619	4,064
1970	2,318	3,338
1971	2,336	3,089
1972	2,930	3,975
1973	2,060	5,022
1974	2,056	3,637
1975	4,130 (target)	--
Total	34,230	41,854

Source: FELDA 1975

TABLE 2.6

FELDA FINANCES RECEIVED AND THEIR SOURCES 1959-74

	Cumulative Total As At 1/1/1974	1974	Cumulative Total As At 12/31/1974
	\$	\$	\$
Federal Government Grant	166,143,338	40,355,874	206,499,212
Federal Government Loan	456,599,390	118,557,000	575,156,390
World Bank Loan	44,846,035	8,416,034	53,262,069
Asian Development Bank Loan	6,358,327	515,280	6,873,607
Overseas Economic Coopera- tion Fund Loan	27,839,350	-	27,839,350
New Planting Grants	14,400,052	-	14,400,052
	<hr/>	<hr/>	<hr/>
Total	M\$716,186,492	167,844,188	884,030,680
	US\$298,410,830*	69,935,000	368,345,830

Source: FELDA 1975

*Exchange rate of US\$1 = M\$2.40.

TABLE 2.7

FELDA STAFF GROWTH 1966-75

<u>Year</u>	<u>Staff Strength</u>
1966	826
1967	1,176
1968	1,320
1969	1,808
1970	2,240
1971	2,778
1972	3,223
1973	3,863
1974	4,473
1975 (June)	4,750

Source: FELDA Records 1975.

TABLE 2.8

FELDA REVENUE OF MAIN CROPS, 1963-74

Year	<u>Rubber</u>	<u>Palm Oil</u>	Annual Total Both Crops (M\$)	Cumulative Total (M\$)
	Value (M\$)	Value (M\$)		
1963	12,525	-	12,525	12,525
1964	124,806	32,209	157,016	169,030
1965	401,266	200,405	601,671	601,671
1966	1,054,918	880,336	1,935,254	1,935,254
1967	1,589,152	1,963,911	3,553,063	3,553,063
1968	3,887,623	3,173,214	7,060,837	7,060,837
1969	15,147,259	8,816,052	23,963,311	31,024,148
1970	20,714,119	19,381,436	40,095,555	71,119,703
1971	21,500,966	25,653,364	47,154,330	111,215,258
1972	24,183,864	34,226,753	58,410,617	158,369,588
1973	48,604,182	81,514,493	130,118,676	289,514,263
1974	64,173,680	123,968,500	188,142,184	486,629,443

Source: FELDA Records, 30 April 1975.

Report noted, FELDA "has become the largest and most efficient land settlement agency in Malaysia with a high level of planning efficiency" (World Bank 1974, p.4).

Thus clearly FELDA has fully achieved its first objective and has been successful in response to various pressures in streamlining as well as diversifying its procedures and modes of operations to fulfill a continuing expanding role. The extent of its success in modernising its settlers--its second objective--is examined in the rest of this study.

C. A Typical FELDA Scheme

A typical scheme size depends on the area to be developed that in turn has been decided according to the soil suitability studies, physical terrain and the location. Usually, it will be about 4900 acres with 400 settler families and will be broken down into:

Central village	300
Main crop area	4000*
Unusable areas (around 10-15%)	600

Total	4900

* 8 acres for main crop, 2 for subsidiary crops)

In the early years, a scheme was not developed all at once but in stages, with the village area being cleared first, followed by around 25% of the crop area. The remaining crop area would be cleared in phases of around 1200 acres. However, with accumulated experience and more knowledgeable field staff and better contractors,

FELDA from 1972 has been able to develop not only single schemes in one operation but as in Jengka, a number of schemes in the same locality.

The village location--the major meeting point for FELDA settlers and the scheme management--is made as central as possible to the whole scheme and with the public amenities, the house lots are built around the centre in lots of 140 to 180 houses. Depending on the stage of development, the scheme will have the following amenities:

- | | |
|-------------------------------------|----------------------------|
| (1) FELDA Office | (9) Health Centre (Clinic) |
| (2) Community Centre | (10) Public Library |
| (3) Post Office | (11) Women's Institute |
| (4) Police Station | (12) Co-operative Shop |
| (5) Market | (13) Youth Club |
| (6) Shops | (14) J.K.K.R. Office |
| (7) Fire Station | (15) Places of worship |
| (8) Petrol Kiosk and
Bus Station | (16) Telephone |

The settlers move into the scheme once the contractors have completed the planting of the crop and outline maintenance begins. During the first weeks of his arrival, the settler is given time to settle in and sow some fruit and vegetables around his house. During this period he is given subsistence of \$2.90 a day but after this initial period he is allocated a specific sown area to maintain and is paid as long as he does his work to FELDA's satisfaction, at \$100 per month. He is allowed to draw up to \$100 on credit from the FELDA run shop. Adjustment is quick and the settler soon settles in and after

a few weeks one can see the first settler shops coming up on the porches on the front of the houses.

Life on the scheme is slow. In the first few years when the settler is living on subsistence waiting for his crop to mature (four years in the case of palm oil and six years for rubber), he will go out and maintain his lot around 8:00 a.m. returning around midday and will then stay at home. Gradually social amenities will appear, mainly coffee shops, that act as the meeting places toward late afternoon and evening. Occasionally there will be film shows supplied by settlers' organisations or by FELDA and meetings, as the scheme grows, of various clubs such as the Youth Club and the Women's League.

Of major importance in the running of the scheme is the J.K.K.R. or Jawatan Kerja Kuasa Rayat. Patterned on the village community, this is the settlers' main organisation. All settlers are members of the J.K.K.R. and its functions are wide. It will decide on financial and other matters in the scheme, allocate money to other organisations, and most important, act as the mediating instrument in any disputes between settlers. This last is an important function reflecting the Malay tradition for concensus and conciliation where possible, and the J.K.K.R. Vice Chairman is constantly on call day and night to deal with settler problems. In cases of severe problems between FELDA management and the settlers, the J.K.K.R. is called in to approve

or disapprove of actions.³⁹ At the same time, the J.K.K.R. acts as an independent and sometimes very independent forum for settler opinion.⁴⁰

Each scheme will have a staff consisting of a manager (whose grade depends on his seniority and the size and area of the scheme), an assistant manager, a number of field supervisors and field assistants as well as office staff. The manager has overall responsibility for the scheme and with the other staff will have been with the scheme from the first day of its development which is usually some three years before the first settlers move. The manager is responsible both for the agricultural side of the scheme and also for the social development side of dealing with settlers and their problems. The assistant manager will either have worked his way up in FELDA and be an older man or more usually today, a young graduate. The supervisors, each in charge of a particular area, are in daily charge of the work of the settlers in their area and are constantly out in the field in the morning, returning in the afternoons to deal with office and

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39. Two cases occurred during my actual field research. On one scheme a field assistant had been severely beaten by some 15-20 settlers' dependents over a dispute in the field. Hospitalized, charges were laid against him with the police but the scheme manager made a point to ask the scheme J.K.K.R. to give its own view on the matter which was in favour of charges being laid. In the second, the manager was using some of the settlers in J.K.K.R. experienced in police work before they came to the schemes to quietly help in stopping a sudden outburst of pilfering that had hit the scheme.
40. Settlers in Malaysia have a canny instinct for going straight to the top when they really feel grieved. Thus it was not uncommon for settlers to write at one stage direct to the Prime Minister or in later stages of FELDA development, to the Director General of FELDA. At the same time they would drive with their higher incomes in recent years to Kuala Lumpur to lay their complaints in person.

administrative work. The field assistants look after sections of a phase. Their job is to supervise all the operations of their section including routine maintenance and cropping. The social development officers--male and female--work to the manager on social development work. This will include nutrition, family planning and the running of youth clubs and of the Women's Institute. A typical scheme breakdown in staffing would be as follows:

- 1 Manager
- 1 Assistant Manager
- 3-4 Field Supervisors
- 6-8 Field Assistants
- 2-3 Settler Development Assistants
- 2 Clerks (1 per 2500 acres)
- 1-2 Secretaries (1 per 5000 acres)
- 1 Driver (1 per 2500 acres)
- 1 Office Boy
- Total: 23

D. Summary

The Federal Land Development Authority has thus undergone a number of stages of development from its start in 1958. Initially, it was primarily a financing body lending money to state governments to open up land schemes with only one direct scheme of its own, Bilut Valley. Then, after the introduction of the Second Malaya Plan 1961-66, with the greater emphasis and greater government funds allocated

to rural development, FELDA became the main instrument of this rural development policy and took on the direct administration of land schemes and expanded rapidly. In 1967, a third stage of FELDA's development was reached bringing FELDA into the present day characterised by even more intensive development, diversification into related commercial activities such as bulking and export of its products, and into extensive social development and the widescale attempts to modernise its rural Malay settler. Thus in 19 years, FELDA has grown from a small organisation with a handful of staff and budget of around \$10 million to an organisation in 1975 with 167 schemes and some 35,000 settlers, and overall staff of nearly 5,000, and an annual budget expenditure of US\$69 million and sales of US\$81.9 million.

CHAPTER 3

THE FEDERAL LAND DEVELOPMENT AUTHORITY AS AN AGENT OF CHANGE

A. Introduction

The Malaysian government, as it has already been noted, found itself from the time of Independence in 1957, committed for political and economic reasons to a massive program of rural modernisation. In this program, land development was utilised as a major policy mechanism to induce rapid change. Of the agencies involved in this overall program, the Federal Land Development Authority (FELDA), created in 1956, rapidly grew into the most effective and successful organisation involved in this program in Malaysia. By the end of 1975, it had opened up 167 schemes, taken in some 34,000 settlers (who with their families totaled around 200,000 people), and built up a large, multi-purpose organisation that not only planted, but processed and marketed its crops.

The Federal Land Development Authority has had two goals from its inception, those of developing land, and settling the predominantly landless and poorer elements of the country's rural population and of modernising its settlers in its schemes. In its first goal, FELDA, as it was seen in Chapter 2, has been clearly successful. This chapter now examines FELDA's second role which is crucial to this study, that of its aim of modernising its settlers once they are in its schemes.

As it will be seen, FELDA plays an important and generally successful role in inducing change both in the general context of Malaysia's overall development, and more specifically, among its settlers in two

ways. The first is by opening up land schemes, particularly in the more isolated parts of the country, and thus, by moving in its settlers, aiding internal migration within the country. The second is by providing a whole range of services in its integrated approach in its schemes directly aimed at changing the attitudes of its settlers.

This chapter first examines the importance and extent of the FELDA's role in contributing to and directing the flow of internal migration in Malaysia from 1957 and then looks at the kind of change that its settlers undergo in its schemes.

B. FELDA's Role in Inducing Internal Migration

The importance of migration in the role of development and change has been widely recognised as an important element in the development process. Essentially migration moves a person or a group of people from one physical, social, and economic setting to a new setting which is often very different and thus stimulating a quantitative as well as a qualitative change in a person's life style.

This kind of movement is of marked importance in both developed and developing societies. It has been seen for instance as an investment activity that develops human capital (Schulz 1962) or leading to important resource allocation within a country (Sjaastad 1962). The importance of this kind of reallocation of resources has, particularly in a developing countries, been extended in the labour surplus model by Lewis, and Fei and Ranis¹, in which it is argued that in developing

1. W.A. Lewis, "Economic Development With Unlimited Supplies of Labour," Manchester School of Economic and Social Studies, Vol. 22, No. 2 (May 1954), pp.159-192; J.C.H. Fei and G. Ranis, Development of the Labour Surplus Economy (Illinois: Richard D. Irwin, 1964).

countries because of the extreme population pressure on land and widespread unemployment, growth can only occur with the reallocation of manpower.

Thus migration plays two important roles in any given society, and these take on added importance in developing countries that are seeking to undergo rapid change. It is firstly a means of mobility, leading to a physical change in life style and surroundings, and secondly, it provides a means for the effective utilisation of human resources and manpower as well as acting as a mechanism for adjustment in unbalanced economies.

In Malaysia, internal migration is a vital component both to the overall development of the country and to the policies of rural modernisation and regional development that are central to the Malaysian government's planning.

The role of the Federal Land Development Authority (FELDA) in inducing internal movement in Malaysia can be seen in two ways. Firstly as an organisation, FELDA has played a significant part in moving a large number of people since its creation in 1956 into its schemes in different and often isolated parts of Malaysia. This can be clearly seen when we look at the total number and point of origin of the people that FELDA has moved to its schemes since 1956 and it is underlined when we compare this data with the general pattern of movement in Malaysia in the 1957-70 intercensal period. Secondly, FELDA has provided an effective mechanism for mobility within Malaysia, while at the same time, owing to the nature and location of the settlements they set up, played an important role in Malaysia's overall regional development.

By 1975, FELDA had moved a total of 34,000 settlers with their dependents into FELDA schemes, moving a total of around 200,000 people.² These have been moved both long and short distances and from all parts of Malaysia, and in all cases--whatever the distance--the Federal Land Development Authority clearly acted as the instigator of the settlers' move.

The pattern of movement induced by FELDA can be seen in Table 3.1. In this,³ data for 28,095 settlers located in the schemes by the end of 1973 is analysed by the location of the scheme and by the point of origin of the settler.

It can be seen that Pahang state has the largest number of FELDA schemes with 30 schemes, followed by the states of Johore (22), Negri Sembilan (10), Perak (7) and Trengganu (7). Overall 71.1% of all FELDA settlers came from the same state in which their scheme was located, but this actually is significantly higher in seven out of the eight

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2. This estimate is based on the total number of settlers and dependents in the FELDA schemes in December 1975, and allows for an average household composition of 5.5 persons to a household. An additional allowance is made for labourers moved in during the development of a scheme and for FELDA office and factory personnel in these schemes. See for details, MacAndrews, Colin and K. Yamato, "Induced and Voluntary Migration in Malaysia," in Southeast Asian Journal of Social Science, February 1976.
 3. Although figures for the total number of settlers (34,000) in FELDA schemes by the end of 1975 are available, details of the settlers' place of birth is only recorded in FELDA records at the time of my research (1975) up to December 1973. Thus, the figures used of 28,095 in Table 3.1 and thenceforth in this chapter represent the analysis of FELDA records as of December 1973.

states in which FELDA had schemes⁴ at this time (December 1973) because of the low number of Pahang residents in the large number of Pahang FELDA schemes. Table 3.1 shows^{that} only 32% of FELDA settlers in Pahang come from Pahang State itself with 68% of the settlers in Pahang coming from outside the state.⁵

However, if FELDA has only developed schemes in eight of Malaysia's eleven states (see Table 3.1), it has in fact drawn its settlers from across all of Malaysia. This is shown by the breakdown of FELDA settlers by their state of origin and by the state they are now living in FELDA schemes (see Table 3.2).

It can be seen from this that most of the settlers are located in their original states including settlers from Pahang, with the exception of the settlers from the three states that have no FELDA schemes (Kelantan, Penang and Perlis). The majority (87.8%) of the Kelantan settlers, as it can be seen, have moved to Pahang with a few

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4. The current geographic spread of FELDA schemes is mainly due to the fact that there was opposition to FELDA settlement in some states, notably Kelantan, until recently.
 5. This low number of Pahang residents in FELDA schemes in Pahang is now becoming rebalanced and FELDA schemes that have opened up in Pahang from 1974 onward are now mostly composed of Pahang residents. However, although Pahang State had a quota of 50% Pahang places for its residents in FELDA schemes for many years, it is interesting to note that Pahang villagers were reluctant to join FELDA schemes until recently due to a number of factors, including the plentiful supply of land in Pahang in contrast to other more developed states. As a FELDA officer put it, "People here (in Pahang) have an extraordinary attachment--a mystique even to the immediate place of their birth. They say 'yes' to all the advantages in moving to FELDA but when asked if they will definitely move, they say 'they will think about it.'" See Straits Times, January 31, 1973, p.6.

TABLE 3.1

SETTLERS IN FELDA SCHEMES BY STATE AND ORIGIN

State	Number of Schemes	%	Total Settlers by State		Same State		Different State		Total
			Number	%	Number	%	Number	%	
Pahang	30	33.3	9,794	34.9	3,136	32.0	6,658	68.0	9,794
Johore	22	24.4	6,797	24.2	6,504	95.7	293	4.3	6,797
Negri Sembilan	10	11.2	3,022	10.7	2,518	83.3	504	16.7	3,022
Perak	7	7.8	2,293	8.2	2,086	91.0	207	9.0	2,293
Trengganu	7	7.8	1,930	6.9	1,755	90.9	175	9.1	1,930
Kedah	6	6.7	1,547	5.5	1,727	98.6	22	1.4	1,547
Selangor	4	4.4	1,838	6.5	1,616	87.9	293	4.3	1,838
Malacca	4	4.4	874	3.1	833	98.3	41	4.7	874
Total	90	100.0	28,095	100.0	19,973		8,122	28.9	28,095

Source: Computed from FELDA Records 1974.

TABLE 3.2

FELDA SETTLERS BY STATE OF BIRTH
AND STATE OF RESIDENCE

State of Origin	State Settled:											Total
	Johore	N. Sembilan	Malacca	Selangor	Perak	Kedah	Perlis	Kelantan	Trengganu	Pahang	Penang	
Johore	6504	92	20	15	1				2	447		7081
North Sembilan	35	2503	15	2					2	290		2862
Malacca	51	245	831	5						710		1842
Selangor	28	92		1016	16					705		2463
Perak	47	30	5	157	2076					876		3212
Kedah	15	23	1	46	96	1525				1115		2821
Perlis	2	1			5	10				259		277
Kelantan	10			5	1	2			159	1138		1297
Trengganu	45	1				1			1755	419		2221
Pahang	50	10	1		1					3152		3214
Penang	10	5	1	3	86	10				691		806
Total	-	-	-	-	-	-				-		28095

in Trengganu (12.3%) and Pahang has also acted as the focal point for both Perlis (93.5% of the total) and Penang (85.7% of the total) settlers.

Thus FELDA settlers are located in eight of Malaysia's eleven states with the majority on schemes in Pahang, Johore, Negri Sembilan, Perak and Tranganu. However, in point of origin, they are drawn from all over Malaysia, with Johore having the highest number followed by seven states (Pahang, Perak, Negri Sembilan, Kedah, Selangor, Trengganu and Malacca), having about an equal proportion each. The three states without FELDA schemes contribute a smaller number of settlers. FELDA settlers are mainly, as it can be seen, located in their state of origin except in the case of Pahang that has drawn in a considerable number of outside settlers, and in the case of the three states without FELDA schemes (Penang, Kelantan and Perlis) from which FELDA settlers have moved to states right across the country.

If we examine the FELDA migration patterns with the general pattern of movement in Malaysia in the 1957-70 Censual period, we find some interesting contrasts which highlight FELDA's important role in the internal migration flows in Malaysia in this period.

The 1957-70 period was noted for a generally low pattern of overall mobility, the movement of people inter- rather than intra-state, a clear pattern of immigration out-migration to and from certain states, a rural to rural pattern of migration rather than a rural-urban pattern, and finally an ethnic trend of migration with the Chinese and Indians moving more than Malays who, overall, showed the least mobility.

On the whole, Malaysia historically has experienced low mobility and follows the Asian country pattern of generally rather low mobility. The main reason for this is that the Malaysian population is predominantly rural and predominantly Malay, and that Malays generally do not move extensively. This tendency was noted by Caldwell in his analysis of the 1957 Census when he noted:

Residence beyond the state of one's birth is still far from the normal pattern, even though most of the population of Malaya would find themselves outside their own state if they were to travel fifty miles in any direction...⁶

In the case of overall mobility in the 1957-70 period, Malaysia was still a relatively static society although there was an increase of mobility within Malaysia from 10% in 1957 to 12% in 1970 when almost one million people or 12% of the native born population were enumerated outside their state of birth (Soon 1975: 73). However, as we have seen, FELDA clearly played a significant part in inducing overall mobility in this intercensal period by acting as a major mechanism inducing people to move.

At the same time, as Table 3.3 shows, the majority of moves (69%) in Malaysia in the 1957-70 period were intrastate--whether interdistrict or interlocality--and only 31% interstate. Again FELDA as we have seen in Tables 3.1 and 3.2 moved its settlers predominantly intrastate rather than interstate with the exception of Pahang.

This pattern of predominantly short distances movement is confirmed when we look at the 1970 census, to see evidence of rural-urban migration. As it can be seen from Table 3.4 below, there was

6. J.C. Caldwell, The Population of Malaya, unpublished Ph.D. thesis, Australian National University, 1962.

TABLE 3.3

DISTRIBUTION OF INTER-STATE AND INTRA-STATE
MIGRATION, 1970

State	Total Migrants ^a (in thousands)	Percentage Distribution of Migrants by Type of Move ^b		
		Inter-State	Inter-District	Inter-Locality
Johore	324.8	19.1	39.2	41.7
Kedah	272.1	22.0	31.9	46.1
Kelantan	144.5	14.3	48.8	36.9
Malacca	80.8	50.7	15.7	33.6
Negri Sembilan	140.2	41.7	25.0	33.3
Pahang	178.5	49.9	20.8	29.3
Penang	176.0	43.5	23.0	33.5
Perak	418.6	22.3	31.1	46.6
Perlis	38.1	38.2	-	61.8
Selangor	534.2	37.1	19.1	43.8
Trengganu	105.1	31.0	30.7	38.3
West Malaysia	2,412.9	30.9	27.9	41.1

Source: Soon (1975)

^a Migrant is defined as one whose previous residence was in a different locality.

^b Inter-district migrants are defined as migrants from another district within a state. Inter-locality migrants are defined as migrants from another locality within a district.

if anything, a slight decrease in the size of the urban population in Malaysia in the 1957-70 period in marked contrast to the high rate of movement in the 1947-57 intercensal period.

TABLE 3.4
RURAL-URBAN DISTRIBUTION OF POPULATION
1957-1970

	1957		1970	
	(thousands)	(percentage)	(thousands)	(percentage)
Urban	1,693.4	27.0	2,371.8	26.9
Rural	4,574.6	73.0	6,438.5	73.1
Total	6,268.0	100.0	8,810.3	100.0

Source: Soon (1975).

Again it can be seen that, in the case of the Federal Land Development Authority (FELDA), that it retained its settlers in rural areas and thus played, with other land schemes, an important part in reducing rural-urban migration in this 1950-57 period.

A third important finding of the 1970 Census was that there was a clear demarkation in the rate of interstate migration with only four states in Malaysia showing net immigration and seven states showing net outmigration. This can be seen in Table 3.5, which shows that, out of the eleven states in Malaysia, Selangor and Pahang showed large net gains, Trengganu and Perlis marginal ones, and the other seven states showed losses of population in this period.

TABLE 3.5

INTER-STATE MIGRATION BY PREVIOUS RESIDENCE,
WEST MALAYSIAN 1970

State	Out-Migration (in thousands)	In-Migration (in thousands)	Net Migration (in thousands)
Johore	70.2	62.1	- 8.1
Kedah	81.5	59.8	-21.7
Kelantan	53.4	20.6	-32.8
Malacca	52.8	41.0	-11.8
Negri Sembilan	71.0	58.5	-12.5
Pahang	40.7	89.0	48.8
Penang	73.8	76.5	2.7
Perak	162.9	93.3	-69.6
Perlis	13.3	14.5	1.2
Selangor	100.1	198.3	98.2
Trengganu	26.6	32.6	5.9
West Malaysia	746.2	746.2	-

Source: Soon (1975).

When we examine both Table 3.5 and 3.6, we see that two states, those of Selangor and Pahang, have large immigration patterns due to their rapid economic development. This was most noticeable in Selangor which has the capital of Kuala Lumpur and the highly developed Klang Valley area.

Thus the overall pattern of movement in the 1957-70 period is not appreciable. There are constant positive rates of net migration in certain states on the one hand, and negative net migration rates in some regions on the other, reflecting the serious imbalance in the economic development of the various regions of Malaysia.

FELDA's place in this pattern of movement can be seen in two ways. In the first place, FELDA undoubtedly aided migration into Pahang and, to a much lesser extent, to other states. As we have already noted (see Table 3.1), 33.3% of all FELDA settlers are settled in Pahang and that of these 68% were from other states. Of the total number of FELDA settlers in Pahang in the 1957-70 period, 6,658 were from outside the state and represent 13.6% of all migrants (see Table 3.5) to Pahang in this period. FELDA also played a part in retaining

TABLE 3.6

FELDA SETTLERS BY STATE OF SCHEME/STATE OF BIRTH

	Number	Same State %
Johore	6,797	95.7
Negri Sembilan	3,022	83.3
Perak	2,293	91.0
Trengganu	1,930	90.9
Kedah	1,547	98.6
Selangor	1,838	87.9
Malacca	874	98.3
Sub-total	18,301	92.2
Pahang	9,974	32.0
Total	28,095	71.1

Source: Computed from Table 3.1.

people in the states that experienced overall out-migration in the 1957-70 period. As it can be seen from Table 3.6 below, FELDA settlers in seven of the eight states with FELDA schemes (Johore, Kedah, Malacca, Negri Sembilan, Perak, Selangor and Trengganu) came predominantly (92.2% overall) from their home state.

Finally the 1970 Census showed that the 1957-70 intercensal period was characterised by a growing mobility of Malay communities in particular in contrast to the Indian and the Chinese communities. This was a marked and significant change in a country characterised by a relatively immobile rural Malay population and is a clear indication of the rapid development of the country since 1957. FELDA, due both to the geographic spread of its schemes, its high percentage (around 97%) of Malay settlers and to the number of people moved clearly played an important role in the trend.

FELDA, through inducing internal movement and setting up its land schemes, often in isolated areas, has played an important role in Malaysia's overall development since 1957. This can be seen in two main ways, first, in terms of the overall development of the country dependent to a large extent on the opening up of new areas and of the movement of people to these areas. Secondly, it can be seen in relation to the central problem of Malaysian development planning in the past 1970 period, that of inducing rapid urbanisation.

It has already been noted the extent to which FELDA has located a large number of its schemes in the large and generally important in terms of regional planning, State of Pahang. By far the largest, yet the least populated state in the country Pahang is the expected key

This page included due to mis-pagination.

to the Malaysian Government regional development policy in the next two decades and under a main Master Plan,⁷ is due for massive development by 1990. FELDA, by developing other parts of Pahang since 1968 such as the Jengka Triangle, is slated to play a pivotal role in the development of the Pahang Tenggara area. FELDA's role is also equally important, though perhaps to a lesser extent, in the other isolated and less developed states in the country such as Kelantan and Trengganu. For it is the one organisation in Malaysia that, in the early nineteen seventies, has the expertise and experience to open up and clear the jungle, build its schemes and provide the basis for the large scale regional development schemes.

FELDA's contribution to the process of urbanisation in Malaysia is a markedly significant one and can be seen in relation to Malaysia's general regional development policy. As it will be seen, FELDA's own schemes with their populations of 3000 or more are and will act as the basic urban centres in the next few decades.

The basis of most of Malaysia's regional development studies⁸ is rapid urbanisation and the predominant number of Malaysian regional plans since 1970 have considered the minimum size of an urban area needed to allow what the planning consultants have defined as the first basic criteria for their development--the increase in standard of services, a greater variety of services, a higher level of non-primary

7. See, Pahang Tenggara Regional Master Plan, Kuala Lumpur: Government of Malaysia, 1973.

8. In the period 1970-75, 19 regional development plans were commissioned by the Malaysian Government. See Appendix C for a detailed list.

activity, greater job diversification and job mobility--and strong interurban linkages and transport systems. This involved definition of urban thresholds⁹ and it has been recommended that to provide reasonable social services that four ranges of population from 2,000 to 50,000 be utilized with a mean of 10,000 being used. They anticipated that the normal type of FELDA village centre with its servicing of a population of around 3,000 would provide reasonable small service centres, but for industrial activity it is recommended that major centres of up to 30,000 to 40,000 be created with FELDA settlers being moved into the periphery of these new centres as the urban-rural link in future years.

But what has occurred since this report is that FELDA village centres themselves are rapidly becoming more urbanised than anticipated with the FELDA policy of subsidising the building and running of shops and of helping settlers to move into business activities such as setting up of transport and other commercial companies. FELDA schemes now are rapidly taking on the character of small towns. At the same time, these new FELDA village centres also have the basic facilities of schools, clinics, telephones and other modern structures that provide the usual social service for a town centre. Finally because of the development in recent years of FELDA schemes in groups of four

9. See for example Pahang Tenggara Regional Master Planning Study, Working Paper No. 39, "Town sizes and thresholds for manufacturing activities in West Malaysia." Kuala Lumpur, Government of Malaysia, 1972.

or more that the schemes, with their growing number of dependents and groupings, now have populations of 5,000 to 30,000 people.¹⁰

FELDA settlements are therefore urbanised in many ways and if they do not (from purely a planner's point of view) offer a large enough base for industrial takeoff, they can and do provide an essential urban setting both in their size and in the services they offer. They are in part urbanising the Malaysian landscape in an unforeseen but significant way. For, they provide the traditional culture bound Malay an urban environment that manages to retain a Malay atmosphere in a modern setting. Thus, particularly for the rural tradition oriented Malay, they are providing an important bridging mechanism to a fully modern urban life.

Thus, by opening up land schemes throughout Malaysia and recruiting its settlers from across the country, FELDA has played an important role in Malaysia's development since 1956. By mobilising overall migration in the country, it has been a major contribution to the growth in mobility in Malaysia in the 1957-70 intercensal period and undoubtedly will continue to be in the future. It has moved settlers to the new and less developed areas of the country while, equally important in some ways, retaining schemes in certain states that have experienced high outmigration. As the majority of its

10. Over 70% of the existing FELDA schemes apart from the regional development schemes such as the Jengka Triangle, have four or more schemes in a cluster. Thus the FELDA concentrated population is around 4,000 or more people in one grouping. In some future regional development schemes such as Pahang Tenggara, it is envisaged that lots of 18 or more schemes will be developed together, with total population of up to 30,000 people.

settlers are Malays, it has made a marked contribution to the overall increase in the mobility of the generally rural Malay element of Malaysia's population. Finally, it has, through its village type settlements, begun to urbanise the countryside and is providing a key link in Malaysia's overall regional urbanisation policy. The FELDA scheme in fact seen in light of this evidence is an end stage in the overall modernisation process for a generation of predominantly Malay smallholder farmers.

C. Change Within the FELDA Scheme

Once in the FELDA scheme, the settler undergoes a process of imposed change. FELDA, once it has moved its settlers into the schemes, now puts them into a different structural, economic and social climate under which clear behavioral changes can be seen. In this section, two indicators of this change are examined--those of occupational mobility, and modernisation are examined to try and see how this kind of behavioral and attitudinal change occurs.

1. Occupational Mobility

The FELDA type of scheme, as it will be shown in the four case studies in Chapters 4 and 5, provides the settler with a widened base for occupational mobility--a base which is in marked contrast to what he had in his previous life in his home village and one which in a relatively immobile society such as Malaysia, the FELDA settler is given the opportunity to expand his interests and those of his family.

Malaysia, although it has undergone rapid change since 1957, is still in many ways is a traditional society. This can be seen for instance in the generally low job mobility in the country. One outstanding example that is of general relevance to this study is the role and status applied to the government in the country.

The Government of Malaysia holds a predominant place in Malaysian national life--a position that arose out of two major historical influences--the existence of a strongly autocratic political structure in precolonial Malaysia and then the continuance and centralisation of this strong government under British rule.

Government or the administration was the most powerful and prestigious set of structures in the society, both before Independence when there were no politicians and also after Independence when it still remained the one indispensable organisation. As such, Government was a highly privileged and protected segment of Malaysian society with undoubtedly the highest prestige status of any occupation.¹¹ This high status of government in Malaysia as an occupation and the general lack of mobility is reinforced by the role of education.

11. It is interesting to note that in one of the few attempts to analyse occupational prestige in Malaysia, five of the six highest occupations on the scale were government posts (the one exception was the first rates occupation, that of the Sultan), and as the author remarks "nowhere in the world has the civil service such prestige and esteem as in Malaysia." See Syed Hussein Alatas, Modernisation and Social Change: Studies in Social Change in South East Asia, London: Angus and Robertson, 1972, p.87-91.

Education was the key in Malaysian society in British times to status jobs and it has remained so after Independence. For one's educational background was premium in entry to the civil service and it was also a means of obtaining a good job in the private sector.

Occupational mobility in Malaysia has therefore in the past and still is to a large extent limited on a number of factors. Firstly, there is the predominance of the Government service as a status service and the consequent lesser status of the private sector. Secondly, there is the importance of education in Malaysia and its determinant in job mobility.

Consequently, Malaysia though a rapidly developing country is still a country with a fairly rigid occupational stratification. This is gradually changing as it does in most developing societies but it is a relatively recent process in Malaysia that has come about with the increase in education facilities and general development in recent years. Malaysia is also a country where, for all the increases in educational opportunities and at the same time general non-governmental developments particularly in the private sector, the population is still predominantly rural. Thus mechanisms that effectively aid occupational mobility in today's changing environment in Malaysia are clearly important.

It is in this process that FELDA plays an important role. For FELDA provides for its growing number of settlers a means for mobility both for /^{themselves} and just as importantly for /^{their} families by moving the settler and his family from his original kampong onto a new scheme

and into a new job. Thus in his new occupation and new setting, the settler and his dependents have opportunities to learn new skills and more importantly, to expand into second jobs and occupations.

Thus, in this study, occupational mobility is utilized as a means of measuring the FELDA settlers' ability to change. It allows us to examine the change of occupation that the FELDA settler goes through on joining the FELDA land scheme, and then, in the short time span in existence in the scheme evidence of mobility in 'second' jobs on the scheme as well as inter-generational mobility of the settlers and their dependents.

As we will see the FELDA settler not only goes through basic occupational change on joining a FELDA scheme, having to learn new skills, but his whole social and economic relations change. He now receives perhaps for the first time a regular and secure income. In the FELDA scheme, he has the security of his land, and can branch out into other occupations that range from the traditional type of second jobs such as running small kampong type shops to raising and selling livestock to more entrepreneurial enterprises such as opening up of large transport companies and other business companies. At the same time, his dependents also have the opportunity to break out into more diverse occupations and as we can see in the case studies, the settlers' aspirations for himself and his dependents are high, and that the FELDA scheme provides a mechanism for himself and his dependents generally to move socially and occupationally.

2. The Modernising of the FELDA Settler and his Family

Once the FELDA settler enters the scheme, he undergoes a traumatic change in lifestyle and is open to a number of modernising influences. In this, the Federal Land Development Authority plays two important roles. Firstly, it provides, on the macro-level, a major mechanism contributing to the overall modernisation of a large element of Malaysia's rural population. Second, at a micro-level, it induces change and a more modern way of life for its settlers in its schemes, thus contributing to the overall pattern of change.

This can be seen more clearly as we examine FELDA's work against the general process of change that Malaysia has undergone since Independence in 1957. This, as we will see, shows how FELDA has contributed to this overall modernisation process by inducing change through its land development operations, particularly for the predominantly rural Malay population.

As a country, Malaysia is far from being a traditional society, being well developed and having the second highest per capita income in South East Asia.¹² This is due to a number of factors. There is firstly physical smallness of size and the fact that today, though certain areas, notably the north and eastern states, are still lagging behind the more developed west and southern states, a well developed

12. Per capita income in 1973 in Malaysia was \$1,170 (US500) and was only in Asia surpassed by Japan (per capita income in 1973 of \$1,540).

country with good communications. Secondly, it is a country that has undergone rapid economic development both in colonial times to Independence in 1957 and then in the post Independence era.

This process of development has been both general in its aim and also specific. As, in addition to general growth, we have with the growing pressure on the Malay dominated government of the Malay voter, a series of attempts to develop the predominantly Malay regions of the country, raise the incomes of the poorer Malay population and, of particular relevance to this study, to open up more opportunities for Malays to move into the more modern sector of the economy. These moves could be seen initially in the special privileges accorded to the Malays under the 1957 Constitution and then in the series of development plans from 1961¹² to the present day aimed directly at bringing Malays into the mainstream of the economic development of the country.

The result of this political pressure has been that for some 18 years from 1957 to the present day, Malaysia has undergone a continuous and sustained programme of development that has led to the overall modernisation of the country. Expenditure on social services in the 14 years between 1960-74, increased by 45.9% and education expenditure increased from 19% of total government

12. Since 1956, Malaysia has had five development plans, the First Malaya Plan (1956-60), the Second Malaya Plan (1960-65), the First Malaysia Plan (1966-70), the Second Malaysia Plan (1970-75), and the Third Malaysia Plan (1976-80).

expenditure in 1960 to 22% in 1974. As it can be seen from Table 3.7 below using what indicators data allows for modernity, Malaysia has undergone rapid change since Independence.¹⁴

What is not so clear is that for all these indicators of modernisation, that there has been a concurrent change in people's attitudes in Malaysia.¹⁵

This is particularly relevant to the widescale attempts of the Malaysian government to bring the rural Malays into the modern economic sector involving both a movement from a subsistence to a cash economy and a wholesale change in attitudes with the move from a traditional to a more modern setting. For a major problem in development in Malaysia since Independence in 1957 has been that of inducing a more economic motivated attitude among the predominantly Malay segment of the Malaysian population.

The problems of value changes in the modernisation process are often discussed with the concept of the two models in which values are changed first as a precondition to modernisation or the conditions changed so that people automatically (though not always quickly and successfully) change their attitudes and basic values (Rosenftein-Rodan 1966, Hirschmann 1965).

Malaysia has seen both models applied with, on the one hand, large scale investments in education, in communications, and in

14. The Treasury Economic Report first started publishing a chapter on socio-economic indicators in 1973 and expanded it in 1974. See Economic Report, The Treasury, Kuala Lumpur, November 1974, p.76.

15. See Chapter 1, p. for a fuller discussion of this point.

TABLE 3.7

DEVELOPMENT INDICATORS: MALAYSIA 1960-73*

	Year		Year		Average Increase 1963-73	Annual Rate
	1963	Rate	1973	Rate		
Radio ¹	226,828	1.32	347,860	1.28	58.4%	3.3%
Television sets ²	28,125 (1964)	1.28	313,244	1.31		31.0%
Paved Roads	5,840 (1957)		87,925 (1970)			
Cars (per mile of paved roads)	433 (1967/8)		844 (1970)			7.3
Telephones ³	98,471		198,950			7.3
Literacy Rate	51%		68%			
Newspaper reader per 1000 people ⁴	61		167		170%	
Physicians/ dentists per 100,00 population	23		34.2			
Life Expectancy						
Males	56 (1957)		64 (1970)			
Females	58 (1957)		68 (1970)			
Infant Mortality	75.7 (1957)		40.8		45%	
Doctors per 1000 people	1107326 (1957)		114562 (1973)			

Source: Economic Report, The Treasury, Kuala Lumpur, Nov. 1974/5, Economic Report 1975/6.

*Figures not available for 1960 but for other years are perfected.

1. There is a 24 hour Radio Service in Malaysia. It is estimated that 28.8% of the population listen to the radio every day, 90% of all adults in the rural areas and 70-80% of all adults in urban areas.
2. Television was introduced in 1964. In 1974, there was an average of eight hours viewing a day.
3. There were 4954 persons on the waiting list for telephones in 1963 and 17,716 in 1973.

ideological stimulation to bring about a value change and the participation particularly of the Malay in the economic life of the country and, on the other hand, in the case of such large scale institutional mechanisms as the Federal Land Development Authority and other institutions, the approach of putting people into radically changed situations in which it is hoped that their attitudes and values will concurrently change.

FELDA's role in this general policy is that of a large geographically widespread organisation that, through its schemes, provides a markedly different set of conditions to the normal village life that clearly lead to change. This can be seen in both FELDA schemes with the wide range of modern facilities and also, if we compare the kind of change economically and socially that a FELDA settler undergoes in moving from his traditional background to a FELDA scheme.

In terms of modern facilities and amenities that a FELDA scheme provides, we can see from Table 3.8. to what extent the following facilities exist on the one hundred schemes for which comprehensive data is available. As it can be seen, all the schemes had at least a primary school, most had health clinics (88%), community centres (84%), postal agencies (60%) and mosques (70%). A significant number had telephones (46%), mobile post offices (54%) and bus services (41%). In addition, piped water is supplied on each scheme to the settler on entry and can be extended to the individual house on request. The houses themselves which are of timber and comprise three rooms, a kitchen and bathroom are said to be in "quality better" than "the

TABLE 3.8

PUBLIC AMENITIES IN FELDA SCHEMES

Items	As at end of 1974	% per scheme
1. Number of Settlers (families)	30,100*	
Number of Schemes	100	
2. Acreage developed for Settlements; rubber and oil palm schemes (acres)	659,714	
(i) Access Roads (Miles)	388	
(ii) Village Roads (Miles)	688	
(iii) Schools (Primary/Secondary)	100	100
(iv) Clinics	88	88
(v) Community Centres	84	84
(vi) Playgrounds	30	30
(vii) Places of worship	70	70
(viii) Public telephones	46	46
(ix) Postal agencies	60	60
(x) Mobile Post Offices	54	54
(xi) Police Posts	38	38
(xii) Bus services	41	41
(xiii) Mobile Library Units	3	3

*Total population is 200,000 persons or more.

Source: FELDA (1975).

majority of kampong houses." All in all, the facilities on FELDA schemes were reported to be of "a semi-urban" standard.¹⁶

Economic indicators also show that the FELDA settler in 1974 was a well off individual earning a good income and owning a variety of appliances.

In terms of income, the average monthly income for FELDA settlers in 1974-75 varied, for the settlers on rubber schemes were earning an average net monthly income ranging from \$234 to \$277 a month depending on the size of their lot. On oil palm schemes, the settlers' incomes were much higher due to the high world prices for oil palm and in 1974 oil palm settlers earned a net income of between \$802 for eight acre lots and \$1218 for ten acre lots a month after deductions.¹⁷ As it can be seen in both cases, these average incomes had increased substantially from the 1971 level when the average rubber net income was \$132 and the oil palm income \$359 (FELDA Annual Report, 1972).

These high incomes had led to a wide acquisition of appliances on the part of the settlers. A fifty-one scheme survey carried out by FELDA in 1974¹⁸ showed that 77% of all the settlers had radios

16. See The Economic Report, Treasury, Kuala Lumpur 1975/76. Nov. 1975, p.102.

17. The difference in the rubber income is due to the maturity of the rubber and the size of the lot. In lot size, FELDA originally allocated six acres, increasing this, due to low rubber prices, to first seven, then eight acres (in newer schemes still not in the tapping stage, this has since 1973 been increased to twelve acres). 67.5% (12,964 families) of the settlers in 1974 on eight acre lots earned \$258, 19.4% (3,716 families) were on seven acre lots earned \$234 and 13% (2,499 families) on six acre lots earned \$277. See Treasury Economic Report, op. cit., p.102.

18. See FELDA, Household Ownership Survey 1975. FELDA, Kuala Lumpur.

and 17% television sets. Ownership of sewing machines was wide spread as was the use of kerosene stoves (55%) and to a very limited extent (5%) of gas cookers. All told 2.7% of all FELDA settlers in Malaysia in 1974 had motorcars, 34.7% motorcycles and 43.3% bicycles.¹⁹

To compare and illustrate the individual change that the FELDA settler undergoes in entering, and living on a FELDA scheme, we can look at the individual settler at three points in time--in the pre-move stage, on his first joining the scheme and then when he has time to settle in and adjust to the scheme and start to earn a constant income.

In the first stage, that can be called the pre-move stage, the settler comes from predominantly a rural background, has been in a variety of occupations but mainly agricultural in nature, strong ties with his kampong whether living in it or in a social and economic setting that is closely related to a Malaysian kampong type of life.²⁰ In this life, his work day and time table is mainly his own in which he is working to a personal rhythm of life depending to some extent on his crops or business but in an unstructured situation where he works when he feels like it, at his own pace and by his own methods.

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19. Surveys of individual schemes and groups of schemes carried out from time to time would indicate that these figures are perhaps a little low. Nearly every house on a FELDA scheme has a radio and on most schemes a motorcycle is a common sight as is a bicycle.
20. In my own survey, 91% of all the respondents came from a rural background (defined in the 1957 census terms as areas with population of less than 1000 persons) and overall 55% from an agricultural background. See case study data in Chapter 4 and 5.

His income will be derived mainly from what cash comes in from his crops but also from indirect sources such as growing his own fruits and vegetables and keeping chicken and other livestock. His social life--while intricate as most village social dynamics are in any country--will be a closely knit one, centred around the relatively small universe of his kampong or village and its members who he has known all his life and his family. In good times, and more importantly, in bad times, the kampong social environment is close and supportive and will provide him with the physical, social and economic security that is necessary to his life. The kampong environment will have a house, include perhaps land and in Malaysia, the probability, due to the richness of the land, of a reasonable subsistence.

There are of course exceptions to this overall picture. For if 96% of the FELDA settlers are Malay in origin,²¹ a small minority are Chinese and Indians who may have slightly differing backgrounds. Some of the Chinese may have been in small businesses or in tin mining and the Indian settlers usually have an estate background. In both cases, as those of the Malays with non-agricultural backgrounds, they may have been exposed to a more structured and disciplined life but few will have come from a middle class income background and all will have probably retained strong ties with their home kampongs and thus

21. Of all FELDA settlers in 1975, 96% were Malay with the remainder consisting of 2.7% Chinese and 1.3% Indians. This is lower than the 7% figure usually quoted (see World Bank Report 1974) and is taken from FELDA's own records. See FELDA Records 1975.

essentially can be classed, with the majority of the would-be settlers.²²

In the second stage, the FELDA settler moves into a FELDA scheme. His reason for applying varies but mainly they are for better opportunities and a better future and for land. He has heard about FELDA from a number of sources--the village headman, the local government officer, the associations of various kinds, the news media, and friends--but has little preconceived notion of what moving into a FELDA scheme actually entails. At the same time, as he has no choice to which scheme he will be allotted; he may go anywhere and in almost all cases will find himself with none or very few people he knows in the new scheme, living with other settlers from different parts of the state or, more importantly, from different parts of the country.²³ Thus he has immediately lost that close, secure and mutually dependent world of his previous life and moves into a very different, lonely, and certainly impersonal situation.

When he comes in the FELDA scheme, he is faced also immediately with a physical adjustment. Back in his kampong, he will have had a

22. However in the case of some Indian and Chinese settlers in FELDA who had emigrated to Malaysia from India and China respectively it was clear from my research that some had fewer ties with a home village in Malaysia than the indigenous Malays.

23. Regional differences are an important factor in Malaysia with groups of settlers from one state having a different lifestyle, outlook and habits from people from another state. This can be seen in FELDA Pahang schemes where the local Pahang settlers do not mix well with settlers from different states. It has also been noted in a recent study on Negri Sembilan. See Negri Sembilan Timur: Regional and Urban Development Study. Special Report 1. Social Cultural Aspects, Government of Malaysia, (N.P.) 1975.

house and have lived in surroundings with the basic necessities of life including non-cash items he can fall back on for consumption such as fruits, vegetables and livestock in his house compound. In the FELDA scheme, he comes into a raw newly opened up and developed physical environment, to a house stripped of its habitual attachments and with just a plain bare plot of land as his garden. At the same time, he could well be cut off completely in the early days from those small but invaluable sources of supply such as household requirements and small service items that in the kampong are easily available, as the FELDA scheme situated usually in a newly developed area of the country, always some distance away from local village life.²⁴ Thus the FELDA settler undergoes a drastic physical change of environment and this requires considerable adjustment.

At the same time, the rhythm and approach to his work has to change. If he has come, as the majority do, straight from the kampong, he has been in his past life his own master in whatever he did. Now he must face a day with set hours and a timetable and if he is to get paid, a set requirement of work.²⁵ This again is a major change. He learns not only to utilize time himself as a major factor in his life, but a new set of conditions of life in which time is quantifiable and

24. This particularly is so in the large regional development schemes being opened up by FELDA in the states of Pahang and Johore, where the nearest village could be 20-30 miles away from the scheme as these schemes are part of a very large area of up to 100,000 acres carried out of virtually virgin jungle.

25. The FELDA subsistence allowance of \$4 a day (1975) is only paid on the satisfactory completion of 25 days work a month. See Economic Report, The Treasury, Kuala Lumpur, November 6, 1975, p.103.

and ever present factor.

Then there is the occupational change. Whatever the settler's background, work in a FELDA scheme involves a direct occupational change.²⁶ If it is a rubber scheme, he must learn to tap rubber and with it all the necessary skills of keeping up his plot and, because of the more modern inputs into a FELDA scheme, how to apply and utilise a variety of new methods (such as the application of weed killer or fertilizer) to obtain a good output. In an oil palm scheme, he is dealing with a crop probably completely outside his experience or that of most of his fellow settlers²⁷ and he must again learn a whole new array of skills that are involved in the upkeep of oil palm.

Physical and occupational change for the new settler is reinforced by an economic change. The FELDA settler in most cases has faced a fluctuating income back in the kampong and one in which cash to some extent was supplemented by supportive income of some sort in kind, such as vegetables, fruit and livestock. At the same time, he has had little need to carefully budget or save as he could always fall back on relatives or friends in a particularly bad time. Here in the FELDA scheme, he is faced with a very different situation. On first arrival

26. Some settlers, particularly Indians, will have had rubber tapping experience on an estate but overall most (* as the analysis of two rubber schemes shows in Chapter 4) will have no experience. In all cases, they are moving into a completely different occupational category in moving into FELDA.

27. Oil palm cultivation only began in Malaysia in/ the 1960s and settlers with experience in this field would be minimal, if they existed.

and until the crop matures he will be on direct subsistence allowance and is allowed a certain limit of credit in the FELDA cooperative shop on the scheme. This is money paid in cash and he must now learn to live within this budget without any of the supportive economic mechanisms of his previous life, such as help from close relatives and friends, produce from his house compound or other credit facilities such as the ability to pawn his jewelery to an available money lender.²⁸ Furthermore, he is now in a situation where he is only paid on results and he must learn that what he earns per day and later depends on how long, hard and skillfully he works.

Finally there is the complete process of social adaptation underwhich the new settler must go. Although the settler may have a few friends from his own kampong, he will be faced with building up a new set of social relationships with his neighbours and other settlers and also with a new power structure in the form of the FELDA management that replaces that which he had previously known in the village. Instead of the village headman, the penghulu and the district officer, he now has to deal with the FELDA manager and his staff who, it is important to note, unlike his kampong or district officers, he does not know or has even heard of. Thus, in his working life, a whole set of impersonal imperatives and relationships replaces the more intimate

28. In Malaysia, the rural Malay usually keeps his savings in the form of jewelery such as gold which is easily pawnable to the local money lender. See for details, Popenoe, *op. cit.*, p.94. In this case because of the isolation of the FELDA scheme, there may not be a local money lender.

and known ones of his previous life.

The FELDA settlers in this initial stage--starting from his time of entry to about his third or fourth year in the scheme--undergoes a traumatic change of environment that imposes a whole new set of social and economic relationships on him and places him in a relatively cold and alien atmosphere where he had to fall back to a great extent--certainly initially--on his own initiative and resources.

In the third stage, the FELDA settler will have made these initial adjustments and will have adapted himself both to the pattern and requirements of the work of the scheme and to a new lifestyle of the scheme and will have recreated or refashioned his life to meet these new conditions. At the same time, he will be now the recipient of a higher income as he will have moved off from the basic subsistence allowance to earning directly income from his own rubber plot or his oil palm scheme bloc. Now economically he is far better off earning from \$234 and \$277 net a month in rubber schemes and between \$802 and \$1,218 a month in a palm oil scheme.²⁹ And consequently a whole new set of economic structures and habits will have emerged.

Economically the settler will have been socialised into utilising a cash income, budgeting for certain expenditures, savings and to some extent investing. In most cases, he will have bought modern

29. This net figure is after all loan repayment deductions have been made. See Economic Report 1975/6, op. cit., p.103.

appliances ranging from radios, bicycles, sewing machines to motor-cycles, cars and televisions.³⁰ He will have spent money on house improvements, rebuilding his kampong style house.

He may well travel more extensively if his home kampong is far away, now having the resources to do this and his spatial as well as time horizon will have altered. In savings, he will have started to put his money into such institutions as savings banks or other savings devices as well as the traditional methods of buying jewelery and gold.³¹ In other types of investment, he will also invest in shares either in the cooperative companies on the scheme or, in the occasional instance, in outside national organisations. Money is now seen as something to be utilized and capital is not only an accepted notion but one put to use in the settler's life.³² More important is the way that the settler will have moved into business enterprises. Most of these will initially be in the form of small shops in the early days on the front porches of the houses and then moved into their own shophouses built individually or into a complex of shops put up by FELDA or by the settlers' organisation, the J.K.K.R. In the latter

30. In 1974-75, a survey of 16,800 settlers in 51 schemes by FELDA showed that 77% owned radios, 4.9% cars, 62% motorcycles, 77.6% bicycles and 17% television sets. See Economic Report, op. cit., p.103.

31. Introduction of saving devices into the rural areas has been slow in Malaysia for a number of reasons. FELDA schemes provide either a fixed or mobile post office for savings and the like. The other forms of modern investment such as shares in scheme companies are used by FELDA settlers extensively in most schemes.

32. See Survey Data in Chapters 4 and 5. A number of respondents particularly in richer oil palm schemes invested in shares and scheme companies.

case, the shops will be extensive in range, meeting most of the requirements of the scheme and involving greater investment and turnover than the former village type operation. At the same time, notably in the oil palm schemes with their later development in FELDA history and higher incomes, more developed business enterprises begin to emerge. These are small, initially one man operation selling ice and bread, then taxi service,³³ and then in the last five years transport and other companies. These last are entirely operated settler transport companies with a capital of up to \$200,000 with settlers buying shares or making monthly contributions and will as they progress proliferate and expand into other activities.³⁴ At the same time, a number of settlers will have second occupations that may or may not be businesses but will again indicate a widening of their mental horizon and the settlers' ability to utilize and capitalise on their new position and income.

Socially new social forms emerge. These will be a mixture of the new and the old, and will vary in the degree of integration in any one scheme but essentially the J.K.K.R. will act as the main social organisation on the scheme. The J.K.K.R. acts as the equivalent of the village committee with one important alteration--here as in all clubs and organised activities on a FELDA scheme

33. See Ulu Jempol Palm oil scheme case study, Chapter 5, p. .

34. An example here is the Bloc Transport Companies in Bukit Besar. See Chapter 5, p. .

the officials are elected to produce results and are chosen not on any traditional status basis but on their worth and likelihood to produce.³⁵ Other clubs--a youth club or a Women's Institute are the most common--and associations of various types will arise to meet settlers' newly redefined need for areas of social interaction. At the same time the modern facilities of the scheme such as schools, health clinic, post office, community hall, mosque, both act to link the settler to the past but also more emphatically to move him into modernity with their proximity and accessibility.

Thus the FELDA settler is a changed man.³⁶ He came in from a predominantly traditional Malay background into a totally different physical, social and economic background, and he goes through a whole process of adaptation both at his first entry and then as he learns to utilize his new surroundings and new facilities. In this situation

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35. This is, of course, a fundamental change in social stratification and status. In a FELDA settlement, all ascriptive historical traditionally status related to a Malay kampong is lost. Here a settler representative or club official must prove himself or be out. The prime example of a 'democratic' ruler in my work was the Vice Chairman of the J.K.K.R. in Jengka 2 who had been the successful leader of the 1974 demonstration against FELDA and was subsequently elected the settlers' representative as the J.K.K.R. Chairman.
36. An interesting parallel here is the dual economy model developed by Piore who argues that labour markets enforce certain behavioral characteristics on those working in them. In Piore's work, he examines the American labour market of the nineteen sixties and discerns a primary and secondary market where in the secondary market, the person in it tends to be fixed in his job and has few channels for mobility in contrast to the primary market where the conditions allow for extensive mobility. See M.J. Piore, "The dual labour market: theory and implications," in D.M. Gordon, ed., Problems in Political Economic, an urban perspective, Heath, 1971. The contrast in the Malaysia situation is of a relatively immobile traditional sector in which the FELDA type of scheme provided the opportunity for mobility that was lacking in the settlers' previous occupation in the kampong.

he not only finds a more structured life but a secure one and one that offers him both directly and indirectly better opportunities. He is in fact a different species of person that calls for a classification of its own, for he is no longer a farmer nor can be said in income, living conditions, or attitude to belong to, in any narrow sense, an agricultural occupation, but now belongs to a new group of persons or class--the FELDA settler.

D. Summary

The Federal Land Development Authority thus plays an important, if not pivotal role in inducing change in the rural sector in Malaysia. This, as we have seen, is done in two ways: firstly, by moving the growing number of FELDA settlers and their dependents into schemes across the country, and secondly, by bringing about a marked change, though the modernised structure ~~in~~ the schemes and the way of life provided in them for its settlers. In both cases, FELDA plays an important role in the overall process of development and change that Malaysia has undergone since Independence in 1957. By opening up its schemes throughout Malaysia and moving large numbers of people into them, it has added considerably to the increased mobility in the country in recent years. And by bringing its settlers into the semi-urban environment of its schemes, it has introduced an important section of the rural population in Malaysia--the landless, generally poor Malay smallholder--into a new way of life with greatly increased opportunities.

CHAPTER 4

CASE STUDIES: RUBBER SCHEMES--BILUT VALLEY AND JENGKA 12

In this and in Chapter 5, four FELDA schemes¹ are examined in detail to see the workings of the two predominant types of FELDA schemes--those of rubber and palm oil--and in particular the part that FELDA plays through its integrated schemes in the overall strategy of the Malaysian government in modernising the rural Malay. To ascertain how successful this 'modernising' strategy is, the role that FELDA plays in inducing migration is underlined and then selected indicators of the modernisation process, those of occupational mobility and overall change are examined in each of the case studies.

However, in both chapters, the type of crop grown is first discussed--in the case of these two schemes, rubber--as this is a factor of major importance both in the development of the schemes and also in the type of skills required to harvest it and the kind of income and general economic conditions it creates. For both rubber and oil palm demand a definite degree of occupational change and adaptability by the settlers. At the same time, the nature of their production imposes a certain rhythm of life in both types of schemes and, thirdly and perhaps most importantly, the cultivation of the different crops leads to a marked disparity in income between the two types of schemes. Palm oil has in the last few years produced a far higher average per capita income than rubber and consequently one can expect to find a

1. Of the four schemes, Bilut Valley, and Jengka 12 are rubber schemes and Ulu Jempol and Bukit Besar are palm oil schemes.

different pattern of expenditure, saving and possibly entrepreneurship in palm oil schemes in comparison to the rubber schemes. In light of this, the general characteristics of rubber and palm oil as a crop are examined before the case studies in question are looked at.

B. The Cultivation of Rubber as a Crop

The extensive planting of rubber in Malaysia and in other South East Asian countries notably Thailand, Ceylon and Indonesia is due to the particular suitability of the South East Asian region to rubber cultivation, for rubber is best cultivated in a climate with a consistent high temperature of 70-80° and a uniform distribution of rainfall of at least 75-80 inches (Bauer 1948). The best growth is also found in regions without a definite dry season and the particular species generally used in South East Asia, the *Hevea Iscan*, tolerates a wide variety of soils.²

In Malaysia with its adequate, plentiful and even rainfall and the trees' tolerance to poor laterite soils, rubber cultivation is only limited by temperature and drainage which effectively opens up

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2. Although rubber is obtainable from a wide variety of species of plants the *Hevea Brasiliensis* from the Amazon proved most suitable for plantation production. *Hevea* seedlings were sent to Kew Gardens in 1876 by a British planter Henry Wickham and from there a consignment was sent to the Botanic Gardens in Singapore in 1877. Unlike the *Castilla* species that was first preferred in South America as it yielded a greater amount of latex more quickly, *Hevea* though slow yielding has a longer life and its latex has a lower percentage of non-rubber constituents than other varieties including *Castilla*. See P.T. Bauer, The Rubber Industry, Longmans Green and Co., London, 1948 and L.G. Pelhamus, Rubber, Leonard Hill (Books) Ltd., 1962, for the detailed history of rubber and the technical details of its production.

nearly all of the country between 50 and 1000 feet for satisfactory rubber cultivation. The one limiting factor in Malaysia until recently has been that of poor communications that are essential to effective plantation development, and historically Malaysia rubber development has been closely correlated to the growth of communication systems with particularly dense cultivation on the more developed West Coast.

But with the opening up of other parts of Malaysia notably the Eastern regions of the country in recent years, rubber is now being cultivated throughout the country. In FELDA's case, rubber was the only crop cultivated until 1966, when the fall in rubber prices and the rising world prices for palm oil products led to a decision to concentrate development on oil palm. But this policy in turn was altered later as doubts arose as the wisdom of a long term dependence on oil palm and FELDA today develops both rubber and oil palm schemes.

Rubber has two important and closely interlinked factors in relation to this study--the nature of work involved and with it, the skills required with cultivation and the income level it produces.

The FELDA settler in a rubber scheme is allocated 10 acres³ of rubber with usually around 129 trees per acre⁴ and he taps these on the alternate day system in which he taps half his trees on one

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3. The allocated acreage had varied from time to time. In the early days as in Bilut Valley, the plot size was 7 acres but in later schemes this was first increased to 10 acres and then to 12 acres.
 4. The optimum density is 120 trees per acre with estates planning around this number but rubber smallholdings often plant up to 200 to 400 trees per acre to obtain a higher yield. See Ooi, op. cit., p. lll.

one day and the other half on the next day. Tapping is carried out early in the morning when the latex flows most freely and the settler normally will go out to his plot around 6:00 a.m. returning around mid-day. In this time it is estimated he will be able to tap 50% (or 60) of his trees and carry the latex back to the centre collecting station. Members of his family will often help in the tapping and in some cases when the settler has a side business such as a coffee or sundry shop or himself is ill, the tapping will be done solely by family members.

Rubber tapping, first introduced into Malaysia by H.N. Ridley and other pioneers at the beginning of this century (Ooi 1963), requires certain skills.⁵ The modern method is to cut a thin shaving of bark from the tree trunk at regular intervals, the cut being placed at an angle so that the latex flows freely into the attached cup. If the bark is cut too widely then the economic life of the tree is shortened, as 'wounding' (as it is termed), damages the tree so that the renewed bark is untappable, and excessive margins in cutting will also lead to the tree being overtapped and used up too quickly.⁶ In Malaysia the average life of a rubber tree is 25-30 years with some 6 years of growth before it becomes productive. The actual productivity increases

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5. The discovery of this successful tapping technique at the turn of the century was one of the main reasons for the successful introduction of rubber as a crop in South East Asia.
 6. Different tapping systems are used in Malaysia depending on the type of trees. See for details, Ooi, Jin Bee, Land, People and Economy in Malaya, (London: Longman's, 1963), p.112 for details. The system used in FELDA is the alternate day method with a cut extending around half the tree.

from the sixth to around the 12th year and then slowly decreases until the tree finally reaches the end of its life towards 25-30 years and replanting is necessary. The actual yield of the trees varies depending on both the skill of tapping, on maintenance and on the type of seed planted.

Maintenance involves the regular use in FELDA schemes of fertilizers and of the clearing of ladang, a particularly poisonous weed, that can radically affect the trees' yield.

The type of rubber seed planted in Malaysia varies. In small-holdings, unselected rubbers were extensively used until recently but the high yielding varieties have been introduced increasingly in recent years in private estates and now in all FELDA schemes. These high yielding types of rubber seed produce more than twice as much latex an acre as the unselected types (Ooi 1963).

Thus rubber cultivation and tapping requires in itself definite occupational skills, and the adaptability and ability of the individual FELDA settler to learn this plays an important part in the success of a FELDA scheme. For if some 50% of FELDA⁷ settlers have some sort of agricultural background prior to sowing a scheme, only a small percentage will have been actively involved in rubber tapping and thus the average settler enters into a new occupation on coming into a FELDA schemes. This kind of occupational change including the

7. This figure is taken from the total survey of seven schemes undertaken as part of my research. It was not possible to obtain overall figures of the occupational background for all the 28,095 FELDA settlers in 1975, although it has been estimated that around 60% of all FELDA settlers have an agricultural background before they entered FELDA. See Andak Taib, op. cit.

the acquisition of skills is not always easy and FELDA has an overall problem in its schemes of low yields owing to bad maintenance and bad tapping techniques.⁸

The second important feature of rubber production is that of price instability which in FELDA's case affects the settlers' income level and also, to a marked degree, their participation and cooperation in a scheme.

Malaysia as the producer of around a third of the world's natural rubber suffers in particular from the constant instability in world rubber prices resulting from the interplay of international market forces outside her control. This world rubber price fluctuation is a factor of major importance in the overall prosperity of the Malaysian economy and has a significant effect on the income of the FELDA settlers.

The extent of this fluctuation can be seen if we consider world rubber prices from 1932 to 1975. In 1932, the worst year on record, rubber was 7 cents a pound on the world market yet in 1951, at the height of the Korean War, the price rose to 169 cents a pound--a difference of 2400% (Ooi 1963). In the last 15 years, the price has ranged from 42 cents a pound to the current (1975) price of 65 cents a pound. At the same time, the introduction of synthetic rubber during the Second World War and its success as a substitute for natural

8. It is estimated that 50-60% of settlers in rubber schemes need "constant pushing by the staff" to maintain their lots in a satisfactory condition and that bark consumption and wounding is high. See Cho Jee Nam, Paper 22 in Field Management Problems: Strategies and Solutions, FELDA, 1974 (mimeo).

rubber in the early nineteen sixties also affected world demand for natural rubber.

The FELDA settlers therefore are affected in two ways by being in a rubber scheme. In the first place, rubber as a crop imposes a level of income which over the years has averaged around \$260 a month. This is higher (as it will be shown later) than the settler made before he entered the FELDA scheme and high in comparison to the national figures for roughly similar agricultural occupations, but it stands in marked contrast to the earnings in FELDA schemes having palm oil as the crop.⁹ As a result, FELDA rubber schemes tend to have a set of behavioral characteristics of their own. The settlers usually are disappointed with the price of rubber and their income and general cooperation with the scheme management is often not as high as in palm oil schemes. At the same time, as the income level is limited, they show less likelihood (and less incentive) to become involved in business ventures.

One notable symptom of the kind of dissatisfaction found in FELDA rubber schemes is reflected in the low production figures in FELDA rubber schemes. This is often due to the large spread illegal sales of rubber by FELDA settlers. With low rubber prices, the settlers not only obtains immediate cash in his pocket by selling outside FELDA, but avoids loan repayment deductions that are

9. The actual difference varies considerably as palm oil scheme settlers can earn from \$400 to \$1500 depending on the time of year. In one isolated case, the income of \$2800 a month in one palm oil scheme was reported in 1974.

automatically taken off his monthly pay by FELDA.¹⁰

A second factor in the FELDA settlers' income is

rubber tree goes through varying levels of productivity from its first tapping in the sixth year, reaching a peak in the tenth year and then declining progressively until tapping ceases around the twentieth year. Thus a settler will be able to obtain a remunerable income from around the eighth to the seventeenth or eighteenth year.¹¹

These factors are of particular relevance as we look at the two rubber schemes chosen for detailed examination--Bilut Valley and Jengka 12.

C. Case Study I: Bilut Valley (Pahang 1958)

1. Setting

Situated some 14 miles from the town of Bentong in Pahang (see Map 4.1), Bilut Valley is approached through hilly countryside covered with jungle. As one gets near the scheme one sees the typical long rows of rubber trees and the ceremonial entrance gate welcoming

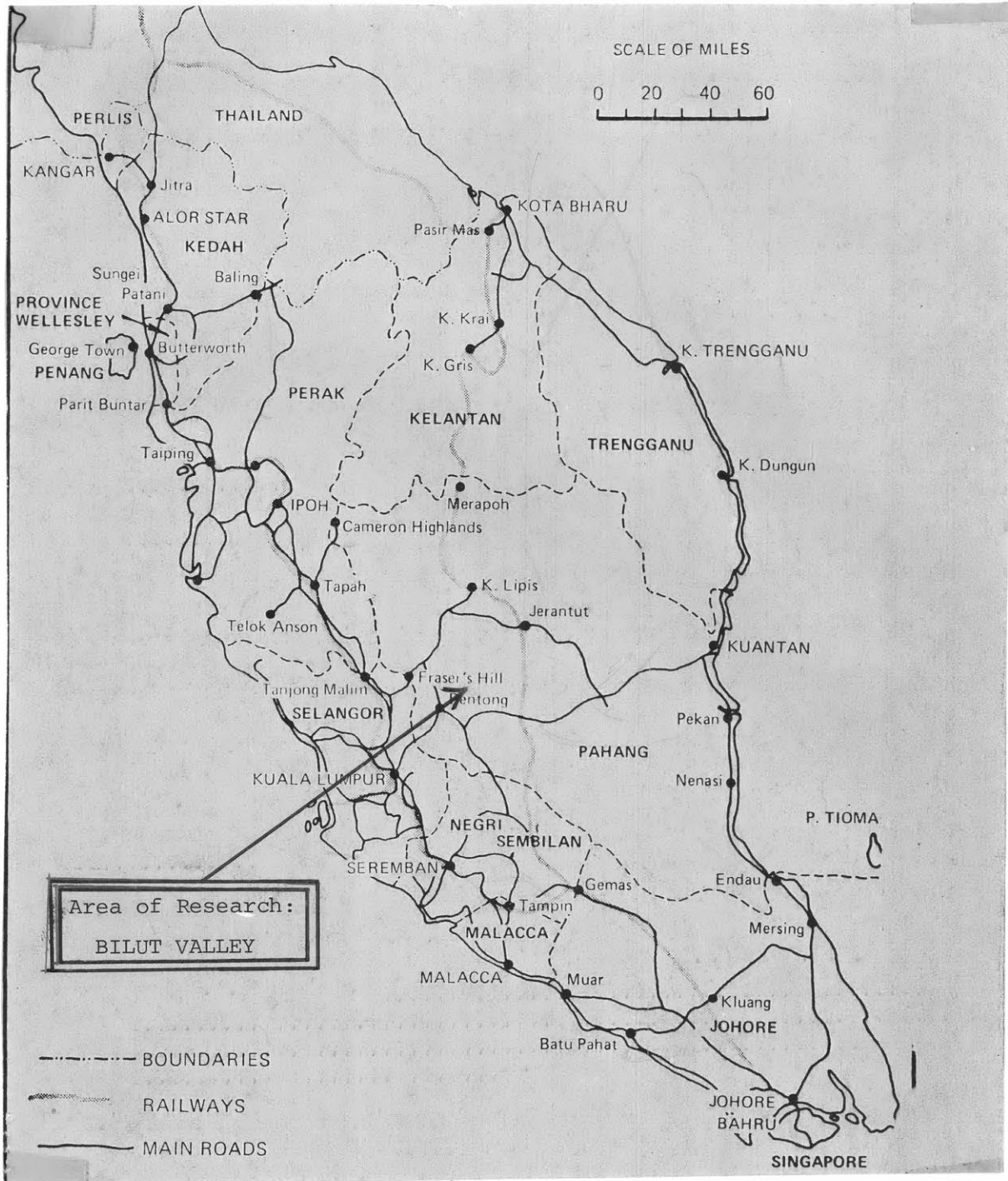
-
10. A survey of FELDA rubber schemes in the Northern region in 1974 showed that the average loss of crops due to more schemes was 32%. See, G.G. Bonn, "Illegal Sales of Rubber in FELDA Schemes," in Management Problems: Alternatives and Solutions (FELDA, 1974) (Mimeo).
 11. Bevan and Goering estimate that yields reaching a peak (high yielding rubber) in the tenth year of tapping decline by 20% in the eleventh year and progressively thereafter. See J.W.L. Bevan and T.J. Goering, The Oil Palm in Malaysia: An Estimate of Product Prices and Returns in Investment in Oil Palm Developments in Malaysia, Proceedings of the First Malaysian Oil Palm Conference, Kuala Lumpur, 1968.

one through the entrance, with the coffee shop and the scheme bus station on the right and rows of settler houses and further on, the FELDA office, the primary and secondary schools, and the factory. Standing outside the FELDA office, one can see the sweep of the scheme running on slightly hilly land with the settlers' houses surrounding the main village area and the schools and other buildings dotted in the surround. (See Map 4.2)

The scheme is divided into three phases of 3126 acres (Phase 1) that came into tapping in 1965, of 700 acres of Phase 2 (tapping 1967) and Phase 3 of 820 acres (tapping 1969). In addition there is 1800 acres being developed for palm oil due for cropping in 1978.

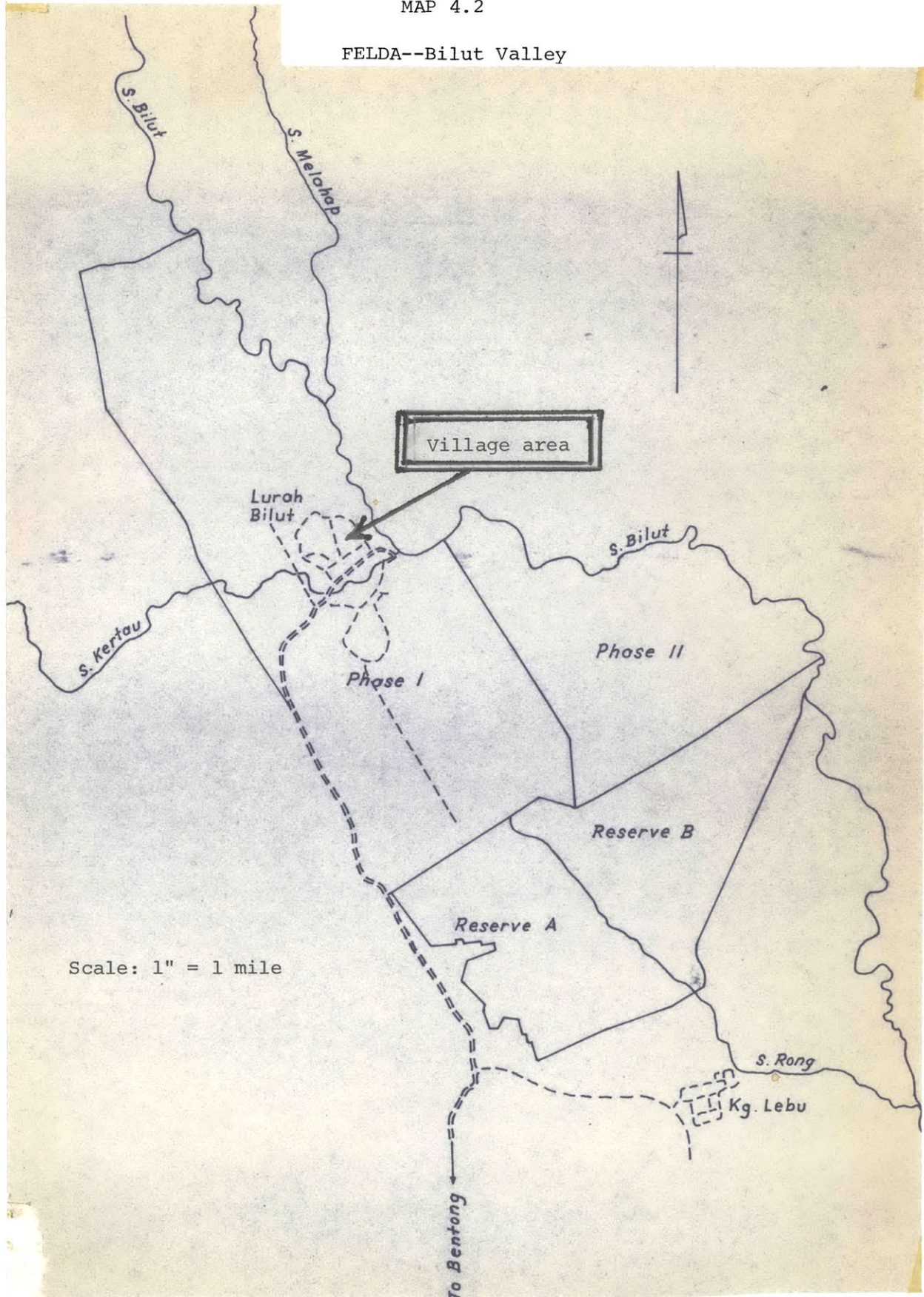
MAP 4.1

MALAYSIA AND BILUT VALLEY



MAP 4.2

FELDA--Bilut Valley



2. Background

Bilut Valley was the first scheme opened (in 1958) and directly administered by the Federal Land Development Authority, with a total of 568 settlers in September 1959, the second batch of 90 in April 1961, and the final batch again of 91 in August 1961. It stands out in FELDA's history as the only example of a non-integrated scheme in that the settler had to clear the jungle, plant the rubber and build their houses themselves. This as we see stands in marked contrast to all other/rubber schemes and has had a marked effect on the development and morale of the Bilut Valley settler.

As the only directly administered FELDA scheme in the first stage of FELDA's development (1956-60), it was initially run by a Corporation set up by FELDA until it came, with the other early but state administered schemes, under direct FELDA administration in 1960. Although one of the oldest FELDA schemes, Bilut Valley is today well endowed with facilities (see Table 4.1). It has two secondary schools, a primary school, a health clinic, a community hall, a police station and a large number of shops.

The Bilut Valley settlers originally come from all parts of the country, arriving into the scheme in their late twenties, and coming from all the three ethnic groups (Malays, 65.1%; Chinese, 26.6%; and Indians, 8.3%). In background, the Bilut Valley settlers came from predominantly rural areas with 86% overall being rural in origin. However, it was interesting to note in this case that, of the three groups, it was the Chinese and the Indians who were more rural (91% of

Table 4.1

SUMMARY OF FACILITIES: BILUT VALLEY

Opened - 1957

<u>Acreage</u>	Total <u>7969</u> acres	<u>Settlers</u>	Total 568
Phase 1	3126	<u>Date of Entry</u>	
Phase 2	700	September 1959	-- 387
Phase 3	820	April 1961	--- 90
Reservation		August 1961	--- 91
A and B	1800		
Village area	260	Total	<u>568</u>
Unutilized	1263		====
		<u>Ethnic Composition</u>	
		Malay	- 371 (65.3%)
		Chinese	- 151 (26.6%)
		Indian	- 46 (8.1%)

Facilities

- | | |
|----------------------------------|---|
| 1. 1 mosque | 9. National Secondary School (160 pupils) |
| 2. 1 Chinese temple | 10. Community centre |
| 3. 1 Indian temple | 11. Kindergarten (97 pupils) |
| 4. 1 surau | 12. Women's Institute building |
| 5. 1 church | 13. Health clinic |
| 6. 6 Mara buses | 14. Dental clinic |
| 7. Arabic Secondary School | 15. Police Station |
| 8. National Primary School (756) | 16. Ambulance |
| (Malay pupils - 487) | 17. 1 public telephone |
| (Chinese " - 199) | |
| (Indian " - 70) | |

Felda Staff

Manager	1
Assistant Manager	1
Supervisors	4
Field assistants	10
Social Development Officers	3
Clerks (chief)	1
Clerks (general)	2
Office boy	1
Driver	1
Total	<u>24</u>
	====

Shops

Total 52

Nearest Towns

Bentong - 14 miles.

the sample) in background than the Malays (77.1%)¹²

Just outside the outskirts of the village area is a FELDA rubber factory opened in 1962 that processes / rubber for both Bilut Valley and two other nearby schemes. The factory employs a staff of 24 and, depending on its needs from month to month, around 85 labourers. These factory workers are predominantly settler dependents and, at the time of my survey, totalled 81. They are paid \$4.50 a day and the factory provides a useful on-the-scheme source of employment. Employment is also offered by the latex collection centre in the village area which, again depending on the amount of latex coming in a month, employs 3 to 6 dependents. At the time of the survey, both the factory and the latex centre were operating well below maximum production as little latex was being handed in by the settlers.

Settlers' houses branch out from the centre of the village area. In construction, they are single story. In this scheme, they are built by the settler himself¹³ and, as in most FELDA schemes are 'kampong' in style, raised up from the ground with a large central room (often divided) and kitchen. In later years, some settlers have added extra rooms or rebuilt their houses altogether although this type of improvement in Bilut Valley is not as widespread as in other

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12. The definition of urban in Malaysia has changed with the population censuses. In the 1957 census, an area with a population of over 1000 was defined as urban while in the 1970 census, the urban population was defined as 10,000 or more. In this survey, the '1000 and above' definition was used.
13. Bilut Valley is unique among FELDA schemes in that the settlers had to build their own houses as well as clear the jungle. This practice for sake of economy and general overall efficiency was changed in 1960 with FELDA using contractors to clear land and build the houses for later settlers.

schemes.¹⁴ Most settlers grew fruits and vegetables around their 1/4 acres house lot and kept livestock--though both were mainly for home consumption and not for sale.¹⁵

In Bilut Valley, the three ethnic groups had been segregated, living in different parts of the village area, with the Malay settlers having their houses to the south, the Chinese to the north and north-east and the Indians to the west of the village centre. This pattern of ethnic segregation is again unique in FELDA as, in all later schemes, settlers' houses were deliberately allocated by lots irrespective of the settlers' ethnic group or choice.¹⁶

Primarily because of the age of the scheme, household composition in Bilut Valley is high with an overall average household having 7.4 people with the Malay (7.1) and Chinese (7.0) having a slightly higher number than the Indian (8.0).¹⁷ The number of children in the house-

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14. 57.4% of the settlers surveyed had spent money on improving their houses in Bilut Valley. Of these the Indian settlers spent the highest amount (average \$1560), followed by the Chinese (\$1034) and then the Malays (\$711.5).
 15. Fifty-five out of the sixty-one respondents grew either fruit and vegetables or kept chickens. Only 5 respondents (3 Chinese and 3 Indians) apparently sold produce from their house lots; the rest kept it for home consumption.
 16. Apart from deliberately avoiding any segregation of ethnic groups, FELDA tries to avoid grouping settlers from one state together as inter-regional and/or inter-state differences are a common feature of Malay social and political life. Settlers' houses are therefore (see Jengka 12) allocated by lot to avoid any complaints of regional groupings.
 17. The range of composition was from 3 to 12 persons for Malays, 2 to 13 for Chinese and 6 to 10 for Indians.

holds was uniform with an average of 6.5 per household.¹⁸ Most of the children (69.2%) on the scheme in 1975 were over 15, and 48% of the dependents covered in the survey had finished school and were either employed full or part-time on the scheme or were unemployed. The unemployment rate of dependents was high in Bilut Valley with a 22.9% unemployment rate of dependents at the time of the survey in April 1975. Altogether Bilut Valley had an estimated population of 5000 people in 1975 composed of settler, their families, relatives and friends.¹⁹

The Bilut Valley settlers were allocated seven acres of land for rubber cultivation when they first came into the scheme and this has been the main source of their income. In their daily work, they follow the usual pattern of a rubber scheme or an estate, of going out early in the morning around six a.m. for tapping and collecting latex and then returning around mid-day to the village area.²⁰ They either walked or used various means of transport to get to their plots that were, on an average, about three miles from the village area. Their wives and children often helped on the plots, particularly those of

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18. Malay households had an average of 6.5 children to a household, the Chinese had 6.2 and the Indians had 6.7.
19. A relative or friend staying was defined in the survey as someone staying for over a week at the time of the survey. Overall 42.3% of the respondents had friends or relatives staying with them (Malays, 47%; Indians, 53.6%; and Chinese 27.3%), which was a higher percentage than in any of the other schemes. One possible explanation is that the scheme was very accessible, being near the main Kuala Lumpur-Kuantan road.
20. Among our respondents, a high percentage worked less than 25 days a month (Malays, 73%; Chinese, 44%; and Indians, 64%). This can be attributed to the age of the scheme with older dependents able to work on the plot but, more significantly, due to the general overall dissatisfaction level in this particular scheme.

the settlers who had opened shops or had other types of business activities that occupied their time.

Life in the scheme therefore was concentrated out in the field in the mornings with the settlers beginning to come back to the village area around lunch time and then, after resting, they could be seen towards late afternoon socialising in the various coffee shops with the younger dependents, playing games such as football.²¹ Early evening was the time for any social or club activities on the scheme and as a number of settlers had bought or shared generators and thus had electricity, television watching was a common activity in the latter part of the evening.²²

Bilut Valley was far, however, from being an idyllic scheme, for it had considerable internal problems. This was related to a definite lack of overall cooperation between the settlers and the management, and was revealed when talking to the management and the settlers and from various responses to questions in the survey.

Bilut Valley was an unhappy scheme--an unhappiness derived mainly from its early history. As FELDA's first directly run scheme set up in the first period of FELDA's development, the settlers had had the difficult job of clearing the land of jungle (a very difficult

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21. The Bilut Valley football team was famous in the region, having been the district champions for some years. One dependent--one of the stars of the team--returned from a well-paying job in Klang, he told me, after six months just "to play football."
 22. The coffee shop where I first sat interviewing near the scheme's entrance in December 1974, boasted a large television set on my second and subsequent visits in 1975 which attracted a large audience.

task at any time, but particularly difficult in forest land in comparison to previously cultivated land), planting the crops and building their own houses. Life had clearly been hard for these first FELDA settlers and, as a result, the scheme had developed very slowly.

At the same time, FELDA had none of its present expertise in management and had ^{apparently} put in the wrong type of manager in the initial years, and generally, the scheme had suffered from severe staffing problems. More important, as this subsequently affected the settlers' income, the ground had been badly surveyed, bad planting techniques had been used with the use of inferior seeds, with the consequence that the rubber planted turned out to be low in yield (Tang 1973). As a result, a settler having seven acres sometimes found out that half of his lot was either unplantable land, or that the land was swampy. In both cases, his yield was very low.

Not surprisingly, this all led in later years to a lack of cooperativeness between the settlers and FELDA and a widespread apathetic attitude throughout the scheme towards organised activities. The J.K.K.R., for instance, although it met regularly, did not have the strong support from the settlers and club participation in the scheme was low ("They are just not interested," one FELDA staff member commented). This general dissatisfaction could be seen in two other ways.

One was the active participation in the political arena by Bilut Valley settlers. A Bilut Valley settler had stood as the candidate for an opposition party, the Gerakan Rakyat Malaysia in

the 1975 election and, while he lost, this party has a strong following in the scheme. When the party secretary was interviewed, he told me that he had left UMNO in 1959--and I asked him what had led me into politics, he said:

I was originally a UMNO member. But I soon found out that they were useless in getting any redress for our problems here in the scheme. So I left with a few others and formed the Party Rakyat branch here. It's helped us get more attention both from FELDA and from the government.

He used the word "pressure" a number of times during the interview and clearly saw his and his fellow settlers' formation and membership of the opposition party branch in the scheme as a means of putting "pressure" on the Government.

It was interesting to note that in answer to the survey question, "what club do you belong to?", all the Chinese and Indian respondents, and 58% of the Malays, gave their political party as the only club they belonged to.

This formation of pressure groups in Bilut Valley is of great significance for two reasons. Firstly, it clearly underlines the early emergence of the articulate FELDA settler, knowing his rights (and power) and using the mechanisms available to forward these. Secondly, it underlines the dangers and long term political (and economic) problems of creating a new privileged group in Malaysian society--a group that, as it grows in size, income and cohesiveness, undoubtedly will eventually become a major pressure group in Malaysian politics (both these aspects seen here in Bilut Valley are

examined more fully in Chapter 6).

The second factor was the dispute, which had reached a final stage at the time of my research in the scheme, regarding loan repayments.

There had been increasing complaints in FELDA rubber schemes in 1973 and 1974 about the low income resulting from the bad world rubber prices that in turn affected settlers' incomes, particularly as FELDA loan repayments are automatically deducted and the settler receives the balance at the end of each month.²³ At the same time, the increase in world palm oil prices had led to contrasting high incomes for FELDA settlers in oil palm schemes and this--as these high incomes had been given extensive publicity--only added to the discontent of settlers on the rubber schemes. As a result, the FELDA settlers began to sell their rubber to independent dealers outside the scheme which gave them immediate cash and also avoided the monthly deduction of the loan repayment to FELDA. While this practice is illegal (under the Land Ordinance, all tapped rubber must be given over by the settlers to FELDA), FELDA had unsuccessfully taken fifteen cases to court in 1973/4.²⁴ The result was that widespread selling of the rubber outside the scheme continued, with only 18.1% of the Malay settlers, 36% of the Chinese and 13.5% of the Indian

23. Rubber prices in 1970 had been higher and the settlers' incomes had been good at that time with incomes of up to \$1000 a month. The drop to around \$250 a month in 1974/5 was, not surprisingly, unpleasant.

24. The charge of illegal selling was dismissed as the FELDA management had difficulty in actually proving the act of selling and also, as a FELDA official pointed out, "to inadequately presented police cases to the court."

settlers handing in any latex to FELDA for March 1975.

Thus Bilut Valley was an unhappy scheme in many ways. Physically, it looked run down; there seemed little cooperation between the three ethnic groups;²⁵ and the settlers--all now getting on in age--seemed uninterested in attempts by FELDA to encourage social activities.

Politically, Bilut Valley was by no means an isolated scheme as nearby the large town of Bentong was only 14 miles away. Almost all the settlers had transport of some sort (there was also a regular hourly bus service) and both the settlers and their wives visited Bentong frequently and in some cases sent their children to secondary schools in Bentong. Bentong was the centre for shopping and entertainment outside the schemes and a number of the Pahang settlers in the scheme had their home villages in the area.

Finally, in terms of management, the scheme had a FELDA staff of fourteen. The Manager was an experienced person having worked in private estates for some years before joining FELDA and his staff was equally composed of experienced staff who had worked their way up in FELDA and newer, younger staff who had recently joined.

3. Migration

FELDA's role in acting as a migratory mechanism could be clearly seen in Bilut Valley. The Bilut Valley settlers came from all over

25. It was very noticeable in Bilut Valley that although there was a sizable Chinese group in the scheme (26.6%), there was no Chinese representative on the 12-man J.K.K.R. committee.

TABLE 4.2
SETTLERS' STATE OF ORIGIN--BILUT VALLEY

State	No.		%
Pahang	172	30.3	30.3
Selangor	135	23.8	23.8
Perak	82	14.4	14.4
Negri Sembilan	47	8.3	8.3
Perlis	46	8.1	8.1
Kedah	29	5.1	5.1
Kelantan	27	4.7	4.7
Pulau Pinang	11	1.9	1.9
Melaka	11	1.9	1.9
Johore	7	1.2	1.2
Trengganu	1	0.3	0.3
Total	568	100,000	100.0

Source: FELDA records (1974)

TABLE 4.3
NUMBER OF MOVES BEFORE JOINING FELDA

Number of moves	Malay	%	Chinese	%	Indian	%	Total	%
No. moves	19	(55.9)	4	(25.0)	2	(18.2)	25	(41.0)
Total moving	15	(44.0)	12	(75.0)	9	(81.8)	36	(59.0)
Once	3	(8.8)	6	(37.5)	3	(27.3)	12	(19.7)
Twice	7	(20.6)	4	(25.0)	1	(9.1)	12	(19.7)
Three times	2	(5.9)	1	(6.3)	3	(27.3)	6	(9.8)
Four times	1	(2.9)	1	(6.3)	1	(9.1)	3	(4.9)
Five times	2	(5.9)	-	(-)	-	()	2	(3.3)
Six times	-	(-)	-	(-)	1	(9.1)	1	(1.6)
Total (N=51)	34	(100.0)	16	(100.0)	11	(100.0)	61	(100.0)

Malaysia, with 30.3% from Pahang, 23.8% from Selangor, 14.4% from Perlis and the remaining 31.5% from the other eight states in Malaysia (See Table 4.2).

Before they came to FELDA, they had been a relatively mobile group (see Table 4.3) with 44% of the Malays, 75% of the Chinese, and 81.8% of the Indian respondents having moved at least once in their lifetime before joining FELDA Bilut Valley.

However, although there was clear mobility in all three groups at some stage, the majority of the respondents in the survey (79.4% of the Malays, 81.3% of the Chinese and 100% of the Indians) said they would not have moved if they had not been called by FELDA. Most of the respondents--whether they had moved or not--had been residents in their last place of stay for five years or more before joining Bilut Valley (88.2% of the Malays, 87.5% of the Chinese and 81.8% of the Indians).

An interesting feature of this scheme was that the survey showed that a sizable proportion of Indians and Chinese came originally from outside Malaysia (69% of the total Chinese respondents and 53.6% of the Indian). This is higher than the national average and would seem to indicate that FELDA was providing much desired land and security in the country among others, for these first generation immigrants.²⁸

Once in Bilut Valley, the settlers seem to have limited links

28. This is an interesting characteristic of Bilut Valley not found in other schemes. One very possible explanation of the wide presence of first generation migrants to Malaysia could be that it was to this class--without firm footholds in the country--that the little known FELDA operation appealed to in these early days with the Malays only getting to know about FELDA in the later years.

with their original villages, with 26.5% of the Malay respondents, 50% of the Chinese and 27.3% of the Indians never returning to their villages. When they did return, they almost all (overall 97%) returned for under a week and mainly to deal with family matters.

This lack of ties to the home village, in one sense, is surprising in terms of the normally strong Malaysian attachment to one's home village. However, in the case of Bilut Valley settlers, there are two likely explanations. One is that, in the case of Malays, the lack of kampong ties could be attributed to the fact that in the early days, when FELDA was unknown and the village headman was asked to nominate possible settlers, it was apparently the troublemakers in the village who were nominated and thus they may well not have wanted to keep up strong ties with their home villages. This reason was put forward in a number of the unstructured interviews carried out in Bilut Valley and is possibly reflected in the answers given in the survey that the village was "too far" or "too expensive" to return to or the respondent had 'no' relatives or 'no' village.

A second explanation in the case of the Chinese and Indian settlers is that, as it has already been noted, a larger number were born outside Malaysia and therefore would not have strong ties within the country.

Thus Bilut Valley, both ethnically and in the origin of its settlers, represents a widely representative scheme with settlers from all three ethnic groups and from all the 11 states of Malaysia. In bringing the settlers to Bilut Valley, FELDA clearly acted as the agent in their moving as, although 59 overall had moved before coming to

Bilut Valley, 86% said they would not have moved if FELDA had not called them. As seen against the overall Malaysian migration pattern,²⁹ the pattern of movement among Bilut Valley settlers is generally related to the national pattern of migration in the 1957-70 period, although the numbers of the settlers from Selangor and Negri Sembilan is well above the national average.

4. Occupational Mobility

Occupational mobility of the Bilut Valley settlers is seen in three aspects. The first is the initial change from their previous occupations before they came into the Bilut Valley scheme to their 'new' occupation in becoming settlers; secondly, there is the kind of further occupational mobility shown by FELDA settlers in Bilut Valley assuming new skills and roles, particularly in relation to business enterprises and other occupations; and thirdly, the inter-generational mobility between the settlers and their dependents.

As it has already been noted, settlement in a FELDA scheme of any sort involves for every settler and his family a change of occupation as he is taken from one background and put in a modernised structural situation in which, even if he has had some previous background, his new role as a settler involves moving into a new occupation in which he has to acquire and utilise different techniques in his work and because of the new economic relationships in a FELDA

29. See Chapter 3 for further details.

TABLE 4.4

BILUT VALLEY--PREVIOUS OCCUPATION (N=61)

	Malay (N=34)	Chinese (N=16)	Indian (N=11)	Total (N=61) All Groups
<u>Agricultural</u>				
Smallholder	-	-	-	-
Rubber	3 8.8%	-	-	3 4.9%
Paddy	5 4.7%	3 18.8%	-	8 13.1%
Coconut	-	-	-	-
Other	-	4 25.0%	-	4 6.6%
Agricultural labourers	8 23.5%	1 6.2%	-	9 14.8%
Estate workers	1 2.9%	1 6.3%	8 72.7%	10 16.4%
Fishermen	1 2.9%	-	-	1 1.6%
<u>Subtotal</u>	18 64.1%	9 56.4%	8 72.7%	35 57.4%
<u>Business</u>				
Own shop	4 11.8%	-	2 18.2%	6 9.8%
Help in shop	-	2 12.5%	-	2 3.3%
Other	1 2.9%	-	-	1 1.6%
<u>Subtotal</u>	5 14.7%	2 12.5%	2 18.2%	9 14.6%
<u>Service or Government</u>				
Exservicemen	7 20.6%	-	-	7 11.5%
<u>Other</u>				
Driver	1 2.9%	1 6.3%	-	2 3.3%
Mining	1 2.9%	-	1 9.1%	2 3.3%
Labourer (non-agricultural)	1 2.9%	1 6.3%	-	2 3.3%
Carpenter	1 2.9%	3 18.8%	-	4 6.6%
<u>Total</u>	34 100.0%	16 100.0%	11 100.0%	61 100.0%

scheme, will utilise his income and time in a different way.³⁰

As it has already been noted, the Bilut Valley settlers come from all three of Malaysia's ethnic groups and at the same time are widely drawn from all over Malaysia. They were just as diverse--as Table 4.4 shows--in their previous occupational backgrounds. Of the total respondents, 57.4% came from a general agricultural background, 14.6% came from a business background, whether they owned their shop or were working for someone else, 11.5% were exservicemen, and 16.4% had jobs categorised under 'other'. A closer look at the overall figures shows that only 21.3% of the settlers came from what could be termed a directly related background, whether as rubber smallholders (4.9%) or as rubber estate workers (16.4%). A further 36.1% had some sort of agricultural background and the remaining 42.6% had no agricultural experience at all. Thus the majority of settlers had to learn completely new skills in becoming settlers.

In ethnic terms, there are some marked differences in background between the three community groups. Of the Malay settlers, 64.1% had an agricultural background which fits in with the predominantly Malay agricultural sector in Malaysia. But of these, 23.5% had been agricultural labourers and not smallholders (who made up 23.5% of the overall Malay settlers with an agricultural background) and this would

30. Being a FELDA settler, as it has been pointed out, is clearly an unique occupation within the agricultural category, quite distinct from an estate worker, rubber tapper or smallholder. For a sociological approach to the FELDA settlers' distinctiveness as a group, see A.F. Robertson, "A New Kind of Malaysian," in Journal of Administration Overseas Vol. XIV, No. 1, January 1975, pp.30-38.

seem to indicate that Bilut Valley settlers came generally from the poorer and landless Malays.³¹ The exservicemen and other occupational categories are as one would expect. In the exservicemen's case, the Malaysian government has from the beginning given preference by quota (20%) to exservicemen.³²

Among the Chinese respondents, a high percentage come from an agricultural background (56.4%) with 25% of these coming from an unspecified agricultural occupation which would seem to indicate that they had been occupied with different types of farming at different times. A surprisingly small number came from a business background which one would normally associate with the Chinese who are predominant in the business and commercial activities in Malaysia. From this it would seem that the Chinese settlers came from the often overlooked but important segment of the Malaysian population, the predominantly poor rural Chinese. The occupational background of the Indian respondents fits in with the overall concentration of Indians in Malaysia in estate work and in small businesses. Overall it appears that the Bilut Valley

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31. One of the criticisms of FELDA over the years is that it has not catered to the poorer and landless element of the Malaysian population. The selectivity of the interview process (applicants must not have more than 2 acres of land) and the findings of this survey would indicate that this is not so.
32. Exservicemen have and still do form an / influential lobby in Malaysian life, being predominantly Malay and having a relatively influential position. Although many exservicemen joined FELDA, particularly as they told me, for land--"after 18 years in the army I did not have the money to buy land," one exserviceman told me in Bukit Besar--the full 20% quota is never fully filled. One constant reason given by exservicemen is that most exservicemen prefer a 'white collar' job. However, it is a very noticeable feature of the FELDA schemes that the scheme leaders usually had some sort of service background.

Table 4.5

INCOMES SETTLERS PREVIOUS OCCUPATION/FELDA INCOMES

	<u>Previous Occupation</u>			<u>Felda Income</u>	
	No. of Settlers (1)	Settlers Estimate \$ (2)	National Range (3)	Year 1-4 \$ (4)	4 Onwards \$ (5)
<u>Agriculture</u>	35 (57.4)	113.0		69.50	415
Smallholder					
Rubber	3 (4.9)	83.3		69.50	
Padi	8 (13.1)	96.9		69.50	
Other	4 (6.6)	110.0		69.50	
Agricultural Labourer	9 (14.8)	85.1		69.50	
Estate worker	10 (16.4)	103.0		69.50	
Fisherman	1 (1.6)	200.0		69.50	
<u>Business</u>	9 (14.6)	158.2			
Own shop	6 (9.8)	170.6		69.50	
Working for other	3 (4.9)	133.3		69.50	
<u>Government</u>				69.50	
Exservicemen	7 (11.5)	138.3		69.50	
<u>Other</u>				69.50	
Driver	2 (3.3)	105.0		69.50	
Mining	2 (3.3)	150		69.50	
Non-agricultural labourer	2 (3.3)	85		69.50	
Carpenter	4 (6.6)	137.5		69.50	
Total	61	175.7		69.50	

- Source: 1. Computed from Table 4.4.
 2. Survey Questionnaire
 3. 1957 Household Expenditure Survey of Malaysia
 4. Felda Records
 5. Average Felda rubber scheme gross income 1974-75.

Note: This is only an approximate Table based on settlers own estimates of their income, and available data for incomes for various groups in Malaysia.

settlers came from the predominantly landless and poorer sections of Malaysian society.

Another way of looking at the change involved for the Bilut Valley settlers by moving into FELDA is by looking at their incomes in the various occupational groupings before settlement and after settlement. This is difficult to measure precisely as occupational incomes are not available in Malaysia in any overall statistical form, but it is possible to construct (see Table 4.5) an approximate table showing levels of income before settlement and after settlement.

As it can be seen, the settlers at first did not apparently make more money per month as the subsistence payment of \$69.50 was only about 40% of the former claimed income. However, settlers have 'income-in-kind' from their house plot which saved them rent and in the vegetables and fruits they grew. At the same time, there was no restriction on the settlers' taking outside work to supplement their income though, in the case of Bilut Valley, as the settlers had to clear the jungle themselves and build their own houses, this was probably not undertaken in the early days.³³ On the other hand, as it can be seen from Table 4.5, once rubber was tapped, the income was, most cases, in excess of their previous incomes. Thus the initial occupational change involved in moving into Bilut Valley was eventually

33. Of the respondents, 42.6% were earning extra income outside the maintenance of their plot at the time of the survey (see Table 4.6). However, it was impossible to ascertain how many of the settlers worked outside the scheme or had additional income producing work in the early years.

reinforced by income and expenditure patterns.

The second measure of occupational mobility looked at was of any evidence of the settlers' branching out into other enterprises apart from their directly related FELDA work. This could take the form of opening up shops, going into business or taking jobs both on and off the scheme. This is a common feature in most FELDA schemes and is actively encouraged by FELDA as long as the plot is adequately maintained. In the last three years, for instance, FELDA has set up credit funds for settlers wanting to set up their own transport companies³⁴ and shops, and encourages settlers in the new regional schemes such as Jengka 12, to work on other schemes still under development nearby to augment their subsistence allowance.³⁵

However, although FELDA settlers had a number of shops, the Bilut Valley settlers on the whole had shown little overall business enterprise. This was in keeping both with the generally low incomes of FELDA rubber schemes and possibly the lack of help and funds that only became available recently for FELDA settlers who wanted to go into small business ventures.³⁶ In addition, in Bilut Valley's case,

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34. These existed in two of the four schemes surveyed, namely Bukit Besar and Ulu Jempol. See Chapter 5 for further details.
35. Of the Jengka 12 settlers, 64% had jobs outside the scheme at the time of the survey.
36. Lack of adequate credit facilities at the rural level is one of the main weaknesses in the overall attempt to modernise the rural sector. While the Government has put considerable sums of money into Government lending bodies such as MARA, the bodies concerned have failed to build up satisfactory extension services outside the few main towns. FELDA has to some extent managed to overcome this obstacle by creating the transport loan fund in 1974 and financing other business ventures--notably shops--but generally the problem of accessible credit is still a basic barrier to development in rural areas.

this lack of enterprise was undoubtedly due to some extent to the overall character of the scheme's development with its long history of strained relations between the settlers and FELDA and its general low morale.

Bilut Valley had at the time of the survey 51 shops, all of which were in physical appearance and in type (see Table 4.6 below) of a level of business similar to the traditional kampong type shop, as Bilut Valley had no modern central shopping area. In addition, one enterprising settler had opened up a bakery and ice-selling operation initially with his own money and then with a MARA loan. At the time he was interviewed in March 1975, he was also starting a second branch

Table 4.6

SETTLER OWNED SHOPS: BILUT VALLEY

Type	Malay	Indian	Chinese	
Sundry	6	5	5	16
Coffee shop	12	2	5	19
Barber shop	2	1	-	3
Textile shop	-	-	1	1
Butcher shop	1	-	1	2
Bicycle shop	-	-	2	2
Motor repair shop	-	-	2	2
Stationary shop	-	-	2	2
Tailor shop	-	1	2	3
Tinsmith shop	-	-	2	2
Total	21	9	22	51

of the business in the Jengka Triangle schemes.

Otherwise, 42.6% of the total settlers (32.4% Malay, 50% Indian and 63.6% Chinese) made extra income from a number of ancilliary occupations. Of these 34.6% were running small businesses and the remainder were involved in a wide variety of occupations, including working as labourers, carpenters and mechanics. Eight of the respondents (2 Malays, 4 Chinese and 2 Indian) did not specify how they earned their extra income.

The third type of mobility examined in Bilut Valley is inter-generational mobility and two measurements were taken--those of education and occupation. As it can be seen from Table 4.7 that compares the educational level of settlers and their dependents who have finished school, 20.6% of the Malay respondents, 12.5% of the Chinese and 18.2% of the Indian respondents had no schooling and that those who did have schooling (an overall mean of 3.4 years) had only primary schooling with none having been to a secondary level. The dependents who had finished school at the time of the survey were generally of a higher educational level with only 4.7% of the Malays, 3.3% of the Chinese and 9.1% of the Indians, having no schooling and 33.7%, 18% and 22.7% respectively with secondary schooling. The overall number of years of schooling of the dependents was 5.8 years compared with 4.2 years for the settlers. At the same time, there were some interesting comparisons between the educational levels of the ethnic groups with the Malays having a higher percentage (33.7%) of finished secondary school leavers than either the Indians (22.7%) or the Chinese (18%). It seems clear from Table 4.7 that the Chinese dependents finished

TABLE 4.7

EDUCATIONAL LEVELS OF SETTLERS AND DEPENDENTS--BILUT VALLEY

	Malay (N=34)				Chinese (N=16)				Indian (N=11)			
	Settlers		Dependents		Settlers		Dependents		Settlers		Dependents	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
Formal Education	7	20.6	4	4.7	2	12.5	2	3.3	2	18.2	4	9.1
<u>Primary School</u>												
1	-	-										
2	3		1		3		1		2			
3	5		5		1		4				6	
4	3		3		4		3		2		6	
5	9		13				8				2	
6	7		31		6		32		5		16	
Total Primary	27	79.4	53	61.6	14	81.8	48	78.7	9	81.8	30	68.2
<u>Secondary School</u>												
1							1				1	
2			1				2					
3			18				2					
4			1				1				6	
5			9				2					
6							3				3	
Total Secondary			29	33.7			11	18.1			10	22.7
<u>Tertiary</u>												
Total (N=61)	34	100.0	82	100.0	16	100.0	59	100.0	11	100.0	44	100.0

their education at Standard VI (78.7%) and on the whole did not continue on to secondary school.

Thus, there is a clear upwards mobility in education between the two generations in Bilut Valley which is probably due to the availability of both primary and secondary schooling on the scheme and to the desire of the settlers to see their children educated and to move upwards in the Malaysian society.³⁷ However, it should also be noted that the period (1961-74) saw the rapid spread of education in Malaysia.

In terms of inter-generational occupational mobility, although there was not significant movement due to the time span of the scheme, there was a general trend of dependents overall moving out of agricultural occupations in other sectors with dependents generally moving into semi-skilled jobs as mechanics and drivers, and white collar jobs in the Government as clerks, or into the private sector.

5. Modernisation

In measuring indices of modernisation in both this and in the other three schemes, the main question examined is the kind of change that the settler has undergone given the more modern and stratified environment that he and his family moved into in joining the FELDA scheme. This to some extent, will depend on certain factors peculiar to each scheme such as the crop (and thus skills involved in

37. It is noticeable that most of the settlers spent money on school fees and that the settler had high education goals for their children in both education and occupation

harvesting it), the income level (with wide disparities between rubber and palm oil schemes), scheme location, and date of opening. Other less measurable factors peculiar to each scheme include the settlers' state and area of birth as well as his ethnic background, for both regional backgrounds (in schemes which are predominantly Malay) and the ethnic background undoubtedly affect values and attitudes.

But the overall question--how do we expect a FELDA settler to change--is not an easily definable or measurable one though in broad terms changes can be seen. For in many ways, the FELDA settler is a unique person. Taken primarily from the less privileged elements in Malaysian society with a diversity of backgrounds, and particularly in the Malay case from a relaxed traditional kampong style of life, he is placed in a highly organised and disciplined settlement.

At the same time, he is provided with more modern amenities and easier access to modern facilities, such as schools, health clinics, than he has come in contact with in his previous background and is probably open to a greater variety of outside influences. These contacts would be made in his daily contact with FELDA officials, other settlers with a different ethnic, regional and occupational backgrounds and in a free flow of movement between the scheme and the rapidly developing and modernising world outside. Thus both in the case of Bilut Valley and in the later examination of the other case studies, this general overall question is kept in mind.

Specifically, certain indicators--economic, social and political--are used in the case of Bilut Valley and of the other schemes to measure change in life style and attitudes of settlers.

Economically, the indicators examined were total family expenditure, the individual settlers' income from FELDA and from other sources, monthly expenditure, savings, and investment both in the house or in ownership of appliances.

The overall household income in Bilut Valley at the time of the survey was \$307.7 with a range from a minimum of \$150 to \$1000 a month.³⁸ (see Table 4.8) When this overall figure is broken down into income by ethnic groups, it can be seen that the Malay respondents had a lower total income (\$220) than either the Indians (\$323) or Chinese (\$380). This is reflected in that 58.8% of the Malay respondents had incomes below \$249 as against 18.8% of the Chinese and 18.2% of the Indians. Along similar lines, only 17.6% of the Malays had a total income of over \$450 and above as against 37% of the Chinese and 45.6% of the Indian respondents.³⁹

Table 4.9 shows this total income broken down into income from FELDA (both of claimed and actual). In the case of income from FELDA (Table 4.9), the settler was asked to specify his income over the last three months from FELDA which would be the net sum he was actually paid by FELDA after the deduction of the development and

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38. The one Chinese respondent earning a \$1000 per month ran a contracting business which accounted for this high income. The overall monthly income is lower than on other FELDA schemes surveyed (and for the overall average for other FELDA rubber schemes) owing to factors already mentioned--the general lack of incentive and low morale in Bilut Valley; the smaller rubber plot acreage of 7 acres as against 8 to 10 acres for later schemes, and the predominance of low yielding trees.
39. This pattern of income by different ethnic groups is common to most FELDA schemes with mixed groups. It is due partly to the propensity of the Chinese in particular to engage in side activities such as running small businesses or shops.

Table 4.8

BILUT VALLEY - TOTAL MONTHLY FAMILY INCOME

Income \$	Malay (N=34)	Chinese (N=16)	Indian (N=11)
\$100 - 149	3		
\$150 - 199	6		1
\$200 - 249	11	3	1
\$250 - 299	1		1
\$300 - 349	5	6	3
\$350 - 399	0	2	
\$400 - 449		2	1
\$450 - 499	1		1
\$500 - 549	2		1
\$550 - 599	3	4	3
\$600 +		2	
Not stated	5	1	2
Total Number	34	16	11
Min/Max Range	\$150 - 500	\$200 - 1000	\$180 - 500
Average (N=61)	\$220	\$380	\$323

(Overall average all groups \$307.7)

TABLE 4.9

BILUT VALLEY--NET CLAIMED MONTHLY INCOME/ACTUAL INCOME*

	Malay		Chinese		Indian		Total	
	N=34 Claimed	N=25 Actual	N=16 Claimed	N=12 Actual	N=11 Claimed	N=4 Actual	N=61 Claimed	N=41 Actual
Average Income	\$145		\$204		\$206		\$171.5	
	No. %	No. %	No. %	No. %	No. %	No. %	No. %	No. %
<u>Grouping</u>								
Nil	5 14.7	21 84.0	-	9 75.0	1 9.1	3 75.0	6 9.8	33 80.6
Less than \$100	5 14.7	3 12.0	1 6.2	2 16.7	-	-	6 9.8	5 12.2
\$100-149	10 26.5		1 6.2	1 8.3	3 27.3		14 22.9	1 2.4
\$150-199	4 11.8		6 37.5		-		10 16.4	
\$200-249	9 26.5		6 37.5		3 27.3	1 25.0	15 24.6	1 2.4
\$250-299	1 2.9				1 9.1		2 3.3	
\$300-349			1 6.2		3 27.3		4 6.6	
\$350-399			1 6.2				1 1.6	
\$400-499	1 2.9	1 4.0						1 2.4
Total Number	34	25 100.0	16 100.0	12 100.0	11 100.0	4 100.0	61 100.0	41 100.0
Min/Max Range	\$0-250	\$0-478	\$80-350	\$0-36	\$0-300	\$0-36		\$0-478

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*Note: Only a random sample of (41 or 67%) was checked in each scheme. This table is computed on the settlers' estimate of his income in March 1975 and the actual FELDA payment made for the same month.

other changes.⁴⁰

As it can be seen, the overall average claimed income of the Bilut Valley settlers was \$17.5 with a general pattern of higher incomes for the Chinese and the Indians and a lower income for the Malay settlers already seen in Table 4.8 maintained. In the case of the Malay respondents, 14.7% (and 9.1% of the Indians) claimed no income at all. The explanation of this is probably the reluctance of the Malay settlers and, to some extent, the Indians to reveal their income, owing to their dispute at this time with the FELDA management over the terms of a new proposed loan repayment schedule.

Table 4.9 also shows the actual income recorded on the FELDA paysheets. As it has already been noted, this proved an unsatisfactory way of checking the settlers' actual income in Bilut Valley as the settlers were not handing their rubber to FELDA in this period but selling outside to independent middlemen.

In terms of additional income, 26 or 42.6% of all the respondents said that they make extra income in addition to the earnings from their rubber plot with an overall average of \$159. By ethnic groups, 32.4% of the Malay respondents, 63.6% of the Indian and 50% of the Chinese respondents claimed additional income of / ^{these} 45.5% of

40. The settler's own figure was in turn checked against the pay sheets for the months concerned and the difference noted. While this showed interesting disparities in other schemes, in Bilut Valley's case, it proved impossible to accurately check the actual income of settlers independently of their own estimation as 88% of all settlers had not put in any latex to FELDA (and therefore received no money from FELDA) in the three months prior to the survey--an indication, as it has been noted, of the low morale on the scheme.

the Malays made under \$149 in additional income as against 37.5% of the Chinese and 28.6% of the Indians.

Table 4.10 shows the various ways that the settlers made their extra income. It can be seen the majority (54.5%) of the Malay respondents made the extra income by running small businesses (or shops) while the 45.5% made it on a variety of ways including selling vegetables and fruits (one respondent) and through their dependents working (one respondent). Of the Chinese respondents, 37.5% did not specify how they made their extra money.

TABLE 4.10
SOURCES OF ADDITIONAL INCOME--BILUT VALLEY

Type of Jobs	Malay		Chinese		Indian	
	No.	%	No.	%	No.	%
Not stated	1	9.1	3	37.5	1	14.3
Security Guard	1	9.1				
Business	6	54.5	1	12.5	2	28.6
Carpenter	1	9.1				
Selling Fruits and Vegetables	1	9.1			1	14.3
Wife or children working	1	9.1	1	12.5	1	14.3
Tobacco			1	12.5		
Mechanic			1	12.5		
Labourer			1	12.5		
FELDA labourer					1	14.3
Driver						14.3
Total (N=26)	11	100.0	8	100.0	7	100.0

It was not possible to find any actual overall income figures for the respondents as 80.6% said that they received 'no income' the previous months and only 19.4% put in any latex to FELDA against which income could be checked (see Table 4.9). However, it was possible to obtain an average monthly expenditure figure for the respondents. Overall the average expenditure was \$286.3 with the Indians (\$338.8) spending the most, followed by the Chinese (\$328), and with the Malays spending (an average \$195.4 a month) the least.⁴¹

The major part of the household expenditure was on food (\$208.6 overall). In the case of the Malay settlers, the average overall expenditure on food was \$144.5 or 74.6% of their total income, in the Chinese case the expenditure was lower, as it was in the Indian case, with the Chinese settlers spending \$231 (or 70.7%) of the total expenditure and in the Indian case, an average of \$251 (or 74.3% of their overall expenditure) on food. In all cases, this expenditure was slightly higher than other surveys have noted in FELDA schemes.⁴²

The other two most important items of expenditure, as Table 4.11 shows, were schooling (an overall average of 74.5%) and transport (an overall average of 64.4%). The breakdown of expenditure by community is also given in Table 4.11. It can be seen that the

41. The Indian respondents appeared to overspend their income by about \$15 a month (Income \$323/Expenditure \$338). This may be due to exaggeration which was noted in the Indian respondents generally or, in this case, to the two Indian respondents claiming expenditure of \$400+.

42. See Taib Andak, *op. cit.*, p.12.

difference between expenditure by the three ethnic groups (88% Malays spend money on education but only 62.5% Chinese and 72.2% Indians) on schooling problems reflects the number of children at school while the expenditure on transport indicated that only 26.5% Malays spent money on transport (against 93.8% Chinese and 72.7% Indians), having fewer motorcycles and tending to walk to work. Only the Chinese and Indian settlers stated they spent money on entertainment. However, other interviews carried out apart from the survey indicated that the Malay dependents often went into the nearest town of Bentong for cinema shows and that the apparent lack of expenditure on the Malay settlers' part might just indicate that the family as a whole or the settler himself did not actually spend money on entertainment.

TABLE 4.11

HOUSEHOLD EXPENDITURE ITEMS--BILUT VALLEY

Items (N=61)	Malay (N=34)		Chinese (N=16)		Indian (N=11)	
	No.	%	No.	%	No.	%
Transport	9	26.7	15	93.8	8	72.7
Education	30	88.2	10	62.5	8	72.7
Money to village	3	8.8	2	12.5	1	9.1
Clothes	7	20.6	2	12.5	4	36.4
Entertainment			3	18.8	2	18.2
Household items	1	2.9				

The overall value placed on their household possessions by the respondents interviewed in Bilut Valley, was in line with the income and expenditure patterns. The Malay respondents placed the lowest overall value of \$1679 on their household followed by the Indians with a value of \$2127 and the Chinese with the highest value of \$3119. What is noticeable here is that 52.9% of the Malays claimed a value of less than \$300 in comparison to 36.4% of the Indians, and none of the Chinese. This, taken in conjunction with the Malay pattern of expenditure on house improvement (47.1%) and on ownership, underlines the general pattern of poverty of the Malay settlers in Bilut Valley.

Ownership of specified items is shown in Table 4.12. Ownership of cars (overall 11.5%) was above the overall scheme average (4.9%) in the case of all three ethnic groups. In the Malay case, quite clearly the car value had not been taken into account by the settler in question in assessing their overall worth. Ownership of motorcycles (52.5%) again was well above the scheme average (35.2%) although observation on the scheme led one to suspect that the official FELDA figures for overall scheme ownership including motorcycles, was below the number owned. Ownership of radios was high among the surveyed respondents though low among the overall settlers.⁴³

43. General indication from cross country surveys of rural population and other FELDA surveys would indicate that the scheme figures given here are again low. See The Economic Report, The Treasury 1975/6, Kuala Lumpur, p. 103.

TABLE 4.12

WHAT DO YOU OWN IN YOUR HOUSEHOLD?--BILUT VALLEY

Items	Malay (N=34)		Chinese (N=16)		Indian (N=11)		% Overall (N=61)		Overall scheme ownership
	No.	%	No.	%	No.	%	No.	%	
Car	2	5.9	2	12.5	3	27.3	7	11.5	4.9
Motorcycle	9	26.5	15	93.8	8	72.7	32	52.5	35.2
Television			1	6.3	1	9.1	2	3.3	2.6
Radio	24	70.6	10	62.5	10	91.0	44	72.1	42.2
Generator									1.1
Bicycle	17	50.0	5	31.3	10	91.0	32	52.2	35.2
Household Appliances	26	76.5	10	62.5	10	91.0	46	75.4	-

There were few television sets in Bilut Valley which, as ~~one~~ will see later, is in direct comparison to other FELDA schemes, notably palm oil schemes.

Expenditure on house improvements for all three ethnic groups was \$1102 with the Indian spending the most at \$1560, followed by the Chinese (\$1034) and the Malays with \$711.5. However, it was noticeable that 47.1% of the Malay respondents, 62.5% of the Chinese and 54.5% of the Indians said that they had spent nothing on house improvement. Two reasons for this widescale and unusual lack of expenditure on house improvements can be suggested in the case of Bilut Valley. Firstly, the settlers had had to build their own houses on their initial arrival in the scheme and probably were reluctant later to do more work or spend further money. Secondly, and the more likely explanation of the

the lack of improvement, is the generally low income level in the scheme.

Finally, the pattern of savings showed that overall 87.7% of the settlers were not saving at the time of the survey which is generally in keeping with the overall pattern of income and expenditure shown in the survey.

Social indicators used both in the survey and elicited in other interviews, included club membership and participation in scheme activities, travel outside the scheme to the nearby town of Bentong and to the settlers' home kampongs, readership, information dispersal and additional indicators including the expectations on the settlers' part of what they expected and found in the scheme and the kind of aspirations they had for their children. Thus in both the survey and in the unstructured interviews an attempt was made to measure to what extent the settlers have adapted to, and had been changed by, living in Bilut Valley.

Bilut Valley settlers on the whole (and in contrast to most of the other schemes examined) showed the least interest in belonging to club organisations. The Youth Club had ceased to function actively (apart from its sports section) due, as I was told both by settlers and by FELDA staff, to the lack of interest. Only 47.6% of the respondents said that they attended J.K.K.R. meetings and only 16.4% had ever held any office in the various organisations on the scheme even though Bilut Valley had had settlers for 17 years at the time of the survey. In ethnic grouping, the Malays and Indians had a higher

attendance rate (30% and 54.5%) than the Chinese (18.8%) and the Malays (which was not surprising as it has been noted that the Malays held most of the positions in the J.K.K.R.) had held more posts (23.5%) in the various J.K.K.R. organisations than either the Indians (9.1%) or Chinese (6.6%).

But if the settler did not seem interested in organised life on the scheme, there was strong evidence that both the settlers and their dependents had frequent access to the outside world and were aware of what was going on within the country. The extent of radio and television among the respondents and of means of transport such as cars, motorcycles and bicycles can be seen in Table 4.13. Readership on the scheme was high (36.8% of all settlers) with 12 newspapers in four languages (Malay, English, Tamil and Chinese) being bought on a regular daily basis (see Table 4.14).

TABLE 4.13

OWNERSHIP OF HOUSEHOLD APPLIANCES IN BILUT VALLEY

Items	No.	% Owned per settler
Cars	28	4.9
Motorcycles	203	35.7
Television	15	2.6
Iceboxes	4	0.7
Radios	240	42.1
Kerosene stoves	44	7.7
Gas stoves	7	1.3
Generators	6	11.0
Bicycles	200	35.1
Lounge sets	51	9.0
Sewing machines	303	53.3

Table 4.14
DAILY NEWSPAPER READERSHIP
IN BILUT VALLEY⁴⁴

A) Utusan Melayu	- 33	
Utusan Malaysia	- 70	
Berita Harian	- 17	
B) Strait Times	- 18	
C) Tamil Nisan	- 9	
Tamil Malar	- 2	
D) Sin Hin Pau	- 28	
Sai Chew Pau	- 10	
Nayang Siang Pau	- 12	
China Press	- 2	
Thung Pau	- 3	
Kian Kok Pau	- 5	
Total	209	(Daily)

- A) Malay language
B) English language
C) Tamil language
D) Chinese language

The settlers went into the nearby town of Bentong regularly in addition to those who commuted (12%) to Bentong daily for work. These visits were related either to activities such as attending political meetings (as the district party office of all the four political

44. It is a common characteristic in Malaysia for Malays to rely on their information on the radio or television which the Chinese tended to rely more on newspapers. Literacy is high in Malaysia with 60.4% of the total population literate in any language in 1970. See Social Statistics Bulletin, Ibid, p. 190.

parties, UMNO, the M.C.A. and M.I.C. and the Party Rakyat were in Bentong) and also for shopping, entertainment and seeing friends. At the same time, Bentong was near enough and the bus service frequent enough⁴⁵ to allow an open flow between the scheme and the urbanised world of town life in and around Bentong. Thus there were clear indications that although Bilut Valley had major problems, it was well equipped with modern facilities and was in close contact with the outside world.⁴⁶

In terms of political activity, the Bilut Valley settlers were actively involved in political life. This can be seen in the membership of political parties and in the number of settlers voting in the 1974 National election. As Table 4.14 below shows, 38.2% of the Malay respondents belonged to UMNO, 50% of the Chinese to the M.C.A. and 91.5% of the Indians to M.I.C. and the overall party membership of the four parties in the scheme was similarly high. It was interesting to note that overall 78.9% of the respondents also voted in the 1974 National elections (73.6% Malay, 81.3% Chinese and 81.8% Indian).

This high party membership and number of voters in the last election underlined the general 'politicisation' in Bilut Valley

45. There were six MARA buses serving the scheme running every 45 minutes to and from Bentong from the bus station at the entrance to the scheme.

46. A further indication of this was its widely travelled football team who were the Pahang State Junior Champions in 1974 and consequently travelled all over Malaysia.

TABLE 4.15

PARTY MEMBERSHIP OF RESPONDENTS IN SURVEY

	UMNO	M.C.A.	M.I.C.	Total	%
Malay (N=34)	13	-	-	13	38.2
Chinese (N=16)	-	8	-	8	50.0
Indian (N=11)	-	-	10	10	91.5

which has been discussed earlier.

To try and assess the settlers' lack of satisfaction with FELDA, they were asked if they would recommend their friends to join FELDA (and if not, why not?) and also if they would recommend their children to join FELDA?

The majority of settlers (Malays 91.2%, Chinese 68.8% and Indians 63.7%) said they would recommend their friends to join FELDA. Those who said they would cited land (35% overall), then better opportunities (overall 25.1%). The reasons given for not recommending FELDA were mainly those of the hard work involved and the bad 'social environment.' Other reasons cited were 'no freedom,' 'dislike of working for the government,' and 'too much responsibility' involved. These reasons all indicated clearly the tough initial experiences of the Bilut Valley settlers on first moving in.

It is clear from these responses that the Bilut Valley settler surveyed saw FELDA as a better occupation providing land, income and security and that they saw it as a good means of livelihood for their own generation.

Generally the Bilut Valley settlers had high hopes of a good career for their children, with a strong preference for a government job. This was particularly strong in the case of the Malay respondent (79.4%). A business occupation seemed a second alternative to all three groups. Of the Chinese respondents however, 25% stated a preference for an agricultural occupation which might suggest that, with other evidence, the Chinese settlers were the least socialised of the Bilut Valley settlers. This level of aspiration by the three groups is also reflected in the fact that 97% of the Malays hoped their children would go to a higher education, 72.7% of the Indians but only 43.8% of the Chinese.

6. Summary

Bilut Valley provides a unique case study of a FELDA scheme as it is the only scheme in which the settlers had moved into virgin jungle, and consequently had had to clear the land, build their houses, and plant their crops. It was, although infrastructure facilities were later provided, a non-integrated scheme with few initial support services. This was clearly an unsatisfactory arrangement (a 'nightmare' as Tang (1973) puts it) on both sides and its effects can be seen in the history of the scheme's development and the settlers' attitudes. It led to a notable lack of integration on the scheme shown both in the active political activities of the settlers and their refusal to hand in latex.

Yet the Bilut Valley settlers, though they clearly felt deprived and both ethnically and in general have shown little overall socialisation,

had benefited from joining FELDA. Their incomes were higher over the years they had been on the scheme, they had expanded into secondary occupations to some extent, and if they had not shown marked ability themselves, they had high aspirations for their children. Thus, if Bilut Valley was the least subsidised FELDA scheme in FELDA's 19 years of history, FELDA still had managed to provide a new and different way of life for the settlers.

D. Case Study Two: Jengka 121. Introduction

This second case study, that of Jengka 12, is in marked contrast to Bilut Valley. It was chosen as it marks the final evolution (at the time of my research) of FELDA's development strategy and thus it formed a marked and interesting contrast between the simple or non-integrated model of Bilut Valley opened in 1958 and this fully integrated model of Jengka 12.

Here in Jengka 12, the settlers had just moved (in early 1975) and were living at the same time in one of the most isolated areas of the country. As such, Jengka 12 offers an interesting study of the FELDA settlers' reaction in the initial stage of arrival and adjustment to a new scheme and also of the methods of scheme development evolved by FELDA in the 18 years since it was set up in 1957.

In addition, the scheme takes on an added importance in studying FELDA's development as it is part of the first large overall regional development operation by 1975 by FELDA--that of the Jengka Triangle.

The idea of developing massive areas of jungle of 100,000 acres or more was initiated by FELDA in 1966 and the first of these--the Jengka Triangle--underwent a feasibility study at the World Bank's suggestion which had been approached by FELDA for funds. The study recommended the development of 100,000 acres of virtually virgin

Other large scale regional FELDA development schemes are the Keratong Oil Palm development of some 55,000 acres in Pahang Tenggara and 75,000 acres in Johore Tenggara.

jungle in the Jengka area of Northern Pahang. The major portion of the funding was provided by a World Bank loan in 1968 but work actually began in 1966 with the clearing of the jungle for the first scheme, Jengka 1. The idea of such large scale land development was to open up large land blocs with schemes being developed and settled in an interlinked process thus offering in Malaysia a whole new device in large scale land settlement.

Each scheme has a village area and is linked to FELDA's main offices situated at the top of the development. Physically, the Jengka area is situated in Northern Pahang--one of the least developed of Malaysia's eleven states--on the eastern part of the country and the Jengka area lies north of the main road that runs from Kuala Lumpur in the west, to the east coast capital of Kuantan. The area is still almost virgin land with, to the outsider, a sense of complete isolation and composed of vast stretches of newly cleared jungle covered with the low, still maturing palm oil and rubber trees.

Some idea of the massiveness of the development and its program can be seen in Table 4.16, which shows the total development of 100,000 acres with 23 schemes (divided into three phases) totalling 64,695 acres of palm oil and 34,281 acres of rubber.

The total settler intake for the Jengka area by the end of 1975 was 4300 families (22,000 people) in 13 schemes with an average of 331 settlers per scheme.

As a total interlinked development, the Jengka Triangle is developed in a continuous process with the schemes in each phase being developed side by side. This process of development not only allows

Table 4.16

PHASES OF DEVELOPMENT IN JENGKA

Stage	No. of Scheme	Oil Palm (acs)	Rubber (acs)	Total (acs)
I	7	25,627.3	4,078.0	29,705.3
II	7	16,793.6	13,258.5	30,052.1
III	9	22,275.0	16,945.0	39,210.0
Totals	23	64,695.9	34,281.5	98,977.4

for the streamlining of the land clearing and planting process but provides a high uniform provision of facilities (see Table 4.17). As the first of FELDA's major regional land development schemes, Jengka has a pioneering importance both in FELDA's own development and in the opening up and development of the less developed areas of the country.

TABLE 4.17

INFRASTRUCTURE: SOCIAL DEVELOPMENT BENEFITS
JENGA TRIANGLE

Scheme	School	Clinic	FELDA Co-operative Shop	Supply Water	Community Centre	Mosque
Jengka 1	A	A	A	A	A	A
Jengka 2	A	A	A	A	A	A
Jengka 3	A	A	A	A	A	A
Jengka 4	A	A	A	A	A	A
Jengka 5	A	A	A	A	A	A
Jengka 6	A	A	A	A	A	A
Jengka 7	A	A	A	A	A	A
Jengka 8	A	A	A	A	A	B
Jengka 9	A	A	A	A	A	-
Jengka 10	A	A	A	A	A	-
Jengka 11	A	A	A	A	A	-
Jengka 12	A	A	C	A	A	-
Jengka 14	A	A	C	A	B	-

Key: A - open
B - still in progress
C - tender being called and waiting for order to start work

Source: FELDA records 1975.

2. Setting

Situated 17 miles southwest of the FELDA main office complex, at the top of the Jengka region, one reaches Jengka 12 only after an initial five mile drive on a potholed tarmac road going eastwards a further twelve miles on a red mud road driven into the sparse and isolated landscape. This is planned land--stripped of its jungle, with rows of newly planted palm oil and rubber seedlings and scattered outbreaks of rock. It is a land with few signs of life except the odd and seemingly very distant village centre in another scheme or the odd small timber factory. Generally it is extremely isolated and lonely country to the outsider.

Jengka 12 itself is built on a slightly sloping hillside. One's first impression of the scheme is of the narrow road leading up to the office on top of the small hill--as nothing is really high--with small settlers' houses on each side. On my first visit, it was raining, the road was slippery and, slushing around in the mud, one had a feeling of misery and isolation. This was vividly confirmed sitting in the tiny settler's house that was the temporary office at that time, going over the list of settlers' names to pick the respondents for future interviews, to hear, reverberating across the rough, still raw and newly developed land, the booming amplified voice of a FELDA social development officer explaining to the assembled settlers in the scheme's community centre the best way they could adapt to their new life. Returning that day, I drove away in the rain past the settlers' wives and children huddled in their small houses with an overwhelming misery.

It seemed at that time a scene akin to what must have been the frontier life in America.

However, on my second visit a month later, the sun was out, the FELDA office was now housed in a new modern block and the settlers I met were happy and courteous. Thus, while the rawness of the country and the isolation was still there, the whole impact was vastly different.

3. Scheme Background

For a new scheme, the facilities in Jengka 12 were good at the time of the settler entry (see Table 4.18). A primary school was opened and had 127 pupils in six classes and, in addition, there was a secondary school seven miles away on another FELDA scheme, Jengka 10. A FELDA cooperative shop situation opposite the new FELDA office building had been opened since the first settlers' arrival in February 1975. The Jengka 12 settlers were allowed to draw up to \$100 in credit at the Coop and it was the main means of supply due to the scarcity of other shops on the scheme and the lack of any ready developed urban area for 35 miles. Selling mainly staple items such as rice, dried fish and tin goods (particularly tinned milk), the shop was opened from 9 a.m. to 9 p.m. daily except on Sundays. But, in addition, six small sundry shops had already opened up in the three months since the settlers came in. In one where I sat interviewing at one period, the settler had converted his verandah and half his house into a shop, selling the typical Malaysian range of sundry items and soft drinks.⁴⁸

48. His supplies were delivered three times a week from the Chinese middleman with a van from Tongkiat. The settler had also invested in a motorcycle to get around both for work and for the shops' purposes.

TABLE 4.18

SUMMARY TABLE--JENGKA 12

Opened: 1971Crop: RubberAcreage: Total 4,966

	Planted:	Tapping Date:
	Phase 1A 1491.7	1978
	Phase 2B 1437.3	1978
	Phase 3C 1313.1	1978
	<hr/>	
	4242.1	
Village area:	246	
Unused land:	390	
	<hr/>	
Total	4966.1	

Settlers: 178* (March 1975)FELDA StaffEthnic: Malay

Manager	1
Assistant Manager	1
Supervisors	2
Clerks	3
Field Assistants	8
Driver	3
	<hr/>
Total	18

Entry: February 1975 - 178

May 1975 - 70

August 1975 - 127

Nearest town: Bandar Punit
(six miles,
population 1000)

*Total by December 1975 - 370

Jengka 12 Facilities:

Primary School
Health Clinic
Cooperative Shop (FELDA)
Community Centre
Mosque (Temporary)
FELDA Office
Piped water supply
Six Sundry and Coffee Shops

One Business Complex (under
construction)
Secondary School (on nearby scheme-
Jengka 2--seven miles away)
Telephone--nil
Electricity--nil
Postal Services--twice a week
Bus Services--no direct service

FELDA itself was building a complex of six shops near its scheme office and it was expected that the settlers themselves would also build shops there eventually.

A community centre was also opened on the scheme and a health service was provided by the health clinic which was staffed by a resident midwife with a doctor visiting the scheme once a week.⁴⁹

The scheme had a piped water supply but no electricity and kerosene was used for cooking. Means of access to the scheme were bad as there was no bus service to the scheme at the time of my work there and the settlers had to walk six miles to the town of Bandar Pusit to catch a Mara bus to the outside world. The mosque was still unbuilt and a temporary one was being used. No telephone service was available⁵⁰ in this part of Jengka and messages were carried either by the scheme's landrover in matters of urgency, or by visitors coming in.

49. As with other FELDA schemes, the manager's car or scheme transport was used in case of illness to take a settler or his dependents to the nearest hospital.

50. The telephone and postal services were uniformly bad throughout the area. At one stage the telephone to the Jengka FELDA office was out of order for three weeks and when one did get through, it was full of static. Postal services were often delayed with letters taking some ten days (normally 2-3 days throughout other rural areas in Pahang)--to reach the Jengka regional FELDA offices. There was no airfield for over 100 miles but the factory had a radio link with the FELDA processing division in Kuala Lumpur.

Jengka 12 had 178 settlers⁵¹ who mostly came from Pahang. The survey showed that 95.5% of the respondents had applied to join FELDA from Pahang⁵² and 4.5% from Selangor. However, only 45.5% of the respondents had actually been born in Pahang with the others equally distributed from seven different states. The settlers were all Malay and were predominantly rural (81.8%) with only 18% being born in towns of 1000 population or more.

Of the respondents, 77.6% had a primary school education, and 13.6% a secondary school education, one up to Form 3. Only two settlers (9.1%) had no formal education and two settlers (9.1%) had attended a religious school after primary school education. In relation to the older rubber schemes—^{such as} Bilut Valley, the Jengka 12 settlers were of a higher educational standard on entry reflecting the rapid overall growth in education in Malaysia since 1960.

Average household size in Jengka 12 was 4.6 persons ranging from three to seven persons. This reflected the presence of relatives and friends living with the settlers as 54.5% of the respondents had friends or relatives staying with them. This was clearly due

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51. The first settlers moved into Jengka 12 on February 1975 and on my initial visit in early April 1975, there were 178 settlers at the scheme and the selection of the stratified random sample of settlers was made from this total. By the time of my second visit to conduct the survey in May 1975, the number of settlers had increased to 248 and by September 1975, the scheme had its full complement of 375. As one month's leave is given to the settlers to report, there was a constant intake and adjustment in the number of settlers throughout this eight month period.
52. No overall figures were available on the scheme during my research as to the exact origin of the settlers as the records were both provisional and being amended daily.

as interviews showed, to the availability of jobs on nearby schemes which were being developed and the hope ("we might be able to join a scheme," one told me), that the relative might join a nearby FELDA scheme. This last was very unlikely in fact as all selection was done centrally.

4. Migration

As in Bilut Valley, FELDA had clearly acted as a useful mechanism for moving people to Jengka 12. As it has already been noted, 95.5% of the settlers had been resident in Pahang at the time of their application to FELDA and they were entirely Malay in ethnic composition. However, it was interesting to note, only 45% of the respondents had actually been born in Pahang with others coming from seven different states in the country. This immigration into Pahang to some extent reflects the overall national pattern of immigration into Pahang in the period 1957-70. However, this place of birth data indicates both the growing mobility in Malaysia in the period 1957-70 (where the Jengka 12 settlers were growing up) and the mobility in particular of this young group of Jengka 12 settlers.

This general mobility is underlined by the fact that although 68.2% of the settlers who had moved in their lifetime, 63.6% of the respondents had stayed in their last place of residence for five years or more. Thus while mobile earlier in their lives, the Jengka 12 settlers had decided to settle down until FELDA intervened and brought about this final move.

Two points were of interest in the respondents' previous moves. The survey showed that the largest number of moves was for work (73.3% of all moves), followed by business (13.3%), for service reasons (6.7%), and for government work (6.7%). What is more striking is that nearly all the moves made (91%) were interstate moves and were over long distances. However, it would seem that if the group of respondents had been highly mobile, they had decided by the time they applied to FELDA to settle down, as 72.7% of the settlers said they would not have moved if FELDA had not called them. It is also indicative that those who said that they would have moved, would have moved within the same state.

Thus, the general pattern seems to be for the Jengka 12 settler to have moved early on in his working life (mainly for work) and then to have settled down in Pahang until he was called by FELDA. Thus once again FELDA had clearly acted as an agent for movement.

5. Occupational Mobility

In terms of / occupational mobility, it was not possible to trace any inter-generational mobility due to the newness of the scheme and the age of the settlers (26.6 years). Nor was it possible--again because of the almost complete newness of the scheme to trace the kind of 'other' mobility seen in business occupations among settlers in the other case studies. But it was possible to look at two aspects--the occupational change of the Jengka 12 settler in joining the scheme and of his aspirations for his children.

As Table 4.19 shows, 50% of the respondents came from a general

agricultural background with 45.5% of these having directly related previous occupations as either rubber smallholders or estate workers, 27.3% were factory workers or general labourers before entry which could well reflect the reason they moved to Pahang as labour is in heavy demand in the state, and 18.2% had a previous business background.

TABLE 4.19

FORMER OCCUPATION AND INCOME--JENGA 12
(N=22)

	Number	%
Agricultural		
Smallholder		
Paddy	4	
Rubber	4	
Estate worker	1	
Agriculture labourer	1	
Fisherman	1	
Subtotal	11	50.0
Business	4	
Subtotal	4	18.2
Services (army)	1	
Subtotal	1	4.5
Other labourers/ Factory workers	6	
Subtotal	6	27.3
Total	22	100.0

As we can see only 22.7% of the respondents had any direct skills applicable to their new occupation as a FELDA settler and they, with the other 77.8%, had made a major occupational change moving into FELDA, having to adapt to new ways and methods of living on entry to the scheme.

Once in the scheme, 77.3% of the settlers had extra jobs. This was due to the shortage of labour on neighbouring schemes still being developed (notably Jengka 14) and to the general desire on the settlers part to earn additional income.⁵³ In addition, as it has already been noted, six settlers had already opened small shops on the scheme.

Although it was not possible to measure any inter-generational mobility due to the age of the settlers and their families, it is clear that the Jengka 12 settlers had high aspirations for their children.

All the respondents replied 'yes' when asked if they wanted their children to go on to further education after secondary school and all indicated university as the type of education desired. When asked 'what kind of job they wanted their children to have when they left school,' 72.7% stated a preference for a government job (37.5% for a professional post and 62.5% for a clerical one) and 27.3% indicated a business career as being the most desirable.

53. The FELDA authorities had no objection to the settlers on their schemes taking on extra work either on, or outside, the scheme as long as the settlers' plots were adequately maintained.

6. Modernisation

Jengka 12, as it has already been noted, is in a different category of scheme compared to the other case studies due to its physical isolation and to the fact that the settlers themselves came from a different and younger generation in comparison to the settlers in the other schemes. The Jengka 12 settlers had benefited in many ways from the immense changes that had come about in Malaysian society in the decade 1960-1970, as it became clear in the interviews carried out independently of the structured survey. At the same time, they had moved into a well developed type of FELDA settlement that had benefited from FELDA's own development experience since 1957. In the case of Jengka 12, the manager had been with the scheme since it had opened in 1970 and had overseen the setting up of the facilities such as schools, a Community Hall and a health clinic which were already in place on the settlers' arrival in 1975.

At the same time, due to the newness of the scheme, the measures of modernisation were not so evident in Jengka 12 as in the older schemes, as the Jengka 12 settlers had had no time to develop their own interests nor could they be examined as a long-term social group. Thus, after looking at the three overall indicators taken in the earlier case studies--those of economic, social and general change--the overall process of adaptability in this particular scheme in this early stage of settlement and the levels of expectation and satisfaction will also be examined.

Economic

Before joining FELDA, the respondents had worked mainly in agricultural and 'other' occupations and they had earned an average income of \$125 a month. Once in FELDA, they received a subsistence allowance of \$100 based on six hours of work a day and were allowed to work outside the scheme as long as their FELDA work was properly carried out. Of the settlers, 73.3% earned income outside their FELDA subsistence allowance mainly by working on the nearby FELDA schemes being developed such as Jengka 14.⁵⁴

As a result of this additional work and also by running small shops and selling fruits and vegetables, the 73.3% of the respondents in Jengka 12 earned an average extra income of \$60.50 a month. The overall average family income of all the respondents in Jengka 12 was \$111.80 a month.

Expenditure averaged \$86 a household with food being the major item of expenditure (73%) followed by clothes (31%) and transport (27.3%). Other expenditure items included sending money back to the village, on entertainment and on education.

Not surprisingly, in view of their relatively low income and due to their newness to the scheme and the expense of joining FELDA, only

54. The contractors looking for labour to clear the growth in the new schemes are usually short of labour in areas such as the Jengka Triangle and would be glad to have FELDA settlers. Pay in 1975 was \$3.50 a day. At the same time, as it has already been noted, Jengka 12 settlers had a large number of friends and relatives staying with them on the scheme and those had come either hoping to become FELDA settlers themselves or to work on nearby schemes.

one of the respondents reported any savings (\$10 a month) and ownership of appliances was low with 18.2% of the respondents owning motorcycles, 27.3% bicycles and 31.8% radios.⁵⁵

However, 18.2% of the respondents had spent an average of \$71 on house improvements since arriving a month or so before the survey and 31.8% of the respondents placing a total value on their household ranging from \$300 or less.

Thus the overall picture, if Jengka 12 is as one would expect, is of newly arrived settlers earning enough to live on but not having a surplus for saving or investment. At this early stage, moving to FELDA had cost the settlers money from their previous savings and expenditure was clearly limited to settling in. On the other hand, the Jengka 12 settler was clearly seeking out alternative ways of making extra income and showed marked enterprise in doing this in the short time he had been on the scheme.

Social indicators were not of marked significance in Jengka 12 as the settlers were so new, having lived as a group for only a few weeks. However, it was significant that clubs had already been formed with 31.8% of the settlers belonging to some form of club or association, mainly the J.K.K.R. in which 22.7% of the respondents took part. The J.K.K.R. had an interim committee with a chairman, a secretary and five committee members. I met the committee during one of my visits

55. I was told by other settlers interviewed and this was confirmed by the FELDA staff that "almost everyone owned a radio." This figure of 31.8% in the survey is therefore clearly low.

to the scheme and it had already begun to organise a youth and Women's Institute as well as other activities. Although there was no permanent mosque, one of the settlers with a religious background had set up a mosque committee.⁵⁶ The J.K.K.R. Vice Chairman (the chief settler representative) had come from a kampong 100 miles from the scheme. He had applied to FELDA in December 1974 and thus had been given a place very quickly. He had heard of "the better life" in FELDA schemes and this, with the ownership of land, was his reason for joining FELDA. He had been a businessman before joining the scheme, running a coffee shop in his village and had already opened up one in Jengka 12 since his arrival some six weeks before I met him. Four other members of his own kampong had also come into Jengka 12.

The secretary of the J.K.K.R., 23 years of age, was an ex-farmer who had had seven years of religious training earlier in his lifetime and had run the youth club in his home kampong before joining the scheme. His duties as secretary included the calling of meetings, arranging the agenda and keeping the minutes.

The Assistant Secretary of the J.K.K.R. was also from nearby with his kampong some 50 miles away from the scheme. He had heard of FELDA from his village headman and he had been on his kampong's committee. A farmer in background, he lacked any land in his village because of the inheritance laws (his father was dead and his share of

56. It was interesting to note that the settler had heard of FELDA through the Department of Religious Affairs (as he had been responsible for the mosque in his kampong) and said he had joined FELDA for land and to help "lift the Malays."

the family's land was very small). He had joined FELDA "to get land and because the scheme had good schools."

The J.K.K.R. was just getting on its feet at the time of my visits in April and May 1975, and elections were planned for the end of 1975 when the full complement of the settlers would have arrived.

No political parties as such had been organised in Jengka 12 when I was there but 2 respondents said they belonged to UMNO and 48% of the respondents said they had voted in the last election.⁵⁷

What is of particular interest in this scheme was, as it was a new one in a 'frontier' area in Malaysia's development effort, to see how the settlers had come to hear about FELDA, their reasons for joining FELDA, and to see what they had expected before arrival and found after they had come.

It was interesting to see, in the case of Jengka 12, respondents that (in comparison to the other schemes surveyed) received their main flow of information about FELDA through relatives, friends and other settlers rather than the government. Of the settlers, 68.2% said (as Table 4.20 shows) they had heard about FELDA through friends and relatives (50%), or other FELDA settlers (18.2%), while the more usual government sources of information only provided the information for 27.3% of the settlers and the local political apparatus (party or MP)

57. This was a surprisingly low figure compared to other schemes and no explanation was available excepting that, as 'political' questions are not usually asked in Malaysia and the respondents had never been surveyed before (unlike those in the other case studies), they might have been reluctant to reply to this question.

4.5%. It seems that in 1974 (the time of application of the Jengka 12 settlers), there was a clear flow of information favourable to FELDA in the country at the rural level either through friends or other FELDA settlers which, in turn, indicates the overall attractive image of FELDA in Malaysia.

This finding is reinforced by the number of people according to the respondents who applied and were successful in obtaining places in FELDA. Altogether the respondents said they 'knew' ^{that} 250 (16.7%) of the 1500 who had applied were successful.⁵⁸

TABLE 4.20

HOW DID YOU HEAR ABOUT FELDA? (N=22)

	Number	%
Government sources*	6	27.3
Friends or relatives	11	50.0
Through other FELDA settlers	4	18.2
M.P. or political party	1	4.5
Radio or newspaper	-	-
Total	22	100.0

*Government sources include the Government Information Service, the District Officer, Mukim and Village Headman.

58. This can only be a rough figure as the respondents would not know exactly how many actually applied and were accepted. But it is supported by the massive response (28,472 applications in 14 months) when applications were opened by FELDA from December 1974-January 1975.

When asked why they joined FELDA, most of the settlers (77.3%) said they joined FELDA for a 'better future' with one respondent quoting "difficulties in his previous job" and one "inheritance" reasons. Surprisingly enough, ownership of land (one respondent) was not given in the survey as a main reason although in other interviews land ownership coupled with better future was usually given as the main reasons for joining.⁵⁹

To assess levels of expectation and satisfaction among the respondents, questions were asked as to whether the settlers would want their children to join FELDA, whether they would recommend their friends to join, and what they expected and found at the scheme before and after their arrival at Jengka 12.

Of the settlers, 68.1% replied 'yes' when asked if they would want their children to become FELDA settlers with the balance clearly hoping for a more prestigious occupational future. A greater number of settlers (86.4%) said that they would recommend their friends to join FELDA, giving 'better opportunities' (63.2%) as the main reason, followed by 'better income' (15.8%), land (10.5%), and security (10.5%).⁶⁰

59. One other indicator of the level of interest in joining FELDA is that the respondents reported that they spent \$100 joining the scheme using their savings, pawning their jewelery, and selling their household possessions to finance the move. Pawning gold and other jewelery is a common way of obtaining short term cash in Malaysia. Interest varies but runs around 10% a month with a redeemable period of six months.

60. The three respondents who said they would not recommend their friends to join FELDA quoted a number of reasons including 'hard work,' 'no interest,' 'inadequate money,' and 'don't know about FELDA.'

In terms of expectations, our survey showed that the settlers' expected housing, land, help from FELDA staff in settling in, adequate subsistence, facilities such as a bus service, schools, shops and a future good income. The major complaints (as can be seen from Table 4.21) were, not surprisingly, the lack of bus service (34%), inadequate incomes (20.8%) [though it was not clear from the settlers exactly how much they had expected to earn in the initial years at Jengka 12], no help from the FELDA staff, no shops (5.7%), lack of clinics (5.8%), and lack of clubs (5.7%). In the case of housing, there was undoubtedly room for complaints as the settlers had moved in in the rainy season and the roofs leaked (this also was a common complaint among the FELDA office staff), and teething problems such as no bus service and other facilities could be expected in this early period.⁶¹ Overall there seems to be a general level of satisfaction in Jengka 12 when one takes into account the newness and isolation of the scheme.⁶²

7. Summary

Jengka 12 represents a prime example of the stage that FELDA had reached in 1975 in its overall development strategy. Situated in a

61. Clubs were beginning to be organised and a health clinic and the school was open when I visited the scheme in April 1975.

62. Only one settler had left the scheme. Apparently he had hit the manager and before any action was taken by FELDA, he left on his own accord the next day. According to the general FELDA policy, his place would be reallocated once the scheme manager notified the FELDA Head Office in Kuala Lumpur.

massive land development area of some 200,000 acres, the scheme had benefited from FELDA's new integrated approach to scheme development. This involved the clearing of the ground and the placing in of the basic infrastructure for a number of schemes in a series of major interlinked operations. Thus, the settlers coming in found a higher degree of infrastructure than in other FELDA schemes in other parts of the country. At the same time, this area was virtually isolated and unpopulated land where the individual and his fellow settler had come to a 'frontier' region. Thus, one could study the whole problem of the traumatic change between the integrated personal life of the former settlers' kampongs and the new impersonal life of the scheme more closely than in older schemes. This made Jengka 12 a uniquely interesting scheme to study. What perhaps was surprising about Jengka 12 was the adaptability of the settlers who had in the first few months set up small shops and had already started a nucleus of clubs. It was clearly a hard life but the settlers seemed to have adapted quickly, settled down and had few inflated expectations of their new life.

E. Summary of Rubber Scheme Case Studies

In this chapter, two FELDA rubber schemes--those of Bilut Valley, and Jengka 12 have been examined in detail. Ranging in time span over 18 years, these schemes in their geographic location, ethnic and regional make up of their settlers have offered a widely contrasting view of the function and evolution of the FELDA type of land scheme. At the same time, although diverse, these two schemes have two important factors in common--the crop (rubber) that imposed its own kind of discipline, skills, and levels of income (although this varies with the year of the opening of the individual schemes) and the FELDA setting with its wide range of modern infrastructure and facilities.

These two underlying similarities, with the diversity arising out of the ethnic and regional composition of the settlers, allows us to measure the effectiveness of placing the strongly traditionally oriented settlers in this new type of living and working situation.

We can see that in both cases there is clearly overall change--change that is both explicit and implicit. Explicitly we can see in both schemes an increased range of income, savings and expenditure.¹¹² With this is a greater range of appliance ownership for here the settler, living in a modernised situation with extensive facilities, has both the stimulation to use these in a different and more extensive

112. This is not as great as we will find in the oil palm schemes examined in Chapter 5, as the overall income in rubber schemes is lower but it is higher than the settlers either received before they joined FELDA or in comparable present day occupations.

way, moving himself and his family into a more modernised and less traditional way of life. The effects of this change is reflected in the general overall intergenerational increase in educational levels in both schemes, the readership of newspapers, the ownership of radios and television sets and the general mobility of the settlers and their children. It can also be seen in the high levels of expectation of the settlers for their children in terms of their education and future.

But if these schemes, even allowing for the fact that Bilut Valley belongs to the earliest part of FELDA's history when the whole process of scheme development and management was still evolving, clearly modernise the settler in one sense, it is just as important to isolate the nature of that change. For while a FELDA scheme in one sense is providing a modern setting, it is a modernisation that has been taking place, although slower, in the rural areas in Malaysia since 1961. Thus the key to the measurement of the success of the work of the Federal Land Development Authority lies in how effective it has been in creating a more modernised, and more important, in attitude, an outward looking class of settlers. For in the attitudinal change, the ability to grasp and to utilise resources, is one of the main keys of modernity.

Both these case studies show clear changes in the settlers' attitudes and outlook. In both cases, the settlers have joined together

irrespective of ethnic and regional differences to form associations and clubs and have created cohesive social and organisational structures. This can be seen mainly in the J.K.K.R. in both schemes, and in the rapid emergence of both the J.K.K.R. and other clubs in the short four months of the life of the newest scheme, Jengka 12. This social adaptation and with it the realisation and utilisation by the settlers of their new position as FELDA settlers can be seen particularly in the case of Bilut Valley. For in Bilut Valley, the remarkable feature is its politicisation. Here the settlers' dissatisfaction with their lot and with FELDA's handling of it, formed an active opposition party in order, as the organiser significantly pointed out, to "put pressure" on FELDA.

A further indicator of this quality of change can be seen in the mobility in both schemes. This can be seen to a limited extent due to the time span involved in the evidence of intergenerational mobility but also in the lateral mobility of the settlers engaging in a wide range of other jobs and occupations. This was particularly noticeable in the quick adaptation and utilisation of other means of income producing employment in Jengka 12.

It can be seen that, in these schemes, the FELDA mechanism has provided its settlers with a new and modernised environment--which they themselves have also changed and developed into their own cohesive and modernised social units.

And, if by looking at these case histories from this point of view we see one kind of change, there is another kind that is also just as relevant to this study.

For FELDA in its role as a major land developer has also two other roles--apart from its socialising one--firstly, acting as a mechanism of movement in the initial movement of the settlers to the schemes, and secondly, in bringing together in one living situation groups of people of different ethnic and regional backgrounds.

The significance of the first can be seen if we look at the migration data for the respondents in the survey. We can see that if on the one hand most of the settlers had been frequent movers before they joined FELDA, most had decided to settle down before this final FELDA move. Thus FELDA acted as an important mechanism, in a country dependent on the mobility of its people for its development, to induce people to move.

At the same time, we can also see that once the settlers had moved into the schemes, they remained there, returning to their home kampong regularly but permanently settled in a different and, in their lifetime, final location. Thus in this case FELDA is also an important stabilising mechanism.

Neither of these two schemes is totally successful by the yardstick of overall improvement.

Bulit Valley providing as it does the one unique example in FELDA's history of the settlers' having to clear the land and set up the scheme themselves, demonstrated that requiring settlers to undertake any kind of total responsibility was too slow a means for rapid

change. As a result Bilut Valley has suffered from bad morale, low crop yields and, at times, lack of cooperation between the settlers and the FELDA administration.

Jengka 12 reflects on the other hand the later, more intensive pattern of inputs of the integrated model that now go into the FELDA scheme from the beginning. But it had only just been opened at the time of my research and although there was marked signs of change even in that short period, it will clearly take time before it can be fully judged.

CHAPTER 5. CASE STUDIES: OIL PALM SCHEMES - ULU JEMPOL AND
BUKIT BESAR

Introduction

The two schemes examined in this chapter as case studies - Ulu Jempol, Bukit Besar - are all Oil Palm schemes. As such they represent a marked contrast to FELDA rubber schemes as Oil Palm as a crop imposes its own characteristics. At the same time, the FELDA Oil Palm schemes represent what has now become (although it was not foreseen when FELDA first started) one of FELDA's biggest and most profitable investments. For oil palm in 1974 was, of Malaysia's four main export commodities, the most important, becoming a major foreign exchange earner bringing in 11% of all of Malaysia's total export earnings.¹ Malaysia is the world's largest producer of palm oil and FELDA the biggest palm oil producing agency in the world. FELDA's strong position in palm oil had begun in 1966 when the policy decision was made to switch future development from rubber into palm oil and by January 1975 61.3% of FELDA total acreage of 628,000 acres (385,000) was devoted to palm oil and 37.1% (233,000) to rubber.³

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1. Economic Report 1974-75, The Treasury, Kuala Lumpur, November 1974, p. 26.
 2. Op. cit., p. 62.
 3. FELDA Press Release, dated 9 February 1975. A different way to look at FELDA's increase in oil palm development is shown by the fact that in 1963 FELDA only had 9,514 acres of oil palm or 5% of Malaysia's planted area but by 1973, this had risen to 239,151 (385,000 in 1974) or 27% of Malaysia's total acreage. See Straits Times, July 23, 1974.

At the same time the high settler incomes that have resulted with the increase in the world palm oil prices since the early 1960's and particularly since 1972 have in turn led to a new and important element being injected to FELDA's overall development. For the emergence of palm oil - now so important to Malaysia's overall economy as a new crop has produced a new type of FELDA settler - one with more money to spend,⁴ a different outlook and undoubtedly different expectations. This new type of FELDA settler - although still emerging - will be examined in the two case studies in this chapter. But first certain characteristics of oil palm cultivation as a crop are identified.

B. Oil Palm as a Crop

The oil palm was first introduced to Malaya in the 1850's (Ooi 1963) but it was only cultivated as an ornamental plant until 1917 when the first estate was started in Kuala Selangor. Although little progress was made in its cultivation until 1926 Malaysia was ideally suited for a number of reasons for the large scale development of palm oil.

The first was climate as the Malaysian climate was ideally suited for palm oil cultivation having abundant sunshine, an average temperature of 80°F or more, 56-60 inches of evenly distributed rain a year and generally altitudes below 1000 feet (Ooi 1963). Thus, while palm oil cultivation

4. Settlers' incomes in FELDA palm oil schemes vary according to the season running for the most of Malaysia from August to January. In 1974 one scheme reported an average monthly income of \$2800 and an overall average for 1974 throughout all FELDA schemes was \$824.00

demands higher fertiliser requirements than rubber, it grows on similar soil so that when the rubber price boom first faltered in the mid nineteen twenties and again in later years palm oil could easily be planted as an alternative crop. A third reason for palm oil adaptability and success in Malaysia was the presence in the country of the basic infrastructure which is a necessity of palm oil cultivation. For while smallholder cultivation of palm oil is widespread in West Africa, it was unattractive to the Malaysia smallholder owing to the expense of extraction machinery and availability of coconut oil for cooking. But oil palm was suited to large scale plantation development for which Malaysia was already equipped due to the large scale development of rubber estates. Palm oil production requires a large labour force, heavy equipment, a good network of internal roads and light railways and heavy capital investment all of which Malaysia was able to provide. A further factor in the successful cultivation of palm oil in Malaysia has been the cultivation of a special hybrid variety of oil palm⁵ that produces higher yields, more convenient harvesting and a longer economic life. At the same time, an important element in the Malaysian success in the oil palm market has been its ability to increase the efficiency of its processing and thus producing a high quality oil with a low free fatty acid content - 2 to 3% as compared to 18-60% of West African oil.

5. Of the four main types of oil palm, the Deli type (var dura) is extensively grown in Malaysia. It has a fruit with a medium thick shell and a 35-55% pericarp by weight. Normally tall, a dwarf variety had been developed in Malaysia that has higher yields and is easier to harvest. See Ooi Jin-Bee Land, People and Economy in Malaya, Longmans, 1963, p. 263.

Oil palms are raised as seeds in a nursery until they are 12-18 months old, when they are transplanted to the field. The palm begins to bear fruit in its third year but regular harvesting normally takes place only towards the end of the fourth year. Full production is reached when the palm is about nine to ten years old and continues until the palm is around 30-35 years old when it becomes too high to harvest. Quantity and quality of the yield depend on a combination of factors notably type of soil, drainage, manuring, planting techniques but primarily on rain fall, as low yields inevitably follow spells of dry weather. One important aspect of oil palm cultivation is the need to harvest the fruit branches just when they are ripe as overripening (with cracking and bruising) increases the free fatty acid content and the quality and price drops. Thus moving the fruit quickly to the factory⁶ for processing and the avoidance of any delays in this is an important factor in yields and quantity and quality,^{and} as it will be noted later in this chapter, presents a particular problem as far as certain FELDA schemes are concerned. Harvesting is done in every five days or so and general maintenance is carried out on a daily basis.

As it has already been noted, serious palm oil cultivation began in Malaysia in the nineteen twenties with the decline in world rubber prices. Extensive cultivation grew with the continuing instability of world rubber prices over the years,

6. Usually on the same day as harvesting. See for a good analysis of time factors involved Chua Kim Soon Field Mill Cooperation, paper no. 8, Proceedings of the 1973 FELDA officers Workshop on Field Management Conference, 13-17 August, 1975, Kuala Lumpur 1973.

the introduction of synthetic rubber during and after the Second World War, the constant world demand for vegetable oils and fats, and, in Malaysia's particular case, due to the need for diversifying its agricultural economy. The result is that acreage under oil palm grew from 1000 acres in 1920 to 78,000 by 1940, to 153,000 tons in 1962, and to 887,000 acres in 1972.⁷

At the same time, exports increased from 123,269 tons in 1964 to 1,205,000 tons in 1974.⁸ And throughout this period there has been a continuous growth in world oil palm prices particularly when the price has risen from a low of \$480 a ton in 1972 to over \$1100 a ton in 1974, and it is calculated that the world price will remain high.⁹

Though a plantation crop like rubber, oil palm cultivation imposes a different rhythm of life on those involved and, at the same time, in the case of FELDA oil palm schemes a very different level of income than on FELDA rubber schemes. As seen a different set of behavioral attitudes can be expected from FELDA settlers in palm oil schemes.

7. Figures for 1920, 1940 are taken from T.L. Tang, Future for Oil Palm Products in the Oil Palm in Malaya, Ministry of Agriculture and Cooperatives, Kuala Lumpur 1966, p. 240, Table 16.I. See Monthly Statistical Bulletin for West Malaysia, January 1975, Table 2.1, page 23, Department of Statistics, Kuala Lumpur, for the 1962 and 1972 figures.

8. See Economic Report, 1975-6 op. cit., p. 31.

9. Average prices of oil palm were \$753.88 a ton in 1965, dropping to \$446.85 in 1968, around \$650 in 1970 and then \$1235 in 1973. See Straits Times, July 1974. The Malaysian Government forecast in 1974 that there would be a continuing growth in exports with an estimated increase of 2% in 1975 and of 20% in 1976 (dependent on the expected upturn in the economy). Price per ton was expected to increase to \$1250 in 1975. See Economic Report 1974-75, Ibid. p. 26.

In terms of the skills required and daily routine an oil palm scheme clearly has a different set of requirements from that of a rubber scheme. Daily tapping - or alternate day tapping - is not a necessity in an oil palm scheme although constant maintenance is. Thus the FELDA oil palm settler has days of intense work when his fruit must be harvested and days when he is relatively freer than his rubber scheme counterpart. Consequently oil palm cultivation places its own individual demands on a settler in two ways. First, he must harvest the fruit as soon as it is ripe as timing is very important and a day's delay can reduce price as it affects the acid content and, therefore, the quality. Secondly, due to the high fertilizer requirements of oil palm, proper manuring is essential for maximum returns.

At the same time the oil palm settler unlike some of the rubber scheme settlers, will have had no previous experience in palm oil cultivation and will have to learn the maintenance and cropping as a new skill whatever his former background. In addition, unlike his rubber scheme counterpart the oil palm settler will not tend his own plot initially but will be one of a group of 20 settlers in a cooperative bloc. The 'bloc' system of cultivation - in which the settler obtains his land after the scheme is paid off but until that time because of the cultivation requirements of palm oil works in a Cooperative - induces a different and ideally, more cooperative style of working relationship.¹¹

11. The FELDA palm oil settler had no doubts, as far as I could ascertain, that he would, as would his counterpart in the

Finally, the FELDA palm oil settler will have an overall higher income than his rubber counterpart and, although palm oil schemes are still relatively young, one can expect to find various differences in patterns of income, expenditure and signs of entrepreneurship ^{and} initiative on the part of oil palm settlers. But, this work pattern and higher fluctuating income simultaneously create problems both in individual schemes as it will be seen in these case studies and in the overall smoothness of FELDA's operation.

11 (cont.) rubber scheme, get his ownership of his portion of the bloc land after the paying off period. What perhaps was noticeable as a result of this bloc system was that each group of settlers had far greater resources in terms of bloc income that provided the large amounts of money necessary to invest in starting a transport company.

C. ULU JEMPOL (1965)1. Setting

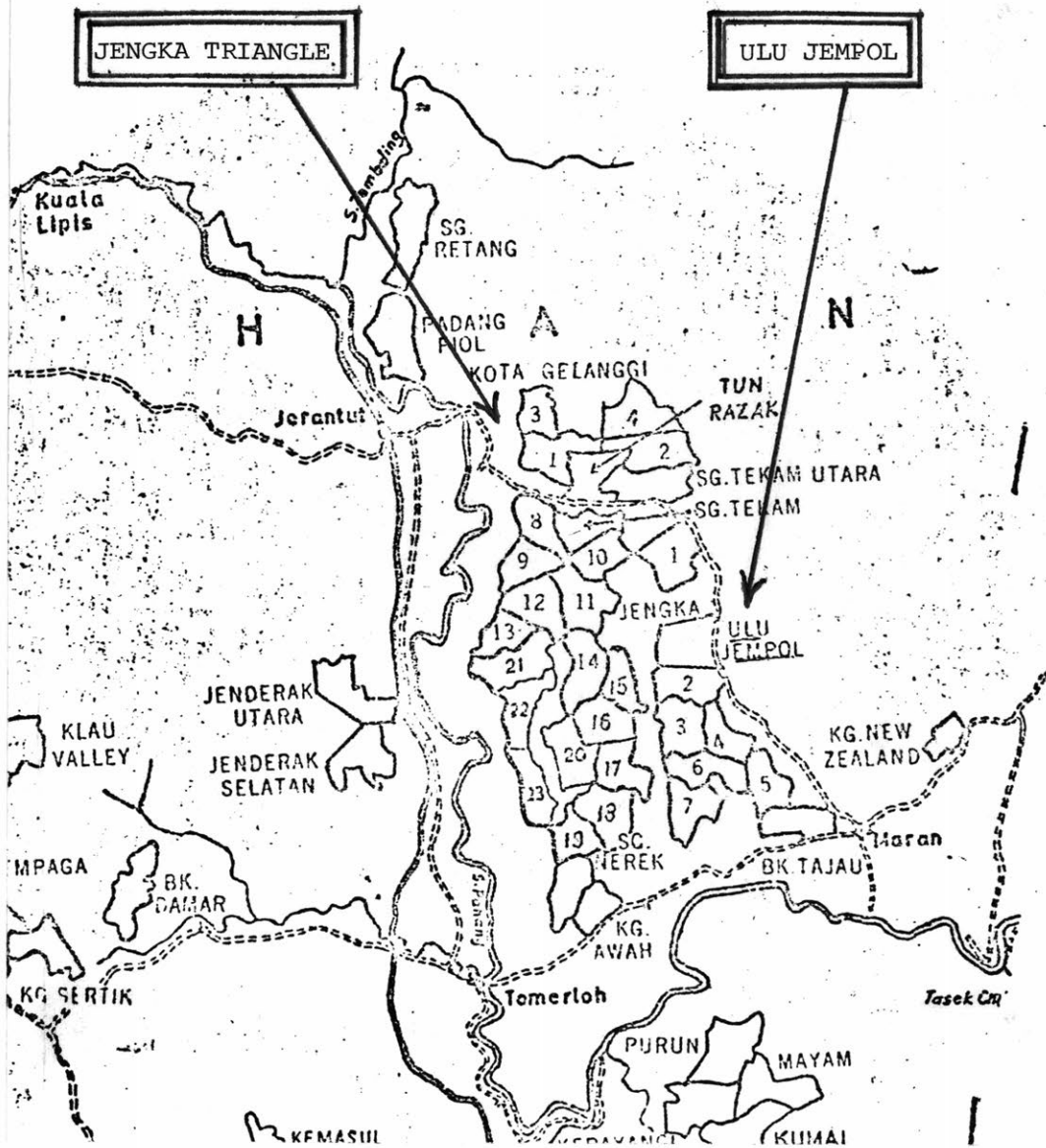
Ulu Jempol is situated in North-eastern Pahang on the tip of what is now the eastern part developed area of the Jengka Triangle (see Map 5.I). When it was first opened in 1963 the region was nearly all jungle reached by a narrow winding road from East West highway some 42 miles to the south.

Today, one reaches it through the main road leading onto the Jengka Triangle area at mile 16 of the Temeloh - Kuantan road and follows this for some 16 miles to a cross roads before turning right and onto the older road that leads to the eastern Jengka area. Once on this one drives northwards through the small but busy town of Tongkiat¹² and then onwards for 3 miles until one reaches the entrance to the scheme on the left of the road. One has in fact been driving past the oil palm acreage of Phase I and II for the last two miles since leaving Tongkiat. The actual village is very clearly laid out. One can see rows of settlers houses surrounding the fish pond in the centre with an extensive shop area on one raised side and the FELDA office buildings on the other. The Manager's house stands on a small hill to one side overlooking the village and settlers' houses spread out down winding roads on every side.

12. Officially Tongkiat's name is Sungei Jerik but it has been known to both settlers and to people in the areas as Tongkiat. Almost entirely Chinese in population Tongkiat had sprung up in the last twenty years as a small service centre for the area supplying the booming Jengka development.

Map 5.1

JENGA TRIANGLE



In contrast to most of the other schemes in the area, which have been developed in the last half dozen years, Ulu Jempol has the air of being part of the established and developed countryside unlike the raw planned impact of the other Jengka area schemes.

2. Background

Ulu Jempol has two characteristics that make it particularly interesting to this study.

One is age, for it was one of the first FELDA oil palm schemes opened, with work starting on the clearance of the first phase in March 1963 and the settlers moving in from November 1965 and earning income from harvesting in the next year (1968). Thus the Ulu Jempol settler had not only been in the scheme for some nine years ¹³ at the time of my research but had been earning a good and, after 1973, high income for at least 6 years. Thus in many ways Ulu Jempol was both - in FELDA terms - an old scheme and one that in which the settler had not only been moved into a new physical job and social environment but in which the added variable of a high income had been added. The result is that one would expect - and in fact did find - a more advanced degree of development and change in Ulu Jempol than one found in the earlier studies of rubber schemes. Secondly, the study of Ulu Jempol was greatly aided by the existence of a Social Welfare Department Report carried out in April/May 1967, of the scheme made at the time of the settlers initial entry and

13. As it can be seen from Table 5:I settler intake into Ulu Jempol took place over a period of approximately two years from November 1975 to October 1, 1967.

settlement in the scheme.¹⁴ This report comprising the experiences of three social welfare officers who lived in Ulu Jempol for a month interviewing the settlers and management proved an invaluable yardstick to measure one's own findings and to see exactly how the scheme (and its occupants) had changed in the ensuing eight years. This report, taken with my own unstructured interviews and the 10% survey of the settlers in 1975, provided the basis of this case study.

Ulu Jempol was opened in March 1963 when work was started on clearing the jungle for the first phase of what was to total a 5,870 acre scheme with five phases of oil palm acreage, a village area of 260 acres and a dusan area of 114 acres (see Table 5.1). The settlers came into the scheme in three groups, the first (140) on 15 November 1965, the second group (138) on 7th of June 1967 and the final group on 15th October 1967. Totalling 377 they were drawn from all over Malaysia (see Table 5.2) with the main groups coming from Pahang (41.6%), Penang (17.2%), Kelantan (16.2%), and also from Selangor, Perak, Kedah, Negeri Sembilan, Tregganu, Perlis and Malacca. In ethnic origin they are all Malay although, as it will be discussed later, their different states of origin produced marked regional contrasts in habits and expectations.

14. See Social Welfare Officers Living Experiences in FELDA Schemes, Department of Social Welfare Headquarters, Kuala Lumpur, 1967. The report covered the field experience of social welfare officers living in six FELDA schemes for a month (in Ulu Jempol's case from 8th April-May 6th, 1967) and is one of the few major participant observation reports done on FELDA. Although Ulu Jempol was the only one of my case studies covered by this report the report generally is an invaluable reference point for the overall study.

TABLE 5.1 - ULU JEMPOL - SUMMARYOPENED

<u>ACREAGE</u>	Phase 1 - 1136	March 1963	Harvesting 1966
	Phase 2 - 1184	November 1964	Harvesting 1968
	Phase 3 - 1010	April 1965	Harvesting 1969
	Phase 4 - 1300	May 1966	Harvesting 1970
	Phase 5 - 1256	- 1968	Harvesting 1973
	Dusun - 114		
	Village area - 260		
	<hr/>		
	Total	6200	

<u>SETTLERS</u>	Total 377
	Stage 1 - 140 (15.11.1965)
	Stage 2 - 138 (7.6.1967)
	Stage 3 - 99 (15.10.1967)
	<hr/>
	377
	Ethnic - All Malay
	Total Population 3800

FACILITIES

Kindergarten (112)	Stage - 1
Primary (589)	Shops - 49
Secondary School*	Fishpond - 1
Community Hall	Taxi - 1
Mosque	Piped Water
Religious School	Electricity (Staff/Staff Quarters)
Office Bloc	MARA Bus Service
Police Station (in Tongkiat)	

*(5 miles away at Jengka 2).

FELDA STAFF

Manager - 1
Assistant Manager - 1
Field Supervisors - 4
Social Development Officers - 2
Field Assistants - 8
Clerks - 2
Typist - 1
Drivers - 2
Office Boy - 1
Total - 21

NEAREST TOWN

Tongkiat* (2½ miles)
Maran - 18 miles

MERUT HOSPITAL

Mentakan (58 miles)

* (Proper name - Sungei Jerik)

The settlers were housed in well built wooden houses with two or three rooms with outside piped water (a tap for every three houses) and individual outside latrines. The village area was well laid out and although there had been slow progress in putting in the initial facilities the scheme since 1969 had been well equipped. In addition to a kindergarten and a primary school there was a large well run secondary school on the adjoining scheme, Jengka 2, a community hall, a separate drama hall and stage, a mosque and religious school, a regular bus service and, for the FELDA office bloc and staff quarters, electricity. ¹⁵ Perhaps most impressive to the outside visitor in 1975 was the booming shop area with some 49 shops opened over the last 8 years and 23 new ones just being constructed by the J. K. K. R. for sale to the settlers. Just south west of the shop area, which consisted of coffee houses, sundries shops, carpenters and furniture makers, motorcycle repair shops, textile shops and tailors, was a petrol pump which again was a rare sight on a FELDA scheme particularly in this isolated Jengka area where no commercial pumps existed for some 50 miles. ¹⁶ Just below

15. An electricity supply is very rare on a FELDA scheme apart from that provided by individual generators. In Ulu Jempol's case there were already a large number of individual owned or shared generators in the scheme.

16. Petrol could be bought and was openly bought illegally from one or two dealers on each scheme who had a couple of drums sent in a week. This was used for the settlers' cars, and motorcycles, and by FELDA staff and visitors like myself when necessary. The price was only about 10% above the usual price which was very reasonable in the isolated circumstances.

the shop area was a row of offices with the J.K.K.R. office which was an extremely active organization and next door to it the Youth Club office. On the northern side of this shop area lay the health clinic ¹⁷ and the primary school.

The scheme had an estimated 3800 inhabitants at the time of my research. The average age of the settlers was 39.3 (wives 32.7) and the average household size was 6.7 persons. The settlers and their wives came predominantly from a rural background. ¹⁸ As an older scheme with the settlers coming arriving in their late twenties the average age of children (12.1 years) was higher than in other schemes and not surprisingly 21.9% of the settlers' dependents had finished school and 21.7% were in secondary school. However it was noticeable that just less than half the children were still under 9 and, as there were few relatives staying with settlers on the scheme (only 35% of the sample had relatives staying with them), so Ulu Jempol had a large number of young people in the scheme. This age grouping

17. The health clinic had a resident midwife and a nurse with a doctor coming in once a week. In urgent cases transport - either a taxi owned by one settler, a settler's car or the FELDA transport - was used to take patients to the nearest hospital at Mentakab, some 50 miles away.

18. As in other schemes surveyed, two indicators of urbanisation were used: that of the 1000 or more level of population for an urban area as used in the 1957 Malaysian Census and that of the 10,000 or more population mark as defining an urban area used in the 1970 Malaysian Census. Using the 1000 indicator, 86% of the Ulu Jempol settlers surveyed were rural and 95.3% were rural using the 10,000 level.

in the scheme however did not raise as many problems as one might have expected in terms of unemployment or discontent for two reasons - firstly, there appeared to be few unemployed in 1975 (a total of 4 males out of 13 on the scheme, and 2 out of 14 of the scheme in the survey); and secondly, and more significant, because the FELDA management and the settlers themselves clearly provided effective leadership for the young dependent in Ulu Jempol.¹⁹ One example of the management's initiative in this was seen in the organisation on one day a week of ladang clearing on the scheme by settler dependents particularly in the village area and around the houses. This was unpaid work and was organised through J.K.K.R.. An example of the settlers' initiative could be seen in the strong youth club run on the scheme (with wide ranging activities including a rock group that toured other schemes as well as playing in Ulu Jempol). At the same time, the scheme was remarkable for the degree of organisation both in comparison to other schemes and in comparison to its own early days.

The only other schemes seen with such extensive shops, small businesses, business companies and club activities during my research was Bukit Besar in Johore.²⁰ Both were

19. As it has been noted before youth unemployment is a major and clearly a growing problem on FELDA schemes in view of the age structure. A FELDA survey in 1975 estimated that 36.7% of FELDA dependents on the 27 FELDA schemes surveyed were unemployed. See FELDA Research Division Survey of Youth Unemployment on FELDA Scheme 1975. FELDA Report (mimeo).

20. See page

palm oil schemes with high income but, as it will be seen later in this chapter, their entrepreneurship was probably due to different factors. In the case of Ulu Jempol the generally high morale was revealed by the survey (72.1% of the respondents belonged to a club of some sort and 88.4% attended J.K.K.R. meetings) and during my visits in talking to and interviewing the settlers in Ulu Jempol it was clear that the Ulu Jempol in 1975 was a very different place to the Ulu Jempol surveyed by Social Welfare Department team in 1967. While these differences will be examined throughout this chapter it is useful now to note some of the main differences here.

When the 1967 social development team visited the scheme in April and May 1967 there were 108 settlers in the scheme. It noted that relations between the management and the settlers were generally bad, that the settlers had major problems in adaptability (physically, socially and occupationally) to the scheme, that there were no clubs of any sort. It also noted that while the scheme was well endowed with good houses and health facilities there was generally very low morale, with the settlers reluctant to adjust to making use of the modern facilities or to listen to advice on diet and other matters. At the same time, the observers reported marked regional groupings in living and in socialising and lack of cooperation among the settlers themselves.

Yet in 1975 after 8 years the scheme was so markedly different in nearly all these aspects that it is useful to look at the 1967 report in some detail in light of my own research results in 1975. For this comparison vividly underlines the kind of changes that can, and do take place, in a Felda scheme and some of the mechanisms bringing that about.

In April 1967 the management/settler relations were very bad. The Social Welfare team were told for instance by the Manager that a number of letters of complaint had been sent to Tun Razak (the then Deputy Prime Minister and ^{later} Prime Minister) by the settlers.²¹ The Manager also revealed that 11 settlers had been given warning letters by the Felda management for refusing to "be subordinate to the Management".²² At the same time, the management complained that it was the Pahang settlers in particular that caused the trouble.²³ The Social Welfare team ^{so} clearly felt the tension on both sides ^{that} as they noted they "were extremely careful in not being seen with the manager too often."²⁴

21. This kind of letter writing was and is still not uncommon among Felda settlers. In the early days the present Prime Minister then the deputy Prime Minister and the man instrumental in rural development was the usual recipient. Today letters are sent to Ministers on occasion and more usually to Felda's Director-General. At the same time, as it has already been noted Felda settlers often go direct to the Head Office in Kuala Lumpur - however far away the scheme is from the capital to complain in person

22. Social Welfare Officers living experience, op .cit. p.22.

23. Op cit. p. 22.

24. Op cit. p. 31

The settlers on their part complained of insulting remarks by the management who had met their complaints of the work being 'too hard' or of 'too much discipline' by saying in effect that they were neither forced to come or to stay in the scheme.²⁵

The Social Welfare team noted that the settlers were 'very sensitive people' and reported that the manager's remarks may have been taken badly as the settlers saw him as the spokesman of the government and consequently everything they disliked about the scheme was regarded as the government "trying to play them out after assuring them of a better future."²⁶ How strong this resentment was is testified by the fact that at one stage the settlers were only just persuaded not to attack the scheme manager in his house and "tie him up."

The causes of this tension were various. One clearly is the inadequate knowledge of FELDA and of what to expect on the part of some of the settlers. None of the settlers, the team reported, "understood the project as a whole and nearly all of them were quite hazy about details of the scheme." This was particularly in relation to land ownership and the Social Welfare team reported that they were continually questioned as to whether they would own any land as promised. Those who were happy were happy with the facilities but those who were unhappy (notably the Pahang settlers) were unhappy over the pay and being paid piece rates wanting "easy work with high rates of payment."

25. Op. cit., p. 23.

26. Op. cit., p. 24.

It was the Pahang settlers in particular who formed the more militant group who wanted to tie up the manager and then resorted to a number of methods at trying to force their conditions on the management such as working to rule, downing tools, and threatening the staff.

But it was clear from the report that these were only part of a deeper problem -the whole problem of adaptability. For as the report noted there were a number of things about the scheme that were good - the housing, the health clinic and the overall conditions and clearly what was the cause of the trouble lay far deeper than just a matter of a lack of information or misunderstanding (although this undoubtedly plays a part). What was essentially the trouble in Ulu Jempol in 1967 was undoubtedly (and was the problem with most settlers moving into a FELDA scheme) the whole change of life style involved.

Moving into a FELDA scheme involves a physical change of environment as well as a social and occupational one. As it has been pointed out earlier the physical move into a FELDA scheme involves a drastic change of environment. In the kampong or village the settler (whatever his former occupation) would have had his house and with it, the fruit trees and vegetables found throughout rural Malaysia and all the resources of the village, both material and social, to fall back on. In a new FELDA scheme he lacks all these except the bare house and will particularly miss the food sources of his compound and his

friends. Secondly, there is the whole occupational change. Nearly all the 130 settlers would never have worked to a schedule, counted days in terms of hours, worked directly on piece rates with a direct relationship of work done with money received and, most important of all, in the psychological shock involved, to have been subordinated to discipline and to someone else.²⁷ At the same time, then there is the problem of social adjustment. In the first place this involves, as it has been noted, working under supervision and this for a settler who has had his own independent status in his kampong is difficult. At the same time a different but just as necessary adjustment is needed in personal relationships in the new setting. At one level this affects relations with the FELDA staff for, to a great extent, the direct person to person (or ascriptive) relations of the kampong is replaced by the impersonal ones of the FELDA management and this was quite clearly a major cause of dissatisfaction in Ulu Jempol

27. The only exceptions would be exservicemen. Otherwise, whatever the occupation the rural Malay is his 'own man' working by no set hours and under no direct organised discipline. It is interesting to note here that one of the common complaints in FELDA settlements in the early days is that the settlers lacked of 'freedom'. In the survey it was often found that one of the reasons given for the settlers thinking that their friends would not like FELDA is that they would not have 'freedom' or they 'would not like the discipline.'

in 1967 and in other early FELDA schemes.²⁸ Secondly, it is the problem of relationships with the other settlers. What is so noticeable about the 1967 Report, and it is confirmed by other surveys and observations, is that regional differences whether in language and in habits between the settlers themselves or with the FELDA staff, took time to adjust. The settler was used to living and dealing with people from his own kampong, but in Ulu Jempol he was faced with people from across Malaysia and thus he had to make a definite adjustment in social life and attitudes.

It is not surprising that the Social Welfare team's report brings out directly or indirectly both the problems of the initial adjustments required and the change that a FELDA scheme imposes on a settler. In Ulu Jempol different people from different states had to interact and live with each other and as a result friction arose, the scheme broke into factions and no clear leadership emerged. Work schedules and methods of payment were not understood and resented and the scheme was devoid of all social activities. At the same time, the settlers, still tradition bound, were unable to understand and utilise health facilities,²⁹ so could not understand the need for a

28. This dissatisfaction was not apparent (apart from the one incidence of violence in Jengka 12,) in later schemes and could be attributed to the more general awareness of FELDA throughout Malaysia and also to the whole development of the country between 1960-70.

29. The Bidan (traditional midwife) reported that the settlers were 'quite receptive' to modern treatment and did not return

balanced diet and children were often absent from school on the slightest of causes.

Yet by 1975 this had all changed. Ulu Jempol was not only a happy scheme, but to all appearances an enterprising one. The wide range of club activities has already been noted, morale was high, and the scheme's facilities were not only fully utilised but had been expanded. In every aspect there was a completely changed picture from that of 1967 and it is therefore interesting to see how the Ulu Jempol settlers had changed, and in what manner they had become socialised.

Quite clearly, the physical change had been adjusted to over the 9 year period. In one way the traditional village house setting had been reestablished with fruit and vegetable trees and widely grown. But at the same time marked overall improvements had been made to the settlers' houses which in many cases had been rebuilt with brick instead of wood and enlarged with modern appliances acquired and used. Thus the new way of life had been accepted and adapted to.

Then the problems of discipline, of working to set schedules and earning money directly in ratio to work had also been adjusted to. With it there was the realisation by the settlers that they were landholders who now had - which they had not realised when they first came into the scheme - the technical organi-

29. (cont.) to the 'Kampong Bidan' when ill. But the Ministry of Health nurse found little cooperation and said that 'they did not understand' diet or malnutrition (the major causes of illness).

sational and management skills to look after their property. This was particularly pronounced in Ulu Jempol (and in other FELDA oil palm schemes) as the high income was a clear incentive to entrepreneurship and business development.

Then social roles had changed. Though there still remained in many schemes in FELDA ³⁰ regional differences, these in time came to be absorbed in the day to day running and development of the schemes. In Ulu Jempol the settlers had not only accepted discipline but had built on its existence, and now had their own strong social organisation (primarily the J.K.K.R.) and with them leaders chosen on merit and for their efficiency (for leaders in FELDA schemes are elected and do not receive their positions by status as they did in the Malay Kampong).

Nothing is perfect, yet Ulu Jempol settlers had undoubtedly changed and had been socialised into a more modern

30. The exact interplay of Malay settler regional differences in a FELDA settlement has not (as far as I know) been carefully examined by sociological and anthropological methods and it is clearly an interesting area for study. But it is well known that there are marked regional differences in language, social custom and religion. One example is the matrilineal society in Negeri Sembilan which M.G. Swift has examined (see M. G. Swift, *Malay Peasant Society in Jelebu*. Athlone Press, London 1965.) In FELDA's case a FELDA social development officer I was travelling with at one stage of my research remarked on the fact that in Pahang FELDA schemes, Pahang settlers "always had a separate mosque from the other settlers."

way of life. This had been done by moving them initially into the scheme and then in the late nineteen sixties and early nineteen seventies by FELDA providing new social development guidance and leadership to the settlers in setting up both social organisations on the scheme and business enterprises. This was not uniformly successful, but in Ulu Jempol it had been.

Thus in Ulu Jempol because we have a relatively detailed account from the 1967 social welfare report of the scheme in its early days it is easier to delineate the kind of changes (and the mechanisms that have brought them about) that have taken place both in this particular scheme and in other FELDA schemes. And the more detailed analysis that follows in this chapter of Ulu Jempol demonstrates this clearly.

3. Migration

As in other schemes FELDA had drawn its settlers in Ulu Jempol from all over Malaysia. The settlers in Ulu Jempol came from 9 of Malaysia's states with the main groups from Pahang (41.6%), Penang (17.25%), Kelantan (16.2%), Selangor (8.6%) and Perak (8.5%).

Before coming to Ulu Jempol the settlers seemed evenly divided into a mover's and a non-mover's group, as 46.5% of the settlers had moved in their lifetime and 44.2% had never moved (9.3% did not reply). Those who had moved seemed either to have moved twice (40%) excluding their moves to FELDA or four

times (35%) with the number of moves ranging from 1 to 7 times. This pattern of lack of mobility was also shown by the fact that 48.8% of the settlers said that they would not have moved if FELDA had not called them and that 60.5% of the respondents had stayed more than 5 years in their last place of residence. Those who did move moved mainly looking for employment (16 moves or 29.6% of the total number of moves) which would seem to indicate a high rate of unemployment among the applicants in the early half of the nineteen sixties. The next highest number of moves was for 'service' reasons (clearly by the ex-servicemen on the scheme) and totalled 14 (or 25.9% of the total) while the other reasons are due to a widespread number of factors. It is interesting to note that 68.5% of all moves were made to different states and even if the moves made by ex-servicemen were excluded from these (12 moves), 46.3% of those who moved moved to a different state when they had moved. This is a high rate on interstate movement and seems to indicate that the respondents who did move were willing to travel widely.

Once on the scheme the settlers frequently returned every year to their home Kampongs, with only 7.2% (never) returning. The majority (86.1%) returned for under a week and (97.2%) for family reasons.

Thus Ulu Jempol settlers were drawn from across Malaysia particularly from Pahang, Perak, Kelantan, Perlis and Selangor and they were evenly distributed in terms of past

migration into those who had never moved and those who had moved. Those who had moved were both mobile in their numbers of moves (average 2.9), in the distance (105.7 miles) and interstate (1.9 average moves) pattern of movement. At the same time it would seem that a large percentage of those moving (29.6) moved due to unemployment which is an interesting and somewhat surprisingly high rate and cause for movement in the early nineteen sixties.³¹ However, this does seem to indicate that FELDA, by bringing this particular group of settlers into Ulu Jempol, caused a number of them to settle down permanently, brought together settlers from all over the country, and provided for predominantly unemployed sections of the rural Malay population.

4. Occupational Mobility

As in the other case studies, the Ulu Jempol settlers in this section are examined in terms of their occupational mobility, seen firstly as change of occupation on coming into FELDA, then as mobility within the scheme in terms of second jobs or business enterprises and then in terms of intergenerational mobility.

In previous occupation the respondents in Ulu Jempol were predominantly from a rural background (65.1%) with

31. Overall unemployment in rural areas in the period 1957-70 was 16.4%. Undoubtedly it was higher in some regions such as the less developed states in Northern and Eastern Malaysia but this rate of mobility reflected in the survey is high by any standards.

the others having been either exservicemen (18.6%) or in business (4.7%) or had 'other' occupations (11.6%). Of those with an agricultural background 71.4% had been smallholder farmers, notably padi farmers (46.4% of the total) and 28.6% either agricultural labourers or fishermen. (See Table 5.3.)

Table 5-2 also shows the average income earned in each category by the respondents before entry. Overall those in the agricultural occupations earned an average of \$96.8 a month varying from the lower paid padi farmers to the one fisherman who declared an income of \$200.³² The exservicemen had higher average incomes of nearly \$200 (\$197.2) a month while the two settlers in business earned an average of \$300.

On coming into FELDA all the settlers as it has already been noted would have undergone a complete change of occupation irrespective of their background. However, it is interesting to note the high percentage of the respondents previously in agricultural occupations (65.1%) in this scheme in comparison to other schemes. In terms of income, the main body of settlers would not have lost direct cash income to any great extent coming from an agricultural background - only the exservicemen, the one driver and the two businessmen having had high incomes. All would have been paid the FELDA subsistence of \$69.5 a month in the 3-4 years before harvesting and until they

32. This is far higher than the average monthly income for fishermen who generally are one of the poorest groups in the country, and this figure here would seem to indicate that this man must have owned his own boat.

TABLE 5.2 RESPONDENTS FORMER OCCUPATION

	No.	No.	%	%	Average Income \$	Min/Max Range \$
<u>AGRICULTURE</u>	28			65.1		
Padi		13	46.4		\$64.4	\$28-100
Rubber	6	6			\$80.7	\$40-120
Coconut	1	1			\$60	-
Agricultural Labourer		7			\$80	\$60-100
Estate Worker		-				
Subtotal		28			\$96.8	
<u>BUSINESS</u>	2		4.7			
Own Business		2			\$300	\$100-500
Subtotal		2			\$300	
<u>GOVERNMENT</u>	8		18.6			
Exservicemen		7			\$197.2	\$150-250
Clerk		1			\$120	-
Subtotal		8				
<u>OTHER</u>						
Labourer	4	4	9.3		\$92.2	\$80-120
Driver	1	1	2.3		\$300	-
Subtotal		5				
TOTAL (N=43)	43		100			

grew their own fruit and vegetables after the first year or so of settlement, life must have been hard. But as it will be shown later in this chapter the Ulu Jempol settlers, once harvesting had started, began to earn high incomes. In addition, as we will see next, they earned considerable side incomes in addition to their FELDA income.

The settlers in Ulu Jempol were a highly enterprising group in 1975 with widescale business and other enterprises. As Table 5.1 shows the scheme had a total of 49 small shops of various kinds already open and a further 29 under construction by the settlers. Each phase on Ulu Jempol had its own transport company run by the settlers who had bought the lorries and tractors involved in moving their oil palm fruit to the Mill from their own savings and contributions, and backed by FELDA loans. A typical such company would be the Phase 2 transport company that in May 1975 had 2 lorries, 2 tractors and a van and had taken over the transport of the fruit from the Chinese middleman who had held the contract in 1974.³³ Other companies that existed in the scheme included the Ulu Jempol Cooperative Company with the settlers contributing \$150 a month to it and which, apart from building the 29 shops which were being sold at a 10% overall profit to other settlers,³⁴ was

33. The Phase 2 company was set up in 1974 with initial capital of \$25,000 based on contributions of \$250 from each settler in the phase. In 1975 it had increased its capital to \$40,000.

34. The shop cost \$1200 to build and was sold at 10% write up. Payment was made by the buyer with a deposit of \$300, payments of \$80 a month until completion and then given for payment of the balance on entry.

engaged in building sanitation units, and in building land.³⁵

One settler from Ulu Jempol had been appointed a Director of the FELDA Cooperative Corporation and in June 1975 was also appointed to the FELDA Board of Governors as its first settler representative.

The respondents covered in the survey reflected this kind of enterprise and mobility. 62.8% of the respondents earned extra income in a variety of ways including running their own businesses and shops (29.6%), working as labourers, running their own contracting jobs (40.7%) or selling fruit and vegetables (18.5%). And while the majority of these spare time jobs could be associated with the normal rural Malay patterns of earning extra income (i.e. part-time labour or selling fruit or vegetables) a significant number could be classed as being modern, involving the running of separate and more specialised shops than usually found, or being engaged in other non-traditional activities.

Thus apart from moving occupationally initially on coming into FELDA the Ulu Jempol settlers had clearly also developed secondary occupations in the last 9 years since the scheme had opened.

Intergenerational mobility data is difficult to chart precisely because of the age of the scheme. As it had

35. The Cooperative Company had a capital of \$25,000 initially and had invested also in 4 lorries, 2 buses, 5 tractors and a stage which was used by the settlers and rented out on nightly basis to other schemes. The sanitation unit which was the latest diversification effort of this company cost \$180 each and in the first 9 months 27 had been sold and installed.

already been noted the average age of the settlers in 1975 was still only 39.7 years and of their children, 12.2 years. However 48 dependents had finished school and educationally these had a higher educational level than their fathers and there was some evidence of upward as well as lateral mobility in the occupations of those working off the scheme.

In the case of education 7% of the settlers had no formal education and 90.6% had a secondary education with one settler going to Form I at the secondary level. Of the dependents, in contrast, all had a primary school education with 27.1% of those who had completed school having had a secondary level education.

As Table 5.3 shows, half of the dependents who had finished school and were working in clearly defined occupations off the scheme were either in agricultural jobs (42.9%) or in government and professional category jobs (42.9%) with the balance (14.2%) working in 'other' occupations. What should be noted is that 3 out of the six dependents in the agricultural sector had become FELDA settlers themselves and had thus moved out of the traditional agricultural sector. With these, and with the 42.9% in government or professional jobs, the Ulu Jempol dependents were clearly showing signs of upward mobility.

TABLE 5.3. FATHERS/DEPENDENTS OCCUPATION
ULU JEMPOL

	No.	Father (N=43)		Dependents (N=14)	
AGRICULTURAL	28	65.1		6	42.9
Smallholder farmer	20		3		
FELDA settler			3		
Business	2	4.7			
Professional	8	18.6		6	42.9
Other	5	11.6		2	14.2
Total	43 (N=43)	100%		14 (N=14)	100%

5. Modernisation

Oil palm cultivation (as it has been discussed) imposes a different set of characteristics on those who cultivate it and in looking at how we might expect the Ulu Jempol and oil palm Felda settlers ^{in general} to change this has to be borne in mind. For in addition to the regrouping of the new settlers from all over Malaysia that took place at Ulu Jempol as they came ⁱⁿ to the scheme and the general change of social setting the settlers also underwent both an occupational and economic one. Economically, oil palm cultivation - given the plantation type capital input that Felda schemes are able to provide - is a profitable enterprise and thus Felda oil palm settlers have high incomes

which, in turn, create their own set of attitudes and behavioral characteristics. In this section (and in the other case studies in this chapter) modernisation will be examined in three ways - economic, social and political - keeping in mind the particular crop background.

Economic

It has already been noted that the Ulu Jempol settler was well off, with a good income, and tended not only to spend it but to use it as a means to find alternative ways of economically utilizing his position and his earnings. In this section it is intended to examine this particular aspect more closely, using the in-depth interviews, and the participant observation techniques used in the study as well as the 10% sample survey.

It may be remembered that in Ulu Jempol at the time of the Social Welfare survey in 1967 there existed a generally unsatisfied and still rather bewildered settler. While most of the settlers at that time appeared to be reasonably happy with the piece rate incomes being made, nothing had been done by that first group of settlers interviewed in 1967 to utilize the potentialities of their situation. The picture in 1975 (some 8 years later) was very different. Total family earnings of the settlers surveyed in 1975 were an average of \$586.5 a month ranging from \$300 to \$2000 with the majority of the settlers (65%) making between \$400 and \$649. Of this total family earnings the respon-

dents reported an average monthly earnings (over the last three months) from FELDA of \$421.3 a month.³⁶ Actual income was in fact higher than the respondents reported when the reported figure was compared to the FELDA monthly pay sheets for that period, which showed the respondents making an average of \$544.6 a month. The majority (66.7%) underestimated their incomes by between \$100 and \$249.

There was no clear reason for this difference except that the Ulu Jempol settlers may well instinctively have not wanted to quote their full income because it was high and it was known that jealousy existed among FELDA rubber settlers in nearby schemes because of these high incomes on oil palm schemes. Again it is possible (but doubtful) that the 'perceived' income might have been lower than that actually received. But in view of the preciseness of the survey question, the method of payment and the general awareness of the Ulu Jempol settler that was very evident throughout my research this explanation does not bear great weight. However, one explanation that is suggested is that of the Ulu Jempol settlers' desire not to be known as being too well off due to tax reasons. FELDA settlers are not taxed due to what would appear to be deliberate political oversight and also to the fact that the government departments concerned had never perceived FELDA settlers as coming into a tax category. However, both the high oil palm incomes and more important, the

36. This would reflect the low season income in the Oil Palm Year which runs from January to July with a high season usually running from around mid-August to mid-January.

TABLE 5.4 MONTHLY EXPENDITURE OTHER THAN
ON FOOD IN ULU JEMPOL

ITEMS	NO. OF SETTLERS*		AVERAGE AMOUNT \$	RANGE \$
	NO.	%		
CLOTHES	17	39.5	\$24.3	\$4 - 50
ENTERTAINMENT	2	4.7	\$27.5	\$5 - 50
TRANSPORT	38	88.4	\$51.1	\$15 - 300
EDUCATION	34	79.1	\$31.5	\$6 - 80
MONEY TO VILLAGE	20	46.5	\$32.1	\$15 - 60
HOUSEHOLD ITEMS	22	51.2	\$50.4	\$15 - 83

* Multiple answers were given to this question

Table 5.4 shows that the major part of the respondents spent their income (apart from food) in transport (88.4%), on education (79.1%) and then on household items (51.2%). This was followed by sending money back to the village (46.5%) and then on clothes (39.5%). The average expenditure and the range fits into the general expenditure patterns with the high expenditure on transport by some settlers being due to heavy credit payments on cars. ³⁷ One point of particular interest revealed by this table is the high percentage (in comparison to other schemes examined earlier) of respondents sending money back to the village (46.5%). Although this is the normal custom in Malaysia, it

37. 20.9% of the respondents and 13.3% of the total settlers had cars. See Table 5.7.

widespread publicity given to them for a variety of reasons undoubtedly had brought the possibility of taxation nearer in the future.

In addition to the income from FELDA, 27 (or 62.8%) of the respondents earned extra income. This averaged \$177 a month ranging from \$50 to \$750 and was made in a variety of ways. Eight of the respondents who reported extra income made it by selling fruit and vegetables. Apart from these, a large number of the respondents grew fruit (86+) or vegetables (76.7) or kept poultry (76.7) and other animals in their house lots. This not only provided a source of non-cash income to the household but as it had been noted provided actual cash income for the 8 settlers selling their produce.

Total family monthly expenditure by the respondents in Ulu Jempol was \$427 ranging from \$229-890 a month and with the majority of the settlers spending in the \$300-499 range. However, three settlers reported spending over \$600 a month and only one below \$249. Of this total monthly spending amount of \$427, an average of \$214.7 (or 50.1%) was spent on food with the balance being spread out over a number of other items. This average figure for food expenditure at first sight seems low in comparison to the rubber schemes examined in the last chapter in which the average expenditure was much higher. However, the lower food expenditure does in fact fit in with the overall Malaysian trend as revealed in the 1957 and 1970 Household Surveys pattern of expenditure which show a declining expenditure on food as income increases.

is not always regular for a number of reasons and in the case of the early Felda schemes many of the settlers had either broken off from their ^{home} kampungs or had no relatives there any longer.³⁸ However, in Ulu Jempol's case the settlers clearly kept in regular contact with their home areas eventhough 57. % of the settlers came from outside the state in which the scheme was situated. 22 (or 51.7%) of the respondents reported saving regularly every month (see Table 5.5) mainly in the Savings Bank (45.5%) and in the Tabung Haji (22.7%) with 31.8% saving in unspecified 'other' places.³⁹ The average savings was \$87.5 a month in the case of the Savings Bank, \$32 in that of the Tabung Haji, and \$41.4 a month in 'other' places. What was not reported here were the shares in various companies on the scheme already mentioned and in which a large number of the settlers took part.⁴⁰

TABLE 5.5 RESPONDENTS REGULAR MONTHLY SAVINGS
- ULU JEMPOL (N=43)

PLACE	NO.	%	AVERAGE \$	RANGE \$
SAVINGS BANK	10	45.5	\$87.5	\$20-200
TABUNG HAJI	5	22.7	\$32	\$10-15
OTHERS	7	31.8	\$41.4	\$10-75
TOTAL	22	100	-	-

38. See Bilut Valley, Chapter 4, p.

39. It is interesting to note here the 1967 Social Welfare Officers Report noting that "hardly a settler has heard of a savings bank" and compare the change by 1975.

40. These include each phase's Transport Company and the Scheme Cooperative Company.

Finally in keeping with this overall income pattern and expenditure the Ulu Jempol settlers had spent appreciable amounts on improving their houses, on appliances, and placed a high overall value on their possessions.

53.5% of the respondents spent an average of \$995.7 on house improvements. This would include replacing the original wooden structure built by FELDA with brick and adding rooms. Significantly a further 32.6% of the respondents did not reply to this question (only 1% said they did not spend any money) and some of these would have spent some money on house improvements at some stage.

As Table 5.6 shows overall ownership of household items was high in Ulu Jempol with 83.7% of the respondents (75.6% overall) owning motorcycles, 83.7% radios (overall 63.7%), 65.1% televisions (overall 57.8%) and 2.9% cars (overall 13.3%)

TABLE 5.6 OWNERSHIP OF HOUSEHOLD ITEMS
- SURVEY/OVERALL - ULU JEMPOL

	Survey No.	%	Overall No.	%
Cars	9	20.9	50	13.3
Televisions	28	65.1	218	57.8
Motorcycles	36	83.7	285	75.6
Bicycles	4	9.3	272	72.1
Radios	36	83.7	240	63.7
Generators	22	51.2	44	11.7
Household Appliances	39	90.7	323	85.7

Source: (1) Survey 1975
(2) Felda Ulu Jempol Office Records 1975.

This pattern of ownership, particularly of cars, motorcycles and televisions is high by any standards in Malaysia⁴¹ and emphasises the high incomes and patterns of expenditure in Ulu Jempol.

41. The national average of car owners in 1974 was 4.7 %, of motorcycles was 32.6%, and of televisions was 22.4%. See Economic Report, the Treasury, op .cit., .

Not surprisingly the respondents in Ulu Jempol placed a high value on their household possessions, averaging overall \$4135.7 each. The value ranged from \$300 to \$12,000 with the respondents placing a value of more on their possessions than \$5000 generally owning cars. Again as one examines this Table, the condition of the scheme in 1967 when the Social Welfare officers visited the scheme comes to mind when at that time the settlers had very few possessions and led "mechanical" lives. ⁴²

Thus the Ulu Jempol settler has, as it can be seen, moved altogether into another income bracket in a short period of some 8 years. His income had at least doubled, he owned a wide variety of possessions, spent his money on household appliances, had extensive ownership of such modern items as televisions, motorcycles and cars and, perhaps most interestingly of all, had shown widespread signs of utilising his new resources in both small and large scale businesses. In some cases, they had gone out and started companies and built shops on their own resources; in others they had received advice on loans from FELDA. Clearly if they can get expert advice when necessary in the future they will emerge as a powerful class on their own.

Social Change

The Ulu Jempol settlers in 1967 had as the Social Welfare Report noted led a completely organised life that

42. See Social Welfare Officers Report, op. cit., p. 72

had become almost 'mechanical' in its routine and dullness. The scheme lacked at that time any social cohesiveness and cooperation among the settlers themselves and between the settlers and FELDA staff. By 1975 this has markedly changed as it can be seen both from the survey data and from other data and interviews in the periods of research on the scheme.

79.1% of the respondents belonged to a club of some kind on the scheme. Of the seven clubs mentioned by settlers, the majority belonged to the UMNO political party (47.6%) with the largest number of the rest (20.6%) belonging to the Exservice-men Association. At the same time, 88.4% of the respondents said they attended J.K.K.R. meetings.

Undoubtedly the most prominent and widespread organization was the J.K.K.R. on the scheme. It had an office just below the shop complex open, one noticed, all day and well into the evening with a typist and at least one of the committee members (sometimes 2 or 3) around most of the time. Like other FELDA J.K.K.R.'s the Ulu Jempol had an annually elected 12-man committee with a Chairman (the FELDA scheme manager), a Vice-Chairman, Secretary and Treasurer. The J.K.K.R. in Ulu Jempol was extensively organised with its various officials and committee members taking on responsibility for a large number of activities.⁴³ These included an active youth club and Women Institute (G.R.W.), a cultural committee, a Teachers and Parents Association a social committee as well as the J.K.K.R. backed Cooperative Company.

43. See Appendix C for the organisation chart of Ulu Jempol, clubs, including the J.K.K.R.

The J.K.K.R. officials were an interesting group to talk to, more established in many ways from similar J.K.K.R. officials met with in other schemes. Part of this was clearly due to their sense of achievement and the fact that they were organising and running an obviously effective and large operation (an estimate of the total funds controlled in which the J.K.K.R. had an interest (1975) was around \$570,000). An example is the Vice Chairman, the main settlers' representative, who as it has been mentioned earlier was the first FELDA settler to be invited to join the FELDA Board and was also a member of the main FELDA Cooperative Board of Directors. In addition, he was a director of his own phases, - phase 3 - transport company, instructor in the Red Cross Society and Chairman of the schemes Cooperative Society. One of his most interesting duties off the scheme was as the 'omdubanman' in the local town of Sungai Jerik (Tongkiat). Apparently he had been approached in May 1969 after the racial riots in the country to act as the mediator (technically he was a member of the Town's Goodwill Committee) in any disputes that arose in this small nearby town between the various ethnic communities and while this rarely came up as he told me, it was an interesting light on both his own position and that of Ulu Jempol's position and reputation in the district.

However the J.K.K.R. though led by a group of able

and enterprising men was not a monopoly.⁴⁴ It clearly worked closely with the manager as in the case of dealing with theft on the scheme, and was accepted and utilised by all sides - the settlers, FELDA staff - as the principal mediator and organiser on the scheme. But there were other clubs and activities that though they may have come under the J.K.K.R. umbrella had their own drive and initiative. One of these was undoubtedly the Ulu Jempol Youth Club. With over 175 members this was a thriving organisation meeting monthly with an open house gathering, running a successful scheme rock group which played (very well) on the scheme and on a fee basis on other nearby schemes as far afield as Mentakab. They made extensive use of the stage that had been built on the scheme and played a usefar part in the scheme's social life by joining in and often providing the music and drama in the monthly gatherings organised by the J.K.K.R. social secretary that brought together a different group of 40-60 settlers, their families, FELDA staff and the school staff⁴⁵ just to

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44. It was interesting to note that there was not a predominance of exservicemen in organisational positions in the J.K.K.R. Of the 15 officials interviewed (the Vice Chairman, Secretary, Treasurer and 12 committee members), 5 had an service background of some sort (police or army) while 2 had had small businesses before becoming settlers and 5 farmers.
45. School staff came under the Ministry of Education and were not employed by FELDA. However, the usually lived on, and took part in, the life of the scheme.

socialise once a month. The youth club was deeply engaged in setting up a mechanics course for youth members when I was on the scheme and had an agreement to clear the village area of ladang once a week. Some idea of its activities can be seen from its Treasurer's report for 1974, which shows that its cultural and educational activities were profitable and that the club contributed to the general J.K.K.R. funds.⁴⁶ As there was an estimated 10% youth unemployment on the scheme the youth club in Ulu Jempol clearly played a useful role.

In general, the number of clubs, associations and committees on the scheme - 18 in all - is a clear indication of the social differentiation in Ulu Jempol and was in major contrast to the conditions existing in 1967.⁴⁷ The Ulu Jempol settlers in their clubs and in their business operations had extensively organised themselves and had moved, in their new way of life, far beyond that of their original kampongs. Part of this change was undoubtedly due to the high level of incomes in the scheme but a major part was clearly due to the leadership evolved by the settlers themselves and induced by the FELDA staff.

One of the features of a FELDA scheme is that leaders are elected for efficiency and are judged on their ability to get results, and the settlers' leaders in Ulu Jempol were well aware of their responsibilities and changed roles. The

46. See Appendix C.

47. Listed in Appendix C.

J.K.K.R. representatives, notably the Vice Chairman, expected, and were used to, settlers coming in to discuss an individual's work or just as likely and as important, a social problem, perhaps trouble with a neighbour or another settler in the scheme. The J.K.K.R. Vice Chairman with the other J.K.K.R. officials was essentially a broker acting as a mediator on the scheme between the settlers themselves and, on a more formal basis, between the settlers and the FELDA officials.

At the same time Ulu Jempol was undoubtedly fortunate in its FELDA staffing. However, good the facilities (and Ulu Jempol was in no way exceptional in this respect) the scheme's development had depended and still would depend to a great extent on the leadership and guidance of the FELDA staff. By 1975 this staff was large, including three social development officers and an experienced Manager. The Manager, it was interesting to note, found Ulu Jempol settlers less disciplined and more difficult to deal with than those in his previous posting in Kulai but had built up good working relations in the 2 years he had worked on the scheme. Settlers were consulted extensively and the scheme was clearly working smoothly. Regular meetings were held with the staff and settlers and it was noticeable that the youngish FELDA staff had few complaints and seemed generally happy with working at Ulu Jempol. Their one major source of discontent, and a very reasonable one, was the bad condition of the staff houses. Built in 1967 the

construction had been shoddy and needed extensive repairs.⁴⁸ These houses were in marked contrast with those of the settlers nearby and one wondered both in Ulu Jempol (and in other oil palm schemes) how the Felda staff - settlers, relations would develop over the next few years with the emergence of the settlers into a clearly defined middle role whose income and material status was in growing contrast to that of the Felda staff⁴⁹.

But Ulu Jempol had its problems. Settlers in one Phase, I was told by one supervisor, were 'lazy' and were happy these days to sit in the coffee shops. Thus while the problem of absentee landlordism had not cropped up in Ulu Jempol due probably to the relative isolation of the scheme compared to other Felda oil palm schemes near large towns the genesis of the problem could already be seen evolving in the new and unexpected pattern of relation between this new breed of Felda settlers and the Felda staff.

Other indications of social modernisation could also be seen in Ulu Jempol. Mention has already been made of the ownership of appliances notably televisions and radios and means of transport such as cars and motorcycles and these brought the settlers into contact with the world outside the scheme. Newspaper readership

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48. The ones I saw had been built on marshy ground, and the wood was rotting and warped in places. In one case, the concrete floor of the small kitchen had given way.
49. Pay scales for Felda staff ranged (1975) from \$120 (office boy) to \$1,300 (Manager-Grade II). A social welfare officer was getting around \$240 and a phase supervisor \$450. As it has been noted the average settlers total income on the scheme was \$547.

was wide - see Table 5.7 - and the settlers as it had been noted earlier returned to their home kampongs even though these in the majority of cases were outside the state.

TABLE 5.7 NEWSPAPER, MAGAZINE SUBSCRIBERS
- ULU JEMPOL (1975)

<u>Newspapers</u> (daily)	
Straits Times	5 (10)
Berita Harian	10 (15)
Utusan Melayu	40 (50)
Utusan Malaysia	40 (60)
<u>Magazines</u> (weekly)	
Pelajar (weekly)	70
Dewan Pelajar	10
Al Islan	30
Sanajna	30
Mastika	20
Dewan	10
Bahasa	10

Bracketed figures () = Additional Sunday buyers

Wide ownership of cars and motorcycles made access to and from the scheme relatively easy and the number of settlers who said that they went to Mentakab (58 miles) or even Kuantan (100 miles) regularly for their shopping was noticeable. The nearby town of Tongkiat was extensively used by the settlers for shopping though socialising seemed to be carried on in the scheme or with other nearby schemes. ⁵⁰

50. This was undoubtedly due to the fact that Tongkiat's population was nearly all Chinese.

Indicators of the Ulu Jempol settlers' satisfaction with FELDA and their aspirations for their children also reflected the overall development of the scheme.

The majority of the respondents in the survey said they had joined FELDA for a 'better future' (67.4%) followed by 'better money' (16.3%) and in order to own land (16.3%). They had clearly found the scheme satisfactory over the years as it can be seen from the response to the question "Do you recommend your friends to join FELDA?" 83.7% said 'yes' citing better income (25.5%), better opportunity (37.5%) and security (23.3%) as the main reasons. To the question "Why would you not like your friends to join FELDA?" the main reasons given were "too hard work" (23.1%) and "no freedom" (28.6%).

But if the settlers were happy with their own experiences with FELDA and would recommend their own generation of friends to join FELDA they clearly had higher aspirations for their children.

Only 53.5% of the settlers for instance, said they would recommend their children to join FELDA and 97.7% of the settlers wanted their children to go to University. At the same time, as Table 5.8 shows, the majority of the settlers (51.2%) wanted their children to go into government service. What is more striking however is that 72.7% of these wanted their children to go into professional level jobs. A high proportion of the respondents (34.9%) saw a business career

as being the most rewarding while a few (9.3%) left it up to their children. Only 2.3% wanted an agricultural future for their children.

TABLE 5.8 WHAT KIND OF JOB WOULD YOU HOPE YOUR CHILDREN TO DO WHEN THEY LEAVE SCHOOL?

	No.	%
<u>Government Job</u>	22	51.2
Professional	16 (72.7)	
Clerical	6 (27.3)	
<u>Business</u>	15	34.9
<u>Agriculture</u>		
Farmer	1	2.3
Up to the Children	4	9.3
Not stated	1	2.3
Total (N=43)	43	100%

This reaction is in sharp contrast to the rubber schemes seen examined in and in relation to the general perception still very persuasive in Malaysia of the government as being the most prestigious of occupations. Here in Ulu Jempol a government career was still seen as the best one but a significant number of settlers saw business as a viable alternative which can only be attributed to Ulu Jempol's own success in developing a business orientated community.

A final indicator of the change that has taken place in this scheme since its rough beginnings in 1967 can be

seen from the respondents reply to the question as to what was expected before they came to the scheme, what was found on arrival, and what was still wrong (in 1975). As it can be expected expectations are high on entry and to a large extent with the exceptions of bad incomes, bus service, lack of clubs and help from FELDA staff, seemed to have been satisfied. By 1975 there were only 5 complaints which clearly indicated the overall satisfaction of the Ulu Jempol settlers with their new date. It also shows how much the scheme had developed in this short period of 8 years.

Political

There was lack of any real evidence of any overt political activity on the scheme. This was in character with the general level of political activity both in Malaysia and in FELDA schemes as such (except as in the Bilut Valley case where political means were used to demonstrate dissatisfaction). However an UMNO branch existed with membership of 327, and 81.4% of the respondents in the survey said that they had voted in the last election. No other party organizations existed which was not surprising in view of the total Malay composition of the settlers. But it was interesting that the Ulu Jempol settlers while clearly a generally satisfied group also indicated in discussions that they knew that as FELDA settlers they were able to put pressure on the government to some extent. This knowledge had not become wide-spread and seemed an

incipient feeling at the time I was there (1975) but, as it is discussed later the creation of this new breed of FELDA landowner in this setting clearly has wider political implications for the future.

6. Summary

Ulu Jempol is in many ways a remarkable success story and one whose progress has been easier to chart than in any other schemes owing to the existence of the Social Welfare Department's report of 1967. In eight years the settlers had developed from a disorganised and discontented group into an extensively organised and relatively satisfied set of people. They had showed remarkable enterprise and Ulu Jempol stands out (amongst the older palm oil schemes) as an example of how a FELDA scheme can develop given certain conditions.

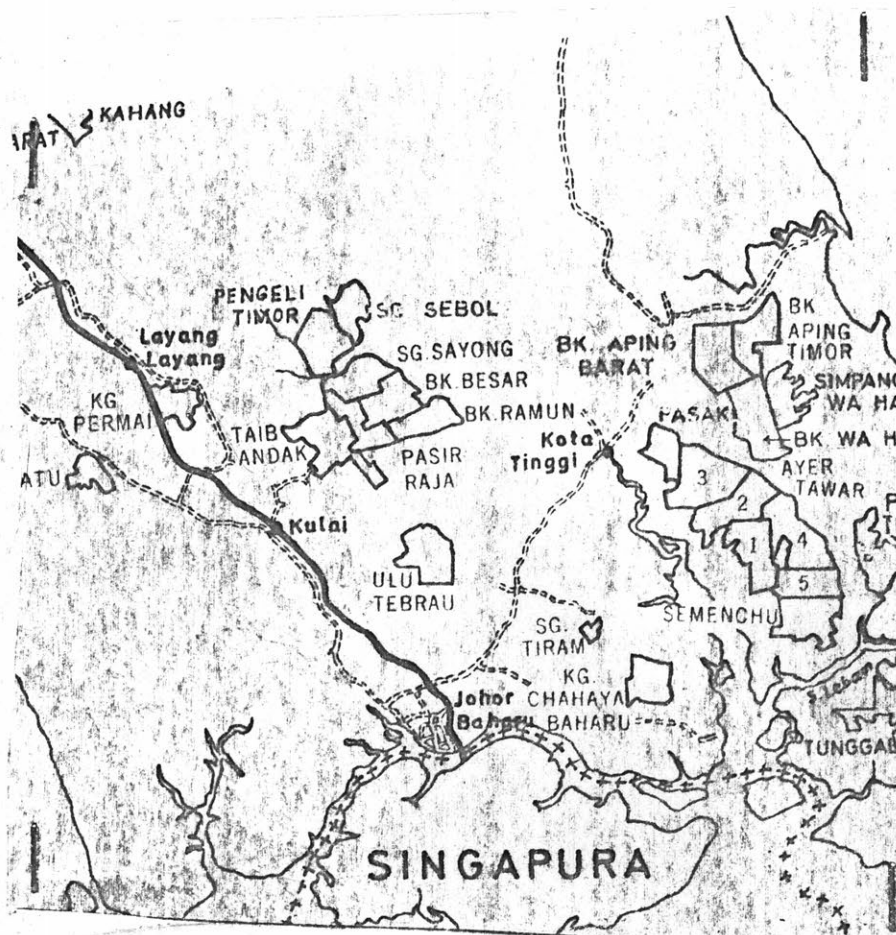
In contrast, the second scheme, Bukit Besar - while in many ways having many of the characteristics of Ulu Jempol but younger by some 3 years in age - had not undergone such radical transformation and it is interesting to mark the contrast between the two schemes.

D. BUKIT BESAR (1968)1. Setting

Bukit Besar lies in slightly hilly country in the southern part of Malaysia's southern state of Johore. Situated some 49 miles north west of the Johore capital of Johore Bahru it lies some 14 miles from the small town of Kulai. This is very much plantation country and Bukit Besar itself, with its vast rows of palm oil trees and its palm oil mill belching a heavy grey smoke over the village area, is a similar sight in this part of Malaysia. The scheme itself is built on a series of rolling hills with the palm oil mill situated in the valley at the entrance to the scheme and the office bloc and shop complex built on more elevated ground further in. The scheme seems quiet but it has none of the isolation one feels so strongly in Pahang and there is always an awareness that the main road is not far away and that people, and the modern world, is all around.

2. Background

Bukit Besar is one of a complex known as the Kulai Complex (see Map 52) of 6 schemes opened up between 1960 and 1969 and covering altogether some 34,000 acres of land, with 2094 settlers and a total population of 17,000. However, though these schemes are usually regarded as one

5.2 - FELDA KULAI COMPLEX - JOHORE

Complex 6 schemes

	Date Opened	Acreage for Settlers	
Taib Andak	1966	7500 R.	404
Pasak	1966		271
Pasir Raja	1967		366
Bukit Besar	1966	5 OIP.	394
Sg Sayong	1968		373
Bukit Ramon	1969		286
Total		2094 (Pop. 15,000+)	

complex because they live next door to each other, their administration is independent of each other and the only joint operation in common has been the recent development to develop a central complex business company. Bukit Besar itself is an oil palm scheme first opened in 1964 with settlers coming in 1968. By the end of 1969 the scheme had its full complement of 394 settlers and harvesting had started in all three phases (see Table 5.9). It is a well equipped scheme having a kindergarten school (93 pupils), a primary school (749 pupils) and a secondary school (467) as well as recently (1975) opening a religious school. In addition there is a community hall, a mosque, a police station (that serves the whole complex), a post office (again serving the whole complex) and a large shop area with 34 concrete built shops and 29 more under construction. Communication to the nearby town of Kulai - small town with a population of 36,332⁵¹ is easy and the settlers who are generally well to do with each household owning at least one motorcycle and quite a number of cars

51. This is a mainly Chinese inhabited town with an ethnic breakdown of 63% Chinese, 26% Malays and 10% Indian at the time of the 1970 census. It had grown up to service the local countryside and had expanded with the growth of the Felda schemes in the 1960's. Felda settlers through their business companies, notably in transport, were trying to push out the Kulai Chinese middlemen who had until recently as the commercial line between the schemes and the outside world. "We must get away from those blood suckers" one settler remarked to me.

TABLE 5.9- SUMMARY OF FACILITIES - BUKIT BESAROpen 1968Type Oil PalmAcreage 4398 acres

Phase 1 - 1450	January 1964	Harvesting - 1968 (June)
Phase 2 - 1307	December 1964	1968 (March)
Phase 3 - 1025	October 1965	1969 (Sept)
Phase 4 - 396	December 1969 (rubber)	1973 (July)
Villagemen - 220		

Settlers

394 all Malay	Phase 1	155	1968
	Phase 2	135	1968
	Phase 3	104	1969
Scheme Population - 3109			

Facilities

Kindergarten (93)	Community Hall
Primary School	Foot Ball Field
Secondary School	Felda Factory
Mosque	Mara Bus
Police Station	Shops - 34
Post Office	
Religious School (1975)	

Felda Staff

Acting Manager - 1	Social Development Officers - 3
Assistant Manager - 1	Clerks -
Supervisors - 4	Drivers -
Field Assistants - 7	Office Boy -
	Total -

Nearest Town

Kulai (14 miles) Population 36,332
 Johore Bahru 49

a yearly income \$750 (1974)

are very mobile and are used for going to Kulai and as far a field as Johore Bahru for shopping and nonscheme services such as car servicing and repairs. What makes Bukit Besar stand out in contrast to the other case studies examined so far is its location and the predominantly local nature of the settlers. Bukit Besar is overwhelmingly a Johore scheme, located in the heart of the state and with 97.2% of its settlers coming from Johore. This does not mean that the settlers have not moved within and outside the state as we

will see later but it give the scheme its own particular and in this study unique character. Johorians are noted both for their religious piety and discipline in Malaysia and it is not surprising to find that religion plays a strong part in the life of the Bukit Besar settlers. The religious social development officer exerts his influence through religions and gatherings such as the Friday mosque prayers are used by him to bring the settlers' attention to important scheme matters. At the same time the/ a recently completed religious school built by the settlers themselves.

The reputation for discipline of Johore inhabitants and of Johore settlers ("the settlers were much more disciplined and would listen to advice" one Felda officer first posted in Johore complained one day in a Pahang Scheme) is due to the fact that Johore has always been one of Malaysia's most developed states and from the late nineteenth century had greatly benefitted from the growth of Singapore and in this country. It can be seen in the long tradition of Johore inhabitants joining the armed forces in Malaysia and a large number of the settlers interviewed had at some stage of their lives been in the armed services or in the police⁵².

52. My interview notes of some 32 settlers independent of the survey showed that 23 (71.9%) of them had at sometime in their lifetime been connected with the services.

Not surprisingly, most of the settler leaders had a service background of some sort ⁵³ and had joined Felda for security. As one settler put it 'after 23 years of service in the army I only had money to buy 3 acres of land. Felda offered me 10 acres' when asked why he joined Felda.

This sense of order and discipline was very apparent in the scheme. It was in fact a very well run scheme with no record of violence or of the kind of major adjustment problems that are found in other states notably the 'frontier' ones like Pahang. It could be seen in the well run (and well built) shop complex set up by the settlers and the J.K.K.R. and in the various business companies set up both with and without Felda help. Sitting in on a four hour discussion on the purchase of lorries by the J.K.K.R. transport company I was impressed by the detail and carefulness with each point was balanced and weighed and by the forceful yet quiet interplay of personality. This kind of western calvanism came up later in that same day when a Felda head office officer was discussing with the priority concerned the sending of 6 secondary school students to the capital of Kuala Lumpur to a newly opened Felda run and financed hostel for Felda secondary school dependents. Five of the six parents had the usual questions but one (when can I see them?) (who pays the costs?) a younger man in his mid thirties who had come

53. The J.K.K.R. Vice Chairman for instance had been a policeman during the Malaysian emergency and the amazingly energetic entrepreneur settler who at 58 ran the Taib Andak group of business companies had been a Sergeant Major in the British army in Singapore for 24 years.

into the scheme in the last intake (in 1969) - was very concerned that his son should not waste his time in the evening watching television and it had to be explained to him that he could hardly expect the 12 year old boy to study 24 hours a day.

There was a sense of conservatism about the Bukit Besar settlers. This however neither stultified their own initiative in developing their own businesses or affect Felda. If there was not violence or overt action against Felda authorities on this and other Johore schemes the settlers were quite firm in stating what they wanted and as the long meeting attended on the purchase of lorries for the scheme, showed there was a strong awareness on both sides of what the settlers could/get themselves and expect from Felda and on Felda's side an awareness of the constant need to reinstate their maxim that 'nothing is free'.⁵⁴

But it should be added that the Bukit Besar settlers were beginning to gain a bad reputation for landlordism as, as one Felda official put it "they leave their blocs these days to be harvested by un-trained labour and are not really interested any longer as they now

54. The whole interplay between Felda settlers and officials at all levels is a fascinating one to observe covering expectations on both sides, based primarily on the strong element of paternalism implied and expected and the constant bargaining and negotiation involved in all aspects of Felda and scheme life. Negotiation and compromise are the main elements of Malaysian life, and in Felda's case one mechanism used constantly was to adhere strictly to the principle that the settler must pay for everything however small the contribution. Thus the Bukit Besar parent having his son sent to the Felda hostel for schooling in Kuala Lumpur had to pay \$10 a month (a minimal amount) towards the cost. Needless to say in view of the overall cost to the government of Felda this kind of accounting was a psychological necessity both to outside critics and to make the whole Felda mechanism operate efficiently at all levels, particularly in the day to day life on the scheme.

get paid too much." This was not as widespread a problem as in other schemes but it was an increasing and, to FELDA, alarming trend. An interesting aspect of this occurred in a widely publicised event in Malaysia in late 1974 when a local state assemblyman accused the FELDA settlers of sitting in Johore Bahru (the state Capital) all day, drinking.⁵⁵ This was put down to a few 'badhats' who had picked up the habit "from their army days" and not being characteristic of the average FELDA settler by FELDA, and this was undoubtedly quite true. But it underlines the increasing tendency of FELDA settlers with high incomes and transport in the way of cars and motorcycles to pay others to do their work and relax both on and off their schemes.⁵⁶

But generally, it becomes clear as we examine this scheme, that the settlers in Bukit Besar coming from the same state with similar background and with the strong traditions of the state tended to be conservative. For while we do find marked and widespread business enterprise on the one hand and the utilisation of their new situation and income to move into a more modern way of life, Bukit Besar as a scheme lacked that feeling of massive change that was so evident in the last case history, that of Ulu Jempol which was rapid and exciting.

55. Alcohol is not sold on FELDA schemes. It it was one FELDA officer observed "we sould have 400 drunken men and not just those 15" referring to the 15 settlers quoted as being involved in the famous incident.

56. A far worse example of landlordism was seen in the Bk. Quantan scheme 5 miles outside Kuantan, the Pahang capital. There the settlers with incomes of up to \$1750 a month (the equivalent to a civil servant and director of a FELDA division in the Head Office) and with easy access to both surplus labour and the large urban area of Kuantan, were 'always sitting in the Kuantan bars and coffee shops.'

The Bukit Besar settlers as it has already been noted are predominantly from Johore and predominantly rural in origin with 95% of the respondents in the 10% survey coming from a rural area. The average age was 41.3 and the scheme had an average household composition of 8.1 persons. This was mainly made up of children as the households had an average of 6 children and relatively few (47%) families have relatives staying. In line with this general age pattern 12.5% of the respondents had had no schooling at all 77.5% of those who had attended school had attended primary school, 2.5% secondary school 10% adult classes.⁵⁷ The average age of the children was 12.1 years with a wide range (1 year to 41 year) and the scheme had both a large contingent of younger children (37.2% of the children were in the age groups 0-5) and children above 20 (29%). Unemployment of dependents was said by the Felde staff to be 10% and this with the urban areas around, and the generally developed nature of the state, did not seem to raise (in 1975) the kind of youth unemployment problems that were being met in other older schemes. Occupationally 75% of the respondents in Bukit Besar had an agricultural background and as it will be seen later, had moved extensively around the state (and to some extent to other states) primarily for working purposes before they joined the scheme. Their main reason in joining Felde was for "a better future" (60%) followed by land (27.5%) and in 5% of the cases because of "difficulties in their previous job".

57. Adult classes are classes run for adults with no schooling in Malaysia.

Thus the overall picture of the Bukit Besar settler as indicated by the survey was of a man in his early forties (age 41.3) with a large family (8.1) and a large number of children (6.0) who had come mainly from an agricultural background (75%) and from a rural area (95%). However he had been relatively a mobile person during his previous lifetime and had joined FELDA primarily for a "better future."

3. Migration

FELDA in this scheme had certainly induced movement to the scheme but in this case it was almost totally local in nature. The Bukit Besar settler was almost entirely (92.2%) from Johore state within which the scheme was situated. This was undoubtedly due to the existence of a state quota of 50% of the places being held for state residents and because of the large numbers of applications from Johore state residents to become a FELDA settler. This pattern was also reflected in the survey in which all the respondents had applied from Johore while 90% had been born in Johore. ⁵⁸

The Bukit Besar settler therefore was essentially a local man who had been moved into FELDA and into a new environment and living still in his own state. Exactly the influence FELDA had in moving the settler is interesting and as the respondent had on the one hand been very mobile in his

58. Of those born outside Johore 7.5% were born in Indonesia and had emigrated to Johore and one had been born in Perak.

life even if movement had been in the same state yet in the five years before they moved to FELDA had settled down in one place and finally would not on the whole have moved if FELDA had not called them.

The survey showed that the Bukit Besar settlers were generally a mobile group with only 20% never moving and 62.5% moving between one and three times. This mobility was closely linked with unemployment, as the predominant reason for moving was 'looking for employment' (25.4%) followed by estate work (16.9%) and service (army or police) employment (15.5%). But these moves overall were within the state (60.9%) and if we take out the service reason for moving, which usually involved moving across state boundaries in Malaysia, the intrastate moves then total 72.5% of all of the settlers' moves. At the same time the average mileage of each move also reflects a short distance move with the majority of intrastate moves between 50-74 miles and the interstate moves between 100-199 miles. But if the Bukit Besar settlers had been mobile in their lives that mobility had clearly declined in the five years before they joined the schedule. The survey showed that 92.5% of the respondents had been in their last place of stay for five years or more and it is clear that to a marked extent the respondents had settled down. Thus the majority of the settlers seemed only to have moved again because FELDA had called them to join the Bukit Besar scheme. This conclusion is borne out by the settlers' reply to the question "would you

have moved if FELDA had not called you?" to which 55% replied 'No, they would not have moved' and 45% indicated that they would have moved. Of those who have moved, 72.3% said they would have remained in the same state.

Thus FELDA clearly offered an attractive proposition for the majority of the respondents surveyed offering, as we have already seen, a chance of a 'better future' and 'land.'

Once in the scheme the settlers, as one would expect, as they came from the same state retained close links with their home Kampongs with 90% returning at least twice and sometimes 4 or more times a year to their village. These were almost all (97.5%) short visits of less than a week and for the usual Malaysian reasons of family matters.

The Bukit Besar settlers thus offer an interesting contrast to the other three schemes examined as case studies. Here in Bukit Besar the settlers nearly all local keep strong ties with their home villages yet just as clearly FELDA has acted as the agent in moving them and their families once and for all in their lifetime into a new location and way of life.

4. Mobility

As it has been the case with other settlers coming into FELDA schemes the Bukit Besar settlers also came into a completely new situation away from their home kampongs, having to adapt and change to a new set of social and working conditions and a different life style. This, to some extent, in Johore may

have been alleviated by the fact that nearly all the settlers came from the same state and that the whole problem of new social relations may not have been such a traumatic shock (it might be suggested that this aspect of the scheme may be a cause of its conservatism compared to Pahang schemes) but even then the Bukit Besar settler had to learn a different way of life involving a different time schedule, skills and with a different kind and level of economic gain and became, in the process, a different person.

Before coming to Bukit Besar, the majority of settlers (75.9%) had been engaged in an agricultural occupation (see Table 5.11) followed by a service occupation (7.9%), by business (2.4%) and by other occupations (13.9%). Their estimated income ranged from \$40-120 a month. The 10% survey carried out on Bukit Besar settlers showed that the respondents had a similar background to that shown in the overall scheme survey with slight variations.

Table 5.10

OVERALL OCCUPATIONAL BACKGROUND - BUKIT BESAR SETTLER

Occupation	No.	%	%	Income Range \$
<u>Agriculture</u>				
Farmer	32	8.1		60 - 80
Padi	5	1.3		55 - 75
Rubber tapper	142	36.0		40 - 120
Fisherman	95	6.3		50 - 70
Ag. labourer	95	24.1	<u>75.8</u>	60 - 80
<u>Government/Services</u>				
Exserviceman	31	7.9	<u>7.9</u>	40 - 120
<u>Business</u>				
	9	2.3	<u>2.4</u>	50 - 70
<u>Others</u>				
Driver	9	2.3		70 - 90
Kampong worker	25	6.3		40 - 50
Other*	21	5.3	<u>13.9</u>	50 - 100
Total (N = 394)	394	100.0	100.0	

Source: Felda Records 1973

* Include barbers, guards, trishaw peddlers, temporary teachers, mandors and unspecified jobs.

Both these surveys revealed a higher proportion than in usual in FELDA schemes of settlers with an agricultural background and fewer in the more modern sectors. In moving to FELDA this previous agricultural background would not be directly useful to the settlers as the skills involved and the whole apparatus of becoming a tenant farmer demanded a change in occupation. Thus the Bukit Besar settlers, with their rural

TABLE 5.11- RESPONDENTS PREVIOUS OCCUPATION
BUKIT BESAR

		No.	%	Average Income \$	Range
<u>Agriculture</u>					
Estate workers	14 (46.7)				
Rubber	10 (33%)			86	50-150
Padi	2 (6.7%)			70	60-80
Coconut	1 (3.3%)			90	-
Agricultural Labourer	2 (6.6%)			100	-
Fisherman	1 (3.3%)	30	75	117 (99.6)	50-200
<u>Government/Services</u>					
Exserviceman		1	2.5	160	-
<u>Business</u>					
		5	12.5	190	90-300
<u>Other</u>					
Labourer	1 (25)			200	-
Gardener	1 (25)			90	-
Driver	2 (50)	4	10.0	165	150-180
Total		40	100.0		

(Overall average = \$118)

N=40

background and their predominant life experience in Johore state itself, allied with their traditional farming background clearly underwent a major change in life style in coming into FELDA in comparison to life in their home kampongs.

The second aspect of mobility examined in this, and the other case studies, is that of mobility of the settlers. Once they are in the scheme seen in the new occupations undertaken by the settlers independently from their directly related FELDA work.

This kind of mobility in Bukit Besar was both widespread and impressive and again, as in Ulu Jempol, is characterised by the speed in which it had occurred. In the case of the Bukit Besar settlers only a very small number had had any business experience or had been involved in a modern occupation either entailing the running of a shop or of keeping regular hours. At the same time, the settlers were relatively 'young' in the FELDA setting having moved in in 1968/69 and only beginning to earn appreciable incomes around 1971/72.⁵⁹ Thus the changes noted in the next few pages are quite dramatic in their extent and size. The Bukit Besar settlers were involved in two main types of business enterprise, running their own shops on the one hand and being involved with the various companies

59. Oil palm settlers remain on a daily basis for the first three year of harvesting until a breakeven point is reached in the bloc at which point the settlers have repaid (and FELDA has regained) the initial development costs and the settlers receive the full monthly profit minus their overall loan deductions.

that had grown up on the scheme itself and, in collaboration with the other schemes in the complex.

In the case of individual shops, there were 34 shops on the scheme, situated in a modern developed complex in the centre of the scheme. Composed of concrete and brick shop-houses, these had been built by the settlers themselves since the area was cleared in 1971 and there was a wide variety of stores (5 coffee shops, 17 sundries shops, 4 motorcycle repair shops, 3 music and record shops and 3 clothing stores). The settlers paid a nominal rent of \$12 a month to FELDA for the ground and ran their shops whenever they found it profitable. This in fact meant that the shops were opened from 8 a.m. in the morning to around 8 p.m. at night and were either managed by the settler himself or by members of his family. This complex effectively had broken the earlier monopoly of Chinese and other middlemen coming into the scheme as the main suppliers (as it could be found in new schemes such as Jengka 12) and once a reasonable number of shops had opened, FELDA had helped the process of indigenous shop development by imposing a levy of \$10 on any outside traders wanting to come in to do business in Bukit Besar. At the same time, the settler had other jobs such as running taxi services⁶⁰ or working as a labourer and drivers

60. A taxi service was quite a common feature of FELDA oil palm schemes. It involved the purchase of a car costing between \$11,000-18,000 which could be done on credit and either (as in Bukit Besar) running a taxi service for the settlers and their dependents or enlarging on taxi operations in a nearby town (as in Jengka 2 where the taxi over was 'out' all day in Mentakab, a town 34 miles away).

outside the scheme. However, the pattern was predominantly one of small business enlarging in a modern setting with 38.9% of the respondents owning shops or running a business of some sort and 5.6% doing other jobs. The balance (55.6%) sold produce (fruit and vegetables mainly) from their lots. If the fruit and vegetable component is taken out, as this is in effect just a traditional occupation rather than a main subsidiary occupation, then 87.5% of the respondents having a second occupation were in business. The second type of business activity in Bukit Besar, and in many ways the most impressive, as it demanded the handling and investment of appreciable amounts of money and competition with the more urbanised and non-Malay world outside, were the various business companies associated with the scheme.

The Bukit Besar settlers had set up a number of companies. There was first the various transport companies of each phase set up to buy lorries to carry the palm oil fruit in each phase. These were financed by bloc savings (6 out of the 18 blocs on the scheme saved money regularly on a monthly basis in a bloc account) ⁶¹. Capital would come mainly from the savings but FELDA would also lend money initially at 6% interest, and in some cases had provided up to 50% of the capital.

61. This had been a relatively new development in Bukit Besar and in the other nearer schemes in the last year or so (1974/5) and from the number of passbooks I was shown at various times during my research it seemed that the blocs were regularly putting in some \$1500-2000 a month.

The phase company would have a settler managing director, a secretary and treasurer and would hire settlers and their dependents on a regular basis to maintain the lorries and drive them.

Then there was the J.K.K.R. sharikat (or company) set up in November 1974 with an initial capital of \$60,000 which had arisen to \$193,000 by 1975. The capital had initially come from the slush oil fund on the scheme ⁶² and the company was involved in a number of activities. Like the Phase Companies it had invested in transport and had (in 1975) 4 lorries, 4 tractors and a breakdown vehicle, all run and maintained on the scheme. Some of the capital to buy these - usually for cash - was loaned by FELDA and the transport was utilized for moving the palm oil to the factory. A second activity of the company had been to buy 30 acres of land nearby at Koto Kingin. This was an old rubber estate which the settlers were going to convert into palm oil and had cost \$31,500. Another activity was the setting up of a small cement and brick factory near the existing shop complex and the building of 29 new shops. These were sold to the settlers at a 10% profit and had been all bought, although not yet fully occupied, in early 1975. Finally,

62. The company had been set up in November 1974 with \$60,000 derived from its slush oil dividends from the slush oil fund (the money derived from the sale of excess oil in the mill after pulping) which had been accumulating over the year until it had reached \$323,000. It had then been split between the schemes in 1974 with Bukit Besar getting \$60,000. In addition the settlers who invested in the company paid \$50 for the first month and then \$15 later thereafter a month until they had contributed \$500 each. FELDA had lent the company \$130,000 at 6% to buy transport in 1975.

the company (like the Ulu Jempol J.K.K.R.) had invested in sanitation units and in a scheme stage. The company had a staff of 30, half of which were voluntary and half paid either on an honorarium basis of \$50 a month, or on a fulltime salary of fulltime. To staff its future operations and to help train the settlers' dependents generally the company had also set up a training scheme to train settler dependents as motor mechanics.

Apart from these indigenous companies in Bukit Besar itself, the Bukit Besar settlers were also involved with the older Taib Andak Company that supplied services to all the schemes in the complex. Set up in 1969 to Sababgun Ararsan Taib Andak Bhd. had a capital of one million dollars and was run fulltime by a chairman who was a remarkable settler who had been a Quartermaster in the British Army in Singapore for 26 years. This company was involved in a wide range of activities. Land had been bought for oil palm development, brick and building material factories set up, transport invested in, and whole range housing offered to the settlers. These ranged from a small brick built 'replacement' house at \$17,800 to a large double story modern city house at \$8,000 and overall a remarkable number had been sold in the first 8 months of activities.⁶³ The chairman was a remarkable energetic, cheerful and resource-

63. Photographs of the completed houses with the architect's drawing and price were prominently displayed with the names of the buyers in the Taib Andak scheme community hall In June 1975, 14 of the double story houses at \$48,000 had been bought and 24 of the middle range ones from \$17,800 to \$34,000. These had been mostly invested in by Taib Andak residents who had been in the scheme since 1960 (but as a rubber scheme had lower income than the palm oil schemes).

ful man in his late fifties who had moved far beyond just utilizing FELDA funds, as it could be seen when I first met him in December 1974, when he had arranged a revolving credit of \$100,000 from the State Trading Company, Pemas, for building and other supplies. The Bukit Besar settler could buy shares in this company and I met the chairman and his staff both in Bukit Bewar and in his own scheme, Taib Andak, at various times.

Thus the Bukit Besar settler had effectively utilized his resources in the relatively short time since he had been in the scheme. Altogether the settlers had built their own extensive shopping complex - modern in every aspect and having little physical relation to the Kampong type of shop house - set up his own transport companies and invested both in a major scheme company and in the larger scheme, complex one. If he was not actively involved in business himself, he was investing in it through one of his companies and like any investor had come to see money as capital that could be utilised to build on. This was altogether a different species of person from the traditional type of kampong businessman and clearly moving into the scheme had led the Bukit Besar settler to both a direct occupational change and to a lateral one, moving him into secondary occupations.

The third aspect of mobility is that of intergenerational mobility. This proved elusive to trace in Bukit Besar as of the 35 respondents' dependents who had finished school 16 were married and could be classified as housewives and there were

recorded occupations for 11 others (the balance of 8 returned "not stated" replies to this question). Of these 11 who were employed, two worked in the oil palm factory on the scheme and the other nine worked outside the scheme as agricultural labourers (4), FELDA settlers (2), estate workers (2) and general factory hands (1). If anything this indicates downward mobility but the general educational level of the children, the settlers' own initiative and aspirations would indicate that as more children finish school there would be more signs of upward mobility in future years.

5. Modernisation

Modernisation indicators, as in the other three case studies are examined, in this section for Bukit Besar in three aspects, those of economic modernisation involving income, expenditure, ownership of appliances and savings pattern; social change, involving club and organisational membership and activities; aspirations for the dependents' children, and political indicators to see what kind of direct political involvement there was in the scheme and how in a broader sense, the Bukit Besar settler saw his position in relation to FELDA and to the Government.

Generally the Bukit Besar settler was a well-to-do person with high income level, extensive ownership of appliances, and with a regular savings pattern. He also played an active part in both the business ventures in the scheme and in

Of this family income the respondent made \$360.25 from FELDA with the majority grouped between \$250-499 (72.5%) and a range of income from \$50 to 900.

65% of the respondents reported making extra income from direct cash source. These extra incomes ranged from \$72 to \$800 with an overall average of \$247. The main source of the extra income was from business including the owning of shops and a taxi service and other jobs including working as a driver and a labourer. In addition, 50% of the respondents said that they sold fruits and vegetables from their house plots bringing an average of \$40 a month.

Total expenditure a month by Bukit Besar settlers was an average of \$457 with 75% spending \$300 or more and of this total an average of \$282.5 (or 61.7%) was spent on food.

Other expenditure items (see Table 5.12) included transport (97.5%) education (92.5%), money to the village (70%) clothes (60%) and entertainment (25%).

Table 5.12
ITEMS OF HOUSEHOLD EXPENDITURE - BUKIT BESAR

	Total No.	%	No.	Cash Average \$	Min/Max \$
1. Clothes	24	60.0	20	100.5	48.5
2. Entertainment	10	25.0	10	33.5	
3. Transport	37	92.5	26	24.54	
4. Education	37	92.5	37	33.5	
5. Money to Village	28	70.0	28	14.3	
6. Household Items	40	100.0	25	73.16	

the organised club life of the scheme. Although he was a 'local man,' he was well travelled and moved frequently to and from the scheme either to his kampong or to the nearby towns for shopping and other purposes and was very much in touch with the outside world and what was going on. He was a man of definite views with the knowledge of how to utilize his position.

Economically, the Bukit Besar settler was well off. Being an oil palm scheme in its seventh year of harvesting his income was on the upswing and given reasonable and an expected stability in world oil palm prices, he could expect this level of income to continue for the next 20-25 years. His overall annual income from FELDA was estimated at \$750⁶⁴ and with extra income was making overall around \$850-950 a month. In addition he was living in his own house, on his own plot of land, and all in all was well into the middle class range of income in Malaysia.

The total family earnings of the respondents in the 10% survey in May 1972 was \$516.4.⁶⁵ The range of income was from \$330 to \$1300 a month.⁶⁶

64. This is the FELDA estimate for this scheme. It will vary according to the time of year with a high season from July through to January and a low season with incomes ranging up to \$1500 in the high season and grouping to \$200-500 in the low season.

65. This was the end of the low season and income generally would pick up rapidly from late June onwards until the following December. See footnote 101.

66. The higher incomes, notably the respondent earning \$1300 a month, owned shops or businesses. This was net income after deduction of loan development charges and others.

What was noticeable in this pattern of expenditure is the high percentage spending money on transport and education reflecting the widespread ownership of cars and motorcycles on the scheme and the children going to secondary school. A large number of settlers (70%) also sent money back to their home villages which underlines the close contacts that the Bukit Besar settlers kept with their home kampongs.

Not surprisingly in view of the general prosperity of the scheme the Bukit Besar settlers owned a wide range of appliances (see Table 5.13).

Table 5.13
WHAT DO YOU OWN IN YOUR HOUSEHOLD? - BUKIT BESAR

	No.	%
Car	8	20
Motorcycle	34	85
Refrigerator	1	2.5
T.V.	31	77.5
Radio	38	95
Generator	19	57.5
Bicycle	8	20
Sewing machine	38	95

What was high here in comparison to the other schemes surveyed was the high percentage of the respondents owning cars, motorcycles, televisions and generators which all indicate the generally high level of development on the scheme.

But a large number of the settlers also saved money regularly (see Table 5.14) and invested money in improving their houses.

As Table 5.14 shows, the settlers saved principally in the savings bank (70%) and then almost equally in three other ways, in the Cooperative (32.5%), in the J.K.K.R. Company (20%) and in the Tabung Haji (25%). This pattern of regular savings is higher in Bukit Besar than was recorded in any of the other schemes and reflected the general theme of the scheme - with a high income level yet careful expenditure.

Table 5.14
SAVING PER MONTH

Total number saving	No.	%	Average
Co-operative	13*	32.5	11.60
J.K.K.R.	8*	20.0	13.44
Tabung Haji	10*	25.0	37.40
Savings Bank	28*	70.0	49.00

* The settlers saved in more than one institution.

The average expenditure on house improvement in the 7 years the settlers had been in the scheme was \$1,072 with a range of \$60-4500 with most of the settlers spending \$3000 or less.

Total value of the settlers' effects averaged \$4872 with 62.5% of the respondents reporting a total value of between \$2001 and \$4000 with 25% having a total value of over \$5000.

Thus the Bukit Besar settler had a high income, spent it largely on food, education fees, and household appliances (including transport) and spent quite extensively on household improvement, and on the purchase of modern appliances such as cars, motorcycles, televisions and electric generators.

Social Change

Bukit Besar settlers, as it has been remarked on earlier, were generally conservative. This was reflected in their general attitudes that came out both in the interviews and in the 10% survey towards social activities and also in the settler attitudes towards FELDA and in their aspirations for their children.

Club activities were widespread but for all their large membership and well organised activity there was a certain feeling of restraint about them. This could well be due to the way the scheme integrated (through the settlers' own contacts with their nearby villages and by its own physical setting) with its surroundings. It was by no means an isolated scheme or out of touch with the world, and in consequence the settlers clearly had their social lives outside formal club activity. But clubs did exist, were used and were well run.

The J.K.K.R. was by far the most organised and respected organisation on the scheme, but its interest, during my research, seemed generally more directed towards their growing business concerns than towards social activities. However, its various sections such as the Youth Club and the Women's Institute had extensive membership. The Youth Club had 180 members, organised classes, sports and drama. The Women's Institute had a reported membership of 400 ("every wife belonged" as the Social Development officer who ran it explained to me) and it also ran classes on health matters, sewing and organised family planning efforts on the scheme. In addition there was a Red Cross unit with 35 members. The J.K.K.R. vice chairman's duties (like other similar J.K.K.R vice chairmen) included acting as the indicator in any dispute on the scheme and he had to be ready to see people "day and night" and "often dig into his own pocket to help them" as he told me.

The survey showed that 55% of the respondents belonged to a club of some kind including UMNO, the Shopkeepers Association, the Exservicemen's Association and various committees such as the Mosque committee. Generally this level of activity probably equalled that of the scheme as a whole.

But if formal club activity was not as widespread in more isolated FELDA schemes, there was (as it has been discussed earlier) undoubted enterprise and initiative in the person of the Bukit Besar settler and he showed himself capable

of becoming involved in, and running, modern business enterprises and companies.

At the same time, the scheme was very much in touch with the outside world. Wide ownership of televisions, radios as well as cars and motorcycles made access to what was happening in the country very easy for the settlers. Movement to and from the home kampongs and into the nearby towns and as far afield as Johore Bahru the state capital was also commonplace. And as Table 5.15 shows newspaper readership on the scheme was also high.

Table 5.15

BUKIT BESAR NEWSPAPER READERSHIP

<u>Daily Newspapers</u>	
Straits Times	15 (Sunday 25)
Berita Harian	80 (Sunday 120)
Utusan Melayu	50
Utusan Malaysia	<u>30</u>
Total	<u>175</u> (225)
<u>Magazines</u>	
Fanfare	5
Wanita	15
Mustika	25
Ali Islam	15

The progressive conservative nature of the settlers could be seen in their attitudes toward FELDA shown in the answer to the question whether they would recommend their friends to join FELDA (and if not, why not?) and in their aspirations for their children.

Clearly the Bukit Besar settlers although (as Table 5.16 shows) they had been disappointed at first with FELDA were now quite happy with their life in the scheme. 95% of the settlers said that they would recommend their friends to join FELDA citing 'better opportunity', 'better income' and 'for land' in that order of priority as their reasons.

Table 5.16

(A) WHAT WERE YOU TOLD TO EXPECT WHEN YOU JOINED FELDA?/

(B) WHAT WAS WRONG WITH THE SCHEME WHEN YOU FIRST JOINED?

	No.	(A) %	No.	(B) %
1. House/Bad housing	34	85	--	--
2. Help from FELDA staff in settling in	25	62.5	2	5.0
3. Adequate subsistence/income	26	65.0	19	47.5
4. Clubs and organisations	25	62.5	10	25.0
5. Mosque	20	50.0	1	2.5
6. Bus service	30	75.0	14	35.0
7. School	34	85.0	3	7.5
8. Shops	34	85.0	19	47.5
9. Clinics	24	60.0	19	47.5

(N=40)

And a comparatively high number of settlers also indicated that they would be happy to have their children join FELDA as well as commending it to their own generation. Clearly FELDA had offered the Bukit Besar settler a satisfactory way of life in which the new way of life had been adapted to

and utilized on to develop small and large scale business enterprises and generally a new and different life.

However, the Bukit Besar respondents had high hopes of a higher education for their children with 97.5% wanting their children to go on to University or other forms of higher education and had hopes of their children moving into a white collar occupation or into business (22.5%). However, what perhaps is more revealing about the reply to this question is that the preference was for clerical jobs rather than professional ones in the government service which was in contrast to some of the other case studies. ⁶⁸

Political

There was little evidence of political activity in Bukit Besar. U.M.N.O. - the only political party on the scheme - had a membership of 200 (or 5.08%) of the settlers and 35% of the respondents in the survey said that they were members of UMNO. 87.5% of the settlers said that they had voted in the August 1974 national election and one gathered that there had been limited canvassing during the summer of 1974 before the general election but that neither the elections nor politics as such aroused much direct interest in Bukit Besar. ⁶⁹ In general, however, the Bukit Besar settler was well aware of his

68. In Ulu Jempol most of those who selected Government service, preferred higher professional level jobs.

69. Again the proximity of the scheme to urban areas and the developed nature of its surroundings made political activity difficult to measure.

'special' position as a FELDA settler and was able to and did use that position to exert pressure on FELDA and on the Government.

6. Summary

In contrast to Ulu Jempol, Bukit Besar presents a very different picture. Essentially its type of settlers (entirely from Johore) and its situation in the southern developed part of Malaysia, gave it a local flavour with settlers who utilized the new income and modern framework that FELDA provided to show remarkable enterprise in setting up of businesses and in developing talent in that direction. Here the settler was notably happy with his lot and his outlook was conservative - yet at the same time he was innovative in his use of money and certainly had become or was becoming a 'modern man'.

E. Summary--Oil Palm Case Studies

In this Chapter, two oil palm case studies--those of Ulu Jembol and Bukit Besar--have been examined in detail to see what kind of change can be discerned.

In both cases there are clear changes. Due to the high incomes deriving from their oil palm crops these settlers are generally better off than compatible Felda rubber scheme settlers. Due to these higher incomes we can see a much wider range in these Palm Oil schemes of expenditure--reflected both in differing household expenditure patterns, in savings and in the general acquisition of appliances. At the same time expenditure on household improvements and the overall value placed on the house was higher than in the case of the two rubber case studies.

What, however, is of greater significance is the evidence of the widespread occupation mobility on both schemes with the settlers moving into second jobs and enterprises and, in both Bukit Besar and Ulu Jempol, showing marked entrepreneurship. Allied with this was a marked cohesiveness and communal identity in both schemes. Clearly this kind of entrepreneurship has some relation to income for the settlers in both schemes, by the time of my research had had, for a few years, excess income over their immediate needs. In Bukit Besar and Ulu Jempol this was put to positive effect being invested in shops and companies and was generally revealed in the progressive and outward looking view of the world in both schemes.

But clearly this change--and in both schemes we undoubtedly can trace a remarkable degree of change--is more than just a momentary one. In both schemes the settlers had undergone a marked degree of change. Coming from predominantly agricultural and traditional background and moved into a situation demanding entirely new skills (as palm oil is not a traditional or smallholder crop in Malaysia) the individual settler had in a short time span--nine years in the case of Ulu Jempol, seven in the case of Bukit Besar--not only settled into his new life but was building and expanding into new occupations and interests, opening up companies and in his mental horizon moving into a more modern world.

But it should not be forgotten that each scheme is an entity, in one way, to itself. Ulu Jempol was an unhappy alienated scheme in 1966 when it was first extensively studied. In 1975 it was a thriving, well-organized and self-run scheme where the pace of development and change was both exciting and also perhaps frenetic. Bukit Besar--younger in two years--was, in its more conservative way, a reflection of its location and the local composition of its settlers--just as innovative with a well-organized, integrated and, at the same time, visible entrepreneurship.

Looking at the two schemes we can see two important things. The first is that they confirm that Felda type of land development mechanisms with its integrated approach can work effectively. Given a high income yielding crop and the Felda type of development these traditional orientated settlers had

already been socialized into a different and more modern way of life. Just as significantly this had occurred in a relatively short time span. At the same time it can be seen that the key to this is both good income and also the other inputs, including careful and balanced managerial help and guidance.

Secondly, the Federal Land Development/ Authority's role as a mechanism for rapid change is shown at its best in these case studies. It has induced the settlers--traditional in background and apparently settled down in their previous lives, to move, has provided them with a solid end base for the rest of their lives and had also provided them with the ability to expand and develop into other occupations and enterprises.

This kind of socializaation and development has its problems. As it will be discussed in Chapter 6 the very success of the Federal Land/ Development Authority's work as shown in these palm oil case studies raises the question as to whether Felda has not been too successful. For in creating a new and highly aspiring middle class or rural elite in the form of ex Felda settlers, the Federal Land Development Authority may

Rubber and Oil Palm Case Studies:

In Chapter 4 and in Chapter 5, four case studies of Felda schemes distinctive in their time of opening, physical location, ethnic mix and composition of settlers, and in the crop, have

been examined in detail. Looking at the role Felda has played in moving its settlers into these schemes and then at the two indicators of change--those of mobility and modernization--an attempt has been made to quantify and to quality the kind of change that takes place in a typical Felda scheme.

Clearly there are fundamental differences and mechanisms at work in both kinds of schemes and also in the individual schemes themselves.

The first undoubtedly is crop. For this imposes both a differing level of skill requirement and more significantly provides a markedly different income level. In terms of skill the rubber settler has, to an extent, some direct or at least indirect knowledge of the process of rubber tapping as it has been a traditional sector crop throughout Malaysia. But in the case of Palm Oil this is a relatively new crop in Malaysia and is not suitable to individual smallholding type of cultivation and thus the settlers have to learn and become socialized to a whole new array of skills.

But more important is income. Allowing for the best of structured situation and the optimum type of inputs, income will remain the key ingredient in a scheme's success. Given a settler placed in a situation where he can make an income that is above just a subsistence level, where he is making more than he made in his previous occupation and where he has money to put to alternative purposes--whether in savings, in investment or in just spending--then we have a situation in which we can more clearly identify change.

In these case histories there is distinct difference in both the quantity and quality of change. In both types of scheme, while change has and clearly will continue to take place, the pace is very different. In the rubber schemes it is slow and the low incomes clearly undermine either rapid development and with it, diversification, and also in some cases, the general cohesiveness of the community. The apparent exception, though the time span is too short to make any definite judgment as the settlers had just moved in, is the latest scheme, Jengka 12 where one had the instinctive feeling that these settlers--already a new breed of Malaysian with the rapid overall development of the country might move far more rapidly in overcoming the obstacles that were seen in the earlier schemes.

In the two Palm Oil schemes, the pace is fast. Here the settlers have a high income and are clearly utilizing it to create more capital. Given this situation the settlers have learned to build and develop their own potentials. In both cases the settlers are more than just the men, as the early 1967 report on Ulu Jempol noted, "leading mechanical lives."

However, if these four case studies with all their variations and complexities offer a consistent picture at a micro level of the operation of this first type of land development mechanisms in Malaysia to modernize a large and important

section of Malaysia's traditional rural inhabitants, its use as a mechanism can be looked at in different ways for it is clearly an expensive mechanism, and one that can, because of the nature of its comprehension approach, to meet part of the large demand for higher incomes and land in rural Malaysia.

Thus in Chapter 6 the work of the Federal Land Development Authority is examined in light of Malaysia's development program. At the same time the Felda Model is examined to see whether it can be usefully applied to other countries with similar rural problems.

CHAPTER 6

THE FEDERAL LAND DEVELOPMENT AUTHORITY--ITS UTILITY AS AN ORGANISATION; ITS ROLE IN MALAYSIA'S DEVELOPMENT AND ITS APPLICABILITY AS A GENERAL MODEL TO OTHER COUNTRIES

A. Introduction

So far we have examined one particular policy mechanism, that of land development that, in Malaysia, has been used to achieve important national developmental goals. The aims of this policy in Malaysia were those of initially opening up land and providing employment for the large section of Malaysia's rural population immediately after Independence in 1957 and then, as time progresses, the explicit aim of using FELDA schemes to modernise the settlers.

As it has been seen in these aims, the Federal Land Development Authority has generally been proved to be a successful organisation, contributing significantly to Malaysia's overall development from 1957.¹

But inevitably that success has not been total and there are clearly certain questions that must be considered in assessing the overall effectiveness of the Federal Land Development Authority work.

It has been argued for instance that FELDA's method of land development is too expensive and that alternative and cheaper methods could effectively be used to achieve the same ends. It has also been claimed that FELDA is too selective in its operations, catering only for a privileged few, and for the Malay element of the population,

1. See Chapter 2 for details.

and that the whole concept of its approach is too rigid both in the uniform structure of its schemes and in its dependence on two primary crops.

At the same time, FELDA during the 18 years of its development with different demands to be met and different pressures to be catered to, has changed from its original status. For if FELDA was seen and operated as just a land development body in its initial years, it has taken on a far more significant role in Malaysia today, both as a major and important organisation in Malaysia's overall development policy and in the creation, in its overall well-to-do settlers, of a growingly powerful rural elite.

To examine the overall work of the Federal Land Development Authority and some of its limitations, this chapter looks at (1) FELDA's achievements in terms of its stated goals and assessed its general levels of success, (2) examines the problem of the cost of this particular type of FELDA development and kinds of alternative and less costly models (3) looks at FELDA's place in Malaysia's overall development policies. Finally (4) the reasons for the success of the Malaysian FELDA model of land development is examined in contrast to land models used in other countries and its potential for wider use is examined.

B. FELDA as an Organisation: Level of Success

FELDA was set up in 1956 with the specific role as the 1956 Land Development Ordinance put it, "to promote and assist the investigation,

formulation and carrying out of projects for the development and settlement of land."² Its creation followed the strong political demands primary by the rural Malay on the Malay Alliance Party before Independence and then at Independence on the new Malay Government to bring about rapid rural improvements that would meet the vast land hunger at that time and the considerable rural unemployment in the country.

Then, in the nineteen sixties, FELDA took on its later additional, and significantly important role--that of modernising its settlers in its schemes. In both these roles, the FELDA had been considerably successful as a land developer. In the 18 years from 1956 to mid-1975, FELDA has opened up 167 schemes, some 730,000 acres of land, and settled 30,100 settlers' families. In doing this, it has evolved a flexible and efficient organisation and has evolved highly effective techniques for land development as well as diversifying its activities to cover both the processing, shipping and marketing of its projects.

In terms of inducing change and modernising its settlers, it has been seen earlier that both in its overall work and in the specific case studies examined, that FELDA has, even in the short time span of its operations by 1975, succeeded in providing the base and facilities in its schemes that has begun to radically change its settlers' way of life.

2. Land Development Ordinance, op. cit., p.12.

Basic to this success has been the 'integrated' approach to its schemes that has been the hallmark of FELDA's work since 1960. Consisting of the provision of a new and modernised surroundings in its schemes in terms of facilities and infrastructure, including houses and schools, the settler comes into a scheme in which the jungle has been cleared, the crop planted and where he is given full support facilities in terms of advice and help to adjust to his new life and to efficiently harvest his crop. At the same time, the settler through the work of the FELDA staff, notably that of the Social Development Officers are exposed to constant advice and help in adjustment and in new ways. This can be seen for instance in business advice to the settlers or in the family planning and nutrition advice given to the settlers' wives.

There are naturally some schemes that, due to isolation, the particular mix of the settler and at times, due to inexperienced FELDA staff, and personality differences do not immediately provide the optimum environment for change.³ At the same time, FELDA has itself, as an organisation, developed and improved its own methods of scheme management over the nineteen years since it was first started. As a result some of the schemes did not benefit fully from this gradual development

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3. Two obvious signs of incomplete adjustment by settlers on FELDA schemes to the ideal model can be seen in practice of bad tapping and illegal sales of rubber on some schemes. The bad tapping is often due to carelessness but also due to the inability of the settler to fully learn his new skills. Illegal rubber sales are clearly signs of social discontent within the particular scheme with the scheme's operation. See Appendix C for details.

on FELDA's side and thus disparities exist between schemes in their levels of success. However overall this integrated or total FELDA approach clearly provides an effective mechanism for inducing rapid change among the settlers and

Yet not surprisingly, a number of questions have and still are raised as to the precise extent that FELDA has fulfilled its main objectives of providing land and employment to Malaysia's poor. For if we can see that statistically FELDA is a successful organisation meeting a certain set of needs, it is not always clear to what extent FELDA has managed to cater to the poor and landless, and, more important, to the poor of all Malaysia's three ethnic groups. At the same time, it can be argued that, seen against the larger picture of Malaysia's overall rural problems, FELDA has played a useful but limited role in that it has only catered for a percentage of the rural population and that its method is a costly means of dealing with this overall problem. Finally, there is a frequently raised question-- that of its lack of crop diversification, as this it is could possibly undermine its work.

FELDA's mandate from the beginning was to provide land and employment for Malaysia's predominantly rural population. To do this FELDA has in its selection process concentrated in selecting landless settler applicants with a predominantly unskilled or semiskilled background. In the case of land ownership, the selection procedure filters out at the first stage of the application process anyone owning

more than two acres or more of land.⁴ The selection process is also designed to take in the primarily rural poor smallholder. In the interview form, the marking is weighted toward applicants with an agricultural background and with associated skills. In consequence, the majority of those who have become FELDA settlers come from the poorer rural sections of the Malaysian society with around 60% having an agricultural background.⁵

However if FELDA has clearly taken its settlers from the poor and landless in Malaysia, it has clearly been because of the historic nature of its development, catered mainly to the poor in only nine out of Malaysia's eleven states.

This has been brought into focus recently (1975) with the analysis of poverty groups in Malaysia and the emphasis in the formulation of the Third Five Year Malaysian Plan (1976-80) towards developing the 'poorer' and more backward states in Malaysia. This analysis has made it possible to compare the location of FELDA settlers and probable makeup of the settlers with the low income groups. As it can be seen from Table 6.1 below, which ranks Malaysia's eleven

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4. Only those with less than two acres of land are eligible to apply. They must be Malaysian citizens, be married and between 18 and 35 in age (The age qualification has varied at different times in FELDA's development).
 5. A recent World Bank Report estimated that 60% of FELDA settlers are landless peasants, poor smallholders and exservicemen. See Appraisal of the Johore Land Settlement Project, I.D.R.C. Jan. 11, 1974, p.5. My own analysis of six FELDA schemes show that 55% of the respondents had similar background.

TABLE 6.1

GEOGRAPHIC DISTRIBUTION OF POVERTY: MALAYSIA 1970

	Number of Households (000)	Number of Poor Households (000)	% of Households in Poverty	No. and % of FELDA Scheme	No. of settlers	Settled by State under FELDA Scheme
Kelantan	145	94	64.8	--	--	1297 (4.6)
Perlis	25	15	60.0	--	--	277 (1.0)
Trengganu	86	47	54.7	7 (7.8)	1930 (6.9)	2221 (8.0)
Kedah	185	92	49.7	6 (6.7)	1547 (5.5)	2821 (10.0)
Perak	278	95	34.2	7 (7.8)	2293 (8.2)	3212 (11.4)
Johore	215	71	33.0	22 (24.4)	6797 (24.2)	7081 (25.2)
North Sembilan	86	28	32.6	10 (11.2)	3022 (10.7)	2862 (10.2)
Malacca	69	22	31.9	4 (4.4)	874 (3.1)	1842 (6.6)
Pahang	98	30	30.6	30 (33.3)	9794 (34.9)	3214 (11.4)
Penang	135	41	30.4	--	--	806 (2.9)
Selangor	284	54	19.0	4 (4.4)	1838 (6.5)	2462 (8.8)

Source:

1. Problems of Rural Poverty in Malaysia, FO/World Bank, 1974.
2. FELDA records (1975).

states by their incidence of poverty and compares this to the level of FELDA's operation in various states, FELDA's efforts to date have been directed towards the more developed states. As Table 6.1 shows, FELDA has no scheme in two of the poorer states in Malaysia (Kelantan and Perlis) and only 22.3% of all its schemes in the five poorer states (Kelantan, Perlis, Kedah, Trengganu and Perak). However, 4.6% of all FELDA settlers come from Kelantan, 1.0% from Perlis and 25% from the five poorer states. Thus there is a marked bias in FELDA development to date towards the more developed states of the country (Johore, Malacca, Selangor, Negri Sembilan and Perak) and to Pahang in whose case the government development policy and availability of land has given it first priority on the East Coast. It is clear that FELDA has until now (1975) been only catering to a section-- though a large one--of the 'poor' in Malaysia.

However, two points shall be made in this kind of assessment which qualify these figures. The first is that because of opposition in the State Government in Kelantan until 1970, FELDA was unable for political reasons to open up any scheme in Kelantan. With the replacement of this party by the National Front in 1970, FELDA is now opening up schemes in Kelantan. Secondly, FELDA's operations depend on accessibility, numbers of settler applications, and the allocation of land for development. Consequently it is not surprising that FELDA reacted to the land made available for its use in these more developed states in the early years and opened up

the scheme in Johore⁶ and in the West Coast states, and then with the regional development concept, in Jengka in Pahang.

Thus the evidence indicates that while FELDA's development until now has been concentrated on the more developed states, FELDA has generally been able to cater to the poorer and landless segment of the Malaysian population. But what clearly has to be done now or in future years is to concentrate FELDA's future development on what have now been operationally defined as the 'poorer' states.⁷

Whether FELDA has catered to all of Malaysia's rural poor, groups has also been questioned. It has been pointed out (I.B.R.D. 1974) that FELDA caters for Malays and that the poor elements of the other two ethnic groups--the Chinese and the Indians--in Malaysia' multi-racial society are not given equal representation. This is clear if we look at ethnic composition of FELDA settlers which in 1975 were composed of 96.2% Malay, 2.1 % Chinese and 1.6% Indian.⁸ In contrast it is estimated that 83.3% of the rural households below the poverty line are Malay, 10.1% Chinese

6. The Land Classibility Survey of 1969 showed the first time where large acreages of land was available for cultivation in Malaysia and consequently the two major regional schemes--Johore Tenggara and Pahang Tenggara--were allocated for massive regional development. See P.C. Lee and W.P. Panton, First Malaysia Plan Land Capability Classification Report, West Malaysia, Economic Planning Unit, Kuala Lumpur 1971.

7. It has been recommended (1975) that FELDA concentrates more development in the future on the less developed states of the country notably Perlis, Trengganu, Kelantan and Kedah. See Ministry of Lands and Mines, op. cit., p.17.

8. This overall non-Malay percentage of 3.6% is lower than the usually quoted one of 7% as the rapid intake of settlers notably in the Pahang region with its 50% state quota of settlers from Pahang has undoubtedly led to this smaller overall percentage of non-Malay settlers than was the case until recently.

and 5.4% Indians,⁹ and consequently, it is clear that statistically FELDA seems to be favouring the poor rural Malay rather than the 'poorer' elements from the other two ethnic groups.

This bias has been recognized by the Malaysian government in the Third Malaysian Five Year Plan (1976-80) with its emphasis on the alleviating poverty in all ethnic groups and, consequently, it can be expected that attempts will be made by FELDA to seek a more representative quota of settlers.

However, in trying to do this, there are certain factors existing that have and could still in the future, mediate against FELDA achieving an equal ethnic balance. One is the fact that FELDA is and has always been a political organisation created to meet a clear political demand for land and employment from the predominantly rural Malay that to the Malay dominated Government represents its basis of voting power. While the government can change the direction of its rural development policy to try and encompass all three groups, it is the rural Malay who expects to be able to get into FELDA schemes and who at the same time has probably far stronger lines of communication and access through the rural administrative structure to the opportunity of joining FELDA. Secondly, as it has already been noted, the rural poverty sector is overwhelmingly Malay and inevitably the Malay peasant or smallholder will have a better chance with his agricultural background and related skills in succeeding in the interview.

9. See Survey of Rural Poverty, op. Cit., Table 3. This is the percentage of the total poverty groups throughout Malaysia including the small percentage in urban areas.

A second factor that has to be taken into account is the lack of attraction of FELDA schemes to at least one of the two other ethnic groups, the rural Chinese. It is clear that the Chinese--more individual perhaps by nature--tend to dislike the discipline of FELDA schemes.¹⁰ This is not surprising as Chinese farmers in Malaysia have tended to show a far greater initiative in the cultivation of crops and in their individual capacity to exist on their own¹¹ and thus a disciplined Malay run land scheme would not generally be an attractive proposition. At the same time, it should be noted that of the 10% 'poor' Chinese by definition, 83.3% are in the semi-urban environment of the 'new villages' and could well prefer this type of environment both for its developed facilities (in comparison to a new FELDA scheme) and for its strong ethnic ties (as the new village are predominantly Chinese) to joining a FELDA scheme.

If one takes all these circumstances into consideration, it is clear that while statistically FELDA has tended to and will probably continue to attract mainly the poor rural Malay, it is unlikely that any major adjustment will take place in its overall ethnic

10. In the early days of FELDA, it was quite frequent for Chinese to leave FELDA schemes in the first year and my own case studies showed that the Chinese tended to live separately in the two schemes in question (Bilut Valley and LBJ) and played little part in the organised life of the scheme.

11. This has been noted in a study of the economic performance of a group of Chinese paddy farmers in comparison to other Malay counterfronts with significantly differing responses to the introduction of double cropping and general performance. See Yuken Huang, "The Behaviour of Indigenous and Non-indigenous Farmers--A Case Study," Journal of Development Studies, Vol. 10, No. 2, January 1974.

balance of settlers due to these existing political, social and economic factors in Malaysia.

It has often been pointed out that the Federal Land Development Authority can only cater to a smallish population of Malaysia's rural poor. This is true. Malaysia is a country with 73% of its population in rural areas of which 88% are below the defined poverty line. Thus it is a country with a large poor rural population. No one organisation can obviously meet this general demand and as it has obviously been noted, the Malaysian Government has been committed to a program of extensive rural modernisation since 1957. In this program, FELDA has played an effective and important role.

This can be seen in Table 6.2 which shows the extent that FELDA has achieved the targets laid down for it under the various Malayan Five Year Plans since 1957. As it can be seen, this has varied with clear hold-ups in development in the 1961-65 period (only 53% of the land target actually developed and 26% of the settlers taken in). Then targets being exceeded in both areas from 1966-75. Although the FELDA over the total period 1957-75 has not met its settlers' intake goals, this has been due to / ^{initial} delays in the first 1961-66 period whereas in later years 1966-70 (94%), 1971-75 (131.2%), it has both achieved and exceeded these. Thus, in general, FELDA has clearly played a successful role and achieved its targets in Malaysia's overall programme to improve the lot of the rural poor.

TABLE 6.2

TARGETS AND ACHIEVEMENTS OF THE FEDERAL LAND DEVELOPMENT AUTHORITY 1965-75

	Federation of Malaya Second Five-Year Plan 1961-1965			First Malaysia Plan 1966-1970			Second Malaysia Plan 1971-1975			Total 1957-1975		
	Target	Achieve- ment	% Ach.	Target	Achieve- ment	% Ach.	Target	Achieve- ment	% Ach.	Target	Achieve- ment	% Ach.
Acres of new land developed for rubber and oil palm	250,000	133,285	53	141,000	179,000	127	275,000	406,878	147.9	666,000	779,163	108
Number of fami- lies settled	24,000	6,200	26	12,673	11,900	94	23,700	11,700	131.2	60,373	34,230	56.7
Total expenditure (M\$1000)	175,000	99,272	57	305,000	261,782	86	582,420		49.4			

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Sources:

1. Malaysia, The Federal Land Development Authority, Annual Reports 1957-1970, Kuala Lumpur;
2. Malaysia, The Second Five-Year Plan 1961-1965 (Government Press, 1961);
3. Malaysia, The First Malaysia Plan 1966-1970 (Government Press, 1965);
4. Malaysia, The Second Malaysia Plan 1971-1975 (Government Press, 1971);
5. Malaysia Land Development Programme 1976-80, E.P.U. (Mimeo) 1975.

Another point that is often raised regarding Federal Land Development Authority operational policy is that of its lack of crop diversification. Until 1972, when 2000 acres of sugar cane in Perlis were put under cultivation, FELDA had concentrated entirely on two crops, oil palm and rubber, and today (1975), these two crops total 98.2% of FELDA's total developed acreage. Thus, although some diversification is beginning to occur, FELDA is clearly a dual crop institution. This policy has marked effects on its settlers' incomes, on their level of acquisition of skills and, ultimately, it has been argued, on their ability to develop as independent farmers (I.B.R.D 1974).

The emphasis of this cultivation of two main crops by FELDA is due to the fact that both rubber and palm oil are ideally suited to Malaysia's climatic conditions and that as 'tried' crops, they have been widely used and are known as durable long term investments. The problem of this kind of diversification arises out of the fluctuating world prices for both products. In the case of rubber, the world rubber price has been generally low in recent years, although it has remained constant enough to provide the expected level of income of \$300 a year for most FELDA schemes. However, rubber prices can vary considerably over the year. In the period between November 1974 and October 1975, for example, they moved from 52 cents a pound (November 1974) to 65 cents a pound (June 1975). This kind of fluctuation not surprisingly has a direct effect on settlers' incomes which can fluctuate in any given year between a low of \$150 a month

to as high as \$850 depending on world prices.¹²

The same kind of fluctuation affects FELDA oil palm schemes. Oil palm has, and is forecast to continue to be, a high paying crop and high world prices produced incomes for FELDA settlers as high-- in one scheme--as \$2800 a month the end of 1974.¹³ However, the 1974 palm oil price fell from an average of \$1574 a ton to as low as \$750 in June 1975 and thus FELDA settlers in 1975 were hit by fluctuating incomes.

Neither of these effects can be easily remedied or anticipated. It has been argued that FELDA should have sought greater diversification and cultivated other crops but no viable large scale alternatives are available for Malaysia's particular climatic conditions. However, some diversification into cash crops with quicker returns--both rubber and oil palm have long gestation periods of between four and seven years respectively (though a longer productive life)--is clearly required in the future.

C. The Federal Land Development Authority--Its Costs and Alternative Strategies

One of the major issues that is raised when FELDA's work is considered is the cost of this type of development. It is clear that the

12. These are net incomes after the deduction of the FELDA loan of some 30%

13. See New Straits Times, November 14, 1974, p.7.

Malaysian Government has spent considerable sums of money since Independence in 1957 on its overall rural modernisation programme and in land development in particular. In the case of land development, the major institution involved has been expanded by the Federal Land Development Authority. The main issue at stake in this debate is essentially whether the same kind of returns can be found by using alternative and cheaper models of land development in Malaysia.

In FELDA's case, as we have seen, a fully integrated land model is used in which the settler is provided with a package that includes a house, cleared and planted land, and a wide range of subsidiary services. It is a model that is aimed at providing the basis for the rapid adjustment and modernisation of the settlers in these FELDA schemes. Part of these services, such as primary schools and health clinics, as well as access roads, FELDA supplies and telephones are rapidly becoming part of the Malaysian rural scene today. But still the FELDA scheme, particularly in isolated areas of Malaysia, is an expensive method of opening up land and settling settlers to meet unemployment if we discard the 'modernisation' aspect.

This can be seen in a number of cost-benefit analyses that have been made both by FELDA itself (Andak 1966), by various scholars (Wafa 1972, Singh 1969, Swee 1973), as well as by a number of outside consultants involved in Malaysia's development plans, notably the World Bank (World Bank, 1973, 1974). Two types of these analyses are of particular interest in that they allow a direct economic comparison of the cost of FELDA's development with other land schemes and with the private sector in Malaysia.

Wafa,¹⁴ making a cost-benefit comparison between FELDA land schemes and those in Kelantan (State Development Land Schemes), found that FELDA schemes cost \$1328 an acre to develop whereas the Kelantan schemes cost only \$310 an acre. The difference in cost is directly attributable to the marked contrast between the two types of schemes, as in the case of the Kelantan State Development Schemes in which the settlers are only given a plot of uncleared land and no facilities whatsoever are provided such as houses, roads and services, all of which account for the higher FELDA per acre cost. This clearly underlines the kind of quantifiable cost of the integrated type of FELDA model of land scheme and a 'simple' one without any facilities. In another type of cost-benefit analysis, it has been shown that the FELDA cost per acre developed is approximately the same, if not less expensive, than private sector acreage developed and, in this line of comparison, FELDA's method of operation could well be considered economic (Singh 1968, Wafa 1975).

Thus in the one case we can see that the FELDA schemes in contrast to certain types of land schemes that provide uncleared land to the would-be settlers and no services whatsoever, can cost up to four times as much. At the same time, we can also see that the FELDA fully integrated model is economic in comparison to private sector estate costs in Malaysia that have roughly similar facilities to the FELDA schemes. Thus clearly committed to the integrated model

14. See Syed Hussian Wafa, Land Development Strategy in Malaysia, Unpublished Ph.D. Thesis, Stanford University, 1972.

type of scheme is economic. But if we put aside the political reasons in Malaysia for using the fully integrated type model, we can see that this and /other methods can be used which are cheaper but still allow for the same modernisation of the settler.

Two alternative methods of land development have been suggested recently in Malaysia that would lower costs, provide land for more people and also to some extent provide initial land clearance and infrastructure. The first and most promising is what has been termed the Settler Orientated Scheme (Wafa 1975). As the title suggests, the scheme depends to a greater extent on the settler rather than on outside institutional involvement.

Essentially the S.O.S. scheme is aimed at providing three main inputs--maximum participation by the settler, quick and efficient land clearance so that the settler would immediately benefit from his land, and basic social infrastructure and social amenities that are deemed essential to the settlers' ability to maximise his opportunities. To supply these, settlers would immediately be given titles to their plots on entering the scheme and assurance of government technical help. Secondly, the land would be cleared mechanically, houses built as well as fertilisers provided. Finally, adequate infrastructure including social amenities would be provided.

Three variations of the S.O.S. scheme have been proposed. Under Type 1, the whole process of development is undertaken by the settler and his family. Under Type 2, the actual land clearing is contracted out and paid for by the government with the settler doing the planting and other work in getting his crop to the harvesting stage. Under

Type 3, mechanised land clearing would be undertaken by the government with the rest of the development being done by the settler. A key to all three types of schemes is the use of an immediate cash crop such as maize that would reduce prices considerably. Given this cash crop income as a variable, the total costs of development for the three variants are \$615 per acre for rubber and \$715 for palm oil, an additional \$100 more for variant 2, and an additional \$100 for variant 3. The cost to the government is estimated at between \$406 and \$442, depending on crop and variant. In all cases, the costs are lower than FELDA's current costs.

This S.O.S. model certainly offers flexibility to the settler who can choose his own method of land development and the cost is slightly lower than those of FELDA. But its success depends on two factors, the successful growth of a cash crop and the income from it which could be highly variable, and secondly, on considerable initiative and self reliance on the part of the settler.

The second alternative that has been suggested recently (World Bank 1973) is the 'farm type' scheme. This involves a return to the early concept of land development in Malaysia--that of merely allocating the would-be settler a plot of land and leaving its development to the settler. The argument is that this is cheap, that it will provide land to a far greater number of people, and that it will produce, by force of circumstance, self reliant farmers. It is clearly attractive but it meets a major stumbling bloc.

Both these models depend to a great extent on the settlers' initiative. In the S.O.S. model, the settler is given considerable

help in Types 2 and 3 and thus this could well be a viable alternative to the FELDA type of fully integrated scheme. However, both the Type 1 of the S.O.S. model and the World Bank type model call for total settler participation as the individual is only given his uncleared land and no support is provided to clear and cultivate it. This, as we have seen in FELDA's own early history,¹⁵ did not work and led to considerable hold ups in development.

Other land development schemes in Malaysia, notably those of FELCRA and of the State Land Schemes, have had little success in attracting settlers or opening and developing land on a large scale.¹⁶

Thus the FELDA integrated land scheme model has been able to provide both the best means for effective and rapid land development in Malaysia, and an environment for the rapid modernisation of its settlers.

15. In Bilut Valley, this kind of non-integrated land scheme was used by FELDA and proved markedly unsuccessful leading to very slow development and lack of morale on the part of the settlers. See Chapter 4 for details.

16. The Federal Land Consolidation and Rehabilitation Authority (FELDRA) was set up in 1966 to develop small fringe schemes near existing villages and urban areas. It has proved generally unsuccessful, meeting for instance only 56.8% of its planned development in the 1970-75 period. State land schemes also have a poor record for successful development due among other things to "lack of planning on the part of state agencies that has led to the indiscriminate opening up of land at unsuitable locations, wrong crops and mismanagement, often resulting in poor field maintenance or even abandonment." See Ministry of Land and Mines, 1975, p.103.

D. FELDA Role in Malaysian Development Policy

FELDA has played a major role in Malaysia's rural development policy since Independence in 1957. Although Malaysia has a large number of land development agencies, FELDA has from the late nineteen fifties, with the reorientation of its policy and the taking over of the direct administration of land schemes in 1961, become the main vehicle of the government's rural development policy.

FELDA's success in Malaysia's overall rural development policy is due to a number of factors. An important initial step was the power given to FELDA by the 1961 Land Ordinance over the States' rights to allocate land, as this proved an effective way to overcome what is a major hurdle to land development in Malaysia, that of land alienation. At the same time, it was given almost unlimited finance (in fact being unable to spend its allocated funds in its early years) and, because of the political backing for land development and financing, was able to overcome the very difficult task of getting full cooperation from the large number of departments and agencies that in Malaysia are involved in the process of land development. On its own side, FELDA developed with experience the managerial skills and input necessary to the handling of its growing role and size to the extent that in 1975 it is one of the largest public corporations in the country with an annual operating budget of M\$167,844 (or US\$73 million).

As well as being one of the most effective mechanisms in Malaysia's overall rural development policy, FELDA has--in the process of its own development and growth--become a crucial agent in two major

areas of Malaysia's current planning.

One of these is its role in the new and important large scale regional development projects in Malaysia involving the opening up and development of very large blocs of land in the Southern and Eastern parts of the country. In this process, FELDA has taken on a key role, as its own proven ability to open up land efficiently and expeditiously has become an important mechanism in actually getting large regional development moving.

The second is FELDA's role as an urbanising agent in Malaysia. For Malaysia as a country has, on the one hand, large scale but unbalanced urban growth and, on the other, wideranging demands for rapid urbanisation as the basis of the success of the country's industrial and regional development over the next twenty years. In the lag between the rebalancing of hitherto unbalanced urban growth in Malaysia and the building up of new urban centres in the developing areas, FELDA's widespread 'urban villages' are, and will remain a vital link in Malaysia's development over the next 15 to 20 years.

Large scale land development was first pioneered by FELDA with the Jengka Triangle project, first suggested in 1965, and finally launched in 1967. It involved a major change in FELDA's own operating procedures as, instead of one scheme, a number of schemes were now to be developed at the same time. It also involved a major financial reorganisation as the FELDA accounting system was found to be inadequate both for the handling of FELDA's own growing needs in the later nineteen sixties and for handling the stiff financial accounting procedures involved in accounting the World Bank loan that financed the

Jengka project. As a result, FELDA after a Consultants' report¹⁷ underwent a financial reorganisation involving the introduction of new procedures and a computer service. The Jengka scheme is now two thirds completed and two other major regional development schemes, the Pahang Tenggara scheme and the Johore Tenggara, totalling in all the development of over 1.6 million acres of virgin jungle, are currently under way.

The importance of this type of large scale land development to Malaysia's overall development is that FELDA, through its proven efficiency, now represents the major mechanism that can be utilised for rapid regional land development. This role is underlined if one looks for a moment at regional planning in Malaysia since 1970. In the period 1970-75, no fewer than 19 regional plans have been drawn up as the basis for regional development in Malaysia in the period 1970-90, some of which have been implemented and some which are still in the implementation stage.¹⁸ Most of these plans have a large area committed to land development and it is here that FELDA with its efficient and tried approach in the Johore Tenggara Regional Plan covering the South East section of Johore State and the Pahang Tenggara Plan, plays a vital part in this large scale regional development.

The second area in which FELDA is beginning to play an operationally strategic role in Malaysia's development programme is

17. See General Administration Service, A General Recommendation of the Financial and General Administration of the Federal Land Development Authority of Malaysia, Chicago, 1969.

18. For details, see Appendix C.

This page was included due to mis-pagination.

as a mechanism for urbanisation. Malaysia as a country faces the classic dilemma of being a predominantly agricultural country with few major urban centres as well as having a marked regional imbalance of the pattern of growth with the Western areas of the country being the most developed. An essential element therefore in Malaysia's development strategy over the next decade is the redressment of this regional imbalance and the rapid development of the country--both of which depend to a large extent on industrialisation and with it rapid urbanisation.

Extensive allowance has been made in Malaysia's current regional plans for new urban centres. But until they are built, have attracted a population and are effectively thriving centres, FELDA will provide the basic urban structure in rural Malaysia in two ways. This is by providing, on the one hand, an urbanised way of life¹⁹ in its schemes with their modern living conditions and wideranging facilities in which the settler leads a markedly different way of life from that of his traditional kampong. It is a life that is more heterogeneous than homogeneous, with a different scale of social values and relationships as well as economic ones. Thus, life on a FELDA scheme is to a large extent urbanised, having many of the aspects of the usually accepted large scale town.

Secondly, FELDA schemes can also be seen as 'urbanised' in a

19. For a definition of urbanisation used in this sense, see James F. Guyot, "Creeping Urbanism and Political Development in Malaysia," in Robert T. Daland (ed.) Comparative Urban Research Sage, 1969.

demographic sense, for FELDA village areas, apart from the provision of urban facilities, by any reasonable standard are also urban in population and density (Guyot 1968).

Thus FELDA schemes can be seen as far more than just land schemes. They provide both an urbanised way of life and an urban form of conglomeration. As such they are already playing an essential role in Malaysia's regional development as they provide the one semi-existing urban mechanism for change and development over the next 10 to 20 years as the large scale overall regional development schemes in Malaysia get under way and currently proposed growth centres become an actuality both in location and site.

However if FELDA has become an important contributor to Malaysia's overall development programmes, its very success in settling and modernising its settlers inevitably has led to the creation of a growingly powerful privileged class of FELDA settlers, one that particularly with the high incomes being received is developing into a powerful and perhaps destabilising force on the Malaysian political scene.

The development of FELDA settlers into a potentially political pressure group is both an unexpected process in the speed with which this has occurred and possibly dangerous process. It has arisen from two related factors.

The first is the quite unexpected rise in incomes in FELDA schemes due to rise in world prices for rubber and palm oil in 1974. This sudden rise in incomes inevitably has led to different patterns of spending and behavior by FELDA's settlers. There is for instance widescale buying of appliances, money spent on house improvements and

to a limited extent, savings and investment. There is also, however, other less desirable developments, such as absentee landlordism. These unexpectedly high incomes have led to high expectations on the part of the settlers for the future as well as upsetting for a time the carefully balanced relations between the settler and FELDA officials.²⁰

But if this sudden rise of incomes led to the upsetting of balance in one direction, the subsequent swing of income with the dropping of world rubber and oil palm prices in 1975 led to a different type of reaction--that of frustration, anger and a feeling of deprivation of the average settler with FELDA. As it has been noted, FELDA's relations with its settlers is a deeply paternalistic one with a closely knit social relationship built up on a series of expectations on both sides. Not surprisingly, the FELDA settlers' fluctuations in income led to unforeseen strains on this carefully balanced relationship for, once world prices fell, FELDA could do little to protect its settlers and this caused widespread resentment.

The second element and consequence of FELDA activity is the creation of a new and clearly powerful pressure group which has its

20. A common comment in the 1973-75 period was that, FELDA officials that the settlers "are making much more money than we are."

basis in the fact that it is a predominantly Malay group.

As it has been pointed out, FELDA's own origin and development has been closely intertwined with the special position of the Malay community in Malaysia and the political power of that section of the Malaysian population. From the first general election in Malaysia in 1955, the main thrust of the Malaysian government's policy as a political necessity has been to cater for the predominantly rural Malay and it has done this throughout its massive and wideranging development policy over the last 20 years. FELDA as such has been one of the main mechanisms for the effective implementation of this policy and in its very success has created a powerful Bumiputra or Malay group, whose influence and importance is derived from two factors. One is the geographic spread of FELDA which is now throughout Malaysia and its generally popular and highly visible character. Secondly, due to the strong network of social ties in Malaysia, nearly every kampong has one person or knows of people in FELDA schemes and what goes on in those schemes is a matter of interest, discussions and ultimate political importance. For in Malaysia, political power due to the weightage given to the rural areas is mainly in the hands of the Malay rural voter.

Thus FELDA by 1969 already represented the widely emerging Bumiputra interests in Malaysia, and with introduction of the new economic policy in 1970 aimed at restructuring Malaysian society to specifically help the poor and to give the Malay community a 30% stake in the economy, FELDA's own importance and position has increased. The result is that, in FELDA, a new pressure group is emerging--a

class of affluent farmers owning their own land with high expectations of government support.

In FELDA's case, the settlers have already learned that they can pressurise FELDA and the government. Realising this and faced with outside forces that can and will continue to affect their incomes, they will clearly continue to represent a growingly strong pressure group in Malaysian politics.

Thus it is clear that FELDA as a political organisation, meeting certain political demands in the successful performance of its function, has in doing so created new political demands that may well be beyond the capacity of the government to meet eventually.

E. The Federal Land Development Authority as a Model--Applicability to Other Countries

If we look at attempts of land development²¹ in other countries, we can see the utility of the FELDA model and the reasons for its success in Malaysia.

1. Land Reform as a General Mechanism for Change

Land reform (or development) as a mechanism of change is a widespread phenomena. Historically, the land development struggle that

21. Land development is used here to cover both land reform and land development. In both cases certain but differing structural changes are necessary as preconditions for their success. However the kind of land development mechanism studied here in Malaysia has general features applicable in countries undergoing the more specific and generally accepted form of land reform.

took over fifty years in the nineteenth century Balkan countries was a great achievement when it finally succeeded and was a turning point in the history of the countries concerned but had little immediate economic return. At the same time, land reforms can, depending on the circumstances, be political, social or economic in nature, or a mixture of all three. However, if we accept Warriner's definition of land reform as "the redistribution of property and rights to land for the benefit of small farmers and agricultural labourers," land reform involves a basic change in the agrarian structure of a country and is essentially political in nature.²²

Both these underlying assumptions can be seen if one examines the kind of land reforms that have occurred in various parts of the world in differing political systems.

In communist countries, land reform has been used primarily as a strategy for gaining power. Likewise in South American countries, reform has through peasant power become symbolised in the "abolition of feudalism." In newly independent excolonial territories, one has often see the expulsion of foreign landowners and the abolishment of forms of tenure as ways of ridding themselves of their colonial past. The effectiveness of land reform depends ultimately on its political impetus as, if that is weak, it will fail, but if given enough political backing, it has a far greater chance of success. But if the basis of successful land reform is political, there are other determining sets of conditions needed to ensure successful implementation. As Mellor

22. Dorothy Warriner, Land Reform in Principle and Practice, London, 1969.

has pointed out, land reform can be a necessary condition of development without being a sufficient condition.²³ One of these is related to the methods of reform, the other to the types of pre-reform structure.

The method of land reform approach revolves around the merits of what has been termed 'the integrated approach' as against the simple programme (Warriner 1973). In the first, supporting services are considered essential. They can vary as little as in the highly successful Japanese case in which the simple injection of credit and extension facilities was the implemental mechanism to successful reform, to a complete integrated system seen, for instance, in the case of the Egypt or, as we have seen throughout this study, in the FELDA Malaysian case. This integrated approach, although it requires much larger capital investment, it is argued, produces better results than the simple programmes in which no support services are provided.

Some idea of the contrast between the two opponents is shown by Warriner who compares three integrated approaches to land reform and three simple ones (Warriner 1973). In the three integrated countries (Japan, Egypt and Italy), there is a marked increase in production compared to the simple reform countries (Bolivia, Persia and Iraq) in which growth is minimal. At the same time, capital investment returns are much higher in the integrated case. But if the integrated approach is clearly the most desirable, the whole process of turning

23. J.W. Mellor, The Economics of Agricultural Development, New York: Cornell University Press, 1966.

peasants into farmers depends on the follow-through as Mexico's remarkable success story in land reform, starting from the beginning of this century and continuing until today, demonstrates.

The agrarian structure that exists in any particular area with the type of reform undertaken is also a major precondition of successful land reform.

In Latin American countries, the latifundian scheme associated with large reserves of cultivated land in monopolistic hands represents demands for a particularly strong structural change as a precondition of land reform given this initial change in structure. It is accepted that the cutting down of large holdings into smaller units will bring about a greater distribution of land and its more economic use. In the South American case, the revolutionary thrust could be said to be greater as, unlike Asian tenancy systems, the predominant relationship between landowners and labourers is an economic one that employers and labourers can and do form syndicates starting as in the early nineteen sixties, successful land reform movements. If such movements are backed, as they were in the 1969 reform movement in Peru, by the government with the seizure of large plantations, then their scope for success is wide.²⁴

In Asia, the tenancy conditions are often a major hurdle in land reform, leading as they do to fragmentation of land which is uneconomic in return, and their size and nature precludes investment by their owners. At one time, the answer to this type of agrarian

24. See K. Benton, Peru's Revolution from Above (Conflict Studies No. 2, London, 1970).

structure was seen in legislation to enforce controlled rents and provide secure-tenure security and provide an incentive to invest. But this kind of legislation usually failed or, as in India, actually worsened the position of tenants against whom legislation was used by landowners to evict their tenants. Likewise as Dore has noted in the case of Japan, "the Japanese experience over the last fifteen years quite clearly confirms the common observation that, administratively, it is far more difficult to control tenancy than to abolish it."²⁵

This problem of structural preconditions before successful land reform allied with the desirability of the integrated in comparison to the simple approach to land reform brings up again the problem dealt with earlier in the consideration of the concept of modernisation-- that of the question of whether there should be certain preconditions to change or, as it has been argued by Hayami and Ruttan,²⁶ that new technology creates a new economic environment which in turn induces almost automatic adjustments in the structure of the economy. Land reform in their view does not require basic large scale structural changes in a society. On the other hand, a long line of agronomists (Flores 1963, Gotsch 1970, Thiesenhusen 1970)) structure must be changed before satisfactory development can take place. Both arguments are valid at different times and to different areas. The Hayami and Ruttan argument based on countries where there

25. See R.F. Dore, "The Administration of the Japanese Land Reform," Journal of Land Administrative Economy, London, Oct. 1962.

26. Yojiro Hayami and V.W. Ruttan, Agricultural Development: An International Perspective (Baltimore, Md., 1971).

is an equitable access to land such as Japan or Taiwan is clearly valid. But in countries such as Peru, West Pakistan and Ethiopia where there are patterns of highly concentrated ownership, structural changes are clearly a prerequisite to any successful reform programme. Thus as we find with development models a mix of both--technological inputs and structural changes--offers the best overall formula for widescale change.

But whatever methods are used, land reform clearly offers certain benefits while, at the same time, creating its own limitations.

In terms of benefits, land reform redistributes ownership, raises farm incomes and usually leads to a higher employment and to investment.²⁸ The limitation of land reform is that the availability of land itself in any country is the final constraint for development as its supply is not infinite. Thus development strategies have been concentrating particularly in recent years on technological improvements aimed at higher yields.

2. The Malaysian Case: Land Development As Against Reform

In the case of Malaysia, we have an almost unique case study of land reform as we can now see how structural limitations to land

28. Exactly how all these occur and to what measure they derive from land reform is arguable. Cheung Chen has argued that land reform has neutral impact on production while W.P. Clines has argued in the Brazilian case, land reform can significantly raise output. A general consensus on this can be found in the 1970 Aid Review conclusion that land reform hardly ever decreases production, occasionally has a neutral effect and often a positive impact. See respectively, Stephen Cheung, The Theory of Share Tenancy, Chicago, 1969, and W.P. Cline, Economic Consequences of a Land Reform in Brazil, Amsterdam, 1970, and A.I.D. Spring Review, Washington, 1970.

reforms can be successfully overcome and the kind of mechanism that can be successfully utilized to do this. At the same time, it provides an excellent example of the use of land development as a major mechanism in overall national development.

We can isolate these factors along certain lines. Land development has worked in Malaysia because it has had, from Independence in 1957, full political support. As such, it has received priority in funds and support and has shown in process the importance of political intervention in any successful land development programme. The land development process in Malaysia has also involved the change of structure. This was due to the fact that the tenant system was too strong, with excessive fragmentation of land and strong traditional attachment to land,²⁹ that quick change was essential if the fast pace of Malaysian development initiated at Independence was going to be realised. Thus structure in Malaysia has been changed since 1957 in two significant ways. Firstly, by creating a semi-autonomous body in the form of the Federal Land Development Authority that, under the 1961 Land Ordinance, took over the strong states' prerogatives to land, and then secondly, and just as importantly, by concentrating on the opening up of new land under FELDA (and other agencies) that, because it was new, avoided the restrictions of the tenancy system with its traditional fragmentation of land and uneconomic utilisations.

29. In the case of FELDA schemes, the plot cannot be subdivided at death and thus FELDA acreage cannot be fragmented.

This last factor is of major importance in the Malaysian case as, if this traditional type of ownership pattern had not been circumnavigated, land development would not have been the successful mechanism it has been in Malaysia's overall development.

In terms of 'follow-through' after the initial reform that is considered essential to the successful land reform (Warriner 1969), FELDA's integrated approach epitomises in the FELDA package deal, with FELDA's policy in recent years to stimulate entrepreneurship in its schemes, has clearly made the FELDA land development mode of reform an effective long term mechanism. Finally, which is often overlooked is that FELDA schemes offer both a cooperative option with oil palm bloc concept or the single plot ownership type in a rubber scheme.

The economic benefits of land development can also be seen in the Malaysian case. Malaysia offers one of the few clear instances where land development does provide increased employment. It also provides, as we have seen, higher incomes and expenditure and plays a major part in a more equitable income distribution pattern in Malaysia, providing higher incomes for the predominantly rural poor in Malaysia and with the higher incomes, higher patterns of expenditure. There is, as it can be seen in FELDA schemes, greater consumer demands. Whether it provides capital formation is less clear although my own study of FELDA schemes would indicate that they are beginning to provide a pattern of savings and investment that will eventually affect land to significant rural capital formation.

Land development in Malaysia is a major mechanism in development. It has been fully utilised as such by the Malaysian government since

Independence in 1957 and will continue to be utilised in the foreseeable future. It is both effective and productive, meeting political, social and economic needs, though as it has been noted, it had created its own problems by now creating a new pressure group within the carefully balanced Malaysian political framework. In this widescale land development, FELDA has played a major role since 1957 as it has provided the institutional means for its effective implementation. In this, both Malaysia in comparison to other countries and the Federal Land Development Authority stand out as successful models for land reform and development.

The important question remains is whether this clearly successful FELDA Malaysian model can be transferred to other countries. The answer is that it can, given the kind of conditions we have found in Malaysia. For the FELDA type of integrated model does provide a successful example of the application of this approach to land development for other countries. But the peculiar circumstances that have made FELDA successful in Malaysia have to be underlined in any consideration of this kind of transferability.

One of the major keys to FELDA's success has been its ability to have free access to land for development. It was neither hampered as we have noted by having to bring together parcels of already owned land which, as we have seen, is a major hindrance to land reform in other countries. Secondly, FELDA had complete political and financial backing and again, this has been an important prerequisite for its success. Thirdly, it is a tried institution that has by 1975 had 19 years of development expertise although this had been slow at times.

Given these factors, the FELDA integrated model clearly is a model that can be adapted given the right circumstances in other countries. For its success in Malaysia does underline the important lesson in land development that one cannot expect individuals to take on single-handed the often insurmountable burdens of developing the land by themselves, and thus the integrated approach is the most effective approach. It may well be costly in comparison to the more simple models, but it offers both physical development and the climate for the development and modernisation of rural populations which is of prime importance in most developing countries today. As such the Malaysian FELDA model is an important model of land development for comparative use.

CHAPTER 7

MEASURING CHANGE--SUMMARY AND
AREAS FOR FUTURE RESEARCH1. Introduction

The aim of this study has been to examine how a particular mechanism had been used to induce rapid social and economic change in a particularly important segment of the population in one particular country. That country is Malaysia and the group in question that has been exposed to this process of rapid modernisation has been the rural and predominantly Malay, farmer. The mechanism used to do this has been land development and for the purpose of this study the largest, and by far the most effective, organisation involved in this overall policy, the Federal Land Development Authority (FELDA), was chosen as the basis for analysis.

The focus of the study has been to try and assess at both a macro- and a micro-level the quantity and quality of change that can be induced in the short time span by the extensive allocation of resources. It is clear from the general assessment seen in the previous chapter, Chapter 6, that this land development policy has generally been a successful one in Malaysia and that FELDA has played a dominant role in achieving this success.

This chapter now looks firstly at the background conditions in Malaysia that have contributed to the success of FELDA's work over the last eighteen years. and then from the examination isolates the kind of condition and policy interventions that have been necessary in the Malaysian case to induce rapid change. The findings of the study are then summarized

and areas of possible future research in Malaysia are identified and discussed.

3. Malaysia and Land Development

The extensive use of land development as a mechanism and with it the overall policy of rural modernisation that has been central to Malaysia's development policy since 1957 originates, and owes its success, to a number of factors.

It was initiated in the first place to meet strong political pressure within Malaysia by 1957 of the growing demand by the rural voter for government help. Stemming basically from the ethnic makeup of the country, with two strong communal groups, the Malay and the Chinese dominating respectively the rural and political spheres of a country (the Malay) and the urban and economic spheres (the Chinese), the ruling Malay coalition government focused its efforts from Independence in 1957 on intensive rural development. This policy^{which} was articulated on the eve of Independence in 1957 and became formalized in the Second Malaya Five Year Plan (1961-67) and then in successive plans' was generated by the need to meet the growingly vocal demands of the Malay rural voter who held a dominant position due to the distribution of voting constituencies in the country. To meet this demand and, as time went on, to carry out the massive restructuring of the country after the 1969 racial

riots and the introduction of a new economic policy of giving Malays a greater share in the economy of the country, this program of rapid rural modernisation took on a greater urgency.

because of

At the same time/the wide spread unemployment in Malaysia in 1957 that also has continued throughout the year; and the shortage of land due to land fragmentation and the wide spread practice of retaining uneco- provided
 nomic holdings, large scale land development/an optimum way of implementing this policy. The result was that to meet these political and economic demands land development and resettlement became the major mechanism in Malaysia's overall rural development programs from the late 1950's.

Of the various types of land development models tried the Federal Land Development Authority proved to be the most effective. Applying an integrated approach to land settlement the individual settler was placed in a highly structured situation where he had a house, owned a plot of land, was provided with modern facilities in the scheme and was given expert advice in working his crops. Most important of all (from 1961)¹ he was able to harvest his crop within three or four years of settlement depending on its nature and thus he was able to move into a higher income bracket than he had received in his pre-settlement life. Once he begins to harvest his crop the settler in this integrated model starts to repay his loan, for in this package approach there is involved a finely balanced set of conditions both on FELDA's side and that of the individual settler.

On the government's side the opening and development of the land involved massive initial capital outlays that take a major part of the

1. The year 1961 saw the change in FELDA's policy in which FELDA thenceforth undertook all the preliminary work of clearing the land, sowing the crops and building the settler's houses, thus speeding up the process of scheme development.

government's rural development expenditure. On the settler's part he in turn was committed to paying back the loan made to him, covering the cost of his house, the planting of his crop, certain technical assistance costs and the direct personal subsistence loan made to him on his first three years in the scheme. This total loan is paid back by the individual settler over a eighteen year period² by deductions from his FELDA income.

This large investment initially by the government along with the strict economic relationship that exists between the FELDA settler and the Authority is undoubtedly an important key in assessing the success of the FELDA mechanism. The government on the one hand is investing massive amounts of money in creating and applying this mechanism but is receiving back a large percentage of this ultimately and, at the same time, is introducing a carefully calculated profit motive that acts as a continuing incentive to the settlers in the FELDA type scheme. For the settler eventually will own his land³, his house and will have an income throughout his life that even after the deductions is well above his former income and places himself and his children in a new and economically higher class in Malaysian society.

The utility of this mechanism, as it have evolved in practice, can be seen if it is contrasted to other attempts at land development and resettlement in Malaysia.

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2. This will vary according to the price obtainable for the settler's crop and the repayment period can either be shorter, as it was seen in a number of schemes in Malaysia in the 1974-75 period, or could be longer.
 3. The settler receives a letter of intent giving him title of his land after he has been in the scheme for three years.

Generally none of the other attempts at land resettlement in Malaysia have been successful for none of them have managed to extensively open up land or to bring in settlers. What is significant is that none of these schemes have offered a FELDA type integrated approach to land settlement as in all cases the land offered on these alternative schemes has either been uncleared or only partially cleared and none of the infrastructure or other facilities had been provided. At the same time it should be noted that FELDA's own experience with a less integrated approach in its early years of 1957-60 proved markedly successful and led to the 1961 change of policy with the introduction of the integrated or package approach to land settlement.

If we look at the Federal Land Development Authority and a detailed examination of the case histories earlier in this study we can see the underlying process of change that occurs in the FELDA type of land scheme.

There is clearly a number of divisions or time spans in the whole process of modernisation. Initially the individual FELDA settler undergoes a whole process of change and with this, adaptation, on first joining FELDA a scheme. Moving generally from different areas of the country and from a traditional kampong background, the individual FELDA settler moves into a whole new set of economic and social relationships on entering the FELDA scheme. It is as we have seen a traumatic change⁴

⁴ For elaboration of this process, see Chapter 5,

that is met by adaptation and absorption and acquisition of new skills and relationships. After time the settler adapts creating new or recreating social organisations and other means of social identification. But these are essentially different reflecting as they do the settler's new life which is very different from his previous life.

Once the settlers have been in the scheme for a year or more they seem to adapt quickly to their new life and once the crop is harvested after three or four years they begin to use their higher incomes to branch out into wider and more varied enterprises. At the same time their mental horizons also expand as they find themselves in a different way of life and this process inevitably creates both differing expectations and aspirations.

This change has been traced in this study. It can be seen for instance in the case of Ulu Jempol, one of a few schemes for which we have comparative participant data, which initially in 1966-67 was an unhappy scheme and yet by 1975, was characterised by large numbers of organisations, enterprises, and strong social cohesion and aspirations on the part of the settlers. It can also be seen in a number of other mechanisms in individual schemes, the most important of which is the central role played by the settlers' organisation, the JKKR, which acts as the mediator between the settlers and the FELDA management.

This process of change clearly varies in time spans. In some schemes such as Ulu Jempol the magnitude of change in the eight years between 1967 and 1975 is remarkable; in other schemes such as Bilut Valley or LBJ the change has been slower. But in all cases FELDA's schemes provide an effective mechanism to induce within a short time span--perhaps

ten to fifteen years--a clearly differentiated group of people who have moved from a traditional setting and a way of life into one that is both different and more modern. Thus we can see that this kind of land development mechanism in Malaysia has been a generally effective way to induce rapid change in a major segment of the population. It has its limitations and its drawbacks but overall it is effective, and it provides a unique model, both in comparison to other land schemes in differing countries and also to land schemes within Malaysia, of the successful utilisation of a particular mechanism to meet the demand for rapid rural modernisation.

C. Summary of Findings

To summarise the findings of the study we can reach a number of conclusions:

a. Land development, involving the opening up and settlement of land has both been an effective and important mechanism in Malaysia's general rural development policy since 1957.

b. It has led to the movement of a large number of people, either in FELDA type schemes or in other land schemes, and therefore aided mobility and development in Malaysia in this time period.

c. In Malaysia's general rural development policy, the Federal Land Development Authority (FELDA) has proved to be the major and most effective agent for land resettlement. In the eighteen years of its history, it has met its laid-down goals of massive physical land development and of the social modernisation of the rural settlers.

d. FELDA has also played an important role of its own in inducing the internal mobility of people in Malaysia since 1957 by moving some

200,000 people in association with its schemes by the end of 1975.

e. FELDA has also had three other important roles:

1. It is created in its semi-organised and structurally modernised schemes a whole stage in the modernisation process for the settler and his family for, in nearly all cases, the move to the FELDA scheme has been the final movement made by the settler in his lifetime.

2. By providing this modernised base, the FELDA scheme has provided for both the settler and his dependent the means for personal mobility.

3. In the overall importance regional development policy in Malaysia today FELDA has taken on a vital role as the only organisation able to extensively open up land and to provide an urbanised way of life.

f. However, while the FELDA mechanism is undoubtedly successful and is of major importance in Malaysia's development policies it is also an expensive means to modernisation. As such it clearly has a limited time span after which other cheaper means will be found to open up and develop land and which will be limited also by the general development of a country which will preclude the necessity for land development after a certain date.

g. At the same time it is also clear that the FELDA mechanism is already generating new and powerful political power groups by creating a rural elite with high incomes and expectations and a group that is dependent for its continuing income levels on world commodity prices that are outside Malaysia's own control. Thus inherent in the success of FELDA's operations, are these kinds of dangers.

Areas of Potential Research

Extensive field research of the kind carried on for this study inevitably opens up areas in which the researcher himself would like to have covered more fully and other areas which his own experience in the field highlight as useful areas for future research.

These include:

1. Migration. This is still a relatively unknown area in Malaysia and although the ultimate success of the overall planning process in Malaysia depends on detailed migration data, this is very limited at the present time. There is a lack of overall census data and more important, a lack of detailed survey work carried out to identify both the patterns of house movement within Malaysia and the potential movement in the future. An important element of such studies will be detailed investigations of internal rural migration patterns as well as rural-urban patterns from a point of view of formulating policy. At the same time this kind of detailed survey analysis should also be focused on the specific kind of inducements that are necessary in Malaysia to induce people to move between specific areas in the next decade.

2. Sociological and anthropological orientated studies. Apart from three or four major studies, there has been relatively little work done on either rural or urban Malaysia of this type. Yet again, in a rapidly changing multi-ethnic society in-depth analysis of the various ethnic value systems and their changing nature in light of changing conditions in the country are clearly important. In the case of the modernisation process and the movement of people from the traditional rural sector to a more modern one there is no existing data of the participant anthropological

type that delineates the precise nature that the individual and his family undergoes.

3. The kind of research suggested in 2. could well be extended to a study of changing attitudes in a rapidly changing country. In my own work I accepted that there was a strong traditional attachment to land in rural Malaysia which is generally accepted as a basis for interpretation of Malaysian attitudes. I found, in fact, in my own survey and in other surveys carried out during my field work that this was not as strong a motive in Malaysia in 1975 as it was generally accepted to be for peoples' actions and decisions.

4. In the case of the Federal Land Development Authority there is ample room for all kinds of study. It would be very useful to have more detailed knowledge of the nature of the interaction between the various ethnic groups in the FELDA scheme. It would be just as interesting and important for future planning in FELDA that the regional differences between Malays from different states were closely examined as this often produces major problems in FELDA schemes.

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APPENDIX A

GLOSSARY OF TERMS USED IN TEXT

adat custom, customary law

bandar urban area

bidan midwife

bilal muezzin of a mosque; one who calls believers to prayer

biken duit to make or earn money

bodoh stupid, also used in the sense of bumpkin

bomoh village healer

chari wang to earn money, to seek to earn money

daerah an administrative district

demam a fever; a term used in general to indicate illness
accompanied by a temperature change

dusun an orchard, but also used to describe any group of fruit
trees

fetah rubber; getah puteh, good quality raw rubber; getah
buku, lumps of poor quality rubber picked up from the
base of the tree

gotong royong the institution of reciprocal, cooperative labor
known but not practiced--better known as a Javanese
institution

lalang long, rough grass or weeds

Majlis Amanah Ra'ayat (MARA) or Council of Indigenous People.
set up specifically to help Malays.

malu shyness, shame, embarrassment

mukim a subdistrict or parish

orang person; orang lain, stranger; orang orang, people;

orang puteh, white man

padi rice on the stalk; padi bukit, literally hill rice, but
actually dry rice

penghulu government appointed official administering a mukim

pondok a shelter, especially in rice fields, orchards, or by
the road

Ramadan the Moslem month of fasting

sekolah school; sekolah kebangsaan, national primary school

surau a building used for prayer when no mosque is available

tolong menolong reciprocal help

towkay a Chinese merchant, but also applied to a Malay or
Indian merchant

Jawatan Kerja Kuasa Rayat (J.K.K.R.) the FELDA settlers'
main social organisation on a FELDA scheme

APPENDIX BA. QUESTIONNAIRE - SOALSELIDIK

Name of Scheme>Nama Rancangan.....

Date of Interview/Tarikh Temuduga.....

Household Survey - Banci Rumah Tanga

1. Name>Nama.....

2. Community/Masyarakat

Malay
Chinese
Indian
Other

3. Sex/Jantina.....

4. When were you born/Bila anda di lahirkan?.....

Where were you born?/Dimana anda di lahirkan?

Village/Kampong:.....

District/Daerah:.....

State/Negeri:.....

5. Are you married?/Anda sudah kahwin?

Yes/Ya

No/Belum

If so what year?/Kalau sudah, tahun bila?.....

6. What is your school level?/Peringkat persekolahan yang tercapai oleh anda?

No formal education/Tidak bersekolah

Primary school completed (Standard I-VI)/Tamat sekolah rendah (Darjah I-VI).

Lower Secondary School completed (Form I-III)/Tamat Sekolah Menengah Rendah (Tingkatan I-III)

Upper Secondary School completed (Form IV-V)/Tamat Sekolah Menengah Atas (Tingkatan IV-V)

Other Training School/Lain-lain jenis sekolah

Adult classes/Sekolah Dewasa

7. Composition of your household/Komposisi rumah tangga anoa

Name>Nama	Marital status/Pertallan Keluarga	Sex/Jantina	Age/umur	Place, district + state of birth/ Tempat, daerah + negeri dilahirkan	School level/Tingkatan Persekolahan	Present place of residence, district + state/Tempat tinggal sekarang, daerah + negeri
Wife/Isteri.....	.....	.....	.....	.....	.....	.....
Children/ Anak						
1.....	.....	.....	.....	.....	.....	.....
2.....	.....	.....	.....	.....	.....	.....
3.....	.....	.....	.....	.....	.....	.....
4.....	.....	.....	.....	.....	.....	.....
5.....	.....	.....	.....	.....	.....	.....
6.....	.....	.....	.....	.....	.....	.....
7.....	.....	.....	.....	.....	.....	.....
8.....	.....	.....	.....	.....	.....	.....
Other relative and friends/Lain-lain saudara-mara dan sahabat						
1.....	.....	.....	.....	.....	.....	.....
2.....	.....	.....	.....	.....	.....	.....
3.....	.....	.....	.....	.....	.....	.....
Total/jumlah.....	.....	.....	.....	.....	.....	.....
How long do they stay for/Berapa lama mereka tinggal						
	Less than 1 week/ Kurang dari 1 minggu				Permanent/Tetap	
	More than 1 week/ Lebih dari 1 minggu					
Specify Who/Jelaskan siapa.....						

Relationship to your family/Perhubungan dengan keluarga anda.....

If any of your children have finished school, are they/Jika ada diantara anak anda yang telah tamat perskolahan, adakah mereka

Working/Bekerja	Regular/Tetap	On scheme/ Dirancangan
Not working/ Tidak bekerja	Part-time/ Sambilan	Off scheme/ Diluar rancangan

What kind of work/
Apakah jenis pekerjaan.....

If any of your children have left scheme/Jika ada di antara anak anda yang telah meninggalkan rancangan,

Where are they living?/Dimana mereka tinggal?.....
 What kind of job are they doing?/Apakah jenis pekerjaan yang mereka lakukan?.....

BEFORE SETTLEMENT - SEBELUM PENEMTATAN

1. When did you join FELDA?/Bilakah anda menyertai rancangan FELDA?.....

2. Where did you live before joining FELDA?/Dimanakah anda tinggal sebelum menyertai rancangan FELDA ini?
 village/kampong.....
 town/bandar.....
 state/negeri.....

3. How long did you live in your last place or residence?/Berapa lamakah anda tinggal di tempat yang terakhir sebelum memasuki rancangan FELDA ini?
 less than 1 year/kurang dari 1 tahun
 1 - 3 years/tahun
 4 - 5 years/tahun
 more than 5 years/lebih dari 5 tahun

4. How many times have you moved and where to from your original kampung before coming to FELDA?/Berapa kalikah anda telah pindah dari kampung asal anda sebelum datang ka FELDA dan ka mana? Specify distant/Jarak.

	<u>From/Dari</u>	<u>To/Ka</u>	<u>Distant/Jarak</u>	<u>Reasons/Sebab</u>
1.
2.

Continuation of question 4.

	<u>From/Dari</u>	<u>To/Ka</u>	<u>Distant/Jarak</u>	<u>Reasons/Sebab</u>
3.
4.
5.
6.

5. Would you have moved if FELDA had not called you?/Adakah anda akan berpindah jika pihak FELDA tidak memanggil anda menyertai rancangan ini?

.....

If so where to?/Kalau bogitu kamana?

different district in the same state/daerah lain dalam negeri yang sama
 different state/negeri yang lain
 village/kampong
 town/bandar

Why would you have moved?/Nemgapa anda terpaksa berpindah?

employment (specify) /Pekerjaan (jelaskan)
 more money/pendapatan lebih
 family reasons (death of father or inheritance) /
 masalah keluarga (kematian bapa atau warisan)
 no land/tiada mempunyai tanah
 other/lain-lain

7. What was your former occupation?/Apakah pekerjaan asal anda yang lepas?

farmer/peladand padi cultivation/
 bersawah padi
 rubber smallholder/
 pekebun kecil getah
 coconut smallholder/
 pekebun kecil kelapa
 agricultural labour/
 buruh pertanian
 other/lain-lain.....

fisherman/nelayan

business and service/berniaga dan perkhidmatan

own shop/berkedai sendiri

help in shop/pembantu kedi

work for other business/bekerja dalam
 perniagaan yang lain

other/lain-lain.....

Continuation of question 7

driver/derebar
 estate worker/pekerja ladang
 ex-serviceman/bekas tentera dan polis
 mining/burah lombong
 other/lain-lain.....

8. How much did you earn at that time?/Berapakah pendapatan anda ketika itu?

cash income/pendapatan tunai
 per day/sehari.....
 per month/sebulan.....

9. How did you hear about the FELDA scheme?/Begaimanakah anda mengetahui tentang rancangan FELDA?

through military, police or other government service/ melalui perkhidmatan tentera, polis dan lain-lain perkhidmatan kerajaan
 district officer/pegawai daerah
 mukin headman/penghulu
 village headman/k. kampong
 friends and relatives/sahabat dan saudara mara
 through present or previous settlers/melalui peneroka-peneroka
 other/lain-lain.....

10. Why did you join FELDA/Mengapakah anda menyertai FELDA?

1. to own your own land/untuk mendapatkan tanah sendiri
2. for better money/untuk pendapatan yang lebih baik
3. better future/masa depan yang lebih baik
4. death of father or inheritance reason/kematian ayah atau sebab warisan
5. difficulties in your previous job/kesulitan dalam pekerjaan anda yang lalu
6. other factors/faktor-faktor lain.....

11. How many persons did you know that applied for the FELDA scheme in your village/Berapa orangkah yang anda ketahui dari kampong anda yang memohonarancangan FELDA?

.....

8. What are your net earnings a month from FELDA in last 3 months/
Berapakah pendapatan bersch anda dari FELDA bagi sebulan dalam
3 bulan?

.....
What extra income did you make a month/Berapakah pendapatan tambahan
anda bagi sebulan?

- | | |
|------------------|-------------------|
| 1 - 50 ringgit | 100 - 200 ringgit |
| 50 - 100 ringgit | 200 more/lebih |

How do you make it/Bagaimanakah anda memperoleohnya?

.....
.....

9. How many hours do you work a day/Berapa jamkah anda bekerja bagi
satu hari?

.....

10. How many days do you work on your plot per month/Berapa haripa harikah
anda bekerja bagi satu bulan?

- less than 20 days/kurang dari 20 hari
- less than 25 days/kurang dari 25 hari
- more than 25 days/libih dari 25 hari

11. How much does your family spend per month/Berapakah perbelanjann
keluarga anda bagi sebulan?

- | | |
|--|------------------------------------|
| food/makanan | credit payments/bayaran ansuran |
| clothes/pakaian | food/makanan |
| entertainment/hiboran | clothes/pakaian |
| transport/pengangkutan | transport/pengangkutan |
| money to village/kiriman
wang ke kampong | household items/
perkakas rumah |
| eudcation-fees, books, pocket
money and clothes | other/lain-lain |

12. How much have you spent for your house improvement/Berapakah yang
anda belanjakan untuk membaiki rumah?

.....

12. If so how many are there now in the FELDA scheme/Jika ada berapa orangkah di antara mereka yang berada atau menyertai rancangan FELDA? **

.....

13. How many times do you return to your village every year?/Berapa kalikah anda pulang ke kampung anda dalam setahun?

1 time/sekali

2 - 4 times/kali

4 or more/kali atau lebih

never/tak pernah

specify way/jelaskan mengapa.....

.....

14. How long do you stay in your village if you return/Berapa lamakah anda tinggal di kampung anda apabila anda pulang ke kampung?

under a week/kurang dari seminggu

more than a week/ lebih dari seminggu

more than a month/lebih dari sebulan

Why do you return/Mengapa anda pulang?

holiday/cuti

family matters/massalah keluarga

helping in farm work/membantu dalam kerja ladang

other/lain-lain

AFTER SETTLEMENT - LEPAS PENEMPATAN

1. How much did it cost to move to your scheme/Berapakah perbelanjaan perpindahan anda ke rancangan?

.....

Where did you get money, specify/Dari manakah anda mendapat wang jelaskan?

.....

What kind of transport did yo use/Apakah jenis pengangkutan yang anda gunakan?

bus/bus

taxi/tekxi

train/keretapi

lorry/lori

other/lain-lain

13. How much does all your family earn per month or per day/Berapakah pendapatan keluarga anda bagi satu bulan atau sehari?

per month/sebulan

per day/sehari

14. How much do you save per month/Berapakah yang anda simpan bagi sebulan?

co-operative/koperatif

saving bank/bank simpanan

JKKR

other/lain-lain

Tabung Kaji

specify.....

15. How far is your house from the block or your holding/Berapakah jauhkah rumah anda dari belok atau tanah yang anda kerjakan?

.....

How do you get to work/Bagaimanakah anda pergi bekerja?

walking/berjalan kaki

bicycle/basikal

motorcycle/motosikal

car/kereta

other/lain-lain

In case of outside work, how do you get to work/Sekiranya bekerja diluar, bagaimanakah anda pergi bekerja?

.....

16. Do you own/Adakah anda mempunyai:

car/kereta

radio

motorcycle/morosikal

generator

refrigerator/peti

household appliance/

air batu

alat-alat rumah

TV

Total value/jumlah nilai.....

Do you pay cash or credit/Bayar tunai atau keredit?

cash/tunai

credit/ansoran

17. Do you belong to any club/Adakah anda menjadi ahli sebarang kelab?

 Do you belong to JKKR? If not, why/Adakah anda menjadi ahli JKKR?
 jika tidak mengapa?

 Do you attend JKKR meetings/Adakah anda menghadiri mesyuarat JKKR?

 Have you hold office in JKKR or any other organisation/Adakah anda
 memegang jawatan dalam JKKR atau sebarang organisasi?

 Did you vote the last election/Adakah anda pergi mengundi baru-baru ini?

18. What kind of job would you hope your children to do when they leave
 school/Apakah jenis pekerjaan yang anda harapkan untuk anak-anak anda
 apabila mereka berhenti sekolah?
- | | |
|----------------------------|---|
| government job/kerajaan | professional |
| | clerical/kerani |
| business/perniagaan | own business shop/
perniagaan sendiri |
| | working for other/
bekerja dengan orang lain |
| agriculture/pertanian | farmer/peladang |
| | estate worker/buruh ladang |
| | FELDA settlers/peneroka |
| | Other/lain-lain |
| services/tentera dan polis | |
| other/lain-lain | |
19. Would you want your children to join FELDA/Adakah anda inginkan
 supaya anak anda menyertai rancangan FELDA?

20. Do you hope your children will go to further education beyond form
 V/Adakah anda berharap anak anda akan melanjutkan pelajaran lebih
 tinggi dari tingkatan V?

Continuation of question 20.

If so where to/Jika ya kamana?

university

ITM

ITK

Teaching colleges/

Other/lain-lain

Maktab perguruan

21. Would you recommend your friend to join the FELDA scheme/ Adakah anda menggalakkan kawan anda menyertai FELDA?

Yes/Ya

No/Tidak

If so, what kind of schemes/Kalau ya, mancangan jenis apa?

palm oil/kelapa sawit

rubber/getah

both

Why do you think your friend would like it/Mengapakah anda fikir sahabat anda akan menerimanya?

for land/untuk mendapatkan tanah

for better income/untuk pendapatan yang lebih baik

for better opportunity for support family/ masa depan yang lebih baik untuk sara keluarga

other/lain-lain

If for any reason do you think your friend would not like to join FELDA/Jika ada sebab--sebab yang tertentu, adakah anda fikir kawan anda itu akan menolak untuk menyertai FELDA?

.....

Why would this be so/Mengapa ini berlaku?

.....

.....

.....

1. What were you told to expect when you joined scheme/Apakah yang anda di beritahu yang anda akan perolehi apabila menyertai rancangan?
 - A.
 1. House/rumah
 2. Land/tanah
 3. Help from FELDA staffs in settling in/Bantuan dari pegawai-pegawai FELDA ketika penempatan
 - B.
 1. Adequate subsistence/bantuan yang cukup
 2. Promised future good income/menjanjikan pendapatan masa hadapan yang baik
 - C.
 1. Bus service/perkhidmatan bas
 2. School/sekolah
 3. Shops/kedai-kedai
 4. Other/lain-lain

2. What was wrong with the scheme when you first joined scheme/ Apakah yang anda dapati tidak memuaskan hati apabila pertama kali anda menyertai rancangan.
 1. Bad housing/rumah yang kurang baik
 2. No shops/tiada kedai-kedai
 3. No schools/tiada sekolah
 4. No clinic/tiada kelinik
 5. No bus service/tiada perkhidmatan bas
 6. Inadequate income/pendapatan yang tak mencukupi
 7. Poor communication and helps from FELDA staffs/ perhubungan yang tidak memuaskan dengan pegawai-pegawai FELDA
 8. Poor communication with other settlers/perhubungan dengan peneroka-peneroka lain yang tak memuaskan
 9. No clubs or organisation/tiada kelab atau persatuan-persatuan
 10. Other/lain-lain

3. Have these improved (Q.2.), if not which (specify)/Adakah perkara-perkara tersebut bertambah baik (S.2.), jika tidak jelaskan yang mana?
1. Housing/perumahan
 2. Shops/kedai-kedai
 3. Clinic/keiniik
 4. School/sekolah
 5. Bus service/perkhidmatan bas
 6. Income/pendapatan
 7. Relations with neighbours/perhubungan dengan jiran-jiran
 8. Relations with staffs/perhubungan dengan pegawai-pegawai
 9. Clubs and organisation/kelab-kelab dan persatuan=persatuan
 10. Other/lain-lain

B. Data Sources and Methodology Used in Study

Surprisingly enough the Federal Land Development Authority does not have a library nor any systematic collection of records. This appears to be due in part to the rapid expansion of Felda in the eighteen years of its history and also to its continuing role as an action orientated organisation with constant and immediate problems that / ^{requiring} quick decision. In consequence Felda at all levels is constantly reacting to problems arising out of the opening up schemes for development, of liaising extensively with various government departments to achieve this, and dealing with a constant settler and other related problems. This often accounts for the general air of urgency that marks Felda's activities and for the lack of what might be expected from an outsider's point of view of certain research activities. On the research side there exists an excellent research station in Pahang, the Tun Razak Research Centre that carries out extensive research in agricultural methods and practices

and provides advice to Felda schemes and personnel and also a research division in the Social Development Department. However the latter is primarily devoted to organisational problem analysis and to the running of conferences and while surveys are carried out at occasionally by the social development division and by other departments overall statistical data on Felda is scanty.¹ These include the various libraries in Government departments and the University of Malaya .

-
1. Felda main office surveys suffer inevitably from the problems of accuracy as the information is collected at scheme level by regional office and then transmitted to Kuala Lumpur. The result is that this data is not always reliable. In April 1976 a Felda research and training centre is slated to start in Troilak some 60 miles north of Kuala Lumpur. Staffed by Felda staff and four foreign experts the centre will concentrate mainly on training and research. funding operation between Felda and the United Nations.

At the same time, data from surveys that have been carried out in Felda in recent times and records of conferences meetings are available from Felda itself, and as a number of senior officers have been with Felda since its early days it is also possible by interviewing them to trace fugitive materials and also to build up a picture of the Authority's Development.

Other relevant material necessary to the overall study of Felda's place in Malaysia development policies and in land development are available in government reports notably the statistical material available from the Department of Statistics. Finally various aspects of Felda have been the subject of academic research both by indigeious Malaysian scholars and by foreign scholars and these thesises or reports exist either in published form in Malaysia or in outside countries. Thus Source materials therefore do exist for the resexarcher but they are diffuse and time is required to gather and piece them together

B. Methodology

For the purposes of this study three methods of collecting data were used.² The first was the collection of secondary materials.

2. As with any piece of research the actual methods used for data collection although decided on in principle before the study were changed considerably as the work progressed. At one time no actual use of survey instrument was envisaged due primarily to lack of funds but later means were found to incorporate this. At the same time, other sources of data were opened up including surveys being conducted by other researchers and organisations.

This was conducted throughout the period of research in the Felde's own offices, in the different Ministry and department libraries and in the Universities of Sains Malaysia, Penang and the University of Malaya, Kuala Lumpur. It included the study of a wide range of reports and documents as well as survey material carried out that were of interest to this study such as inhouse Felde surveys of youth unemployment, and appliance ownership and of surveys conducted on land attachment in Felde schemes by the National Institute of Public Administration (INTAN) and on migration incentives into the Pahang region carried out by the Pahang Development Authority (DARA).

The second means of data collecting was by interviewing. This again was carried out throughout the period of research but fell into two categories. Extensive interviewing of Felde officials at the Felde Head Office was carried out from November 1974 through August 1975 with the aim of building up a composite picture of Felde as an organisation, of its policies and the methods of implementing these in practice.³ This led to the extension of the interviewing technique first to the regional Felde offices in which a series of interviews were carried out in five out of the 8 regional offices those of Pahang East (Kuantan), Johore South (Johore Bahru), Pahang

3. While I did not have an desk in Felde Head Office because of lack of space, I was a constant, often daily, visitor living nearby.

(Central), Jengka (Jengka) and the Central Region (Seremban) and then on the schemes themselves. At the scheme level interviews were carried out mainly on the six schemes where the survey instrument (see below) was applied and in all cases many members of Felda staff were interviewed during my repeated visits and also in the participant observation periods of the study.

Outside Felda as the work progressed other people who were concerned with or had worked with Felda were interviewed at various stages. These included Government officials in various ministries and departments, academic researchers in the Universities of Sains Malaysia and Malaya, and outside parties including International Agency staff involved with agricultural and development work in Malaysia.⁴

The third method of data collection utilized in this study was participant participation. This was done as I travelled around Felda scheme throughout Malaysia with Felda Staff notably those from the Social Development Division in Kuala Lumpur and sat in on

4 . In all cases these interview were only partially structured with the groundwork being laid with preliminary letters before the visits and then more extensive interviews taking place on meeting. No use was made of a taperecorder but notes were made and written up later as part of the research data. I also attended the Felda Social Development meeting which was held in Johore Bahru in March 1975 and to which some 35 social development staff came from Felda schemes across the country.

with scheme staff settler, leaders and individual settlers. Secondly I spend considerable time on the selected case study schemes from April through June 1975, visiting houses, attending JKKR meetings and participating generally in the scheme activities. This provided me with a greater insight into settler problems and ways of thinking and proved an invaluable part of my work.

Finally, the three data's sources outlined above were underpinned by the application of a stratified sample survey to six selected schemes. This proved to be the main source of my micro data particularly due to the paucity of the data in general on Felda and, in the case of this study, the difficulty of constructing overall tables for the three aspects I was examining in particular - modernisation, migration and mobility - and for any other indicators.⁵

However, general overall tables should be easier to construct in future with the creation of a settler Masterfile by Felda in 1976/7.⁶

-
5. The only overall data for Felda schemes is the settler's age, address and ethnic group.
 6. With the introduction of its own computer system Felda is beginning to work on Masterfile of its settlers. So far only certain details name, address, age and points scored in the interview has been programmed for most of the 20,000 successful applicants for the 1974-5. In 1976/7 it is hoped to include full details from the interview form and of existing settlers and thus create a masterfile for a wider range of information on Felda settlers.

The survey instrument was designed to elicit information under three headings - household composition, the settlers background before settlement, and after settlement. All three sections were designed to provide general information so as to be able to build up a composite picture of a Felda settler and also to provide specific data on migration, mobility, and modernisation in the schemes.

The household composition section was aimed at obtaining general particulars of the respondent such as name, age, ethnic group marital status and numbers and details of the household members. At the same time questions for measuring migration and mobility were included. In the case of migration - the settler was asked the precise place (kampong, district and state) of birth for himself, his wife and children. For mobility, educational levels were ascertained for the settler and his family.

The presettlement section was similarly designed. In this specific migration questions were asked including stop migration question involving the listing of all the moves that the settler has made in his lifetime with the distance moved and reason for moving. Also included were questions on where the settler lived (village, district and state) before moving making his final move to Felda

and the length of stay in his last place of residence.⁷ In terms of mobility detailed questions were asked on previous occupations and on previous income.

Finally, to see what kind of information flows existed and the motives of settlers for joining Felda question were asked as to how the settler had heard about Felda and why he joined.

The third and largest section, the after settler section consisted of four main lines of questioning. The first was on income in which the settler was asked details of his income - net income from Felda, from other sources, total income of his family, how much and in what way did he save, and household expenditure. The second cluster of questions covered modernisation indicators including ownership of appliances and vehicles and club membership.

Mobility and aspiration questions were asked in the third group of questions including what if any kind of tertiary education and employment the settler expected for his children and whether he would recommend (and if not why not) his friends to join Felda schemes. A final question in this group covered the expectation of the settler before he joined the scheme, what he found on arrival and how these has improved. In the fourth group of questions asked covered a number of points such as the costs of joining the settlement, working hours, distance of plot from the house and means of transport.

7 . To establish the settlers propensity to move the settler was also asked if he would have moved if Felda had not called him and if so for what reason.

This instrument was used in the survey carried out in the six schemes.⁸ And after pretesting and modification⁹ was applied to the six Felda schemes - Bilut Valley, Kampong LBS, Bukit Besar, Jengka and Ulu Jempol between April and July 1975. These schemes were chosen as they represented in time span the various stages of Felda's development and at the same time reflected Felda's overall diversing in crop, ethnic group migration background and locality as all of these play an important role in the organisation and development of a scheme.

Crop plays an important part as the type dictates, the settlers pattern of work, income and consequently his whole way of life. For Felda the different crops present different technical problems as well as overall income from its investment.

The date of the opening up of the scheme and that of settler entry has an important bearing on the general nature of a scheme development. As Felda has improved in its techniques and the years. In this case one of the earliest schemes were chosen -

-
8. A seventh scheme, Kemendore, was also surveyed later (July 1975) with revised version of this questioning for Kemendore with questions added to meet the special Kemendore situation as a 'paid' off Felda scheme. This question were added to how the settlers ascertain their future relations with Felda and their expectations as to how and when they would get their land title. This particular scheme was one of the nearly paid off land scheme and raised interesting and important questions for the future of such scheme that had not been fully worked out by either Felda or the settlers.
 9. The original instrument was pretested of Bilut Valley in early April 1975 and useful modifications and additions were made before it was first used.

Bilut Valley - as it presented a case study of Felde's first attempts at developing lands schemes in which settlers cleared the land themselves, built their own houses and sowed their own crops - Bilut Valley proved a marked contrast to the other and later schemes surveyed particularly to Jengka 12 in which settlers have just moved in when it was surveyed. In all the six schemes ranged in throughout Felde's 18 year old history from 1958-1975. As to ethnic background the schemes were chosen in mind that Felde is predominantly Malay with a small percentage of Indians and Chinese. However, this composition varied from scheme to scheme and in the case of this study some schemes (Bilut Valley and LBS) the non-Malay elements was above the overall average while in others (Bukit Besar, Jengka 2 and 12) the schemes were totally Malay. Therefore a balance was kept.

Migration makeup was also an important determining factor as it helped measure Felde's role in including people to move and its ability to bring together groups - whether Malay or not - from different parts of the state or country to work together. In five out of six schemes¹⁰ the migration makeup of the settler was a strong contributing factor in the schemes choice. The final element in the selection process was locality as the physical location of the scheme in relation to nearby developed areas was anticipated to have an influence on how the scheme itself developed.

10. The exception was Bukit Besar in Johore where 97% of the settlers were from Johore.

settlers being taken on the scheme master list bearing in mind that the balance in terms of migration and ethnic background had to be maintained for each scheme. The instrument in Bahasa Malay and English was applied by two university of Malaya students who had been given some training in advance and had taken part in the pretesting of the first draft of the questionnaire. The interviews which took some 30 minutes each were conducted wherever possible in separate rooms and locations on the scheme, usually in the schemes offices but also in houses and in coffee shops. If one of the randomly chosen settlers did not turn up for interview, one of the reserve settlers was called in. In each case the form was filled in by the interviewer and he was requested to note in addition on the form anything of interest that came up. It was found in practice that the expertise of the interviewers increased and that the three days allowed for some 40 interviews in each scheme finally were completed in later schemes in two to two and a half days. In the overall response various local factors played a part. In some schemes the two interviewers had to overcome a certain amount of suspicion of their intentions particularly as word went around in one scheme (Jengka 2) that the information was being collected for income tax purposes.¹¹

11. As a counter check certain interviews were rechecked with respondents the next day by myself to ascertain accuracy.

But in the end slight oversampling resulted in all the schemes and significant answers were obtained to 95% of the question.¹²

After the interviewers carried out forms were tabulated by hand. This proved a satisfactory method as constant checking of the replies revealed a number of inconsistencies and patterns that might have been overlooked if the forms had not been personally checked. It turned out finally that we had useful results for approximately 90-95% of our questions.¹³

12. It was intended at first to interview in the settlers houses but in practice this proved to be impossible in terms of time - as it was never certain when a settler would be home and the houses are widely dispersed, and Felda settlers are by the nature of their shite used to being called to the office and were quite happy to have the chance to air their views and thus no apparent restraint was noticed in conducting the interviews either in the office or under a tree outside. At the same time in most of these schemes the settlers had been interviewed before. This resulted in getting certain information reasonably quickly but also alerted myself and the interviewers to problem were certain - change were necessary. Thus, in the case of income a check was made against the settlers figure of income 'received from Felda' and the Felda records the last month before occur it. Needless to say certain marked discrepancies were found. See

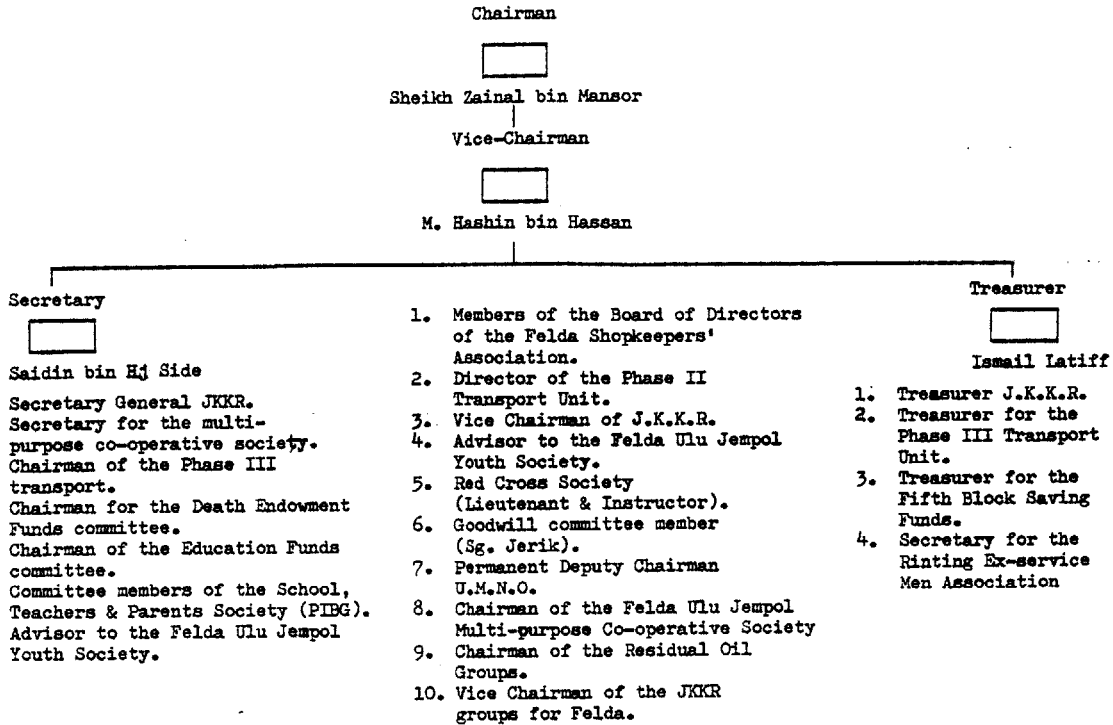
13. No significant result emerged, this was due to mistakes in design or more usually to the impossibility of getting accurate result on certain points - this applied, for instance, to the question on how many people applied to Felda from the respondent village.

C.1

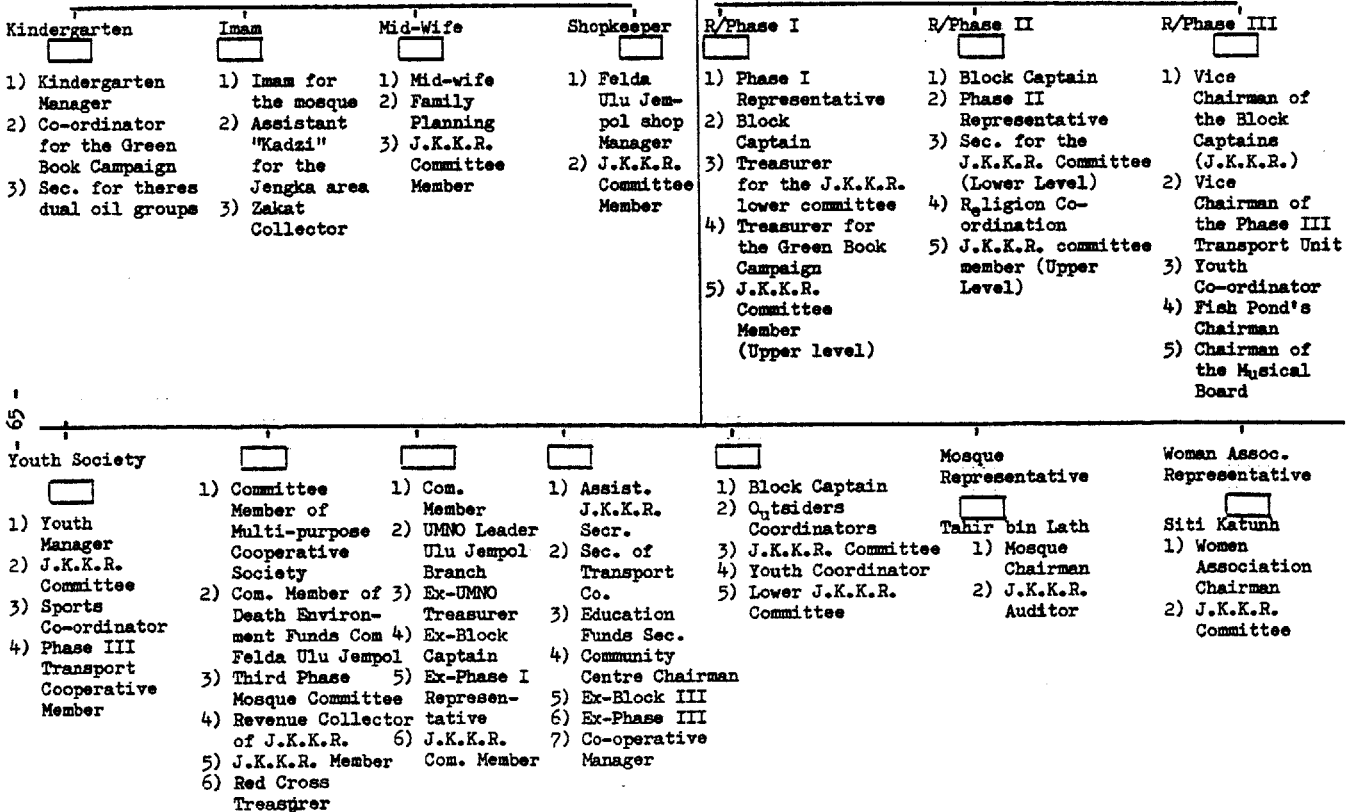
BOARD OF DIRECTORS

1. Pengerusi Felda
(YB Datuk Harun bin Ariffin, PNBS, KMN, PJK)
2. Pengarah Besar Felda
(YM Raja Muhammad Alias bin Raja Muhammad Ali, DPSK, DIMP, JMN, PPT, PJK)
3. Wakil dari Kementerian Tanah dan Galian
(Kamaruzzaman bin Abd. Halim)
4. Wakil dari Perbendaharaan
(Tarmizi bin Tahir, PJK)
5. Ketua Pengarah Pertanian
(Chew Hong Jung)
6. Wakil dari Pusat Penyelidikan Getah Malaysia
(Tuan Haji Ani bin Arope, KMN)
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8. Dr. Mohd. Dali bin Muin, PPT
9. YB Encik Hassan bin Haji Yaakub, JP
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Ahli Dewan Undangan Negeri
12. Mohamed bin Idris, KMN
13. Hashim bin Hassan

ULU JEMPOL J.K.K.R. - MEMBERS



Committee Members



C.3 CLUBS, ASSOCIATIONS, AND COMMITTEES--ULU JEMPOL--1975

J.K.K.R.

Youth Club

Women's Institute

Social Committee

Cooperative Society

Excervicemen's Association

Shopkeepers' Association

U.M.N.O.

Parents and Teachers Association

Green Book Campaign Committee

Mosque Committee

FELDA Shop Committee

Death Society

Environmental Improvement Committee

Red Cross

Community Centre Committee

Education Funds Committee

Musical Board

ULU JEMPOL FELDA YOUTH SOCIETY
 JERANTUT, PAHANG.

YOUTH TREASURY REPORT 1974

Income	Amount	Expenditure	Amount
Balance from '73	302.35	Society miscellaneous	266.65
Membership fee '74	260.50	Cultural section - Expenditure activity	346.00
Collection from cultural activity section	609.28	Education section - activities and management	25.00
Collection from education section activity	94.50	Money at treasurer hand	16.00
		Money in JKKR treasurer saving	518.48
Total	<u>\$1266.63</u> =====	Total	<u>\$1266.63</u> =====

Passed By

 (Hamid Hasbollah)

 (Hafsah Otaman)

 (Kamsah Mahat)
 Ulu Jempol Youth Treasurer.

C.5 NOTE ON BAD TAPPING IN FELDA SCHEMES.

Bad tapping is quite frequently found in FELDA schemes. It is due to two factors, either inadequate or too frequent tapping that can cut into the economic life of the tree and to bad tapping techniques which can also affect the tree's economic life and yield.

In the first case, FELDA practices the alternate day method by which the settler taps half his trees on one day and the other half of the second day. This requires the settler to visit his lot on a daily basis to collect latex and to carry out maintenance. In practice, however, some schemes experience low settler turnout due to a number of factors such as illness and bad weather, particularly in the rainy season. Additional factors are also the hiring of other people on the richer schemes to tap the trees as the settler has a second job or the family members do not fill in for the settler as agreed and, in a minority of schemes, the refusal of settlers to cooperate and tap their trees due to their dissatisfaction with rubber prices. This last reason is the most serious and as a result FELDA introduced the rule in 1972 that their settlers only received their guaranteed monthly income of \$100 in the preharvesting stage of the scheme if they tapped for 90% of the working days in the month. Alternatively, sometimes trees are overtapped by settlers for a variety of reasons. The chief of these results from settlers trying to maximise their returns during periods of high rubber prices.

Bad tapping can also result from lack of techniques and this

is often found in some of the older FELDA schemes. A pilot survey of six FELDA rubber schemes in 1970 showed for instance, that the mean monthly bark consumption on the trees was around 1 inch as against the maximum allowed by FELDA of $\frac{3}{4}$ of an inch. The result as the survey revealed was that 40% or 13,000 of the trees surveyed were badly wounded. This kind of excessive bark wear with wounding (or the cutting of the bark too deeply or widely, affects the overall life of the tree and also the regrowth rate and general level of a tree's yield. Bad tapping techniques can also be contributed to the lack of adaptability and it is interesting to note that this was found to be the cause in the late nineteen sixties in East Coast FELDA schemes which had a large number of fishermen who apparently found it difficult to learn the techniques involved (Boon 1973). It is clear that unless FELDA provides close supervision and training, a number of settlers do not adapt quickly to the demands of the new occupation.

C.6 NOTE ON THE ILLEGAL SALES OF RUBBER

One notable symptom of the kind of dissatisfaction found in FELDA rubber schemes is reflected in the low production figures in FELDA rubber schemes. This is due to often large spread illegal sales of rubber by FELDA settlers as, with low rubber prices, the settlers not only obtain immediate cash in the pocket by selling outside FELDA but avoids loan repayment deductions that are automatically taken off his monthly pay by FELDA. This kind of practice can affect FELDA's overall operations and economic viability as Table C.1 shows, in which the actual crop obtained in three states (Perak, Selangor and Kedah) in 1973 rated between 71.3% (Kedah), 64.4% (Perak), and 65% (Selangor) of the estimated crop.

This results, as Table C.2 shows, is a lower rate of loan repayment that in 1973 in Kedah was only 54.8%, in Perak 46.4%, and in Selangor 51.2% of the estimated figure. This clearly affects FELDA's overall profitability and efficiency as a land development mechanism.

This practice is technically illegal but in the Bilut Valley case, the prosecution of some 15 settlers in 1973/4 failed as the police case was "not clearly" presented.

C.7 REGIONAL AND URBAN STUDIES

A. <u>Regional or Quasi-Regional Studies</u>	<u>Description</u>	<u>Status (as of June 1st 1975)</u>
1. Johore Tenggara, West Malaysia (Johore Tenggara & Penggerang)	Regional Resource Study	Completed 1972; Authority established 1972
2. Pahang Tenggara, West Malaysia	Regional Resource Study	Completed July 1972; Authority established 1970
3. Jengka Triangle, West Malaysia	Sub-Regional Resource Study	Completed 1969; Authority established 1970
4. Kelantan, West Malaysia	State Study	Final Report completed November 1973
5. Penang	Macro-Economic Study	Completed 1969
6. Trengganu, West Malaysia	Resource Study	Completed 1966; Authority established 1973 (Trengganu Tengah)
7. Klang Valley, West Malaysia	Urban/Regional Study	Draft Final Report completed December 1972; Final Report April 1973
8. North Perak, West Malaysia	Resource Study	Completion date, August 1975
9. South Johore, West Malaysia	Urban/Regional Study	Draft Final Report completed May 1974
10. South West Johore, West Malaysia	Agricultural Drainage Study	Phase I: in progress Starting date: January 1974

11. Melaka, West Malaysia	Land Resources Study (local-- EPU)	Completed 1970
12. Negeri Sembilan Timur	Regional/Urban Study	Starting date: April 1974 Final Draft Report completed January 1975
13. Trengganu Tengah	Resource/ Settlement Study	Completion of Final Report September 1974
14. Trans Perak	Agriculture Development	Starting date: September 1974 Completion date of Final Draft Report: Sept. 1975
15. NACNOM: Regional Committee for North Peninsular Malaysia	Regional Resource Study (local)	Starting date: March 1974 Completed: March 1975
16. Kelantan River Basin Study	Multi-purpose Water Resource Study	In progress Completion date: Mid-1977
17. Trengganu River Basin Study	Multi-purpose Water Resources Study	In progress Completion dates: April 1976
18. Miri-Bintulu, Sarawak	Resource Study	Draft Main completed: April 1974
19. Sarawak First Division, Sarawak	Socio-Economic Study	Completed 1970
B. <u>Urban Project/Studies</u>	<u>Description</u>	<u>Status</u>
1. Bukit Ridan, Pahang Tenggara	New Regional Centre	Structure Plan completed: December 1972

- | | | |
|----------------------------------|---|---|
| 2. Tanjong Penggerang,
Johore | New Tourist
Centre | Final Report
completed;
June 1973 |
| 3. Johore Baharu | Urban Study,
part of
Regional Study,
R ₁₀ | See R ₁₀ |
| 4. Bangi Town, Selangor | New Town | In progress
Completion date:
outline structure
plan, Oct. 1973 |
| 5. Kuantan, Pahang | Urban Study | Starting date:
May 1974
Final Draft Report
December 1974 |
| 6. Kuching, Sarawak | Urban/Regional | Starting date:
May 1974
Final Draft Report
October 1974 |
| 7. Jengka, Pahang | Urban Regional
Centre | Final Report
completed:
May 1973 |

DEVELOPMENT COST OF A TYPICAL FELDA PROJECT

	<u>RUBBER</u>	<u>OIL PALM</u>
Total Plantable Acreage (acres)	4000	4666
Settlers Plantable Acreage (acres)	3600	4200
Reserve Plantable Acreage (acres)	400	466
Village Area (acres)	250	250
Number of Settlers' Families	300	300
Size of Settler Holding (acres)	12	14
Duration between start of land clearing to start of Loan Repayment (years)	7½	5 ¾

I. INFRASTRUCTURE COST (M\$)	<u>TOTAL COST</u>	<u>COST PER ACRE</u>	
		<u>Rubber</u>	<u>Oil Palm</u>
Access Road	285,000	71.25	61.08
Village Road	468,750	117.18	100.46
Water Supply	600,000	150.00	128.58
School and Teachers Quarters	250,000	62.50	53.57
Community Clinics and Quarters	30,000	7.50	6.43
Mosques	70,000	17.50	15.00
Community Centres	15,000	3.75	3.22
Establishment Cost of Village Area required for public purposes	52.500	13.13	11.26

II. ADMINISTRATION AND MANAGEMENT	<u>RUBBER</u>		<u>OIL PALM</u>	
	<u>TOTAL COST</u>	<u>TOTAL PER ACRE</u>	<u>TOTAL COST</u>	<u>COST PER ACRE</u>
	(M\$)	(M\$)	(M\$)	(M\$)
Housing and Offices Capital Cost and Cost of Furniture	242,585	60.64	260,722	55.88
Vehicles and Equipment Capital Cost	97,005	24.25	97,005	20.78
Salaries and Other Current Costs	1,567,346	391.84	1,371,741	293.99
TOTAL	1,906,936	476.72	1,729,468	370.65
III. AGRICULTURAL DEVELOPMENT COST				
Land Development	1,830,000	457.50	2,516,140	539.24
Maintenance	3,030,800	757.70	2,345,365	502.65
Field Operation	-	-	1,043,318	223.61
TOTAL	4,860,800	1,215.20	5,904,823	2,265.50*
IV. SETTLERS HOUSES AND HOUSE LOT	558,900	139.72	558,900	119.78
GRAND TOTAL	9,097,886	2,274.46	9,964,441	2,135.53

*The cost is not of FFB sales. The value of FFB sale for 2 years is assumed at \$287.20 per acre at M\$400 per ton fob palm oil price and M\$250 per ton exmill kernel price.

20th June 1974

C.9

FELDA SUCCESSFUL APPLICANTS BY STATE, 1973-4

<u>State</u>	<u>Applicants</u>			<u>Total</u>	<u>Successful</u>
	<u>Malay</u>	<u>Chinese</u>	<u>Indian</u>		
Perlis	49	-	-	49	39 (80.0%)
Penang	111	1	3	115	51 (49.3%)
Kedah	1,491	36	59	1,596	1512 (94.7%)
Perak	3,636	300	859	4,795	3530 (73.6%)
Selangor	2,083	12	688	2,783	1402 (50.4%)
Negri Sembilan	672	773	719	2,164	1060 (49.0%)
Melacca	557	257	178	992	664 (66.9%)
Johore	6,004	2,040	654	8,698	
Kelantan	2,944	-	10	2,954	1151 (39.0%)
Trengganu	3,247	-	1	3,248	1249 (38.4%)
Pahang	1,172	24	22	1,218	452 (37.1%)
Total	21,966	3,453	3,193	28,612	

**TOTAL DEVELOPMENT COST PER ACRE OF RUBBER/OIL PALM UNDER THE THREE VARIANTS OF THE
SETTLER-ORIENTED SCHEME IN THE EAST-COAST REGION OF WEST MALAYSIA (M\$)**

	Rubber Scheme			Oil Palm Scheme		
	Variant I	Variant II	Variant III	Variant I	Variant II	Variant III
Capital Cost:¹						
Land Clearing	50	141	255	50	154	255
Planting materials	10	10	10	25	25	25
Fertilizer	72	72	72	112	112	112
Herbicide & Pesticide	19	19	19	17	17	17
Agricultural Roads	14	14	14	61	61	61
Sub-total	165	256	370	265	369	470
Village Area Development	195	195	195	190	190	190
Infrastructure Development	216	216	216	267	267	267
Management & Administration	190	190	190	175	175	175
Total Capital Cost	766	857	971	897	1,001	1,102
Total Imputed Labour Cost ²	1,260	1,260	1,260	900	900	900
Total Development Cost	2,026	2,117	2,231	1,797	1,901	2,002
Less Income from Catch-Crop ³	1,422	1,422	1,422	790	790	790
Net Total Cost	604	695	809	1,007	1,111	1,212
Government Cash-Flow per Acre:						
Development Credit	165	256	370	265	369	470
Infrastructure Cost & Subsis. Credit	1,051	1,051	1,051	1,082	1,082	1,082
Total	1,216	1,307	1,421	1,347	1,451	1,552
Total/Loan/Acre/Settler:						
Development Loan	165	256	370	265	369	470
Housing & Subsistence Loan	645	645	645	640	640	640
Total Loan	810	901	1,015	905	1,009	1,110
Total Net Cost per Acre to Govt.	406	406	406	442	442	442

¹Total capital cost for first seven years and five years for rubber and oil palm schemes respectively.

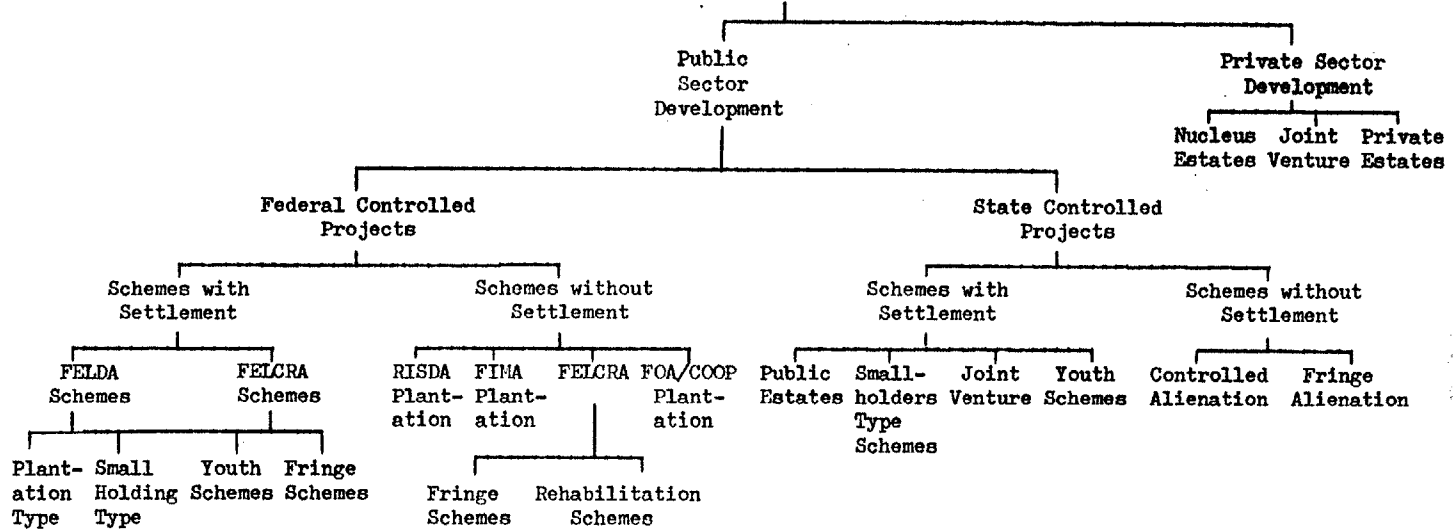
²Assumed at M\$150 per family per month.

³Maize as the catch-crop.

Source: Waafa (1975).

Chart 1

LAND DEVELOPMENT STRATEGIES IN MALAYSIA 1973



FELDA - FACTORIES, MILLS AND BULKING INSTALLATIONS AS AT JULY 1975

A. Mills/Factories		Processing Facilities	Capacity (FPB Tons/Hour)		
Palm Oil Mills in Operation		Date Commissioned	Initial	Present	Final
Ulu Jempol		April 1967	8	35	35
Jerangau		March 1967	8	26	35
Sg. Dusun		May 1968	5	32	32
Bk. Besar		June 1968	10	38	40
Bk. Goh		August 1972	18	18	54
Bk. Mendi		September 1972	27	27	45
Kulai		April 1973	27	27	36
Padang Piol		September 1973	18	18	27
Jengka 4		October 1973	27	27	45
Ayer Tawar		December 1973	27	27	54
Trolak		August 1974	18	18	27
Palm Oil Mills Under Construction					
Kepayang		May 1975	18	-	45
Kota Gelanggi		September 1975	27	-	-
Sg. Koyan		November 1975	18	-	-
Jengka 9		February 1976	36	-	-
Rubber Factories in Operation					
					(Tons/Day)
Bilut Valley		March 1970	10	20	20
Kg. Awah		November 1972	20	20	20
Pasir Besar		December 1973	15	95	95
					Concentrate
					SMR
Trolak		Mid 1976	42	-	42
					Concentrate
Bulking Installations					
	Location	State			
1.	Kuala Trengganu	(Trengganu)	Stage I	March 1971	2,100 tons
2.	Port Kelang	(Selangor)	Stage I	July 1973	5,500 tons
			Stage II	August 1974	32,000 tons
			Latex	August 1974	2,766 tons
3.	Pasir Gudang	(Johore)		November 1974	32,500 tons
4.	Tanjong Gelang	(Pahang)	Stage I	1977	25,000 tons

Source: Felda Records (1975).

BIOGRAPHICAL INFORMATION

Colin MacAndrews, born in London, England in 1935, was educated at Cambridge University (B.A. Honors, History, 1958), York University, Toronto (M.A., Political Science, 1971), and at M.I.T. from 1972-76 (Ph.D., Political Science, 1976).

He was a British Council representative in a number of countries and taught from 1968-72 in the Graduate Faculty of Environmental Studies at York University, Toronto.

He is currently a member of the Rockefeller Foundation Field Staff in Indonesia.