PERCEPTION ON LAND OWNERS TOWARD OIL PALM LAND DEVELOPMENT SCHEME
A CASE STUDY IN SAMARAHAN DIVISION

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Master of Environmental Management
(Development Planning)
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Perception of Land Owners toward Oil Palm Land Development Scheme
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DEDICATION

I hereby dedicate this work to
my wife, Jessica Eu Hee Choo,
my father Michael Phang Kim Siong,
mother Nora Nock ak Tisin and
to my children,
Valentine Phang Iyee,
James Stanley Phang Hau,
Raymond Tawie Phang,
Venessa Phang Iywon and
Gary Phang

".... for you have endured with me in patience, fortitude and understanding... I wish to
tender my sincere thanks and gratitude... “Xie Xie Ni Men”."
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ABSTRACT

Rapid economic growth experienced since independence has brought about social-economy disparities between rural and urban society in this country. Consequently the challenge of expediting alleviation of poverty particularly among the rural community is a national priority. In this connection, Sarawak state government has formulated an appropriate development concept termed as “in-situ land scheme concept” which is extensively adopted in the rural land development programme through various land development agencies. Since then, the initiative in targeting NCR land for monoculture plantation (Oil Palm) was seen as capable of reducing social-economic imbalance between rural and urban environments. However, the geographical terrain, logistical access, social sentiment are amongst local problems that may scare away potential developers from the capital intensive endeavour. Conflicts of interest between developers and landowners of often jeopardize the entire objective of development brought by the government.

This study, therefore, attempts to assess the perceptions of land scheme participants after a given period of participation in the scheme. Two areas developed by different agencies involving two different communities were chosen as scope of study area. The specific objectives are to determine the direct benefits enjoyed by the participants of the two areas, and to examine if the perception of participant has influenced the state of attitude that caused impact to their own household economy.
Primary data for the study was collected from field survey based on personal interview using structure questionnaires. A two-stage cluster random sampling technique was applied in selecting the respondents.

The study reveals that many opportunities were available since the introduction of the oil palm schemes in the study areas. The participants have benefited well from better amenities and facilities that uplifted their wellbeing and living standard. The scheme provides new livelihood options and opportunity to “earn extra” as compared without the land scheme. The positive perceptions of participant have created the right attitude with open mind and made them receptive to change. All participants from the two areas of Study have experienced increase in household income. Indeed the participants perceive a better future for younger generations with improved quality of life with availability and convenience of various amenities and infrastructures such as better communication link with the outside environment.

The size of sample in this study is rather small and only confined to two areas, it is however academically sufficient to provide some understanding and insights on participants’ perception of their present and future livelihood in the selected areas, as a consequence of their involvement in land scheme development. Further comprehensive study would still required on the part of development planner in order to understand more about the perceptual behaviour of landowners for purpose of more constructive management input in the programme implementation.
ABSTRAK

Pembangunan ekonomi yang pesat semenjak kemerdekaan telah mengundang masalah jurang sosial-ekonomi yang ketara antara kawasan Bandar dan luar Bandar. Kerajaan negeri Sarawak, atas kesedaran hakikat ini, telah merumuskan "konsep in-situ" untuk memajukan tanah NCR dengan tujuan membasmi kemiskinan penduduk luar Bandar. Perlaksanaan konsep ini yang melibatkan penanaman kelapa sawit secara peladangan dilaksanakan oleh pelbagai agensi kerajaan negeri. Usaha ini telah dilihat sebagai kaedah yang berjaya mengimbangi perbezaan jurang sosial-ekonomi antara kawasan bandar dan luar Bandar.


Memandangkan saiz kajian ini adalah kecil dan terhad kepada kedua-dua kawasan sahaja, kajian ini hanya signifikan untuk memahami bagaimana persepsi peserta terhadap taraf sara hidup kini dan pada masa hadapan setelah menyertai skim pembangunan tanah ini. Bagi tujuan memahami secara menyeluruh tentang persepsi dan pandangan para peserta daripada sudut perancangan pembangunan tanah, para perancang perlulah membuat kajian lanjut yang melibatkan sampel lebih besar serta meliputi kawasan yang luas perlu diadakan.
TABLE OF CONTENT

<table>
<thead>
<tr>
<th>Section</th>
<th>Page No.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dedication</td>
<td>ii</td>
</tr>
<tr>
<td>Acknowledgements</td>
<td>iii</td>
</tr>
<tr>
<td>Abstract</td>
<td>iv</td>
</tr>
<tr>
<td>Abstrak</td>
<td>vi</td>
</tr>
<tr>
<td>Table of Content</td>
<td>viii</td>
</tr>
<tr>
<td>List of Tables</td>
<td>xv</td>
</tr>
<tr>
<td>List of Figures/Chart</td>
<td>xvi</td>
</tr>
<tr>
<td>Acronyms</td>
<td>xvii</td>
</tr>
</tbody>
</table>

CHAPTER I  LAND DEVELOPMENT

1.1 Introduction                           1  
1.2 Background of the Study               1  
   1.2.1 Issues in NCR Land Development in Sarawak 3  
   1.2.2 Negative Effects of Oil Palm Scheme Development 9  
   1.2.3 Availability of Suitable Land 11  
1.3 Problem Statement                      12  
1.4 Objective of the Study                 13  
1.5 Conceptual Framework of the Study       14  
1.6 Hypothesis                             16  

viii
2.9.1.1 SALCRA’s In-situ Concept of Land Development 43

2.9.2 FELCRA Bhd 44

2.9.2.1 Roles and Objectives of Felcra Bhd. 45

2.10 Participants Benefit From SALCRA and FELCRA Scheme 46

2.10.1 Land Rights and Survey of NCR land 46

2.10.2 Loan for Land Development 47

2.10.3 Dialog and Publicity 48

CHAPTER III METHODOLOGY

3.1 Introduction 50

3.2 Background of the Study Area 51

3.2.1 Kampung Endap 51

3.2.2 Kampung Bunang Gega 52

3.3 Reasons for the Selection 54

3.4 The Research Design 54

3.5 Population and Sample 56

3.5.1 Sampling Technique 57

3.5.1.1 Cluster Sampling 57

3.5.1.2 Sampling Process 57

3.5.1.3 Size of Sample 58
CHAPTER IV FINDINGS AND DISCUSSION

4.1 Introduction 66
4.2 Section A: Finding and Discussion on Selected Socio-Demographic Characteristics 66
   4.2.1 Gender 66
   4.2.2 Age 67
   4.2.3 Main and Secondary Occupation 68
   4.2.4 Household Size 69
   4.2.5 Respondents Education 71
4.4.10 Land Development Scheme Could Be High Risk But I Am Ready To Face it

4.4.11 Merger of Land Into Large Land Bank Could Easily Lead to Community Disunity

4.5 Section D: Finding and Discussion on Suggestions from Participants

4.5.1 To Diversify Scheme Activity

4.5.2 To Improve Current Infrastructure

4.5.3 To Organize More Functions for the Benefit of Participants

4.5.4 Account of The Scheme Should Be Transparent

4.5.5 Employment Opportunity in Scheme

4.5.6 Not Clear About How the System Works

4.5.7 Off-scheme Farming

4.5.8 Lack of Public Transport

4.5.9 Infrastructure

4.5.10 Unhappy With Wage and Dividend Rate

4.5.11 Attitudes of Scheme Participants

4.5.12 Perception towards Staff of the Scheme

4.5.13 Perception towards Scheme Development
CHAPTER V SUMMARY, RECOMMENDATION AND CONCLUSION

5.1 SUMMARY

5.2 CONCLUSION

5.3 RECOMMENDATION

Bibliography

APPENDIX 2.1 Joint Venture Model for land Development
APPENDIX 3.1 Map Showing location of Kampung Endap
APPENDIX 3.2 Map Showing location of Kampung Bunan Gega
APPENDIX 3.3 Mile Stone Chart
APPENDIX 3.4 Questionnaire
LIST OF TABLES

Table 2.1 Oil Palm Plantations Area with Tree Older than 4 Years
Table 4.1 Distribution of Participants by Sex
Table 4.2 Distribution of Participants by Age
Table 4.3 Distribution of Participants by Occupation
Table 4.4 Distribution of Participants by Household Size and Village
Table 4.5 Distribution of Respondents Education
Table 4.6 Distribution of Respondents by Land Size Owned
Table 4.7 Distribution of Respondents by Dividend Received
Table 4.8 Distribution of Respondents by their Perception of Land Development Scheme
Table 4.9 Attitude of the Respondents
Table 4.10 General Perception over Selected Issues
Table 4.11 Suggestions from Participants
LIST OF FIGURES/ CHART

Figure 2.1  A conceptual schema of variables and relationships that describe the participants’ perception

Chart 4.1  Dividends received by scheme participants
ACRONYMS

NEP - New Economic Policy

IADP - Integrated Agriculture Development Program

FAMA - Federal Agriculture Marketing Authority

FELCRA - Federal Land Consolidation and Rehabilitation Authority

BPM - Bank Pertanian Malaysia

FELDA - Federal Land Development Authority

SLDB - Sarawak Land Development Board

SALCRA - Sarawak Land Consolidation And Rehabilitation Authority

LCDA - Land Custody And Development Authority

NCR – Native Customary Rights
CHAPTER I

LAND DEVELOPMENT

1.1 Introduction

This chapter provides a general overview of Native Customary Right (NCR\(^1\)) Land development program in the state of Sarawak in an effort to eradicate poverty. It highlights the rationale, policies and objectives of the land development concept as a strategy to accelerate the pace of rural development. Some general problems encountered in implementing NCR land development policy are mentioned and how they pause as threat or incriminate to land owners. Problem statement, purpose, objectives, the scopes and limitations of the study are outlined in this chapter.

1.2 Background of the Study

Land development programme is considered as one of the most important development strategies in enhancing and promoting rural development in Malaysia. It is recognised as an effective strategy to address the income issue of the rural community, providing employment opportunities and alleviating poverty. Land development programme is also acknowledged as a robust tool in driving the modernization of the rural sector. It is also seen as capable in

\(^1\) NCR refers to process of acquisition of land tenure that establishes the Native Customary Land (NCL). Refer definition of terms in part 1.4
harnessing the capacity of the various social institutional supports, thereby facilitates the creation of an environment that is receptive and conducive to diffusion of innovative changes (Dandot, 1990, p. 141). This is particularly seen as practical to the indigenous communities who own vast areas of NCR land in Sarawak.

Milne et al. (1974) suggests that the prospect of increased development has been seen as one of the attraction which helped to persuade Sarawak to join Malaya Federation. Incorporation of Sarawak into the national development plan involved the establishment of development agencies at the state level to tie in with the development machinery at the federal level. In Malaysia, eradicating poverty is the first prong of New Economic Policy (NEP) in the nation since 1970 (Malaysia, 1988). In respond to this, the government of Sarawak has adopted the land development program model similar to those in the Peninsula. It is considered that what is appropriate in Peninsular Malaysia could presumably be relevant to the social and economic needs in East Malaysia (King, 1988, p. 264). Under this setting, federal assistance is sought for particular programs, such as the subsidy schemes offered by Integrated Agriculture Development Program (IADP). This agency coordinates agriculture projects which involved drainage and irrigation, flood control, plantations, aquaculture projects and provision of physical infrastructural facilities. Normally, IADP is established at a strategic area to integrate various development activities and involving several agencies, aimed at improving the living standard of the people living within the area. It is common to find land development agencies such as Federal Agriculture Marketing Authority (FAMA) to promote and market agriculture products; Federal Land Consolidation and Rehabilitation Authority (FELCRA), all set up to promote a
dynamic and profitable rural sector through profitable ventures and extension of social obligation programmes. The Bank Pertanian Malaysia (BPM) as financial agency plays the role to organize, supervise and coordinate credit facilities for agriculture activities. Establishment of Federal Land Development Authority (FELDA) which involved the physical transfer of participants to a new agriculture settlements with adequate facilities and services. The management provides supervision at all stages, from land clearing to the marketing of the final product (Husain, 1996). These agencies were established in the state to undertake activities connected to agriculture since agriculture is included in the concurrent list.

1.2.1 Issues in NCR Land Development in Sarawak

The emergence of the modern commercial plantation is a more recent development but is actively being encouraged and promoted by the State Government of Sarawak (Dandot, 1992). Phang (1995) agreed to the view and pointed out that greater efforts are currently being directed towards the development of integrated agriculture projects, which incorporate not only the cultivation but also the processing of agriculture commodities such as oil palm, cocoa, pepper, rubber and sago, thus increasing value added. In addition, this will bring infrastructure and socio-economic improvements to the rural areas, which have remained underdeveloped largely due to the logistical problems caused by very scattered populations.

The potential for growth in commercial investment in agriculture is immense in Sarawak. A special report published in Rakan Sarawak (1995) reiterated that land available for commercial
agriculture in Sarawak is estimated at 2.4 million hectares under state land plus 1.5 million hectares under NCR land. In addition to the vast land available in Sarawak, it has ideal climatic conditions for plantation agriculture although swamps land may be a limiting factor for some lowland areas.

According to Khor (1983), the emergence of plantation development in Sarawak is relatively new as compare to Peninsula Malaysia. Large scale plantation started to gain attention only in the 1970s, whereas Peninsula Malaysia had started in as early as mid-nineteenth century, beginning with Gambier Estate Syndicate. Dandot (1987) echoed Khor’s view and mentioned that it was then the mission of the State Government towards raising the living standard of the rural community, providing employment opportunities, and as a means to alleviate rural poverty. However, local incidences have shown that the programme has faced some resistance from indigenous community in Sarawak. One good example is on the 17 September 1997, where Iban community from Rumah Busang and Rumah Bali, Niah confronted against the Sarawak Oil Palm Company (SOP) protesting that the company intruded into their NCR land. The case was dragged to Native Court at Niah on 17 June 1998 (IDEAL, 1999).

In the 1980s, efforts to promote the benefits of large-scale agro-based developments were exaggerated. Political leaders and government planners made “imperative” and “popular” calls for an enthusiastic effort to implement large-scale land development in Sarawak. As a result of these, vibrant land development activities were practiced not only by Government agencies but also by the private sectors (Dandot, 1987).
There were three government agencies involved directly in the state, namely Sarawak Land Development Board (SLDB), Sarawak Land Consolidation and Rehabilitation Authority (SALCRA) and Land Custody and Development Authority (LCDA). Several pioneer plantation companies from Peninsula Malaysia recorded were Golden Hope, Tradewind and Perlis Plantation Berhad cultivating commodity crops especially oil palm and cocoa. Until March 2001 as recorded in the official website of Ministry of Rural Land Development (MRLD) under “The New Concept of NCR Land Development programme” (See Chapter 2.8.3), a total of 959,662.46 hectares of land have been developed. These lands are located in rural areas within vicinities of most villages inhabited by indigenous community.

In an effort to upgrade the quality of life, and complement the cultural value of these lands with economic value, the state government has been trying to help the landowners to use their lands in manner more profitable without depriving them of their precious land. The new programme is a joint venture concept where the individual’s lands were transferred in to a land bank to represent their equity in joint venture company (JVC) which acts as the major investor to develop the land in large scale.

On the other hand, MRLD being the agency responsible for the overall implementation empowered by the government would have to coordinate this joint venture (JV) project and safeguard the interests of both the investors and landowners. Phang, (1995) stated that the JV Board comprises of private sector investors and public sector agencies such as SLDB, LCDA, SALCRA, FELCRA etc who act as trustees representing land owners interest in the JV.