

Poverty Eradication in Sarawak: Problems and Remedies

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ABSTRACT

The poverty study reported in this paper was based on a socio-economic survey of the poor in selected areas of Sarawak, supported by data from Household Income Surveys (HIS) as well as personal observations and interviews with relevant authorities and personnel. The paper presents the economic situation and the extent of poverty in Sarawak and reaffirms that poverty in the state is caused by a multiplicity of factors, including low productivity, low income occupations, falling prices of agricultural products, low education and skill, rural-urban migration of youths, lack of productive assets and credit facilities, inaccessibility in rural areas, and lack of dynamic grassroot leaderships. The paper then identifies some possible emerging trends in both rural and urban areas, and suggests their policy implications and remedies.

ABSTRAK

Kajian kemiskinan yang dilaporkan dalam kertas ini berasaskan kajiselidik sosio-ekonomi mengenai kedudukan kemiskinan di beberapa kawasan pilihan di Sarawak. Maklumat ini disokong pula oleh data dari Siasatan Pendapatan Isi Rumah (HIS) serta dipastikan melalui wawancara dengan pegawai-pegawai dan orang-orang yang berkaitan. Kertas ini memaparkan keadaan ekonomi dan kemiskinan di Sarawak dan mengesahkan bahawa kemiskinan di negeri ini disebabkan oleh pelbagai faktor, termasuk produktiviti dan pendapatan pekerjaan yang rendah, kejatuhan harga barang-barang pertanian, taraf pendidikan dan kemahiran yang rendah, imigrasi desa-bandar antara remaja, kekurangan aset produktif dan kemudahan pinjaman, kecutangan alat perhubungan dan kemudahan pengangkutan di luar bandar, dan kelemahan kepimpinan yang dinakik di peringkat daerah dan kampung. Seterusnya kertas ini membincangkan beberapa

kemungkinan trend akan datang di luar bandar dan di bandar, dan implikasi dasar serta cara-cara mengatasinya.

INTRODUCTION

Poverty is a complex problem and is a product, in part at least of historical process and policy development. It is multi-dimensional in nature, being an amalgam of economic, social, political, ideological and moral issues. It does not simply describe a socio-economic situation but also implies and requires action to remedy it. Implicit in the development of both the issues and policies on poverty, and the interrelationship between them, however are assumptions about the extent and causes of poverty - both on how poor are the poor and why they become or remain poor.

This paper discusses the extent and causes of poverty in Sarawak, one of the less developed states in Malaysia, and to predict the possible trends in years to come in order to provide the basis for anti-poverty policy. The discussion is mainly based on a micro level study of poverty situation in selected areas of Sarawak, where the incidence of poverty is relatively high. The selection of these study areas was based on the latest available estimate on incidence of poverty and moderate malnutrition in the various districts in the state. The poor areas finally covered are in two urban districts of Kuching and Miri, and ten rural districts of Bau, Serian, Sri Aman, Lubok Antu, Betong, Simunjan, Kapit, Matu/Daru, Marudi and Dalat/Oya. The information was gathered in 1993 through a socio-economic survey and further complemented by personal interviews of key informants (e.g. relevant government officers at the district level, village headmen and other influential individuals). The presentation in this paper covers only some of the results of the study.

The causes of poverty are inherent in the dynamics of social, economic and political forces within the society which structure the production and distribution of resources. Poverty is the unacceptable consequence of these forces (Alcock 1993). If left unattended, the process of poverty is able to create and recreate itself within a vicious circle. The national commitment to policies and strategies for poverty eradication is therefore needed. But it must be emphasized that, at this stage, the results of our observations on

poverty in Sarawak are still tentative. Much remains to be learned about the scale, nature and complexity of the problems to be tackled. Consequently, any suggestions derived in this paper should be open for further discussions; they are likely to be modified with a better understanding of the situation.

THE SARAWAK ECONOMY AND THE EXTENT OF ITS POVERTY PROBLEM

Sarawak's growth record in the past has been fairly satisfactory. The per capita income of the state registered a rising trend, growing at about 5 percent per annum in the 1960s, 4.7 percent in the 1970s and 5.4 percent in the 1980s. In absolute terms, Sarawak's per capita GDP in 1978 prices grew from RM881 in 1970 to RM3,883 in 1990. Nevertheless, unlike the Peninsular Malaysia, the structure of the Sarawak economy has not undergone major changes during the last two decades or so. The primary sector has been and continues to be the mainstay of the economy. The significance of the primary sector in Sarawak can be seen in terms of its contribution to the GDP. The primary sector (agricultural and mining) remained almost stable at around 50 percent of GDP during the 1971-1990 period. However, the contribution of the agricultural sector (including forestry and fishing) to GDP declined from 33 percent in 1971 to 24 percent in 1990. On the other hand, the contribution of the mining sector (principally petroleum and gas) to its GDP increased from 16 percent in 1971 to 27 percent in 1990. The primary sector also plays an important role in providing employment to a high proportion of the labour force in the state, although its share of total employment has been declining from 68.3 percent in 1970 to 47.6 percent in 1990, mainly due to the shift from labor-using agriculture to labour-saving mining activities.

The manufacturing sector is slowly becoming more and more important over the years, especially after 1980. The sector contribution to GDP increased from 9 percent in 1971 to 10 percent in 1980 and 17 percent in 1990, while its share in total employment increased from 5.0 percent to 6.1 percent and 9.1 percent respectively. In terms of job creation, two other sub-sectors, namely construction and distributive services has been registering a higher growth rate and thus accounting for increasing proportion

of total employment in the state. The distributive services sub-sector accounted for 14.3 percent of total employment in 1990 as compared to 5.0 percent in 1971. The share of total employment contributed by the construction sector has increased from 1.5 percent in 1971 to 3.4 percent in 1980 and 9.1 percent in 1990.

Generally, the population of Sarawak is still rural based despite the fact that the state has been undergoing rapid urbanization. According to the 1980 Population Census, out of a total population of 1,236 million in 1980 in Sarawak, about 18 percent were classified as urban as compared to 15.5 percent a decade earlier. However, by 1991, the picture changed dramatically. It was estimated to be around 37 percent (Malaysia 1994). This rapid increase in urban population has been due partly to the change in the classification of areas gazetted as 'urban' in the census and partly due to rural-urban migration.

The economic growth of Sarawak has also been accompanied by the reduction in the incidence of poverty. Based on the official figures, which is calculated based on household income, the proportion of households living in poverty in the state declined from 51.7 percent in 1976 to 31.9 percent in 1984, 24.7 percent in 1987, 21.0 percent in 1989 and 19.1 percent in 1993. As shown in Table 1, in absolute terms, the number of poor households in the state has been reduced from 107,100 in 1976 to 90,100 in 1984, 74,300 in 1987, 70,900 in 1989 and 68,000 in 1993. Correspondingly, the incidence of poverty has been reduced from 60.7 percent to 37.3, 29.0, 24.7 and 23.6 percent. The incidence of urban poverty also shows a declining trend during the 1976-1989 period, i.e. from 16.3 percent in 1976 to 8.2 percent in 1984, 7.5 percent in 1987 and 4.9 percent in 1989. However, in 1993 the incidence increased to 6.0 percent and the number of poor urban households increased to about 5,000 or an increase of about 61 percent from 1989. The increase has been mainly due to inward migration from rural areas (Malaysia 1994).

Compared with twelve other states in Malaysia, the poverty incidence in Sarawak was the third highest in 1976, that is after Kelantan and Kedah. Although Sarawak has improved significantly to seventh position in 1989, the number of poor households in the state as percentage of total households in Malaysia has not changed much. As shown in Table 2, the percentage poor in Sarawak in 1976 was 12.2 percent as compared with 13.9 percent in 1984, 11.4

TABLE 2. Incidence of Poverty in Sarawak by Strata and Ethnic Groups

	Household Income Measure									
	1976		1984		1987		1989		1993	
	No. of Poor Households ('000)	Poverty Incidence (%)	No. of Poor Households ('000)	Poverty Incidence (%)	No. of Poor Households ('000)	Poverty Incidence (%)	No. of Poor Households ('000)	Poverty Incidence (%)	No. of Poor Households ('000)	Poverty Incidence (%)
Overall	107.1	51.7	90.1	31.9	74.3	24.7	70.9	21.0	68.0	19.1
By State:										
Rural	100.7	60.7	85.9	37.3	69.8	29.0	67.8	24.7	63.0	23.6
Urban	6.4	16.3	4.2	8.2	4.5	7.5	3.1	4.9	5.0	6.0
By Ethnic Groups:										
Malay	19.5	48.5	n.a	n.a	n.a	17.1	n.a	16.5	n.a	n.a
Iban	48.5	71.5	n.a	n.a	n.a	46.1	n.a	36.4	n.a	n.a
Bidayuh	12.1	74.9	n.a	n.a	n.a	34.5	n.a	26.1	n.a	n.a
Melanau	7.8	64.1	n.a	n.a	n.a	29.2	n.a	32.9	n.a	n.a
Other Indegenous	4.1	52.4	n.a	n.a	n.a	18.4	n.a	24.8	n.a	n.a
All Bumiputeras	92.0	63.8	82.3	41.6	68.0	33.2	n.a	n.a	n.a	n.a
Chinese	15.0	21.1	7.7	9.3	6.3	6.7	n.a	n.a	n.a	n.a

Sources: Malaysia (1981, 1986, 1991 & 1994).

Note: n.a – not available.

percent in 1987 and 1989, and 13.1 percent in 1989. Taking this important fact together with relatively high incidence of poverty in Sarawak in relation with many other states in Peninsular Malaysia, Sarawak deserves greater attention in the country's effort to alleviate absolute poverty.

The reduction in poverty level in Sarawak during the 1976-1989 period was also accompanied by the narrowing of income inequalities. Based on the Household Income Survey data, the income share of the bottom 40 percent of the households in the state increased from 11.7 percent in 1976 to 12.0 percent in 1984, 13.5 percent in 1987 and 14.4 percent in 1989. On the other hand, the top 20 percent of the households saw their income share declining from 55.2 percent in 1976 to 54.8 percent in 1984, 52.3 percent in 1987 and 51.6 percent in 1989. This healthy progress in the pattern of income distribution in the state is reflected in the declining value of the Gini coefficient of its household income distribution from about 0.498 in 1984 to 0.460 in 1987 and 0.459 in 1989.

While there is improvement in income disparity between income classes, income disparities between rural-urban strata and major ethnic groups remain wide. In 1987, the mean income of the rural households in Sarawak was only 56 percent of the mean income of the urban households. In 1989, the ratio declined further to 54 percent. The Bumiputera mean and median income in 1987 were 54 percent and 50 percent respectively of the mean and median income of the Chinese households. Hence, while the overall distribution of income in Sarawak shows a declining trend, the large disparities between rural and urban as well as between ethnic groups are still in need of serious consideration.

CAUSES OF POVERTY

As noted earlier, Sarawak's poverty is essentially a rural phenomenon. More than 90 percent of the poor in the state are in the rural areas. The UNDP/FAO study (1980) outlined six factors as the major causes of rural poverty in Sarawak. They are (1) increase in population size, (2) progressive depletion in soil fertility, (3) damage to crops due to pests, diseases, birds and animals, (4) damage to crops due to floods and droughts, (5) temporary and permanent absence from farming households of many of the

younger men who gain paid employment elsewhere, and (6) difficulty of travel and transportation over large areas. According to the report these factors contribute to low productivity and hence low income. While all these factors in varying degrees are still applicable for the rural areas of Sarawak, our study finds that there are several other equally, if not more, important contributory factors causing poverty in both rural and urban Sarawak. For analytical convenience and for the purposes of policy-relevance, this study reformulated the causes of poverty under the following sub-headings.

LOW-PRODUCTIVITY AND LOW-INCOME OCCUPATIONS

Poor household heads and working household members on the whole are engaged in low-productivity and low income jobs either in the traditional agricultural activities of the rural areas or as low-skilled factory and construction workers and low-grade government employees in the urban areas. In the rural areas, most poor households are those associated with land-based activity; namely padi-farming and cash-crop smallholding. Among the padi farmers, the most poor are those involved in hill-padi cultivation since its yield is about half of the yield of wet padi farms in the state.

The causes of low productivity in padi farming are manifold. Generally, soil in Sarawak is not very suitable for agriculture. Only about one-third (1,048 million hectares) of the cultivated land in the state is considered suitable for agriculture. Most of this land is intensively used for wet padi, horticulture and perennial cropping. Almost two-thirds of the agricultural land are presently under shifting cultivation in the hilly regions. Soil infertility affects the productivity of all types of cultivation, more so hill-padi farming. Low yield varieties of hill padi, sole reliance on human labour, poor application of fertilizers and pesticides, the shifting nature of cultivation, and the generally poor knowledge of productive farming, all contribute to low farm yield. To make matters worse, some crops like hill padi, fruits and cocoa are very exposed to attacks by pests, birds and wild animals as well as droughts. The inability to control pests is a serious problem in rural areas.

In addition, insufficient labour power, especially young males, makes it difficult for the households to plant padi over vast tracts of land and manage it simultaneously. Thus the size of padi land worked per household tends to be relatively small (about 3 to 5

acres), which again contributes to less padi yield available to the households. In wet padi land areas in the low lying coastal plains and valleys, such as in Matu/Daro, Betong and Simunjan districts, it is found that not only the lands do not form large contiguous blocks but they are also divided into small plots. In the Malay and Melanau padi farming areas, land fragmentation due to subdivision inheritance practices is also a serious phenomenon. The size of cultivated hill-padi land, in fact, has not changed for generations, and in some cases it is lower than found about two generations ago. The fragmented and uneconomic farm holding not only reduces the economies of scale, but also makes mechanization and irrigation to increase yield or productivity difficult. Not only that, in some cases the land areas have been intensively used without much fertilizer.

In some districts, such as Lubok Antu and Serian, where hill-padi farming is the principal economic activity, the rural depopulation problem is acute, mainly due to high rate of outmigration of the young (15 to 20 years old) from these areas. As a substitute, many child workers normally below 12 years old have been found in these districts. For example, in Lubok Antu and Serian they constitute over 60 percent of the farm workers. Among some rural communities, such as the inhabitants of long houses along Belawai River in the district of Kapit, not only is the padi yield low, the inhabitants also cannot rely on the river for fish supply because of the excessive use of tuba. In some other areas, like in the wet padi districts of Matu/Daro and Betong, population pressure is significant, causing land hunger among farmers and opening up of state land illegally and very far from home. Some even have to bring their whole family for more than a month to take part in land preparation prior to cultivation and during the harvesting period. This inevitably affects their children's educations.

FALLING PRICES OF PRIMARY CASH CROPS

The low padi yield and small plots of land make many of the padi farmers to buy rice for own consumption. They therefore need to have some cash income. It is thus common to find the padi farmers having secondary occupations such as cocoa, rubber and pepper cultivation. Generally, while padi-farming is to produce food for consumption, cash crop smallholding is meant to bring cash income for the smallholders. However, among cash-crop smallholders, falling commodity prices in most years tend to contribute to the

incidence of poverty. From our field observations, it is found that the yields of cash-crops are also generally low because of low quality clones used (especially rubber), poor farm maintenance, uneconomic holdings, attacks by pests, floods, etc.. In some areas, such as in Kapit, rubber trees have not been tapped and pepper plants have been left unattended when prices of these commodities were too low. That is why despite receiving cash income, the rate of poverty among cash-crop small-holders remains high.

LACK OF OFF-FARM EMPLOYMENT OPPORTUNITIES

Off-farm employment is useful to supplement income of farmers engaged in seasonal activities, such as padi farming and rubber tapping. Unfortunately, off-farm activities are limited in Sarawak, and even if some opportunities are available (for example, logging), age of some of the household heads may be a factor against getting employed there. The lack of off-farm employment opportunities can also be seen from the occupational status of rural household members where, in some areas, for example in poor districts of Kapit, Marudi, Simunjan and Serian, more than one third of the workers are unpaid farm family workers. In some other districts, like in Betong and Dalat/Oya, where the incidence of poverty is lower mainly because of the availability of off-farm employment for the household members. The main source of off-farm wage-employment here is logging and related employment. However, with the increasing control of forest exploitation, there is a growing contraction of logging activities, hence potentially removing a crucial source of off-farm employment for a substantial proportion of the rural population.

Another important source of rural employment is that provided by the Sarawak Land Consolidation and Rehabilitation Authority (SALCRA) projects. Our observations show that the SALCRA projects in Lubok Antu, Serian and Bau (mainly involving land development for palm oil estates) are well-received by the rural people because of its ability to provide jobs and income for their family members. Unfortunately, SALCRA projects are rather limited and not enough to meet the growing demands of the rural population. Also, because of limited job available, the opportunities have to be spread out more evenly, thus only one member per household is allowed to work in SALCRA estates for 10 to 15 days a month, thus earning a gross daily wage of RM8. The importance of off-farm jobs can be

seen from the fact that in many logging areas, the proportion of off-farm income of households tend to be much higher than the main agricultural activities.

LOW EDUCATIONAL LEVEL AND LACK OF SKILLS

Our study confirms that there is a direct correlation between lack of education and poverty. Poverty incidence among those with no formal education is much higher than those with formal education. Nevertheless, even those with formal education, the majority of the poor only have a low level of education, mostly up to lower secondary only. Given such a low level of education, it is to be expected that openings for upward occupational mobility are minimal. We found that the children of the poor achieved low educational level, although generally better than that of their parents. Many of them are either under employed or unemployed. The rate of unemployment among those in the 15-64 age group in many rural areas exceed 10 percent.

We also found that the low educational level in some rural areas is not going to improve much given the very high rate of school drop-outs among the poor rural population. In Kapit, for example, the drop-out rate is close to 70 percent, and in some other districts, such as Sri Aman, Lubok Antu and Serian, the rate is exceeds 50 percent. It is obvious that the low education level of households heads generally influences the educational performance of their children. At the same time, the poverty situation of the households makes increasing demands upon the children to leave school early and quickly enter the labour force to help out the family farm or to get some other jobs. However, this is not the only factor. The high rate of ealy school leavers can also be explained by the strong influence of quick monetary rewards to be gained from certain wage-employment sub-sectors in rural areas, most notably working in logging camps. The ready cash available in relatively large sums to young logging workers is sending wrong signals to rural boys. It has the result of discouraging them from attending schools and studying hard for their future as they believe that they too can earn relatively high income (and can afford to buy certain luxuries, like radios, TVs and even motorcycles) by working in logging camps without any need to slog for better academic or vocational qualifications.

INCREASING RURAL-URBAN MIGRATION AND SMALL INDUSTRIAL BASE

Rural-urban migration has been on the rise in Sarawak, resulting in an increase in urban poverty in fairly recent years. The causes of rural-urban drift are many. They include the low rural income and poor prospects, the believe in more prestigious wage-employment, dull and monotonous rural life among the young, the severity of poverty in rural areas, and the hope for better employment opportunities in the urban centres. We found that in rural districts closer to urban centres like Kuching and Miri, the rates of outmigration have been relatively high. Such districts like Sri Aman and Matu/Daro the percentage of outmigration of household members clearly exceed 15 percent, and most of them to nearby urban areas.

However, unlike in Peninsular Malaysia where industrialization has been rapid and is able in varying degrees to cope with urbanization, in Sarawak the industrial base is small and its expansion still slow relative to the expectations and the expanding population in urban areas. In fact, urbanization in Sarawak outstrips industrialization. As a result, urban unemployment in the state is high and the unemployment is highest among the urban poor.

LACK OF CAPITAL/CREDIT FACILITIES

Because of low income, the savings of the poor are very limited. They are found both in rural and urban areas. Even then, the purpose of saving is not for capital accumulation, but mainly for use in the case of emergency. The most important and popular financial institution in both rural and urban areas are the government initiated unit trusts, Amanah Saham Nasional (ASN) and Amanah Saham Bumiputera (ASB). This is because of the fairly extensive networks of the institutions throughout the state, which even reach many of the remote districts, as well as the recent implementation of the programme for the eradication of hard-core poverty through interest-free loans to purchase ASB shares.

Besides saving, capital can also be mobilised through loans. However, the loans made by the people are mostly in small sums and from non-official sources, not from financial institutions, because of the difficulty in providing collateral. The purpose of

borrowing, again is not so much for long-term investment purposes but more for short-term requirements for household needs, like food, clothing, and consumer durables. The major money lenders are the shopkeepers or towkays. Despite the high interest charges, they are a popular source of credit supply because there is no red tape, no collateral needed, and money is usually given on the spot based on trusts. They, however, normally bind the borrowers in a state of debt-dependence.

LACK OF PRODUCTIVE ASSETS

Productive assets are vital in assisting people in production and in increasing productivity, especially in the rural economy. Among the assets are land, machinery, draught animals, and transport vehicles. In rural Sarawak, land is available in plenty, especially in the hinterland areas. Based on information from secondary sources, about 20 percent of the land in Sarawak is under the Native Customary Rights (NCR), while 70 percent are either Native Area land, Reserved land, or Interior Area Land. Only 10 percent are under Mixed Zone (mostly in urban areas and in more established riverine/coastal districts) which can be held under documentary title by both natives and non-natives. Only individually-titled land under the Mixed Zone can be used as a collateral for loans, while the rest cannot serve as such. This seriously limits the possibility of securing loans for productive purposes, especially in the Dayak areas.

Ownership of machinery such as tractors and other farming machines as well as draught animals like buffaloes is very small or negligible. This means that farming in most of the rural areas in the state relies almost wholly on human labour, which again explains in part the low productivity level.

PROBLEM OF INACCESSIBILITY IN RURAL AREAS

One of the most serious problems in rural Sarawak is inaccessibility. In many hinterland areas, travel is either by river or on foot. The vastness of the region and its hilly terrain as well as the existence of isolated pockets of population makes the construction of modern infrastructure, especially roads, bridges and railways, a difficult and very costly venture. It seriously impedes the delivery of modern inputs such as machinery, fertilizer and pesticides in rural areas, and also makes the provision of amenities very costly, and extension

work time consuming and difficult. At the same time, it prevents access to markets as well as sources of employment. It also seriously affects schooling of rural children and even causes not a few still births and deaths of expecting mothers.

Consequently, prices of food and other necessities such as petroleum, transport and construction materials are generally much higher than in urban areas. Thus, it is not far fetched to argue that the cost of living in certain remote rural areas can be higher than the urban.

LACK OF DYNAMIC GRASSROOT LEADERS

Dynamic leadership is an important factor necessary to inject a sense of purpose and provide the direction and information among the followers to extricate themselves out of poverty. This is more important especially in rural areas where collective or communal living is still widely practised, more so among the Dayak communities. In many of the villages, especially those in the remote areas, some of the leaders (tuai rumah or ketua kampung) are too old and also illiterate to be effective. The present system of leadership based on birth (and sometimes accentuated for political reasons) rather than merit is generally an impediment to change.

POSSIBLE EMERGING TRENDS AND THEIR IMPLICATIONS ON POVERTY ERADICATION PROBLEM

From our survey data, field observations and interviews together with supporting data from secondary sources, we have discerned a few emerging trends in both rural and urban areas that need to be highlighted and their policy implication explored.

First, the uneven rate of population growth in both rural and urban areas is creating pockets of rural depopulation and underpopulation in some areas, and over concentration of population in others. In the four Dayak districts of Sri Aman, Lubok Antu, Serian and Bau, for example, there is very slow population growth (between 0.4 to 1.4 percent per annum in 1981-1991), while outmigration especially among the young is high. In Dalat/Oya district, for example, the population growth is even negative (-0.4 percent). It is clear that in these areas, labour input for farming is going to be a continuous problem. There is a tendency for greater

reliance on ageing labour force as well as greater participation in female labour, and in some cases having to depend on child labour. Without mechanization and other improved modern agricultural inputs, this implies a continuing malaise in agricultural production with low productivity and poverty. The poverty situation can be offset somewhat if there is transfer earnings coming from household members who are employed as wage-earners in the non-agricultural sector.

On the other hand, in the padi or mixed farming districts of Betong and Matu/Daro, population growth is above 2 percent, while in the Dayak districts of Marudi and Kapit, it is as high as 3.0 and 4.1 percent respectively. In these districts outmigration is quite limited and households are fairly large in size. If the trend of rapid population increase continues, there can be tremendous pressure on the already fragmented small padi plots. In Marudi and Kapit, the high population growth is partly due to in-migration who converge there to work in the logging sub-sector. With the contraction in logging activities, there is a possibility that this labour force will be displaced, and there could be an "emptying out" of these districts just like what is happening in other Dayak areas. The real issue here is not so much the rate of rural-urban migration but who the migrants are.

The rural-urban migration has contributed to a high population growth in urban areas, including Kuching and Miri. This implies further increase in squatting, unemployment and other socio-economic problems resulting in greater poverty if the industrial and service sectors fail to absorb the expanding labour force and if low-cost housing is not stepped up. There may be a dilemma here. On the one hand, socio-economic problems will heighten if jobs are not secured for the unemployed. On the other, any success to overcome the existing urban unemployment and housing problems will spur further flow of immigration from rural areas. Thus the urban poverty situation will get worse if the population expansion outstrips the ability of available resources, technology, and institutions and organizations to cope with it.

Second, with the government policy of modernizing and commercializing the rural economy, the intrusion of consumerist culture in the rural areas will continue to produce a number of possible trends. On the one hand, there will be a greater demand for wage employment to earn ready and higher cash-income to

purchase consumer goods (especially durables), while on the other, there will be a continuous decline in attraction towards agriculture in general. This may have serious implication for food production in the State. At the moment, food items constitute about 10 percent of total imports into Sarawak and cost the state about RM8 million a year. Such dependence on food items can increase over time unless agricultural activities are made more attractive and remunerative. The potential market for locally produced food products is good in Sarawak. It is a matter of reducing dependence on food imports with a revitalization of the agriculture sector.

Third, there is probably going to be a continuous increase in the school drop-out problem given the present trends and thus the waste in potential human resources. This will mean a continuous flow of rural sem-educated and unskilled labour trying to make their way into the non-agricultural sector. This problem is particularly serious among the Dayak communities. The "revolution of rising expectations" spurred by the need to get out of poverty, the intrusion of the consumerist culture into rural way of life as well as the promise of change and progress will continue to increase. This can be counterposed by a "revolution of rising frustrations" like what is currently happening in Miri and in many rural areas if the prevailing poverty redressal programmes and projects fall short of target.

Fourth, most of the more economically successful members of the rural population, especially after having gone through higher levels of education, prefer to work in more developed urban areas. This has contributed to the lack of successful role models in rural areas, be it in the field of education or in agriculture and rural entrepreneurship. Such a situation is not going to be a plus factor in social and human development. Not only that success stories are limited, they have not been extensively popularised either. Attempts have to be made to create "successful role models" for the rural youths in particular in order to counteract the over-reliance on "successful" workers in the existing timber industry.

Fifth, at the Federal level, the trend of decreasing role of the Government and the increasing dependence on the private sector to serve as the engine of growth is going to continue and this policy can affect Sarawak in various ways if the State Government follows suit. For example, there might be a reduction in subsidy schemes as well

as a change in emphasis in agricultural development, in particular the land development.

Sixth, the rather lack of success in the integration of the semi-nomadic communities especially the Penans among the Orang Ulu into mainstream development will continue to be a serious problem for the State authorities in the coming years. The climate for successful integration has somewhat been jeopardised by the lack of "leadership by example" qualities among some elected representatives in their dealing with the Penans. The cultural prejudices and sensitivities of the minority ethnic groups, especially those at the lower level of socio-cultural and economic development will continue to intensify if the dominant and more advanced community is not successful in projecting themselves as a friend on an equal footing, rather than as a condescending sympathiser or worse still, as a rival to the envied and feared.

Seventh, the rate of transfer of people out of low productivity agriculture and related activities into more rewarding pursuits has been rather slow; and given the relative size of the modern sector in Sarawak, it will remain slow for some years to come. Compared with urban areas, rural areas have a smaller share of economic infrastructure services, such as domestic water, electricity and waste disposal. In some places, even where the services exist, the poor often do not have access to them because the cost is just too high for them.

Finally, inadequate income, lowered aspirations, disadvantaged environment of families and communities may internalise as part of the value of some children as they grow up. Thus when these children themselves reach adulthood, their expectations and their abilities can remain low and finally they will readily accept poverty and deprivation as a way of life. Hence poverty can continue as a serious problem, and understanding the problem is therefore necessary to provide a basis for action.

SOME STRATEGIC ISSUES AND RECOMMENDATIONS

A strategy for poverty eradication must recognize the following points. Firstly, poverty is always a contested problem. People do not all easily agree on the extent and the causes of poverty, and thus, not surprisingly, on the action they wish to encourage or to justify.

Secondly, poverty is basically a long-term phenomenon. It is too complicated to be solved effectively in a short period. It involves adjustments and slow changes in the economic structure, in the people's way of living and thinking, in education, health, infrastructure, and so on. Yet it is socially and politically sensitive to be resolved simply in the long-run perspective. Therefore, one has to examine some short-run interim measures before the long-run strategies can be made and seen effective. Thirdly, poverty is not the same as inequality although the two concepts are much interrelated. While we can generally agree that poverty is not at all desirable, the notion of inequality is more disputable and much a matter of subjective opinion. Many would even accept the view that inequality is desirable to a certain extent. The problem of poverty is essentially the problem of meeting the basic needs and more apparent in low income societies. Inequality or relative poverty is more of a problem of poverty in an unequal society, including the affluent. Basic needs may be met, but to some at the bottom many other social expectations cannot be met, thus resulting in their exclusion from the normal standard of living in that society.

Nevertheless, it must be admitted at the outset that due to the magnitude of the problem and the peculiarities of Sarawak in terms of its social mix, economic development, the vastness of its hinterland, and poor infrastructure, its solution is not simple. First and foremost, we have to accept the fact that policies and strategies are a product of political decision and, in this respect, poverty must also be viewed partly as a political concept. The identification of poverty is strongly linked to political action and the political will to eliminate it. The choice of political approach will strongly determine the anti-poverty policy and strategies. However, what is applicable to one area, e.g. Peninsular Malaysia today, especially with regard to rural and land development, need not necessarily be applicable to Sarawak which is at a different level of development. This must be recognised when devising anti-poverty strategies and programmes for the State.

In Peninsular Malaysia today, the economy has undergone enormous transformation through rapid economic growth and social engineering which together help to successfully reduce absolute poverty. Thus the emphasis has been to eliminate hardcore poverty and relative poverty. In the process, the Government has embarked upon privatization of many key enterprises and is

encouraging the private sector to take the lead, rather than the state, in achieving a fully developed nation status. With regard to the rural development, the Malaysian Government stresses the need for commercial-oriented agricultural sector in terms of crop and mangement style. The emphasis on land development will be on in-situ development aimed at revitalizing existing cultivated or abandoned areas for full utilization of resources for agricultural production. The reason for this is the increasing scarcity of suitable new land in the Peninsula and the constraints of high-cost development and availability of settlers in Sabah and Sarawak while in-situ development of existing land is a cheaper option.

However, in the light of the experience, 'peculiarities' and present level of development in Sarawak, it is felt that State Government intervention is strongly needed to re-examine the application of the prevailing strategic thinking to the development of Sarawak and to undertake appropriate anti-poverty action. In an economy which is vastly rural-based and lacking in institutional and infrastructural support for market forces to operate efficiently (for example, existence of less developed monetized sector, lack of free flow of information, low level of education and entrepreneurship, and inadequate infrastructure), Government initiative and assistance are necessary to tackle the poverty problems.

Other caveats are in order when devising strategies and programmes for poverty eradication. Since poverty in Sarawak is basically rural in character, rural development becomes a crucial strategy designed to improve the economic and social life of the poor in general. It involves extending the benefits of development to the poor groups in rural areas, particular the samll-scale farmers, tenants, under-employed or unemployed and the landless. However, recommendations to tackle urban poverty will also be discussed in relation to rural poverty, for urban and rural poverty problems are inter-related. Finally, the strategy for development and poverty eradication needs a proper integration of both the direct and indirect approaches. The direct approach relies on targeted programmes aimed directly at increasing insome of identified poverty groups while the indirect approach focuses on the poverty reducing potential of the overall growth process by appropriate choice of policies and development strategies which would step up the flow of benefits to the poor.

The development recommendations should necessarily be all embracing. They should encompass, among others, improved productivity, increased employment, higher incomes, minimum requirements of basic needs (food, shelter, education and health), improved infrastructure, and democratic participation in national development. They should also be concerned with the modernization and monetization of the economy, with its transition from traditional isolation to integration with the national economy.

We shall discuss briefly poverty strategies under the following headings:

AGRICULTURE DEVELOPMENT

The main thrust of development programmes and projects should be focussed on agricultural development suited to the specific conditions. In Sarawak, the established coastal/riverine districts where wet padi and mixed farming predominate, for example, need different treatment from the hilly regions in the hinterland. In the past, the increase in rural population could be accommodated by expanding the acreage under cultivation. This may continue to be the case in hinterland areas which still have an ample supply of land that can be brought into production at relatively low cost, but in most places along the coastal/riverine areas the opportunities for such low-cost expansion have diminished substantially. With the worsening man-land ratio, increases in output and income must come from a widespread increase in yields per acre, from cultivation of higher value crops (such as sago in Pusa and Spaoh) and capital-intensive deep-sea fishing activity. Rural development efforts obviously have to be adjusted according to the widely differing soil, physical and ecological circumstances in which rural poverty occurs. This is especially so in Sarawak where variations occur from place to place, and the attack on poverty problem has to be area specific.

For the established Malay/Melanau areas in the coastal/riverine districts, for example, where population and land pressure is great, the programmes can take several forms: improvements in agricultural infrastructure, such as drainage and irrigation, plus skill, monitoring and advisory support from relevant Government authorities; modernization of agriculture through the injection of higher level of modern inputs, such as farming machines, use of HYVs, fertilizers, pesticides, etc.; solving the problem of land

shortage by considering the alienation of State land to the landless and land-hungry farmers; expanding the farmers' associations and their memberships; and encouraging the cultivation of short-term crops (like vegetables and fruits) or multiple-cropping and opening marketing outlets.

For the interior Dayak areas, for example, the existing SALCRA in-situ land development should be extended to other areas needing it. At the same time SALCRA or other organizations should consider opening up of new land, for example, in the Miri-Bintulu-Long Lama Oil Palm Triangle. Land development initiatives should be shared by both the Government and private sectors. The native land system (NCR) needs to be reexamined with a long term view of granting land titles in order to provide the avenue for credit facilities in rural areas, but with the proviso that appropriate method should be devised to minimise the risk of losing out the land to non-natives and also the concentration of land ownership in the hands of a few land owners. The the age-old practice of hill-padi farming should gradually be replaced with new *nidern sayw* to improve productivity.

The concept of creating *agricultural township* should also be explored. Such a town should have the necessary infrastructure and a mix of grain production, market gardening, livestock and poultry, aquaculture, and other rural products. A possible location is in the north near Miri, where the rural products can be marketed to nearby Miri, Bintulu and even Brunei, where the cost of living is high. A similar town may be developed in the south to cater for Kuching, Sri Aman and Bau, for example. Campaigns to promote such products should be aggressive. The agricultural township should not only be viewed as a place for the rural people to market their products but also as a centre for the rural people to buy necessary items from urban areas.

RURAL ECONOMIC DIVERSIFICATION

The rural economy needs to be diversified in order to generate more employment opportunities and to absorb floating rural labour and slowdown rural-urban drift. With the expected contraction of employment opportunities in the timber industry due to restrictions imposed on logging activities, alternative avenues must be urgently created. In this regard, the development of agri-business sector is important. The State Government can carry out this project

together with the private sector. Small-scale industries dealing with agro-product, such as palm-oil mills and food processing, rattan- and wood-based industry (e.g. furniture, toys and decorative items), and handicraft may be considered. This may be set up in areas like Mukah and Long Lama, Kapit and Lubok Antu.

Rural entrepreneurship programme can be implemented in economically viable and densely populated areas. Such a programme is suitable for the youths as well as women. Credit supply can be channelled through suitable Government agencies and NGOs along the lines implemented by Yayasan Amanah Ikhtiar Malaysia (AIM). Projects under this programme may include opening up retail shops, poultry farming, aquaculture, and small-scale contracting jobs.

Mobilising the communal/collective spirit through the setting up of cooperatives can encourage poverty eradication efforts based on the concept of self-reliance and reducing over-dependence on the Government. From our observations, cooperative efforts such as opening up of retail shops and providing marketing outlets for rural produce seem to be well-received and successful in Serian. Therefore, such efforts should be explored in other areas too. However, preliminary studies need to be carried out and campaigns launched to explain to the people the viability and the benefits of such a project.

Eco-tourism is something Sarawak has a comparative advantage over many other states in Malaysia and has the potential for development. The Batang Ai Dam near Lubok Antu and areas at Palagas Rapids near Kapit are now being developed for tourism purposes. While the construction of hotels, chalets, restaurants, etc. have been undertaken by the private sector, efforts should be made to encourage the local population, especially the poor, to seize various opportunities resulting from increasing inflow of tourists into these areas. Other areas which may be suitable for tourism and worth exploring are along the Rejang River Valley near Matu/Daro and the Long Lama's position as a 'gateway' to the Loagan Bunut National Park. Apart from aggressive tourism marketing, efforts should also be geared towards the training of local people to do business in the tourism market.

The State Government can consider setting up of smaller Cultural Villages together with Agricultural Parks in tourists spots. Handicraft activities can be integrated with this project. Such

projects can bring spill-over effects in the form of creating new employment to the local people and providing opportunities for petty trade (such as stalls for food, fruits, and forest products) in the vicinity.

EDUCATION, TRAINING AND HEALTH

As an effective long-term measure to overcome poverty, education and training are certainly crucial and cannot be neglected at all costs. We need education to get the poor out of poverty and to break the "cycle of deprivation" or the "intergenerational transmission of poverty". The following recommendations can be considered. Based on a drop-out study, appropriate policy measures can be implemented to improve educational facilities and the quality of education in Sarawak. The problem of education for the young, especially in the rural areas, can be tackled through the establishment of adequate number of special and well-equipped residential schools with sufficient facilities and qualified teachers in selected towns throughout the State. The provision of this special programme will act as a motivating factor for rural school children, setting goals for them to aspire to, while successful students from these schools can act as positive role-models to be emulated by other children. Campaigns on the importance of education to the parents and children are necessary to encounter the wrong signals provided by young workers especially in logging areas where quick money in plenty can be obtained without the necessity to spend a lot of time studying. The recent establishment of Universiti Malaysia Sarawak (Unimas) in the state should be used as a motivating factor to instill awareness on the importance of education. More vocational schools are needed to train students in rural areas, especially those with a vocational bent, with the necessary skills so that they can be absorbed into the modern and industrial sectors of the economy. Kindergardens should also be set up in rural areas to prepare children from an early age for schooling and to be comparable with those with such facilities in urban areas.

With regards to the health conditions in rural Sarawak, our observations show that they have improved considerably in recent years. In general, the improvement has been associated with economic progress. But urban-rural differences in health facilities and health levels remain substantial. Even though life expectancy is generally on the increase and the incidence of specific diseases, such

as malaria and elephantiasis, has been reduced through eradication programmes, poor health and malnutrition still persists as a problem. Our surveys indicate that rural population in the poor districts are still facing inadequate supply of sewage disposal facilities, relatively poor sanitary conditions, lack of access to modern water and electricity systems. Many still live in substandard dwellings lacking in space and living in overcrowding conditions.

Hence, the good efforts by the health and other related authorities in disseminating health education and health facilities to the poor need to be continued aggressively. Better water facilities, sanitation, housing and health care would alter the incidence of disease, morbidity and mortality and would contribute to long term human resource development in the State.

WOMEN, YOUTH AND THE AGED

The increased focus on the gender dimension of poverty in recent years has directed greater public attention to the poverty experienced by women and the role of women in development. Women form a substantial proportion of the population and can play an important socio-economic role. Women also share the poverty problems at least as much as men. This is partly due to the fact that women-headed households, which are quite substantial in number, are more likely to be poor because of lower income or greater dependence on others. Furthermore, incomes received by men may not be sufficient to provide adequately for a dependent wife and children and so in many cases women have to engage in work, paid or unpaid, to help the family and supplement family income.

The problem of dependency thus operates as a vicious circle for women who are less aggressive in competition with men, but more caring in nature. They are needed not only to take good care of housework for the family, but also increasingly to support for establishment of a caring society in Malaysia. Women are more suitable in providing caring work, especially this is effectively a full-time task, like taking care of children and the disables.

Hence, programme for women, particular the poor, may include: intensifying the existing nutrition facility; extending family development courses for women; integrating women with rural kindergartens by becoming teachers and workers; and creating off-

farm employment in handicrafts for women and providing the necessary marketing outlets for their products.

Youths, especially those from poor households should be organized into youth clubs to steer them away from social problems and to mobilize their potentials for development. Youth brigades may be formed to participate in rural "gotong-royong" (self-help) projects. They should also be encouraged to take part in Young Entrepreneurs Schemes.

As for the aged and the disable (men or women), the risk of poverty is much greater, especially for the rural poor whose savings are negligible, if any, and are not covered by any form of social insurance or social security. For this group of people, nothing much can be done for long term objectives. They need the support from the Government for social assistance with the aim not so much to prevent poverty as to relieve poverty. The basis for entitlement to assistance needs to be clearly established so that the really deserved ones are given adequate support.

REDRESSAL OF URBAN POVERTY

Rural poverty is much related to urban poverty through movements of people, resources and information. Thus programmes and actions which are successful in overcoming urban poverty will help to overcome rural poverty. Similarly, successful rural development programmes can help alleviate urban problems. Within this context, the following recommendations are put forth for considerations:

Just as in Peninsular Malaysia, urban poverty is always associated the phenomenon of squatting, which implies that the poor do not have sufficient means to rent, let alone to buy houses. In this regard, the Government and the private sector have the social obligation to address the problem of low-cost housing urgently in urban areas. This will not only provide housing at more affordable prices for the poor, but will generate greater demand for employment in the construction sector. In the distribution of low-cost housing care must be taken to ensure that it really goes to the deserving ones.

Skill training for urban youths should be attempted. They can be trained for such skills as plastering, wiring, plumbing, bicycle repairs, and various other trades necessary to obtain skilled jobs in the industrial sector. The role for the informal sector along the lines

of *Pasar Tani* and *Pasar Minggu* can be further developed to involve more men and women from the poor households. The participants should be given assistance in the form of interest-free loans, permits/licence and appropriate places to operate their small businesses. Many urban women remain as house wives or unemployed. To supplement household income, they can be encouraged to get involved in petty trade, handicrafts, etc. The Amanah Ikhtiar and Sang Kancil projects, as proven, successful in the Peninsula, can be adopted to encourage women participation.

In long term perspectives, industrial development which is largely urban-based is necessary to ease urban poverty problems. Such a development is expected to take place around major urban centres like Kuching, Bintulu, Miri and Sibul. Emphasis should be on small- and medium-scale, unskilled labour-intensive and/or domestic resource-based industries, where the level of technology needed is less sophisticated and more suitable to the present phase of Sarawak development. The industrial development has to be balanced with the infrastructure, educational and human resource development in the state.

NEED FOR A SPECIAL ANTI-POVERTY AGENCY

Ideally, the implementation of poverty eradication programmes involves adequate planning with strong central coordination, supported by effective local level organisation and the participation of the poor in the planning and implementation processes. Central planning and coordination is desirable because anti-poverty programmes cut across all sectors and levels. Planning requires the continuous collection of information or data and the use of the information and resource inventories. Strong coordination and monitoring is increasingly regarded as a pre-requisite to the successful implementation of an anti-poverty programme. This is a reflection both of the political nature of many of the decisions that must be made and of the need to coordinate the multi-level activities.

Since poverty is still a serious problem in Sarawak a poverty eradication programmes should involve not only the Government and various Government agencies but also the private sector and the public at large, it is recommended that an institution to monitor and coordinate the progress of poverty eradication efforts be set up. This institution should have the capability and the authority to

monitor and devise strategies and programmes for the anti-poverty undertakings, to identify the target groups, overcome the leakages, provide appropriate facilities, and conduct training programmes for the poor.

CONCLUDING REMARKS

The Government, the private sector, and the NGOs need to work hand in hand to devise policies, conduct programmes and carry out projects to realize the objective of poverty eradication and to meet or even to exceed the target of reducing poverty in Sarawak to 10 percent by the year 2000. Experiences of many developing countries tend to indicate that a firm commitment to fight poverty right from the national level down to local and community level is necessary if the impact is to be effective and broad-based. In short, it needs a declaration of an all out war on poverty.

Implementation of anti-poverty programmes cannot be regarded simply as a by-product of growth and expect the "trickling down" effect to take place. While the present climate of healthy economic growth in Malaysia is a plus factor in the poverty redressal efforts, without the state playing a more aggressive role, there is no guarantee that the lot of thousands of poor people will improve significantly. There need to be a strong organization at the state level to coordinate various agencies and departments, and adequate centre-local financing arrangements to support it. At the same time, it should be balanced with greater decentralization, with effective machinery at the district and local level to carry out the activities. This means that participation of the poor in the planning and implementation processes through local agencies, project advisory committees, farmers' associations and cooperatives, village working committees and other forms of group organization is important.

The shortage of skilled staff to implement rural development and urban poverty programmes should be a major consideration. The scarcity of skills in Sarawak is found practically at all levels – experienced and junior staff, technical as well as administrative. The remedies for this situation need to be examined. Perhaps, staff working in the rural areas should be given extra financial allowances. Distinguished rural service should be given recogni-

tion. Promotion prospects for specialised field staff should be improved. More consideration also should be given to the possibility of training community leaders, such as Ketua Kampung, primary school teachers, religious leaders, and village working committee members. As it is, some of the leaders do not seem to be knowledgeable and effective enough. They are there for reasons that may not be related to leadership quality. Political manipulations should be minimised. The number of people who need to be trained is certainly big and costly. One practical way to handle this situation is to adopt a multiplier approach of training the trainer periodically. Again, overall manpower planning is critical.

While the resources, the planning and the commitment to implement the policies and programmes are necessary, they are not sufficient if poor people fail to take advantage of the opportunities offered and if there are cultural barriers between them and the rest of the society in which they are unable to participate. In this respect, programmes for the poor are not simply to relieve their poverty but more importantly to help them to escape from it. Humanitarian professionals may be needed to provide the psychological and sociological aspects of overcoming any cultural barriers, for example to accept change and to inculcate the self-help attitude. In the final analysis, what the poor really needs is the realization of their actual capacity to tap their own vernacular and the available local resources.

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