

# SALCRA: ITS CONTRIBUTIONS TO THE SOCIO-ECONOMIC DEVELOPMENT OF SARAWAK RURAL AREAS

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## ABSTRACT

*Sarawak Land Consolidation and Rehabilitation Authority (SALCRA) is currently managing 19 oil palm estates for participants and five oil palm mills. These oil palm plantations and oil mills employ thousands of workers both professional and handymen/women. Our findings indicate that the oil palm industry has enhanced people's economic well-being and has ensured that unutilised land is economically viable as a result of oil palm cultivation. At the same time, it is logical to argue that the oil palm plantations and oil mills have economically empowered many communities that are housing them directly and indirectly. Data from the field indicates that people around oil palm fields and those involved in the cultivation process show pictures of benevolent plants. Working within the premises of the Sarawak state government, SALCRA works to create a well-balanced urban and rural development based on a holistic development benefit for the people of Sarawak, regardless of their place of residence and work. The oil palm has different meanings depending on the informants involved. Furthermore, the SALCRA management team has continued to promote and implement a systematic development plan for Native Customary Rights land (NCR land) on a commercial basis.*

**Keywords:** development, economy, rural communities, SALCRA, social.

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## INTRODUCTION

In 1980, Alex Yui-Huen Kwan wrote;

*In most developing countries, past development efforts appear to have failed to bring about a real development breakthrough (especially in the rural areas) ... the recent spate of the world economic crisis associated with global inflation-cum-recession ... has hit many developing countries very hard, especially those in South Asia. In Malaysia, some even suggested that although money income has gone up, there are disquieting signs that the quality of life is deteriorating and that many people are finding it more and more difficult to satisfy their basic needs.*

Outcomes of socio-economic debates often conclude that the most poverty occurs mostly in rural areas throughout the world. Hence, many government agencies and non-governmental agencies give high priority to rural development. Although the nature of the problem is changing, it will continue to change in the future. The contemporary rural reality challenges our traditional view on how to develop rural areas in a dozen different ways. According to Maxwell *et al.* (2001), there is no shortage of narratives about-or prescriptions for-rural development. Past narratives have included 'Community Development', 'The Green Revolution', and 'Integrated Rural Development'. Current narratives include a new, doubly green revolution, sustainable agriculture, rural livelihoods, and a growth-based, liberalisation-friendly narrative, which might be labelled the Washington Consensus on agriculture and rural development.

Today, Covid-19 and other factors have ensured the above 1980 assumption by Alex Yui-Huen Kwan

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is far from supposition, as many communities still question the role of SALCRA's efforts in rural community development and empowerment in Sarawak. Therefore, this article aims to critically assess and examine the roles and contributions of SALCRA as an institution established to economically empower and develop rural communities in Sarawak.

SALCRA, or the Department of Land Consolidation and Rehabilitation Authority in Sarawak, has been in operation for nearly 45 years since it started operation in 1976. In the early 1970s, SALCRA launched the Sarawak Land Development Commission's first Sarawak Land Development Programme (SLDB) with Skrang and Melugu rubber programs. Both regions are located in the Sri Aman province of Sarawak. Shortly thereafter, similar rubber plantation projects were established in Lambir Miri and later Sibiu. These projects aimed to develop fallow lands while helping to create jobs and enhance the socio-economic well-being of the majority of people in these rural areas. One of the important goals of SALCRA then, and even now, is the restoration of land for agricultural purposes. The agency promotes and implements agricultural development or projects and plans in the State. These include, how to start and carry out projects, and plans to develop and improve agriculture individually or in collaboration with others in areas designated as development areas for agriculture.

With the oil palm plantation, the early activities, and chronology of the SALCRA's oil palm estates, the Lubok Antu oil palm project in Sri Aman was created in 1976 shortly after a test run in the same year. Since then, it has increased to 17 lands, including tea plantations covering more than 51 000 ha of land extending from Lundu to Bau, Serian, Sri Aman, Betong and Saratok. Since then, oil palm has been the most prominent crop favoured for large-scale land development under SALCRA's scheme.

## LITERATURE REVIEW

Fold and Hansen (2006) traced the effects of the expanding oil palm cultivation in Sarawak. This study examines whether the experiences gained from about twenty years of oil palm cultivation and palm oil production on a global scale have been transferred to handle the particular technical, organisational, environmental, political and economic challenges in Sarawak. Similar to the objective of this research, it is to track down the socio-economic and political driving factors and effects of the oil palm expansionary process in Sarawak.

Besides, Rob and Patrick (2012), explored the characteristics of oil palm smallholders in Sarawak and the complex and varied processes by which

they have inserted themselves into the rapidly expanding landscape of large-scale plantation development. Their analysis shows the economic viability of independent oil palm smallholders and identifies appropriate means of support that could raise incomes and spread benefits more widely. Extensive landholdings derived from the traditional practice of shifting cultivation, continuing low population density, and the rapid growth of non-farm employment in the Malaysian economy have all combined to produce relatively land-abundant village agriculture. This is notwithstanding the ongoing internal land grab, as well as diversified livelihood portfolios in which non-farm sources of income and capital feature prominently. Predominantly, what we engage here is probably by looking at the situated condition played by SALCRA which elevated the life of rural areas population.

Sanggin and Mersat (2013) argued that a better understating of the current situation with the relevant authority will be able to solve some of the critical problems it is now facing. These writers noted that such an understanding will be useful to plan appropriate strategies for the successful project implementation of the existing ones and any other future project which involves the local community's participation. The authors further implied that there had been some significant changes in the lifestyle and quality of life of the Iban as well as the Bidayuh after the implementation of the oil palm plantation by SALCRA.

Sanggin and Mersat (2013) maintained, despite the decrease in the number of local people working in the oil palm scheme, SALCRA had brought some positive impacts to the Iban and Bidayuh indigenous communities in the form of infrastructural facilities, such as roads, water supply, electricity, clinics and so on, which make the overall quality of life of the local people generally better. Yet, it is vital to probe how far these positive impacts are taken or understood after several generations of SALCRA's participants in oil palm plantations.

## METHODOLOGY

Immerse contribution and success of SALCRA have been widely discussed and witnessed by Sarawakians in general. Many authors have written good articles displaying how SALCRA has been transforming the livelihood and socio-economic of the participants and non-participants in general. Many even conducted thorough research, including gradual field works, interviews and a survey which consolidated both qualitative and quantitative modes of their research. As for this article, the qualitative method was used extensively. The conviction in the qualitative approach stems from the assertions of quality and verifiable data associated with this type

of method. Furthermore, the qualitative method prefers to collect data in natural settings as opposed to artificial and constructed contexts. Hence, the researchers obtained the data for this article mainly through empirical observation and in-depth interviews by extensively utilising unstructured open-ended questions.

Our mission was to make sure that our presentation and description of the establishment were as exact as possible. One that is verifiable in both explanatory and exploratory contexts. With this in mind, the researchers carefully selected participants or informants for this project. First, we made certain that our sampling matched the population it was intended to represent. To accomplish the aforementioned goals, the population obtains an unbiased sampling frame and selects a sample using purposive sampling techniques. The important thing to remember is that the characteristics of the majority of selected samples are similar to the totality of the research population.

The qualitative methods and the sampling technique used were to gain an empirical understanding of the underlying reasons, opinions, and motivations concerning SALCRA's rural development activities in Sarawak. In essence, the methods provided insights into the problem or fundamental issues within the study areas and SALCRA as a catalyst for rural development. Qualitative methods in the study were used to uncover trends in thought and opinions and dive deeper into the problem. To achieve this, a specific target group was concretised from the research proposal. Accordingly, the characteristics of the target group or the research population are designated as follows; people well versed in the activities of SALCRA, community members in Sarawak that housed SALCRA's project, people that are 19 years and above, participants in SALCRA oil plantations and more importantly knowledgeable individuals with accurate data on communal participation in bottom-up development.

As a result, the key informants were chosen because they are directly involved with SALCRA oil palm plantations. Direct involvement mainly refers to community members that participate in the SALCRA schemes. While indirect involvement refers to those who do not participate in SALCRA schemes. However, they are touched by SALCRA activities in some ways. For instance, some of them utilised infrastructures built by SALCRA and a number of them have either children or siblings gainfully employed by the organisation (SALCRA). Interview sessions were one-on-one. They were interviewed about the situation in their areas before and after SALCRA was established. The interviews were vital as it was the obvious way to listen to their stories on how they perceived SALCRA's

roles in their communities. The stories provide lives legibility when shaped as narratives. The importance of fieldwork has been highlighted in three areas:

1. What does SALCRA do as an organisation from the community perspective?
2. How does the community perceive SALCRA?
3. Why is SALCRA so prevalent in rural communities?

These questions will never be prudently answered unless an empirical process is charted. Thus, the researchers employed qualitative methods to document narratives and accounts that could not or would not be presented with a questionnaire. This is obvious as numerous key players within the oil palm industry in Sarawak are assorted and scattered inside and exterior of the state. Making it close conceivable to be arbitrarily chosen.

Our first objective was to gather essential data and look at what are the commitments of the institution, SALCRA to Sarawak's provincial change, particularly to the people's common well-being. The essential information drops into two categories. To begin with, our in-depth interviews and our empirical perception. On numerous occasions, 'being there is everything'. By being there, we watched and accumulate rich precision data. In this way, we specifically connected with individuals, their inclusion, values, convictions, and feelings concerning the exercises of SALCRA in their communities. The perception manoeuvres our understanding of exercises built by SALCRA and others that happens as well impacts of ventures.

In addition, secondary data were employed. The secondary data from different sources made it conceivable to analyse the past rustic advancement approaches and assess them in connection to the rise and advancement of SALCRA. The secondary data incorporates data from the SALCRA Headquarter, together with the data we gathered from the SALCRA districts offices such as the Serian and the Saratok. The data collection involved numerous stakeholders which we categorised as follows:

- Group 1 - Top Management of SALCRA (1 informant chosen)
- Group 2 - SALCRA Land Development Committee Members (AJPLS) (6 informants chosen)
- Group 3 - SALCRA Pioneer Staff (3 informants chosen)
- Group 4 - Community members Participants (16 informants chosen) and non-Participants

(11 informants chosen)

Though, initially, no sample size was pre-determined. The initial goal was to collect as much

quality data as possible. The researchers decided that the saturation point determines the actual sample size. Appropriate respondents are those who meet all the criteria identified in the research informants criteria. In sum, 37 respondents or informants were interviewed for this article. This is beside members of the focus groups in Saratok and Mongkos.

Data for this article were obtained from two out of the four regions in which SALCRA oil palm estates are currently located. These are Serian Region and Saratok - Saribas Region. Data were gathered from respondents in the following areas Mongkos and Bugu in the Serian region and Saratok and Lubok Antu in Saratok - Saribas Region. The choice of these four areas was based on the detailed and quality data gathered from them. Also, the operational period of SALCRA activities in these four selected areas was considered. More importantly, researchers were able to carry out focus group interviews in Saratok and Mongkos during the data collection. The data from these four kampongs/areas are precise and verifiable.

## RESULTS AND DISCUSSION

Data from the field, speak volumes of SALCRA development activities in Sarawak rural communities. SALCRA's development drive in Sarawak is designed in various stages and through several paths. Communities' benefit varies, the same as individual opinions. While many acknowledged the great contribution of SALCRA towards their community development, few have a negative overview. This is to be expected, views and perceptions differ, depending on individual or group understanding of what is needed or desired by specific groups.

Based on the data, most informants, especially the first generation that offered their lands to be developed by SALCRA, are full of praise for the work the agency has done in their communities. For instance, one informant from a village in Lundu which is a town, in a district located in the northwest of the Kuching Division of Sarawak; *"Before SALCRA started the oil palm in our land, it took two to three days to reach the major cities or even Kuching. There was no road, no car and we merely depended on long tracking and boat to move about"*.

One Ketua kampung opines, *"What is the use of having land and you don't have the resources to put in it into use ... are you going to eat the forest?"*

Data from this group of first-generation participants in the SALCRA project, are very revealing and tell of the joyous relationship between the agency and the community members. According to this group, the initial encounter with SALCRA officials in the 1970s was apprehensive, because the agency's proposal was too good to be

true. They argued, *"Their experience with government officials then were not characterised by civil, respect and understanding"*.

From their explanation, an early encounter with the State's agencies and officials was very bureaucratic, devoid of respect, and had a top-down approach. They maintained SALCRA officials were 'human like us'. The data shows there was mutual respect and community engagement was a major tool in building rapport and trust between SALCRA and the community members. One respondent from Bau, a gold mining town and a district in the Kuching Division of Sarawak, said;

*"...When SALCRA officials visited our Kampung, they were very open, and they explained everything in the language we understood, that is why we believed and trusted them. They did not fail us, today I am proud to be among the first people in our kampung to have joined their project...but there are still many people in my kampung who don't then...now they are full of regret"*.

These groups that supported the activities and projects of SALCRA had listed the following benefits they derive from the agency. These include:

- i. Issuance of land titles;
- ii. Payment of dividend;
- iii. Opportunities for employment;
- iv. Entrepreneurship;
- v. Provision of infrastructures; and
- vi. Locals' involvement in management.

About 95 percent of our informants (this includes members of our focus groups) that are participants in SALCRA project, strongly acknowledged these benefits. However, not all agreed on the degree of the benefits. For instance, some argued the 'issuance of land titles' is very slow and only benefits a few. Others took issue with the payment of dividends. Some argued it is not standardised and in some years, lesser amounts are paid. Indeed, the majority of non-participants in the SALCRA's project cling to these factors and drive home their point that the agency only benefits the state and not the community. It is hard to write off their argument, yet as a researcher, it is vital to critically analyse the data objectively devoid of emotion or sentiment. Thus, our data noted that the issuance of land titles is slow and sometimes it benefits recent applications as against earlier ones. Of course, to get to the root of the matter, we interviewed SALCRA staff. They did not in any way deny it, but explained to our research team;

*"...We treat every application the same, professionally, urgently, and diligently. Unfortunately, the final decision is not by us and that decision is with Sarawak Land Survey, we cannot push them to move fast, nor can we decide*

*for them whom is entitled or not. But we always do our very best for all our project participants”.*

On the dividends, the SALCRA officials explained the decision to pay high or low dividends purely depends on the international market, production level, labour and other unknown circumstances. But *“we always ensure participants received their dividends twice a year”.*

Most of our respondents or informants acknowledged this fact. According to some, the month of June and February yearly is celebrated as the months of *‘Bonus’*. *‘We usually make our economic plans around these two months’*. Several respondents maintained these financial gains go a long way toward solving lots of family problems, such as children’s bills, clearing lands for farming, or building new houses. It is equally important to understand, the amount received from SALCRA by an individual landowner depends on how many hectares the agency is cultivating. What is more, these lands are solely owned by the participants. As one SALCRA official stated:

*“The approach adopted by SALCRA in its land development programme is on in-situ type of development, i.e., bringing projects to where there are already people instead of bringing people to project. Land development under SALCRA’s concept makes use of the existing unutilised or underutilised lands for the benefit of landowners or claimants without jeopardising their rights of ownership or claim to such land. Implementation of projects is modelled in such a way that SALCRA will provide the funds, expertise, and management, while the landowners or participants are to provide land and labour”.*

Additionally, the data from the field showed, SALCRA’s involvement with the rural communities ushered in other forms of development. These include infrastructures, clean water, rural electrification, jobs, investments, scholarships, *etc.* These developments our informants claimed; *‘they wouldn’t be possible if SALCRA did not step into their lands and communities’*. We equally observed that in some of the villages, community members have taken advantage of SALCRA plantations to open sundry shops to cater to the agency’s workers. The data also indicated that some community members are often contracted by SALCRA to offer certain works in the plantations and estates.

Interestingly from all the interviews conducted throughout the fieldwork, researchers were able to identify three obvious groups. These groups were never mentioned in any other research or writings on SALCRA. These are the first-generation, second-generation, and third-generation. Indeed, most first-generation are comfortable saying; *‘SALCRA means to our people and communities in Sarawak as light*

*and hopes because - ‘Promise made; the promise fulfilled’*. The second and third generations have slightly different opinions. This is understandable as these two generations failed to acknowledge the history of Sarawak in making their conclusions.

According to Boyfield (2015), Sarawak experienced political instability during the first decade of joining the Federation of Malaysia. The old way of life adhered to by the nomads of the deep forest became increasingly unstable. The introduction of modern medicine has exacerbated the problem as humans have been able to survive previously deadly diseases such as cholera and diphtheria. A rapidly growing population is struggling to find work. Many were unable to do this and as a result, fell into extreme poverty. Being said this, from the interviews, similar stories and confessions of the hardship were uttered emotionally. This was seen especially most from the first-generation respondents and getting lesser and lesser similar views shared with the second and third generations. We now understand how a corporation named SALCRA has changed their well-being drastically. Sarawak has been ambitious in investing in the plantation economy. This created important employment opportunities and improved the standard of living of locals. In addition, large trading companies work with smallholders in product processing and marketing. The Sarawak Government has always emphasised balanced urban and rural development to achieve overall development that benefits both urban and rural populations.

## CONCLUSION

According to one of the earliest SALCRA staff, Maxanthony SALCRA’s main objective was to uplift the socio-economy well-being of the rural communities, and that is the main objective if we go back to history, especially after the formation of Malaysia. One of the main challenges of government at that time, especially among the rural communities was poverty eradication. In rural communities the available asset was land so, it is only natural and logical that rural poverty eradication was land-based. So that is how SALCRA was formed.

The statement above summed up the fundamental goal of SALCRA formation. Data from the field justifies it. Indeed, from the top management to support staff, many identify SALCRA as a big provider for rural socio-economic wellbeing. Sounded big by its sound, the top-down plantation-village type model witnessed how SALCRA was able to transform a traditional sector into joint venture oil palm schemes. This is a huge opportunity not only for the communities in Sarawak but for the image of the State as well. As in Peninsular Malaysia and

Sabah, they are proud of their FELDA, and Sarawak too with their SALCRA. Nevertheless, SALCRA, main objective as a catalyst for addressing the overall well-being of the rural communities is through the development of their lands. Thus, by converting unproductive community lands into productive and far later becoming commercial agricultural land. This comes with accessibility and massive rural development. From the SALCRA perspective, this is an opportunity to eradicate poverty.

One of the government's most effective strategies to date has been a large and systematic land with commercial indigenous customs rights or NCR land implemented by the Sarawak Land Consolidation and Rehabilitation Department (SALCRA). The main purpose of SALCRA is to improve the general well-being of rural communities by developing land for plantation agriculture. Over the last three decades, the success of this programme, which turns fallow indigenous land into productive farmland, has led to greater rural development, poverty eradication, and job creation, which has improved the standard of living of locals in the region. It has helped to make it, improve rural areas. SALCRA was able to achieve such development with rural communities because the agency holds steady to the community participatory approach or the bottom-up approach.

A contrast with certain statements claimed that these rural areas disintegrate when they are incorporated into the market economy and political structure of Sarawak. However, the actual data are completely inconsistent with the above statements as SALCRA as Sarawak's government or agency is gradually integrating local Sarawak into the market economy. In essence, it institutionalised cash crops as a means and process to promote rural economies. As is often said, beauty is in the eyes of the beholder. Oil palm has different meanings depending on the person. Data from people around palm oil fields and cultivation show pictures of benevolent plants. It makes a lot of capital for people and is very efficient at making capital from limited land. The Sarawak Government founded SALCRA in 1976 based on this understanding is to promote the rural development of the community and the economic affluence of the community. This understanding was supported by most respondents over the age of 55 years who were interviewed. This group of informants was the first-generation landowners and participants of the SALCRA project. This group's conclusion is obvious, as the saying goes, 'who feels, knows it'. They experienced political instability during the first decade of joining the Federation of Malaysia, so they are in a better position to make a judicious conclusion.

It can be said pragmatically that the success of the palm oil industry in Sarawak is built on the favourable endowment of natural and human

resources. Without such incentives, the relationship between SALCRA and the community will hardly be sustainable.

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