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# Sustainable Development in Malaysia: Unravel the Tale of Rural Economic Development

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## Abstract

The development of Malaysia took place properly after its independence in 1957. The New Economic Model (NEM) and 11<sup>th</sup> Malaysia Plan (11<sup>th</sup> MP) are among the evidence showing the seriousness of Malaysian government in lifting the economy towards a high growth country. As a fully developed country to be, Malaysia must ensure that both urban and rural areas develop equally, and poverty level is taken care appropriately. The objective of this study was to unravel the progress of economic development in rural area under the scope of regional development as well as in supporting the related Sustainable Development Goals (SDGs) such as No Poverty, Zero Hunger, Good Health & Wellbeing, Gender Equality, Decent Work & Economic Growth, Reduced Inequalities, and Sustainable Cities & Communities, specifically in Kedah, Malaysia. Interviews and discussion were done with focus groups, headmen of rural village and Development Managers. Findings were derived by using Hermeneutic Analysis. The results demonstrate the improvement of rural economic development but there are variances in the degree of successful since some respondents still struggling in improving their economic condition.

**Keywords:** Economic Development, Rural Area, Rural Development, Regional Development, Sustainability Development.

## Introduction

The phases of development in Malaya took place per the leadership and administration's priority. During the Colonial Period in Malaya and during Japanese occupation before Malaysia achieved independence in 1957, these two rulers only interested in extracting

natural resources and shipped back to their mother lands (Jeong, 2007). They do not care about Malaya development. All the development efforts and programs in Malaysia only taken care seriously after Malaysia achieved its independence in 1957.

In 1957, Tun Abdul Razak introduced the First Rural Development Transformation with the aim of developing physical infrastructure and providing extensive basic amenities to rural people. Three years later, dated 6th May 1960, government launched Red Book Plan as a parallel development program for all rural areas covered at all three levels: federal, state and districts levels. At this stage, people and leaders are involved in implementing process of the local development as well as in the planning process too. During the Red Book implementation era, Malaysia was a model country with a solid approach in rural development at a global level. This achievement has created the first momentum for rural development. Later, in 1961, Adult Education Division was created under the Ministry of Rural Development and this division was the first step for the development of human resources by reducing and eliminating illiteracy in rural communities. This division was renamed as Social Development Department (KEMAS) in 1977. KEMAS then was assigned a duty in development of human capital and rural communities.

On 10th June 1984, Tun Dr Mahathir Mohamad, fourth Prime Minister of Malaysia, launched the New Approach to Village and Rural Development which aimed to improve the economic status of the rural communities and at the same time reduce poverty. In 1994, the New Philosophy and Strategy for Rural Development was introduced to mould rural communities with quality and versed in noble values, so that they can use existing time, information, and resources to produce economic development and family happiness at an excellent level. As at global level, in 1992, Agenda 21 emerged as one of the world commitments in upholding sustainable development through the 17 Sustainable Development Goals (SDGs) and their 169 targets. Cavalli et al (2020) mentioned that all the country around the globe shall achieve their SDGs within the year of 2030 with "no one left behind" in all the activities, especially for the main pillar; economic, social, and environmental through local or regional development plans.

### **Rural Development**

The launching of Government Transformation Programme (GTP), the New Economic Model (NEM) and 11<sup>th</sup> Malaysia Plan (11<sup>th</sup> MP) are among the evidence showing the seriousness of Malaysian government in lifting the economy towards a high growth country. This effort indirectly shows the determination of the government in combating the poverty incidences and at the same time develops the country. A lot of programs were introduced and being implemented in making sure Malaysia able to achieve Vision 2020. As a fully developed country to be, Malaysia must ensure that both urban and rural areas develop equally, and poverty level is taken care appropriately.

In continuous effort and commitment by the government to eradicate poverty and improve rural development as well as community development, Kementerian Kemajuan Luar Bandar dan Wilayah (KKLW) or Ministry of Rural and Regional Development and Ministry of Housing and Local Government are empowered to take charge of rural development and eradication of poverty program, respectively. KKLW alone cannot handle all the rural development programs and activities. As such, local development authorities such as FELDA (Lembaga Kemajuan Tanah Persekutuan), FELCRA (Lembaga Penyatuan dan Pemulihan Tanah Persekutuan), KEJORA (Lembaga Kemajuan Johor Tenggara), KESEDAR (Lembaga Kemajuan Kelantan Selatan), KETENGAH (Lembaga Kemajuan Terengganu Tengah), PERDA (Lembaga

Kemajuan Wilayah Pulau Pinang) and KEDA (Lembaga Kemajuan Wilayah Kedah) were positioned under KKLW to operationalize the said national agenda. Record by Department of Statistic Malaysia, 2016 and Economic Planning Unit, (reported under Socio Economic Statistics, Household Income and Poverty Statistics, Table 6: Incidence of Poverty by Ethnicity, Strata and State, Malaysia, 1970-2009), indicated that rural areas recorded the highest (8.4%) compared to the urban areas (1.7%). As for the state in Peninsular Malaysia, Perlis (6%) and Kedah (5.3%) emerged as first and second highest of incidence of poverty. In Peninsular Malaysia, Kedah and Kelantan were recorded as the highest percentage of hard-core poor in rural area (1.3%).

After more than six decades of independence, all the policies and programs that related to the poverty eradication and rural development supposedly going through a series of evaluation to know the effectiveness of those programs and policies. Even though at the national level, there have some attempts to assess a specific policies and programs regarding this issue, unfortunately there were based on a generalized country-wide experience and not geared specifically to evaluate the socio-economic impact on the rural population at the micro level (Nghah, 1997; Salih & Young, 1985; Dent, 2007). Study done by Nghah (2012) on the rural development in Malaysia, only focus on the rural development at national level with regards with Malaysian Government's transformation initiatives including Economic Transformation Programs (ETP) and the Rural Transformation Centre (RTC) at macro level.

From the series of studies regarding the impact of programs and policies of rural development, most of them focuses on macro level while only a few done at micro level. At international level, there are two studies done at micro level, one in Sri Lanka and another one in Nepal. In Nepal, the study was done by Acharya et al (2005), entitled "Empowering rural women through a community development approach in Nepal" where it focuses on the impact of rural development towards specific target group, which is rural women development at remote hill district of Nepal by using quantitative and qualitative data analysis methods. Another study in Sri Lanka was completed by Yalegama et al (2016), where it focuses on identifying the critical success factors for community development at micro view which is from the community perspective. Therefore, by considering that there are a few studies done at micro level in Malaysia, especially in Kedah where this state recorded as one of the highest rates of incidence of poverty as well as hard-core poor in rural area in Peninsular Malaysia, this study try to reveal the gap at micro-level, particularly toward the economic development among rural community in Kedah, Malaysia.

### **Rural Economic Development**

Rural economic development refers to the increasing in the producing goods and services in an economy of certain rural area by comparing the situation in two different times. At individual level, when the person experiences growth in his economy, his income level will change. It also affects the standard of living of the rural population, purchasing power, level of saving, and property ownership such as house and land. The impact on unemployment rate and the growing of small and medium scale industries also being part of this economic development. Connors et al (2020) claimed that for rural economic development, it is more towards programs that able in improving resilience and sustainability, governance, utilities, telecommunications as well as community and human capital through job skills training and investment in education.

Economic development is one of the key indicators in measuring the community development in any country or region. As mentioned by (Marinas, 2015).

*At present, the economic development and competitiveness of any region or community are dependent on the capacity of the respective area to support knowledge creation, learning and innovation processes. Global digitalized economy, as well as global challenges, is transforming labor markets: new jobs are developed, new competences and new skills are needed. To this end, investment in human capital become essential: it is the human capital which may generate innovation and it is also the human capital which is responsible for assimilating the innovation produced elsewhere and for integrating new methods in the economic activities and business management to foster sustainable development in rural areas.*

Realizing the rapid changes and challenges in global economic development, which direct or indirectly will give impacts to the local economic development, special attention needs to be given to the human resources aspect, especially in rural area. As mentioned by Marinas (2015), excellent human resources are required if the country intend to have a sustainable development. So, it is essential for the country to invest seriously in human capital.

Basically, economic development refers to better health, more leisure, more time thinking for better life, more to read (Villard, 1963). Jagnayak (1997, as cited in Dent, 2007) agreed with the definition of economic development from Okun and Richardson and also from Rogers and Shoemaker. The definition of economic development stated as follow.

*Okun and Richardson stated that “economic development is a sustained secular improvement in material well-being which may consider to be reflected in an increasing flow of goods and services. Rogers and Shoemaker defined economic development as “a type of social change in which new ideas are introduced into a social system in order to produce higher per capita incomes and levels of living through more modern production methods and improved social organization.*

Earlier, in 1966, Marc Blaug suggested six keyways that contribute to the economic development in rural area. The six keyways were:

*It raises the productivity of the newly literate; it raises the productivity of those working in association with literates (the spillover effects); it expedites the flow of general knowledge of individuals, thereby reducing the cost of transmitting useful information otherwise; it stimulates the demand for vocational training and technical education; it acts as a device for selecting the more able and enhances their occupational mobility; and it strengthens economic incentives.*

From the six keyways suggested by Blaug (1966), it clearly showed that in order to successfully develop the economy in rural area, the good literacy rates are one of the contribution factors. Blaug further claimed that illiteracy closely related to poverty. Jagnayak (1997, as cited in Dent, 2007) supported Blaug’s statement by mentioned that one of the most crucial economic problem in rural areas is to ensure the improvement of agriculture production. He further adds that the rural people need to improve their literacy rates by attending relevant programs, lectures and workshops pertaining to the agricultural sector.



Many developing countries having their economic development and growth but unfortunately, their people standard of living does not have many changes (Kumar, 2017). This argument aligns with Shortall (2008) research finding where one of his focus group voiced out that no point having a good community centers and leisure centers as symbols of economic development when the people have no money in their pockets. They must have overworked in making sure to stay financially viable.

Ahmad (2014) mentioned that ecotourism activities in rural area able to provide benefits to rural community such as job opportunities, business opportunities, infrastructure, and social development as well as markets for local products. Afenyo and Amuquandoh (2014) also came out with the same agreement since findings from their study revealed that local community who involved in ecotourism enjoyed employment opportunities, infrastructure, and economic development as well as environmental and socio-cultural benefits. A series of review done by Kunjuraman and Hussin (2017) for the social transformation of rural communities through ecotourism concluded that quality of life for rural people improved when they involved in ecotourism activities. On top of that, Uysal et al (2015) also discovered that tourism in general, able to give good impact to local communities' development.

Besides job creation in agricultural activities that dominant in rural area, Petrin (1994, as cited in Kolawole and Ajila, 2015) proposed that the development of rural entrepreneurship need to be taken seriously by the authorities and rural people since it has a direct impact to the development of rural areas. Even though the rural people realized that entrepreneurship able to boost up their economy but lack of credit facilities together with lack or no capital always retarded their progress (Kolawole & Ajila, 2015). Taghizadeh-Hesary, Yoshino, Kim, and Morgan (2020) stressed out that with the absence of trade barrier, an excellent infrastructure and regional economic integration, the increasing rates of economic growth in targeted area is not impossible to be achieved. Peiser and Forsyth (Eds.). (2021), in their book entitled *New Towns for the Twenty-First Century: A Guide to Planned Communities Worldwide*, among others touch on the challenges on economic development and quality of life that need to be address properly in relations with the sustainability development and at the same time confronting future challenges.

### **Methodology**

In obtaining in-depth information regarding economic development in rural area in Kedah, a focus group methodology was used. Two focus groups that involve directly with authorized government agency (Kedah Regional Development Authority or KEDA) were selected, consisted of (1) Headman from 13 selected rural village and (2) Six Development Manager. The length of interview and discussion for each informant ranged from 45 minutes to approximately two hours. The questions and probes asked were related to the economic development such as income level, saving, property ownership, purchasing power, expenditure pattern, level of debts, level of wealth, activities and programs done for economic development etc. All the interviews and discussion were recorded with the permission from the informants. Notes also taken during each interview and discussion session.

By using Hermeneutic Analysis, the interview and discussion were transcribed into a written text to get and understand the meaning of an action and the information gained via interview.

Then, check back with the informants for confirmation of meaning. For non-confirmation information, the transcribed process is restarted until agreed by the informants. Finally, prepare the report that synthesizing the findings.

**Results**

Informants for headman group in this study (Head of Desa) were selected from four types of villages, namely (1) Traditional Village, (2) Projek Perumahan Rakyat Termiskin or PPRT (Housing Project for Poor People), (3) Restructuring of Village or PSK and (4) KESBAN (Safety and Building). The KESBAN is a resettlement projects within a 25-km radius from the Malaysia - Thailand international border.

All the informants are at least five (5) years in their position and the longest service is 28 years.

Table 1 indicated the informant’s profile.

Informants (Headman)	Duration in the Position (Years)	Informants (Headman)	Duration in the Position (Years)	Informants (Development Manager)	Duration in the Position (Years)
KMY1	28	ZS1	18	MG1	10
KMY2	6	ZS2	17	MG2	8
KMY3	8	ZS3	10	MG3	5
KMY4	5	ZS4	12	MG4	26
KMY5	13	ZS5	7	MG5	27
KMY6	5	ZS6	5	MG6	10
KMY7	13				

Table 1: Demographic Background of informants.

Source: Field Study, 2019/2020

To gauge the economic development among rural people in Kedah, the respondents were asked with a few questions related to the economic development such as income level, saving, property ownership, purchasing power, expenditure pattern, level of debts, level of wealth etc.

The finding of this investigation gives an overall picture on the economic standing of rural people after they have received numbers of assistance and programs under the rural community development by KEDA and other related government agencies in Kedah.

As mentioned by MG1 and MG2, there are many development programs that are carried out by KEDA to help rural people to improve their economies, such as urban and rural growth centers, SMI and entrepreneurs, agricultures, training, and other development. They have more than ten (10) locations in Kedah for Urban and Rural Growth Centers such as at Napoh and Binjal in Kubang Pasu, Sungai Tiang in Pendang, Jeniang in Kuala Muda, Relau in Kulim, Lubuk Buntar in Bandar Baharu, Kupang and Baling (Baling), Sik and Naka in Padang Terap. The center operates on the four main components namely, business, public utilities, industrial and housing estate and works to boost up the economy of rural people. The development programs are corresponded with the category of regional development by Qu and Ma (2013) in which they stated that in creating an effective economic development in a certain area, the companies, related industries, suppliers, and specialized institutions must come together as

a complete package. In addition, the resource, population, development, and environment also must be coordinated properly.

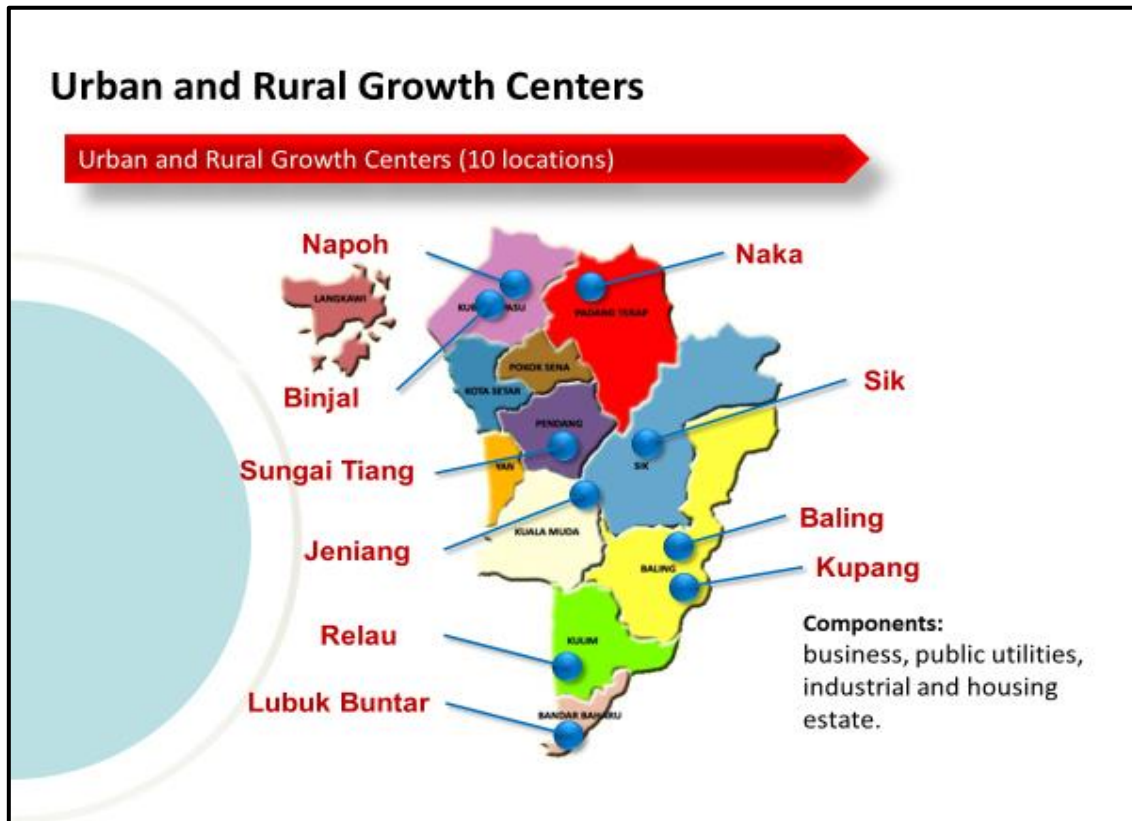


Figure 1: Urban and Rural Growth Centers in Kedah.

Source: KEDA, 2019

For SMI and Entrepreneurs, MG1, MG2, MG4 and MG5 have informed that more than 555 units of industrial lots, industrial buildings and factories, workshops, shops, and stalls as well as business lots were created for the purpose of rural economic development in Kedah. There are 17 locations of these Small and Medium Industries (SMI) created in rural area of Kedah such as at Napoh, Wang Tepus and Binjal (Kubang Pasu), Wang Tok Rendong (Langkawi), Kubur Panjang and Lahar Tunjung (Pendang), Sg. Udang (Yan), Jeniang (Kuala Muda), Lubuk Buntar (Bandar Baharu), Sg. Salleh (Kulim), Baling and Kupang (Baling), Charuk Nau, Sik and Batu 5 (Sik), Naka and Batu 13 (Padang Terap). The locations of Small and Medium Industries (SMI) in Kedah as shown in Figure 2.



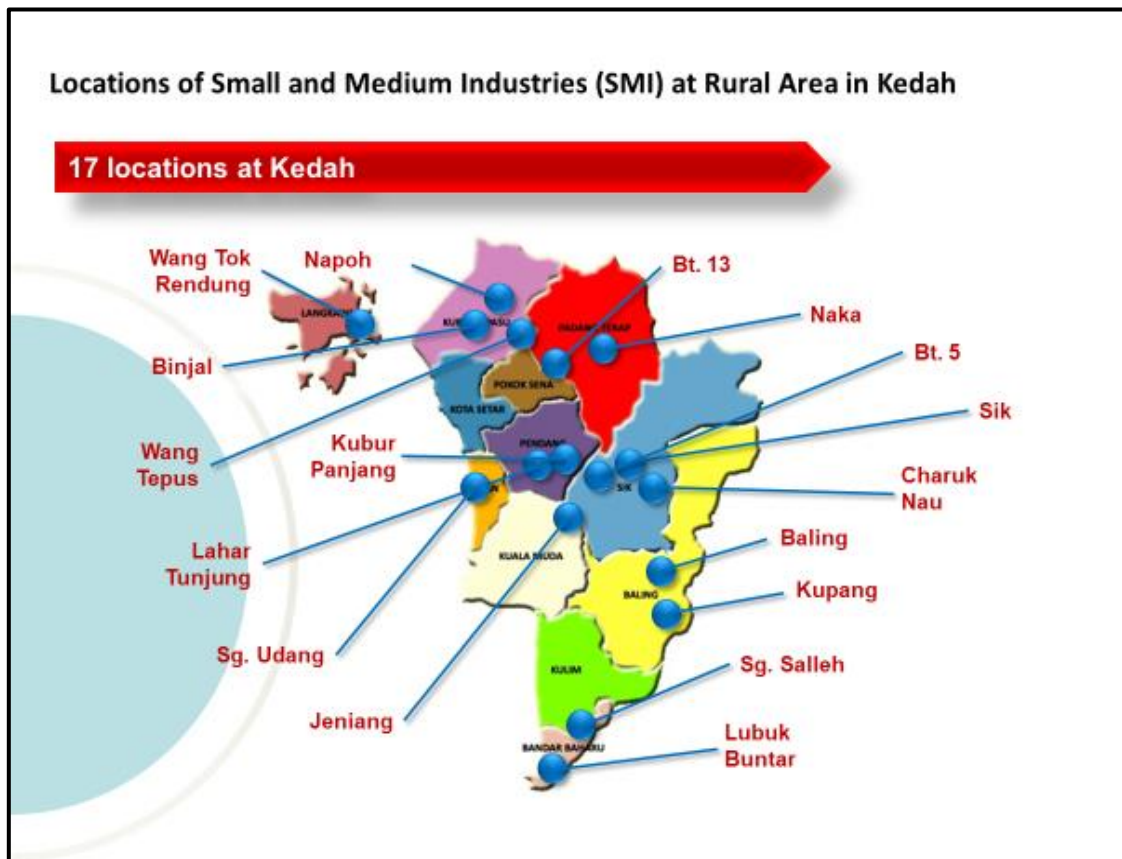


Figure 2: Locations of Small and Medium Industries (SMI) in Kedah.

Source: KEDA, 2019

The creation of SMI and Entrepreneurs is aligned with suggestion from Perroux (1950); Malizia and Feser (1999); Szajnowska-Wysocka (2009) which concerned on related authorities need to create new growth poles in stimulating the growth of the economy of the rural people.

Further, MG1, MG2, MG4, MG5 and MG6 said that a lot of the assistance are provided to rural people to improve their economic standards such as SMI premises, machinery loan, guidance and advice, packaging and labeling, promotion, and marketing of products. The areas of entrepreneurship which are the focusing on their agency are the food industry, the sewing and tailoring, the electronics and engineering industries, the mechanical motor industry, the welding industry as well as the health and cosmetics products.

For agriculture project, according to MG1 and MG2, it is more towards the agriculture, livestock, and agro-based industries. The idle landscapes are restored and planted with rice plant, pineapple, chilli, corn and black pepper while for livestock, cattle and goats are cultivated. This project benefited more than 40,855 people. In addition, KEDA also entails agricultural and livestock assistance to rural people as to improve their economic standards. This project has benefited at least 41,396 people.

The area of the farm that has been developed is 744 hectares (Figure 3). Coffee, herbs, rubber, oil palm, cocoa are among the cultivated fields. For instance, as for rubber industry, there are three farms in Teluk Teduri, Baling with 140 hectares, Sungai Tengah, Kulim (178 hectares) and Pantai Molek, Sik (136 hectares). Oil palm estates are in Rambong, Baling with 90 hectares

and Bukit Relau, Bandar Baharu (144 hectares). Cocoa farms are situated at Charuk Kelubi, Baling (40 hectares) and coffee and herbs fields are at Charuk Tualang, Sik (40 hectares). The farm in Bendang Man, Sik cultivates a mixture of plants for 76 hectares.

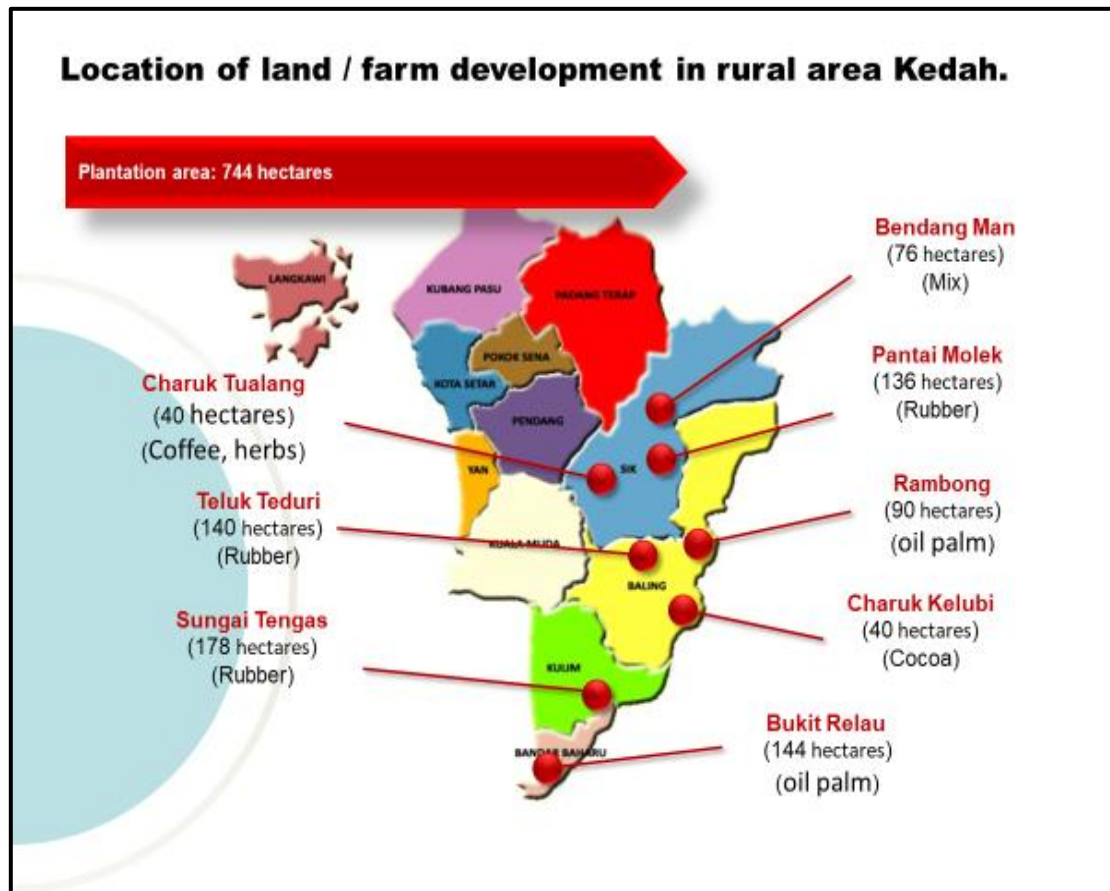


Figure 3: Locations of land/ farm development in rural area Kedah.

Source: KEDA, 2019

This development corresponds to the work of Dardak (2007) and Saefulhakim (2004) which supported the agropolitan development as one of the main economic sources that are based on agricultural industry in increasing rural people's income. These land and farm developments are aligned and supported the work of Myrdal (1957) and Hermansen (1972) which mentioning that such economic activities will create a multiplier effect and spill over to other economic activities as well as to the nearby areas. As a result, the rate of development and economic growth is increasing (Mei & Salih, 1985).

In the discussion with the respondents, researcher also conducted interview sessions with Head of Desa, Development Officer and Development Manager on the economic development among rural people. Table 2 lists down their feedback on the said matter.

Informants	Achievement level on Economic Development	Informants	Achievement level on Economic Development	Informants	Achievement level on Economic Development
KMY1	Large	ZS1	Medium	MG1	Large
KMY2	Large	ZS2	Small	MG2	Large
KMY3	Small	ZS3	Small	MG3	Medium
KMY4	Medium	ZS4	Large	MG4	Medium
KMY5	Medium	ZS5	Small	MG5	Medium
KMY6	Small	ZS6	Large	MG6	Medium
KMY7	Medium				

Table 2: Achievement Level on Economic Development (Individual)

Source: Field Study, 2019/2020

As can be seen in Table 2, economic development is varying in different rural areas. Some of the Head of Desa claimed that, with the running of rural community development in their area, they experienced large achievement in their economic condition (KMY1, KMY2, ZS4 & ZS6). The economic development which was done in their place left expressive influence on their economic development. What follows is the description given by them on the said matter.

Interview excerpt: KMY 1

*"... people in my village have changed 360 degree when we talk about improvement in their economy. After more than three decades staying in this village, only those who are lazy will have nothing..."*

Interview excerpt: KMY 2

*"... a lot of improvements in the economy. If last time their house looks like a 'bangsal' (shed), now they have better house. Every house has at least one motorcycle and one car."*

Interview excerpt: ZS 4

*"... economic condition of my people can be said at the excellent stage as compared to their condition before they joined this village. We have a very active cooperative that, at one time is able to give a dividend of 100 percent. We have a lot of economic activities under our cooperative such as leisure resort, rubber plantations and maintenance business that are able to boost up our economy."*

Interview excerpt: ZS 6

*"...majority of them were the hardcore poverty. Right now, income range in my village is between RM 1,000 to RM 3,000. If we compare to last time before they joined this village, the improvement in their income is quite big. They also received a lot of assistance from government agencies such as sewing machines and ovens as to improve their economy. Besides that, since majority of them here are rubber tappers, job opportunity given by FELCRA also helped a lot in improving their economy."*

However, besides a good remark by some Head of Desa, there are also some areas that only experience small achievement in their economic development following the rural community development in their area (KMY3, KMY6, ZS2, ZS3 & ZS5). That means the development performed at their rural area only leave limited influences on their economic development (Sun et. al., 2008).

As mentioned by KMY3 and KMY6, majority of their people work as fishermen and farmers. Their income is uncertain and depending on the weather. If the weather is good, they get more income, but if the weather is bad, then their income will be less.

ZS2, ZS3 and ZS5 have informed that most of their residents are rubber tappers and fishermen. Their income is also uncertain by the weather. When the weather is good, they will gain a lot but less if it is otherwise.

Inputs from the Head of Desa shows that even though KEDA and other government agencies are trying their best in improving the rural peoples' economic condition, but types of economic activities can be one of the factors that are able to either boosting up or slowing down the development. This situation corresponds with the work of Cho (1990) which claimed that unequal development happens because of the economic activities done by the people. In this study, most of the respondents get involved in the agricultural sector and self-work. However, their economic development is not comparable to one another. The way they perform their economic activities make them difference. As mentioned by Bruton (2007), the improvements of agricultural management and diversified rural economy are needed to be done as to cope with this issue.

The summary of achievement level on economic development in rural area under this study can be seen in Table 3 below.

As can be seen in Table 2, economic development is varying in different rural areas. Some of the Head of Desa claimed that, with the running of rural community development in their area, they experienced large achievement in their economic condition (KMY1, KMY2, ZS4 & ZS6). The economic development which was done in their place left expressive influence on their economic development. What follows is the description given by them on the said matter.

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The summary of achievement level on economic development in rural area under this study can be seen in Table 3 below.

No.	Items	Achievement level on Economic Development	Counts	% Of Total
1.	Economic Development	Very small achievement	0	0
		Small achievement	5	26.3
		Medium achievement	8	42.1
		Large achievement	6	31.6
	Total		19	100

Table 3: Achievement level on Economic Development (Summary)

Source: Field Study, 2019/2020

The finding indicated that five respondents claimed that their people experiencing a small achievement in the economic development while, eight respondents stated the medium achievement and another six respondents claimed with the large achievement. The highest feedback is the medium achievement, which means that the development done in rural area has a significant influence on economic development of the rural community.

Out of thirteen (13) Head of Desa, four of them claimed that their people are experiencing a large achievement in their economic development following the rural community development implemented in Kedah.

As for the Development Manager, both respondents (MG1 and MG2) claimed that as an overall, rural people are experiencing large achievement in the economic development. A lot of programs and assistance are given to the target group, covering all level of the people.

Interview excerpt: MG 1

*"... when we receive a budget from KKLW, we will sit down and coming out with the economic development planning for rural people, covering all level such as hardcore group, small scale business, big scale business as well as for Mini RTC (Rural Transformation Center). We can see a lot of improvement since then. For B40 group (income per month less than RM 4,849.00), we will help them by assigning a mentor for them in improving their economic standing."*

Interview excerpt: MG 2

*"... overall from the 58 villages, the average income of rural people increases more than 80 percent. Now majority of them can bring home at least RM 1,000 to RM 1,500 per month following the economic program implemented at their area. We also have a group of people that manage to generate income more than that, but the numbers are not as big as the first group."*

Most of informants (KMY1, KMY2, KMY4, KMY5, KMY6, ZS1, ZS2, ZS4, ZS6, MG1, MG2, MG3, MG4, MG5 & MG6) did mention that as an overall, majority of households in the area of study can afford to have at least one motorcycle and one car as compared to the previous time.

They are also afforded to have the basic home appliances and other things following the improvement in their economic standing.

### Conclusion

From the result of the analysis, it shows that rural community development which are carried out by KEDA and related government agencies in Kedah did contribute to the successful in developing the economy of rural people in Kedah. However, there are variances in the degree of successfulness since some respondents are still struggling in improving their economic condition. As mentioned by Kumar (2017), many developing countries are having their economic development and growth but their people standard of living are not much having changes. This also happens in this study since the finding indicated that rural people did experience economic development, but their standard of living has less changes.

There are lot of factors that contributed to the successful and meaningful economic development among rural people such as, high cost of living, current price of goods and services, inflation rate, recession period, education background, types of employment, household income, attitude of rural people etc. The economic reality of recent years shows the rising cost of living of the people. The price of goods rose higher than the level of income. This situation worsens the survival of people especially the rural population (Mohd Yusof, 2019).

Most of the rural people covered under this study only finished their primary and secondary school. As mentioned by Bruton (2007), the improvement of agricultural management and diversified rural economy are needed to be done to cope with this issue, but with the limited education background, it is quite hard for this group of people to understand the situation in a holistic view. Even though KEDA and other government agencies are trying their best to improve the agricultural management and diversified rural economy but the response from target group is not as expected. Some of the respondents are still delaying in grabbing the opportunities offered to upgrade their economic standards, while some are still with old attitude of slow and steady and only waiting the assistance given by KEDA and other government agencies without paying extra effort. Some of them receive assistance and business tools from KEDA and other government agencies such as sewing machines and ovens to improve their economy, but they are not fully utilized.

More than seventy percent of rural people in this study are self-employed which most of the work related is on the agriculture sector. They managed to bring home a monthly income of RM 3,000 and below. Even though the finding indicated that some of the rural people did experience more than 50% or even as high as 100% economic development, but a comparison with their previous monthly income is needed. If previously that person income was RM 500 per month and now the income is RM 1,000, surely the improvement is by 100%. However, with RM 1,000 per month, and suiting the current cost of living and price of goods and services, this group of people are still categorized under rural poverty. Furthermore, with RM 1,000 per month, it is only a level higher than the current Malaysia Poverty Line Income (PLI) which is RM 930 for Peninsular Malaysia. For the record, PLI refers to the household income that is enough to buy minimum necessities of foods and non-food for the whole family. Even for the rural people that managed to bring home RM 3,000 per month, they are still categorized under the Bottom 40% (B40) income group (Department of Statistics Malaysia, 2019). That means, as overall, rural people in this study are still categorized under B40 income

group even though they experienced 100% economic development following the rural community development implemented by KEDA and other government agencies in their area.

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