Land Settlement Schemes and the Alleviation of Rural Poverty in Sarawak, East Malaysia: A Critical Commentary

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Introduction

For a long time now the Malaysian government, the Sarawak state authorities and several outside agencies and observers have recognised that one of the main tasks which modern Sarawak faces is the improvement of its agricultural sector and the alleviation of rural poverty. Much of what James Jackson said in the mid-1960s, in his outstanding geographical study of Sarawak, is still of relevance today.

The extension and improvement of farming is the cornerstone of development planning in Sarawak for, despite the recent growth of the timber industry, agriculture will remain the basis of the economy and ultimately social and economic progress depends on the upgrading of rural incomes. However, in terms of agricultural development, Sarawak faces severe difficulties. Over vast areas soils are poor, and often acid; the steep slopes characteristic of much of the interior and the extensive peat swamps of the coastal plains inhibit development and enhance costs, as does the lack of roads. The widespread existence of the bush-fallow method of hill-padi farming presents a complex and urgent problem which must be solved before agricultural development can proceed much further in interior areas. Training schemes are required to overcome the general ignorance of good farming practices and there is a shortage of suitable staff. Finally, development is hampered by land-tenure problems.

(1968: 73-74)

Government planning in Sarawak must be seen in the context of the wider Federation of Malaysia's New Economic Policy, initiated with the Second Malaysia Plan (1971-75). The main objective of the policy has been to promote national unity by means of two strategies — the eradication of poverty irrespective of race, and the restructuring of society to eliminate the identification of race with economic function and geographical location (Fisk 1982: 17-18). These strategies are, in turn, very much dependent on the continuous expansion of the Malaysian economy. In any case, since the formation of the Federation, government attention in the East Malaysian state of Sarawak has, to an important degree, been directed towards the rural areas, where poverty is considered to be most acute. The Third and Fourth Malaysia Plans...
specifically refer to Sarawak's high incidence of poverty and the goal of poverty redressal among "indigenous races" (e.g., Third Malaysia Plan 1976: 39, 48–49; Zulkifly 1982: 220–21), especially those such as the long-house dwelling Ibans and Bidayuhs (or Land Dayaks), the coastal Malays and the Melanaus. These peoples are mainly located in rural areas and pursue such various activities as rice farming, especially using shifting agricultural methods, small-scale fishing and the cultivation of low value, low yielding cash-crops such as rubber, coconuts and sago (Fisk 1982: 19; Fourth Malaysia Plan 1981: 37). Despite some involvement in a money income, these peoples are still very much concerned with subsistence activities. It is also well to bear in mind that average incomes calculated on a state basis place Sarawak and the east coast states of the Peninsula well behind the developed west coast states of West Malaysia (Zainudin Salleh and Zulkifly Osman 1982: 145). Not only are direct income flows lower in Sarawak, but also the level of provision of public amenities — roads, houses, hospitals, clinics and water and electricity supplies (Fisk 1982: 12). Sarawak is also a relatively sparsely populated state; it comprises 38 per cent of the total area of Malaysia (12,325,000 hectares) with only about 9 per cent of the population (just over 1.2 million in 1980).  

In a broad sense the assumption of government that economic growth is compatible with, and more than this necessary for the general alleviation of poverty in such places as Sarawak, has to be treated with caution. What seems to have happened is that far from providing the appropriate resources for a general rise in the living standards of the rural poor, and for narrowing the gap between them and the rich, the growth sectors of the Sarawak economy have neither contributed significantly to an improvement in the circumstances of most of the rural poor nor narrowed the gap between the well-to-do and the poverty-stricken; indeed, in some cases the position of the latter has been made worse. James Osborn has noted, in his survey of development studies in Sarawak, that Malaysian government policy intends to bring the economies of the peripheral areas "closer in mood and format of activity to their national centers and to earn foreign exchange and grow natural products for use in the national economies" (1978: 105). He adds that "there will be no turning back of the drive to extract and sell resources from Borneo...." (p. 106). The Third Malaysia Plan also remarks on the "untapped economic potential" of the East Malaysian states in terms of timber, petroleum products, hydro-electric power and large areas of empty land for estate crops such as oil palm (1976: 43). The condition of a large percentage of Sarawak's rural poor might seem a little difficult to comprehend when we read Fisk's summary, in his recent survey of the Malaysian economy, that

> It is from Sabah and Sarawak that Malaysia's oil production has come in the 1960s and during most of the 1970s and it looks like continuing to be an important source, particularly of liquefied natural gas exports, in the 1980s and 1990s. Sabah and Sarawak also has large commercial exploitable forests of high value....

(1982: 12)

Part of the problem is that growth is concentrated in restricted sectors of the economy. In 1981 67 per cent of Sarawak's exports by value were petroleum and petroleum products (Hatch 1982: 103), derived from "a capital-intensive offshore