EVOLUTION OF POLICIES AFFECTING LAND SETTLEMENT SCHEMES IN MALAYSIA

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SINOPSIS

Tujuan artikel ini ialah untuk membentangkan evolusi polisi yang bersabit dengan rancangan penempatan dan pembukaan tanah. Rujukan khas diberi pada empat period sejarah Malaysia: pra-kemerdekaan (1945–1957); Malaya (1957–1963); Permulaan Malaysia (1963–1970) dan period selepas perlancaran Dasar Ekonomi Baru (1970–1975). Pada tiap-tiap satu period, perubahan dasar berlaku oleh kerana implementasi, kehendak-kehendak politik negara dan pandangan praktikal tentang strategi dan skop projek.

SYNOPSIS

The aim of this article is to trace the evolution of policies affecting land Settlement Schemes. Special reference is given to four major periods of Malaysia's history: the Pre-Independent Period (1945–1957); the Malayan Period (1957–1963); the Early Malaysian Period (1963–1970); and the current New Economic Policy. Changes occur due to the nature of implementation, national political needs and practical considerations on the strategy and scope of the Project.

INTRODUCTION

Policies pertaining to land settlement have been initiated in various ways, that it is beyond the scope of this article to explain the events, trends and development in detail. In this article, the emphasis is specially given to four major periods:

- From the post Second World War period until the attainment of Independence in 1957 with special emphasis on the birth of Land Development Policy;
- 2) The Malayan period (1957–1963) which focuses on initial implementation efforts in development;
- 3) The Malaysian period (1963-1969), whereby new directions were taken to suit a new federation; and
- 4) The trends and emphasis of current policies, that is, the New Economic Policy (NEP).

The main idea here is to trace the different historical development of the policy and to make significant comparisons at different periods. Some of the policies may cover all periods and it is difficult to cover them in detail. The choice of the breakdown of the periods is done according to the major national development plans and major changes in strategy. In addition, the main emphasis is on legislations or programs, organization and implementation, with the hope that a comparative analysis of their development can be better understood.

THE PRE-INDEPENDENT PERIOD (1945–1957)

Origins of Settlement Schemes and Related Projects

The attempt to use settlement as a policy was actually initiated even before the outbreak of the Second World War. It was particularly applied in rice cultivation and the effort was taken by the Drainage and Irrigation Department. One of the earliest attempts was the Sungai Manik Scheme iniatiated in 1935. This was followed by efforts at Tanjong Karang, the Krian district in Perak, and elsewhere.1 Little assistance was given to the settlers and hardly any change in the policy occur until the outbreak of the war.2

The policy has been viewed critically as a mean of checking the flow of Malays from their traditional subsistence agriculture in order to take an active part in rubber planting which would present competition to European estates. Silcock provides the following reasons: desire to protect the Malay way of life and culture, political emphasis on the stability of peasant culture as contrast to transitory migrant culture, inability to compete in commercial agriculture (rubber) by the peasants, and attempt to be self-sufficient in food production.3

The immediate post-war period centered towards reconstruction and distribution of essential supplies, marketing and pricing policies, appointments of rice commissions, and increased participation by Drainage and Irrigation Department. But greater attention was beginning to be focused on the growing opposition against colonial rule and the clamour for independence.

The initial measure taken by the British authorities to combat revolutionary opposition was the counterinsurgency move. In 1948, the Squatter Committee Report made two basic recommendations: 1) squatters who cannot be policed effectively should be resettled in occupied or alternative

Federated Malay States, Report on the Progress of the Schemes for the Improvement and Extension of Rice Cultivation (Kuala Lumpur, Government Press, 1935).
 Federation of Malaya, Report of the Drainage and Irrigation Department for the

Years 1958, 1959 and 1960. (Kuala Lumpur: Art Printing Works, 1961).

³ T.H. Silcock. The Commonwealth Economy in S.E. Asia (Durham: Duke, 1959).

selected areas, 2) they were liable to compulsory repatriation or eviction by summary process in case of refusal. Other measures included resettlement and massive deportation.4

In 1950, the campaign was intensified under the Briggs Plan (named after Lieutenant General Sir Harold Briggs). Under this plan, the following policy measures were taken: relocation of dispersed rural squatters and also some legal settlers into newly established compact towns referred to as "new villages"; and regroupment of rubber tappers and tin miners by concentrating them in selected locations.5

Dow states:

"The fundamental objective of the Briggs Plan was to establish resettlement areas near population centres and lines of communication where the squatters could be settled, controlled and protected. Once control of population was established and the government proved its capability to protect the squatters, the intelligence network acquired a broader base; thus significant information on gureilla activities obtained."6

Most of the squatters were of Chinese origin and about half a million more were resettled in new villages. The British had hoped to separate the communists from the Chinese squatters. In addition, other drastic measures were also taken with regards to Aboriginal Malays and rural Malays such as the settlement in Jungle forts, Malay new villages at Segamat, and the creation of paramilitary and other counterinsurgency action groups.

In the resettlement projects of the Briggs Plan, the number of Malays relocated were minimal as compared to the Chinese, As such, the British then began to address to the Malay situation which was assumed to be a potentially dangerous ally to communism too.

Doering commented that:

"The government was forced to make some definite commitments in several policy areas. These coincided with new programs intended to uplift the rural Malays, primarily through infrastructure improvement and with additional technical programs aimed specifically at the padi planter, who was bound to be rural and most likely Malay."7

⁴ Federation of Malaya, The Squatter Problem in the Federation of Malaya in 1950 No. 14, 1950 (no date). See also K.S. Sandhu, 'Saga of the Squatters in Malaya', Journal of South East Asian History, Vol. 15, Mar. 1964, pp. 143-177.
5 Kernial S. Sandhu, 'Emergency Resettlement in Malaya'', Journal of Tropical Geography, Vol. 18 (August 1964), pp. 157-183.
6 Dow, Nation Building In South East Asia, (Boulder: Prinett Press, 1965), p. 30.
7 Otto Charles Doering III, 'Malays Rice Policy and Muda Irrigation Project,' unpublished Ph.D dissertation (Ithaca: Cornell, 1973), p. 45.

In 1949 and the following year, a Draft Development Plan⁸ was prepared from the various programs and plans given by various government department. According to Ness,9 it is intended to take advantage of a forty-two million dollar grant from the British Colonial Development and Welfare Act. This draft was considered as the initial attempt towards rural development and national comprehensive planning. The draft did not, however, provide any reference to land settlement although it stated that planning land use was important and mentioned migration from rural to urban areas as the cause of poverty, and suggested the development of new rice and land policies. The draft ended in 1955 to give way to the comprehensive national plan called the First Malaya Plan (1956-1960) which was actually implemented in the period after independence in 1957.

Perhaps the most important report made during this period was the report by the International Bank for Reconstruction and Development Mission in 1954. It is, in fact, the guideline to the Malaya Plan where recommendations related to land settlement were made.

"An alternative we have in mind is an adaption of the organization of the large and successful Gezira Cotton Scheme in Sudan ... a scheme organized in this way secures the advantages of efficient cultural managements and large-scale marketing, while avoiding the disadvantages of the plantation system. Clearly much modification of the organization found suitable for cotton growing in the Sudan would be required to adapt it to rice growing or to other schemes in Malaya. The Mission nevertheless believes this form of organization to be worthy of consideration."10

In a series of deliberations, a Federal Ordinance was created in July 1956 to initiate land settlement as a policy consideration. In relation to this, a report of the Working Party set up to consider the development of new areas for land settlement in Federation of Malaya was prepared. It was given the responsibility:

"To assess the need of assistance from federal government in the various states for development of new areas for land settlement, and in the light of this assessment to recommend with special reference to financial and administrative aspects on the most suitable organization for providing such an assistance."11

⁸ Federation of Malaya, Draft Development Plans of the Federation of Malaya (Kuala Lumpur: Government Printer, 1950).

⁹ G.D. Ness, Bureaucracy and Rural Development (Berkeley and Los Angeles: University of California Press, 1967), p. 104.
10 International Bank for Reconstruction and Development (IBRD), Economic Development of Malaya (Baltimore: John Hopkins University Press, 1955), p. 137.
11 See Report of the Working Committee Set Up to Consider Development of New Areas for Land Settlement in the Federation of Malaya, (Kuala Lumpur: Government Press, 1956), p. 5.

The Committee found an urgent need for land settlement and also proposed the setting up of Federal Land Development Authority (FLDA), as a government agency to open up new land under the provision of the 1956 Land Development Ordinance. The main objective of FLDA is: 1) to facilitate the development and settlement of new areas and the promotion of prospective prosperous peasantry, and 2) to provide management and supervision of newly established communities, 3) to work in co-ordination with governmental agencies for the provision of basic services, and 4) to ensure proper development of land schemes.

THE MALAYAN PERIOD (1957–1963)

Settlement Policy and Emergence of Rural Development Planning

The Policy after Independence was largely a follow-up of the First Malaya Plan prepared in 1956.¹² The introduction of land settlement was done in the context of this plan. It is basically a transitory phase from the colonial British government to the new Alliance government. It emphasized the following characteristics: emphasis on a balanced governmental budget replaced by willingness to use deficit financing for economic expansion; stress in development programs transfered from urban to rural areas; elevation of social services from low to high priority; and organization of planning changed from unspecialized to specialized departments.¹³ The plan however, is very much a compilation of departmental programs like the earlier development draft; but a budget was included for land development and settlement programs.

The first year of operation of the land settlement policy was devoted mainly to the recruitment of personnel and to other matters connected with the establishment of FLDA. Its function is to provide funds to the state and districts concerned after proper application from the state and districts have been approved. The first scheme is the Bilut Valley project in Pahang which was started in 1958, almost two years after Independence.

No basic changes occur in term of policies until the 1959 elections whereby the Alliance won the elections. The First Malaya Plan targets thirty-six schemes, 150,000 acres of planted rubber and the settlement of 14,000 families. But FLDA proved capable of sponsoring a mere twentyfive schemes with only 19,600 acres of rubber in different parts of the country, and managed to resettle about 1,694 families.14 It can be seen that the actual implementation is unquestionably below the initial national target.

¹² Federation of Malaya, The First Malaya Plan (Kuala Lumpur: Government Printer, 1960).

¹³ Ness, op. cit., p. 104.
14 Federal Land Development Authority, Report of The Special Committee To Review The Role of FLDA Within National Rural Development Programme (Kuala Lumpur: Government Press, 1961).

As a result of this, a committee was created to reconsider the role of FLDA. A report entitled Report of the Special Committee to Review the Role of FLDA within the National Rural Development Programs was published in 1960. The following reasons were given:

- 1) Land is a state matter under the Constitution and the progress of FLDA depended largely on the extent and speed of co-operation by state governments. The sense of urgency in land development matters was lacking in several state governments and schemes were slow in being proposed and getting implemented.
- 2) Shortage of survey and land office staff available for survey and settlement work.
- 3) Lack of basic land use survey and consequently, the absence of plans for development in various states.
- 4) Lack of access to potential development areas.
- 5) Shortage of suitably qualified and experienced men to supervise and manage land development schemes.
- 6) The neccessity for consultation with reference to and co-ordination of not less than twelve departments and agencies responsible to eight Ministries, both at the state and federal level at a time when there was no national directive according to high priority to land development.

The recommendations of the report were initiated in the Second Malaya Plan (1960–1965),¹⁵ considered the first comprehensive plan on a national level, as well as an effort to provide efficient co-ordination. The objective of the plan is to:

"Provide facilities and opportunities for the rural population and to improve its level of economic and social being". 16

Specifically, the objective includes: to increase employment and improve per capita income, increase economic diversification and promote the improvement of social services.¹⁷ With reference to land settlement, new policies and organizational changes were made to enable FLDA to overcome some of the problems suggested by the committee as well as to be in line with the rural development strategy nationally. These include:

(a) FLDA abandon the role of "loan boards" and become directly responsible for the planning, inception and administration of all schemes financed by the Authority;

¹⁵ Federation of Malaya, Second Malaya Plan 1960-1965 (Kuala Lumpur: Government Printer, 1961) p. 16.

¹⁶ Ibid.

¹⁷ Ibid.

- (b) the investigation and planning for all FLDA schemes should be co-ordinated through highpowered committee consisting of Secretaries to Ministries and Heads of Department connected with development; and
- (c) the FLDA organization should be strenghtened by the addition of technical and administrative officers, by the reorganization of Head Office into various sections on a functional basis, and the establishment of regional offices for the recruitment and training of field staff in order to achieve effective management at the scheme.18

Other type of land schemes were also introduced by the government during the period. But a few schemes were organized by the state governments and financially aided by the Federal government. Examples are the Controlled Alienation and the Fringe Alienation schemes (CA and FAS. respectively). According to Shamsul Bahrin, they are different from the FLDA schemes since they are state organized and their working committees are responsible to the Ministry of Land and Mines rather than the Ministry of Rural Development. He also noted particular references to the differences between FAS and FLDA schemes. 19

It was reported that FLDA's site is generally greater than 4,000 acres. primarily reserved for rubber and oil palm crops; whereas FAS scheme is smaller and within the participant village area. Only in certain cases are FAS far away from the village. Physical differences also exist, such as in compliance with the National Land Council requirements, FLDA scheme should not exceed a slope of eighteen and half degrees, protective cover and topographically suitable. This certification comes from the Ministry of Agriculture. For the FAS, the recommendations were made mainly by agricultural officer with regard to soil suitability and later, ascertained by the District Officer that the land is not alienated to others or free from squatters (in this case, compensation is given to owners and neccessary arrangements made with the squatters). Both schemes are similar in terms of not being totally pioneer settler-type settlement and initial land is cleared by private contractors. In addition, the federal government supply the finance.

Bilut Valley Model

One of the earliest schemes was the state-assisted Ayer Lanas scheme in Kelantan. As a fully assisted federal initiated settlement, the Bilut

T. Shamsul Bahrin, "Land Development in Post-Independent Malaysia: Some Lessons", International Geographical Union 21st. International Geographical Congress, New Delh', 1968 (mimeographed), p. 5.
 T. Shamsul Bahrain, "A Preliminary Study of Fringe Alienation Schemes in West Malaysia", Journal of Tropical Geography, Vol. 28, 1969, pp. 75–83.

scheme can be taken as an example of most schemes established during the early part of Malayan Independence. The number of families settled is around one hundred, on a thousand or slightly more acres of land. For example, Solok Lenggong settlement scheme in Alor Gajah, Malacca, consists of hundred families on about 11,000 acres of land (each family is given six acres for rubber, two for fruits, two for padi and a quarter acre for house lot).²⁰ The estimated cost was about \$640,000 of which \$400,000 was given by FLDA on loan, to be repaid by settlers from produce of their farms on instalment basis, commencing on the seventh year.

MALAYSIAN PERIOD (1963-1970)

New Legislations and Programs

The formation of Malaysia in 1963 called forth a new perspective on the overall national planning effort. Sabah, Sarawak and Singapore were included in the new federation, thus creating not only a larger dimension of planning problems to be faced, but presenting an entirely different political, economic and social responsibilities.

Efforts were taken to formulate and introduce the first Malaysia Plan (1965–1970). According to Tun Razak, the then Deputy Prime Minister, this plan can be considered as the new phase or second phase of rural development strategy—i.e. a follow-up of the government's energy and machinery to achieve maximum impact to mobilize the people to improve their standard of living.²¹

The Kongres Ekonomi Bumiputra (Economic Congress of the Indigenous People) was held in Kuala Lumpur in early 1965. It was participated by local leaders from various parts of the country and the main theme was rural development. Though the proceedings were not publicly reported, the Kongres adopted a slate of about sixty-nine recommendations for new or improved programs developed earlier by special subcommittees.

Among the major recommendations are: reorganization of the Rural Industrial and Development Authority (RIDA); establishment of the people's bank; proper definitive role to be given to government agencies and ministries; intensification of drainage and irrigation projects (with special reference to Muda River Irrigation project in Kedah and the Kemubu Project in Kelantan); change in scope of land settlement projects; and the establishment of new credit and marketing organizations.²² Most

²⁰ E.K. Fisk, "The Mobility of Labour in the Settlement of New Land in Underdeveloped Countries", Journal of Farm Economics, Vol. 43, No. 4, Nov. 1961, p. 769-775.

²¹ Tun Razak Datok Hussein, "Planning in Malaysia", South East Asia Pacific Crisis: National Development and the World Community, ed. Margret Grant (New York: Dodd Mead & Co., 1964), p. 51.

Dodd Mead & Co., 1964), p. 51.

22 Kongres Ekonomi Bumiputra Malaysia, "Usul-usul" (Proposals Approved at the Plenary Sessions) June 7, 1965, Kuala Lumpur.

of these recommendations were incorporated into the First Malaysia Plan whose declared objectives were to provide for equality and the integration of all Malaysians with an emphasis on alleviating poverty in rural areas.

It can be said that there was no major reorganization or policy change pertaining to land settlement schemes. The previous plans tended to focus on small-scale projects, but yet the recommendations seemed to emphasize large scale projects, very much along the ambitious irrigation schemes. On the other hand, the Jengka Triangle Project in Central Pahang, under FLDA, presents a new approach to land settlement as a policy.

The Jengka Model

Jengka Triangle can be considered as the first scheme carried out on a regional scale.²³ Although the concept "region" was not clearly defined so far, the project in Jengka is integrated and consist of various older schemes. The focus is not just on settlement and cultivation of rubber or oil palm, but also on the exploitation of timber resources and the creation of new urban growth centres for possible industrial development.

It is located in the state of Pahang, covering an area of about 300,000 acres (174 square miles), flanked by the Pahang River on the Southern side. The development is projected over a period of twelve years (1966–1977). The whole area is divided for different individual projects and developed at different phases to suit the settlement of settlers, land clearing and timber exploitation. The land use in the settlement units were of three types: oil palm cultivation, rubber and forest reserve. Each of the units is further subdivided into sub-settlement units very much like the previous schemes.

Due to the complexity of the problems encountered, an independent authority was formed to take responsibility in the development, called the Jengka Triangle Development Authority. This body is similar to the Petaling Jaya Authority which was established to undertake the Petaling Jaya new satelite town development in early 1956.

MALAYSIAN PERIOD (1970-1975)

New Economic Policy (NEP) and Land Settlement Scheme

The aftermath of the racial disturbances in May 1969 was characterized by an urgency towards national unity. It is believed that unity can be attained through the foundations of a new economic policy embodied in the national plan. Thus the Second Malaysia Plan (1970–1975) and the

²³ FLDA, An Outline of Jengka Master Plan, Report by Trippetts, et. al., 1965. (Mimeographed).

Third Malaysia Plan (1975–1980) stressed the two major elements of the New Economic policy: eradication of poverty and the reconstruction of the society.²⁴ In the context of this two-pronged strategy, policy pertaining to land settlement was also modified and restated:

"The aim of regional development is to reduce the marked economic disparities which currently exist between states ... the strategy will thus involve the full exploitation of presently untapped economic resources especially in the less developed states: the promotion of population migration to areas with large economic potential; and the expansion of infrastructure and social services in those states and areas which now lagged in development so as to acheive greater balance between the various regions and people residing therein".25

The policy become fully indentified and defined as regional development rather than just land settlement, although it is an integration of various land schemes and additional opening of new areas. The emphasis also shifted from "land for the landless" to an attempt to tackle questions of regional disparities, because most of the East Coast states (Kelantan, Trengganu and Pahang), have relatively smaller share of the national income. In addition, they are also identified as Malay states. Even On an empirical basis, the argument is justified. For example, the Gross Domestic Product for Selangor in 1970 is about one and a half times that of average Peninsular Malaysia. In terms of economic structure, 90% of the manufacturing output and agricultural output are from the West Coast states of Perak, Selangor and Pahang.

As part of this overall strategy, new projects were carried out and older projects were greatly expanded by introducing educational and other institutional facilities. The major thrust was on integrated land settlement projects such as Pahang Tenggara, Johore Tenggara and the Trengganu Regional Economic Development Plan. In Sarawak, the Miri-Bintulu Region was developed along a similar regional development pattern.²⁶

The initial focus on the settlement of settlers in nucleated and isolated communities was changed to an emphasis on urban center development. In Jengka Triangle and other regional-type schemes, new urban towns were marked which would be the growth poles for industrial activities and future expansion. In addition, regional related projects such as river basin development, highways and port development were also initiated so as to provide the infrastructural aspects to the strategy.

²⁴ See Federation of Malaysia, Second Malaysia Plan 1970-1975 (Kuala Lumpur: Government Printer, 1971), p. 4-7.
Federation of Malaysia, Third Malaysia Plan 1975-1980 (Kuala Lumpur: Government Printer, 1976).

²⁵ *Ibid.*, p. 18.

²⁶ Ibid.

Table 3.5

FLDA Land Development Programme
Under The Second Malaysia Plan
(1971–1975)

Year	1971	1972	1973	1974	1975
Target Acreage	60,000	60,000	60,000	60,000	60,000
Achieved Acreage	47,729	73,000	-		P2525)
Excess/ Deficit	-12,271	+13,000	-	_	
Target Acreage Cum	60,000	120,000	180,000	240,000	300,000
Achieved Acreage Cum	47,729	120,729			_
Excess/ Deficit Cum	—12,27 1	+ 729	_	_	_

Source: Federation of Malaysia, Second Malaysia Plan (Kuala Lumpur, 1971).

DARA Model

This project is taken as an example of the post New Economic policy land settlement development due to a number of reasons. It is an area larger than Jengka Triangle (a combination of twenty Jengka Projects) or the state of Malacca and Negri Sembilan combined together. The role of administering the project was taken by a special body called DARA (a convoluted acronym for Development Authority for Pahang Tenggara) created by an act of Parliament in 1972, instead of being carried out by FLDA itself.²⁷

In mid-1970, a feasibility study was carried out by Canadian experts under a Canadian "soft loan" worked out with the Pahang state and federal governments.²⁸ The project is also financed by Asian Development Bank and World Bank on a loan basis. The latter are heavily involved in road construction from Kuantan to Segamat.

27 Federation of Malaysia, Parliament Act, No. 68, 1972; Pahang Tenggara Enactment, March 1972, (Mimeographed).

²⁸ Foundation of Canada Engineering Corp., et. al., Regional Master Planning Study for the Government of Malaysia and State of Pahang: Pahang Tenggara, Study Report No. 7, (no date).

The major objectives of Pahang Tenggara project are:

- a) opening up land for "natural resource" development;
- b) employment opportunities through various activities to about a quarter million people and settlement of about half a million people by 1990; and
- c) active participation of the Bumiputra in line with NEP.

The most unique as well as the most ambitious aspects of the scheme involve the establishment of urban centers ranging from 10,000 to 70,000 people (Bukit Redan may take about 70,000 people) and five medium towns ranging from 25,000 to 40,000 and smaller towns ranging from 5,000 to 10,000 people.

The implementation program involves three basic themes and the participation is opened to private enterprise in the form of individual or joint-venture activities—agricultural, forestry and training. A large part of the scheme areas have been allocated to various companies such as Lam Soon and Boh Tea. For forestry, special areas were reserved for exploitation of timber resources. New companies for these purposes were also established.

Like Jengka Triangle, the settlement of settlers were carried out in different stages. In addition, the older schemes on the outlying areas are incorporated into the project. The size and nature of the settlement community did not differ very much from the Jengka Model.

Similar types of projects have also been carried out in other states. Examples are Johore Tenggara Development Authority in Johore (KEJO-RA) and Trengganu Tengah Development Authority in Trengganu. Certain modifications were introduced in terms of objectives and methods of implementation, but as a totality they resembled DARA programs.

Conclusions

The initial policy pertaining to settlement schemes is more directed towards the issue of insurgency and pacification. It is utilized as an instrument of counterinsurgency through the establishment of "new villages" and other similar settlements. Land Settlement Schemes did not depart from this basic framework, rather it is an idea extended for settlement of uncolonized jungle areas with particular preference given to themes of economic and land development.

Since the inception of the policy, a significant part of the role of land development and settlement of pioneering population is monopolized by Federal Land Development Authority (FLDA). Thus it is an institutional approach adopted as part of the national development strategy.

However, today many other organizations are also involved, either directly or indirectly, in land settlement.

Land settlement policy was initially more project-oriented. But as the scope of the program expanded, the policy tends to be more multifaceted, regional in scope and resource-based. This trend may not change. In fact, various small Felda schemes may be incorporated into larger regional schemes, such as the case of Pahang Tenggara, Jengka and others. Whether it is a more feasible policy is difficult to answer at this point. If it is feasible, what would be the nature of coordination and implementation of projects? In addition, the changes in the policy at different periods can be analyzed and a comparision can be given. Is the initial strategy of small scale project-oriented scheme more acceptable than the current ambitious large-scale regional-oriented scheme? How do the policies differ in terms of their evaluation in the context of Malaysian National Development?

