

ROLE OF STRUCTURAL FACTOR IN FELDA DEVELOPMENTAL MODEL

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Abstract

Land is the most important asset in the socio-economic development of a country. Failure in managing land affairs can be invoked to the risk of instability and able to withstand the progress that can actually benefit the people. Malaysia is an example of a successful country in optimizing the use of land through the establishment of the Federal Land Development Authority (FELDA). FELDA has now evolved as one of the statutory bodies which is able to generate its own income through the generation of various branches of economic activity, especially through the organization of structured programs and developing the potential of existing human capital. This article discusses the role of Structural Factor which is applicable in Fellda. This study employs a purposive sampling method and multi-stages analysis comprising of FELDA settlers from two states, namely Pahang and Johor. A total of 1,501 respondents were participated in this quantitative study. This article discusses the dimensions of satisfaction level on basic facilities and social development in FELDA Land Plans. The findings found that the level of satisfaction for these two items are over 70 percent.

Keywords--Basic Facility; Social Development; FELDA

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INTRODUCTION

History stated that the process of shifting the power of government from the British colonization to the local government has completed efficiently. The smooth transition was embraced by a systematic national development framework through the First Malaya Development Plan (RM1) in 1956-1960. In this RM1, the government's policy focused on the planning of rural development. The objective of rural development which was recorded in this RM1 was to raise the living standard among the rural communities, to provide and to improve the basic facilities, to diversify agricultural products as well as to reduce economic differences between the communities (Hairol Anuar 2010). Hence, in realizing this objective, the government has established the Federal Land Development Authority (FELDA) which aims to aspire the implementation of RM1 by focusing on key economic sectors through rubber replanting, opening new land areas for agriculture, diversifying agricultural outputs as well as promoting enterprise development and recognizing the establishment of appropriate policies for land usage.

The role of FELDA in economic development of the FELDA community is one of the best examples. Following the end of the emergency in 1960, the government has launched the Rural Development Plan through the Red Book led by Tun Abdul Razak Datuk Hussein when he was the Minister of Rural Development and was actively help the FELDA communities. Starting from that moment, FELDA has developed the land massively and placed the people in new areas. The purpose of the government in developing the land in accordance with the Land Acquisition (Group Placement Area) Act 1960 is to ensure that the economic returns will be enjoyed by the settlers through the services provided by FELDA. Thus it will be more secure in benefitting the residents or landowners in the area.

The management system, agricultural services, infrastructures, public utilities and social institutions provided by FELDA can improve the quality of life of the settlers.

LITERATURE REVIEW

Federal Land Development Board (FELDA)

The Federal Land Development Authority or FELDA was established in 1 July 1956 under the Land Development Ordinance 1956.

The roles of FELDA, which is provided under the Act (Amendment 1991) of FELDA, are as follows: (i) To conduct and implement the land development projects, (ii) To develop, facilitate and implement the economic, social, agricultural, placement, industrial and commercial development, management services as well as other related activities in the areas where FELDA is authorized to undertake the land development projects or in the areas owned by FELDA and its companies, (iii) To carry out activities that can help in modernizing the agricultural sector in the areas where FELDA is authorized to manage the land, especially in the activities related to the production, processing and marketing of agricultural and livestock products and (iv) To assist, guide, advise, manage and coordinate the social, settlement, agriculture, industrial and commercial activities within the FELDA areas. The aspiration for the existence of FELDA is to design, generate and implement the land development plans through oil palm and rubber plantation projects in the rural areas. At the same time, the existence of FELDA is also responsible to play a proactive role particularly in various poverty eradication programs. FELDA also has been successfully encouraged the community involvement in various types of agricultural, industrial and commercialization of local products.

In the early stages of its establishment, FELDA, with the help of state governments has adopted a new policy for recruitment of the new settlers to open their new planting sites, but such programs have been stopped in 1990. Currently, FELDA has a strong structure and is capable in generating its own income through its role in various branches of business. As such, since 1994, the government has acted with no longer distributing the financial allocation to FELDA and this means, FELDA must be independent. FELDA is now evolving as one of the statutory bodies that are capable of generating their own income. FELDA's transformation is to realize the intention of making FELDA as an 'Economic Powerhouse' in generating various economic activities, especially through the arrangement of structured programs and opting for the existing human capital. With its strong financial sources, FELDA has also expanded its potential through the encouragement of entrepreneurship development programs.

STRUCTURAL FACTORS IN FELDA DEVELOPMENT MODEL

The literature review finds that the social mobility develops based on three basic factors; namely (i) human capital, (ii) social capital, and (iii) structural factors. Economically, human capital refers to the important and prominent of personal resources such as skills, specialized knowledge in the field of employment, public education and so forth. The concept of human capital development is part of the concept of human development (Nor Hayati, 2010). Human development, which is pioneered by MahbubulHaq (1995), is a human-centred development, in which human beings are the agents of development as well as the humans themselves as the ultimate goal of development.

Meanwhile, social capital is a broad theme and includes norms and networks in facilitating joint action for mutual benefit. It refers to the nature or characteristics of social organizations such as beliefs, rules or norms and networks that help to improve the efficiency of society by facilitating the coordination and actions for mutual benefit. According to Putnam (1993), social capital is as a set of 'horizontal associations' among the societies that involving social networking and their relationship to the norms which affect the income of the community. Social capital is the network of mutual relationships (Siisiainen, 2000) and forms as an institution, relationships and norms that shape the quality and quantity of social interactions in a society. According to Fukuyama (2002), social capital is a set of informal values or norms shared among the members of a community that allows for the co-operation between them. This is equivalent to the opinion that social capital is the ability of a community to work together to achieve common goals in various groups and organizations (Coleman, 1988). It is stated that social capital is a set of informal values or norms such as mutual trust, mutual understanding, social network and social relations as well as common values and behaviours shared among each member of a community that enables the establishment of cooperation between them and achieve their common goals.

Uphoff (1986) suggested that the importance and contribution of social capital in mobilizing the ability of the rural communities and organizing themselves to develop the community effectively and efficiently. For example, social capital can mobilize the rural communities to work together and engage in decision-making processes, especially in planning and evaluating a development project. It is also capable of mobilizing existing resources and managing them efficiently. Besides, it has acted as a liaison between residents and facilitates all activities carried out and thus helps to resolve the conflict. In short, in the context of rural development, social capital is essential in assisting the rural communities in terms of managing their risks and increasing their resilience against any threats and uncertainties; helping them to build infrastructure and expanding access to limited resources; and increase their participation as important to the effectiveness of a development project.

This study emphasizes on the structural factors, where this factors refer to macro structure analysis based on the socio-economic environment and state political administration surrounding a community. According to Giddens (1984), structural theory is an attempt to harmonize the division of social theories such as agency/structure, subjective/objective and micro/macro perspective. Through this approach, the agency is human action and the structure is the rule and the sources. Rules are the forms that followed by the human beings in the social life.

As such, this study focusses on the role of Structural Factor in FELDA in two dimensions; namely level of satisfaction on the basic facilities and social development provided in FELDA. The study is significant to the structural factors in the study of Transformation of the Countries: The FELDA Development Model (Settler Generation Case) which aims to assess the level of satisfaction among the respondents who are sustainable with the social structural factors that makes the social action becomes reasonable, and at the same time, the social action makes it highly structured and organized. By referring to the origin of the FELDA establishment that is based on the vision and objective of the establishment alone will not successful if it is not supported by other factors as well. Hence, in the aspiration in transforming the country through the FELDA model can be analysed through the three stated factors which contributed to FELDA's overall social mobility.

METHODOLOGY

The FELDA settlers' community refers to those entrusted by the government in a designated land area as the beneficial owner of the land property. The definition of settlers includes wives and children if the original settlers passed away. This study employs a set of questionnaires which is collected through a survey in 2015 on a total of 1,501 FELDA settlers in Malaysia. The study only selected two states, namely Pahang (53%) and Johor (47%) to represent all FELDA settlers in Malaysia. Pahang is represented by Jengka (31.9%) and Kuantan (21.2%), while Johor is represented by Johor Bahru (32.2%) and Segamat (14.5%). FELDA land in Pahang covers Bukit Goh (7.2%), LeparHilir 2 (9.1%), PanchingTimur (9.4%), Jengka 2 (7.5%), Jengka 15 (9.7%) and Jengka 19 (10.3%). Meanwhile, Johor consists of FELDA LokHeng Barat (8.9%), East Aping (11.3%), Pasak (6.3%), UluPengeli (5.4%), Bukit Tongkat (5.4%) and UluBelitong (9.5%).

The questionnaire consists of eight parts from Part A to H, which includes the questions on Profile, Social Mobility Index, Social Capital Index, Human Capital and Culture, Role of Structural Factor, Asset Ownership as well as General and Second Generations. All questionnaire forms require approval from the respondents by using the Likert scale. There are seven items pertaining the role of structural factors, namely, basic facilities, community development, FELDA programs, Small and Medium Enterprise (SME) entrepreneurs, SMEs for export market purposes, product exports and challenges to become a successful entrepreneur. However, in this study, the scope of the discussion is limited to the dimensions of level of satisfaction on the basic facilities and social development, provided in FELDA Land Plans. The details on the basic facilities are more direct to the questions of satisfaction level or otherwise without the breakdown of more detailed items, while the social development is comprised of religious and spiritual programs, education and school excellence programs, women development programs and youth development programs.

FINDINGS

There are 1501 participants responded to the questionnaire in this research. The demographic information of the respondents is presented in Table 1. The distribution of respondents by gender indicates that women are more likely than male which is

55.9%. On average, the largest age group distribution was 44.4% among the respondents aged 61 to 70 years old, 36.6% aged between 51 to 60 years and 10.8% aged 71 years and above. While 1.7% of respondents are aged from 31 to 40 years old and 1.1% of respondents aged 30 years and below. Respondents came from most states in Malaysia and the largest states that contributed the respondents were from Johor (45%) and Pahang (17%). Most of the respondents joined the FELDA plan land since the year 1977 to 1986, which was 51% and the year 1967 to 1976 by 31%. However, the FELDA entry year starts from 1957 to 2007 and above. A total of 80.3% of the respondents were married and the divorce rate was 13%, while widows or widowers were 6% and 1%. A total of 68.6% of respondents already owned the FELDA land grant. Respondents among the Malays recorded the highest percentage of 99.7% followed by the Chinese (0.2%) and the Indians (0.1%).

Table 1. Demographic Information of Sample (n=1501)

Item	Percentage (%)
Gender	
Male	44.1
Female	55.9
Age	
30 years old and below	1.1
31 - 40 years old	1.7
41 - 50 years old	5.4
51 - 60 years old	36.6
61 - 70 years old	44.4
71 years old and above	10.8
Year of Join FELDA	
1957 - 1966	1.0
1967 - 1976	31.2
1977 - 1986	51.4
1987 - 1996	15.8
1997 - 2006	0.4
2007 till now	0.1
Marriage status	
Single	0.9
Married	80.3
Widow/Widower	6.1
Divorced	12.7
Ethnic	
Malay	99.7
Chinese	0.2
Indian	0.1
FELDA land grant ownership	
Owned the grant	68.6
Not yet own the grant	31.4

LEVEL OF SATISFACTION ON BASIC FACILITIES

The findings indicate that 90% of the respondents showed good satisfaction level on the basic facilities provided in the FELDA land plan, as shown in TABLE 2. This satisfaction is sustainable with FELDA's development plans that have been equipped with the basic amenities and include roads which give connections, electricity, water supply and other public facilities.

Table 2. Level of Satisfaction on Basic Facilities

Level of Satisfaction	Percentage (%)
Yes	89.9
No	10.1
Total	100

Most of these systematic development involves the financial aids of Central Government Agencies such as Public Works Department, Ministry of Education, Ministry of Health and so forth. The basic facilities such as the access roads, village roads,

water and electricity supplies in remote areas are always maintained and improved consistently. The structural factors have contributed to the provision of basic facilities in Felda land plans by the federal government and the development of these infrastructures is not limited through FELDA's allocation of RM48 million annually, despite FELDA Land is very wide and comprehensive throughout the country.

LEVEL OF SATISFACTION ON COMMUNITY DEVELOPMENT PROGRAM

TABLE 3 shows the percentage of respondents towards the level of satisfaction level on community development programs. The findings of the average distribution surveyed of the 1,501 respondents showed good satisfaction level on the social development in FELDA's land. The highest percentage of the items was the religious and spiritual programs which is 83%, followed by 83% for the education and school excellence programs, and 79% for women development programs. The youth development program is the lowest item which is only 62%.

Table 3. Level of Satisfaction on Community Development Program

Social Development	Not Satisfactory	Moderately Satisfactory	Satisfactory
Religious and spiritual programs	1.5	15.7	82.8
Education and school excellence programs	1.0	16.5	82.5
Women development program	1.8	18.9	79.4
Youth development program	12.1	26.3	61.6

Based on the census of settlers made by FELDA, there was a total of 59,830 or 58% of the settlers was aged over 50 years old. The settlers aged 40 years old and below are less than 6,500 or 5% only. This trend is clearly shows that a large number of settlers are old and lack of youth development programs resulting in youths to not involve in any future FELDA Land Plans. Hence, the proactive action must be taken to attract the youths and sustain FELDA in the future. The relevance of the structural factors in this study, which is consistent with the level of satisfaction on the social development program, is in line with Giddens (1984) who refers to a 'dual structure' concept of social structure that makes social action reasonable, and at the same time, the social action makes it very structured and organized. As Nor Hayati (2010) emphasizes that all social actions involve structure and all structures involve social action. Thus, each programs is designed to complement the social development of the target groups.

CONCLUSION

Land is the most important asset in the development of a country. Failure to manage the land affairs can lead to the risk of political, economic, social and political instability as well as being able to withstand progress that can actually benefit the society. Malaysia, for instance, is a successful country in managing the usage of land through the establishment of the Federal Land Development Authority (FELDA). As early as the development plan started in 1957, FELDA has now evolved as one of the statutory body entities which is capable in generating its own income. The transformation of FELDA is now to realize the objective to make FELDA anan 'Economic Powerhouse' in generating various economic activities, especially through the implementation of structured programs and potential of existing

human capital. This study discusses the role of Structural Factor in two dimensions; namely, (i) The level of satisfaction on the basic facilities provided in FELDA Land Plans and, (ii) The level of Satisfaction on Social Development.

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