

Summary of the rural planning and sustainable rural development

The book tried to analyse the policies and approaches used by southeast Asian countries in response to the changing rural-urban relation, it suggested that rural and urban problems cannot be treated separately because urban problems are usually rooted in unsatisfactory rural plannings. Developing countries have experienced rapid urbanisation since 1950s, planners have tried to develop policies to enhance economic growth and development. During the process of transformation, traditional rural-urban relations are often be distorted. Besides, new technologies and urban-based industrialisation strategies brought out a polarised dichotomies between large cities and rural areas, in relation to demographic, economic and political characteristics, for examples difference in salaries, functions and infrastructures. Although urban expansion facilitated urban industrialisation and rural-to-urban migration, urban dominance and ever-increasing population pressure gived rise to the aggravation of landlessness, rural poverty and environmental degradation. In response to this situation, many Asian countries in the seventies have adopted a rural-based regional strategy to reduce regional growth disparities and promote subordinate rural development. Nevertheless, critics claimed for a more balanced approach thought that the rural-based strategies may have overreacted to the persistent problems of urban primacy, they think that the relative stagnation of rural area is resulted from false dichotomic opposition of rural versus urban and polarised development in the capital cities and national core areas due to the green revolution meant. Therefore, the writer explained the importance of thorough understanding of rural-urban relations in regional context and claimed that the different degrees and forms of integration of the national economy in the world system determine the pattern of rural-urban transformation.

Chapter Two reviewed the trends of poverty and rural-urban disparities in the south and southeast Asia. Lo and Saliah assessed the dualism and disparities between rural and urban sectors by using a holistic macro-spatial framework characterised by the spatial organisation of rural-urban relations. The writers noticed that though the per capita Gross National profit

increased even greater than expected, one-third of the Third World population had no benefit from the adopted policy. The underlying reason is expected to be the polarisation of development. Therefore, industrialisation models like the 'Chinese model', ecodevelopment and 'another development' put emphasis on self reliance and advocated a people-centred basic needs, in order to reverse the patterns of uneven development with attention given to development at regional and local levels. Lo and Saliah investigated the national economic growth by Gini coefficients and GNP per capita, they discovered that only Sri Lanka, Japan and Taiwan in southeast Asia undergone a significant economic improvement from the 50s to 70s, but all the three districts showed distinct patterns of polarised development. Then, the authors argued that the Gini coefficients does not detect directions of redistribution with reference to specific income groups and is failed to represent a more qualitative interpretation of the levels of income received, especially by the lower income groups. For that reason, the authors constructed a macro-spatial framework specifically explains the key dimensions of development and accounts for the variety of prevailing national conditions, like resource endowment and population pressure.

The macro-spatial framework analyses the dualism between rural and urban areas with respect to external relations in different districts particularly the North and South, together with formal and informal economic activities. The model is built on five components respectively: a world market(WM) for exporting manufactured goods; an urban formal(UF) sector of modern manufacturing and corporate business; an urban informal(UI) consisted of traditional and small scaled economies; a rural export(RX) sector represented colonial plantation economy; and finally a rural peasant(RP) economy which isolated from national and world market. The writers then used the macro-spatial framework to explain the following rural-urban relations.

The authors firstly considered the relations of accelerated industrialization and enclave development. Under this model, import-substitution industrialisation is the main strategy in

the first stage of transition from primary agricultural export economy to industrialised economy especially the production of consumption goods in urban formal sectors. Throughout the first stage of agricultural transformation, the necessity of importing capital goods from developed countries for capital formation severely constricted the capacity of rural export owing to the level of investment, despite that, foreign exchange earning from primary product export are often limited. Therefore, the import-substituting strategies created an import capacity squeeze on consumer good import. The authors claimed that the first stage of transition growth was quite successful in many countries as a result of the huge market of consumption goods and simple and low-cost production techniques, this lead to a high growth rate of per capita income and decline of import dependency ratio of various sectors. However, the function of import-substituting industrialisation gradually declined in the second stage as the import dependency ratio of consumer goods has reached the floor. Furthermore, the limited capacity of import and thin domestic market weaken the ability of import-substitution industry to induce investment. As a result, accelerated industrialisation and enclave development inhibited the expansion of the internal domestic market by further exploitation of the agricultural sector for primary resources, constructing the relative underdevelopment of the traditional agriculture sector.

Lo, Saliah and Douglass secondly disserted the polarisation and urban dualism which is described in terms of a formal/informal sector dichotomy in relation to the structural characteristics consisting of modern industry coexisting with the traditional economy. This issue represents the inequalities and poverty associated with the pattern of assess to production opportunities and the distribution of benefits of development. The basic reason for such dualism is the absence of key functions outside of the metropolitan region and the lack of complementarity between rural and urban development. The rural-urban disparities are rapidly increasing as a result of urban biased import-substitution industrialization which gives rise to high income inequality, rural-metropolitan migration and growing of slum and squatter

settlement in the big cities. On the other hand, this polarization trends also indicates high concentrations of urban population, manufacturing employment, shares of GNP formation and public expenditures on infrastructure in the capital cities of Asia and their surrounding regions. Evidence shows that the GDP and national employment shared by these manufacturing centres has accounted for one-third or two-third of the total in some selected countries. The growing rates of people in these primate cities even faster than either those of the population as a whole or the urban system itself, but the considered population growth is often seen as undesirable because almost one-half of these households lived in squatter and slum areas in the early 1970s, thus very few residents can be benefited from the enclave industrialisation. The severe population increase in the modern or formal sector is often limited in both labour absorptive capacity and in generating multipliers which reach into informal sector. It is because the employment opportunities generated by traditional modes of production would probably be eliminated by the protected modern industries with higher productivity and more advanced technologies. Consequently, much work in the informal sector becomes 'involuting' with productivity and real income declining over time.

The third form of interaction between these sectors identified in the macro-spatial framework is the peasant economy within the rural sector. The peasant economy is relatively isolated from the rapid-expanding ones in the metropolis, its technology remains 'traditional' and production critically depends on landlord-peasant relationships and land-ownership pattern. The third characteristic of peasant economy is the low level of urbanization due to the nature of the subsistence economy and lack of cash income in these rural areas. The writers believed this economy is essentially village oriented and the linkage between the poorly developed village and more distance region are based on the extraction of primary products, whereas the import of manufactured goods from the metropolis or abroad is often limited. The authors found out that Thailand is the only country which experienced expansion of cultivation area in the 1960s. At the same time, land/worker ratios are worsening, with the

exception of Korea and Taiwan, land available per agricultural worker has been declining. The writers tried to relate the land/worker ratio to the Gini coefficient the Southeast Asian countries and discovered that those with the highest demographic pressure on their land resources such as Malaysia and Philippines not only do not show better asset distribution but are also the ones with highest inequality in land distribution. The growing tenancy and landlessness lead to the problem of rural stagnation and diminish the income earning opportunities for rural people.

Chapter 5 put forward to a case of Kelantan and Kedah in North Peninsular Malaysia, which were involved in different degrees of governmental intervention, to analyse their basic socio-economic processes and structure of underdevelopment and provide a new vision for alternative strategies for unemployment, poverty through regional development. The study lays emphasis on four major prospects. The first one is roles and functions of small towns in articulating income and commodity flow in the area. Second one is the labour utilization patterns in village and urban activity. Third one is the incentive structure and rural production system and final one is the rural social structure derived from the pattern of land ownership, land tenancy and landlessness in the region.

This research first study the structure of colonial economy rooted in static mould of primary export production which sustained the 'enclave' economy rather than the needs of internal development. Salih claimed that this represents a typical triangular pattern of economic relations of extraverted economies, and the 'natural' law of comparative advantage compels the expansion of the primary export sector, thus it constitute the underdevelopment and poverty of the backward area due to its peripheralisation. Moreover, capital was limited to the sphere of circulation which substantially bring little productivity and production to local areas. Consequently, the gap between rural and urban areas increased and was reflected in a higher degree of income inequality, economic deprivation, and a general state of malaise in rural society.

Examined from the point of view of distribution and its social formations, the Malaysian economy can still be considered underdeveloped, the role of manufacturing as a whole in the overall economic growth and economic development of Malaysia is still small. Furthermore, the economy is dependent on primary resources that are highly export oriented and is faced with falling export prices and adverse terms of trade. This outward-oriented structure shows little multiplier effect from expansion in the secondary sector to the primary sector. Extraversion is arisen from unequal specialisation due to the inadequacy of the home market together with the skewness distribution of agricultural and rural income. Underdevelopment is also witnessed from the uneven returns to labour wages and capital between sectors. Eddy Lee pointed out that the value added per worker in agriculture stagnated or increased only marginally between 1957 and 1970, while the productivity of workers in nonagricultural increased considerably. This underutilisation of labour resources increases the trends of unemployment and underemployment.

The writer finally discussed the topic on poverty in Malaysia in 1970, in this year, as much as 49.3 percent of total households were considered poor. The state plays a critical role in the question of poverty. The writer investigated the policies made by the Malaysian government to alter the situation. First of all, the government focuses on the industrialisation, they changed the import-substitution strategy to export-substitution and regional industrial cooperation, i.e.ASEAN, as a source of growth and employment creation, as well as the target for urban-industrial restructuring. This conversion has brought an impressive numerical growth of the manufacturing sector and promoted foreign investments on local raw material processing. However, the author claimed that the actual industrial base is still narrow. The second strategies is restructuring of wealth and employment in commerce/industry through operations of the National Trading Corporation(SEDs), the Urban Development Authority (FIDA), People's Trust Council(MARA), the State Economic Development Corporations (SEDs) and the Regional Development Authorities. This strategy resulted in better state

governance upon urban development but has given rise to the question of institutional access and long-run impact on inequality, particularly within the indigenous population. The government also tried to disperse the industrial locations through growth centre strategies, industrial estates and regional development planning. The impact of this strategy is still not clear but some implications on the utilisation of labour is already being seen in surrounding areas. Nevertheless, this may only take the rural labour into consideration, and actually the rate of underemployment in urban area is still high.

Another strategy used by the Malaysian government is to promote rural development. Rural development was geared to two essential tasks: as a part of primary export promotion and as a strategy of poverty eradication. The first tactic on land development is undertaken by the Federal Government, statutory bodies and State Governments. Under the governance of Federal Land Development Authority (FELDA), 300,000 hectares of land had been opened up and about 45,000 families had been resettled in 1975. This has contributed to the expansion of Malaysian export earning by farmland enlargement and diversified crops grown, on the other hand, it gives rise to the problem of ecological disruption and there is inadequate subsidy for solving landless problems. Secondly, the government implements large scale infrastructure in rural areas, this strategy is related to high yielding variety and double cropping programmes. From the study of the MUDA Agricultural Development Authority, the land has tended to be more concentrated while average income has increased and urban function has expanded in the studied regions. The writer finally studied the access of rural development to general incentives and suggested that social structural mediation are critical to the increasing access to these incentives.

In conclusion, the writer believed that what is lacking in the above strategies is a much fuller understanding of poverty creating process at the local level and the implication of macro-functions for example the role of the States influencing it. It is also likely that poverty is due to the low technology and problems in farm managements. Therefore, governments serve a crucial role in the growth of developing countries, but there is always a problem that

policies exhibited a so called urban bias in an effort to enhance the rate of industrialisation through the implementation of protectionist trade policies and import substitution. As agricultural prices were suppressed and the costs of inputs increased, so income and employment growth in agriculture suffered. This leads to a significant wage gap between the traditional and modern sectors, which served as a stimulus behind rural to urban migration. The rapidity of this migration, coupled with high population growth, resulted in the substantial growth of the informal sector of cities. The problems associated with the informal sector in terms of the development of large slum settlements has provided a new focus for urban based policies, looking to improve living conditions and create an environment conducive to increased private and municipal investment. This is what governments have to face with during the process of rural-urban migration.

Reference:

1. Lo, F-C. 1981. *Rural-Urban Relations and Regional Development*. Singapore: Maruzen Asia. Chapters 1, 2 and 5