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The Role and Challenges of Kejora in Rural Economic Development

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Abstract

This article discusses the role and challenges of the Southeast Johor Development Authority (KEJORA) particularly in rural economic development based on the KEJORA Regional Village Development Roadmap Master Plan. The plan has emphasised on the need to further strengthen the function of the establishment of KEJORA in maintaining the current planning aspects of the countryside in Southeast Johor and the surrounding areas beyond its influence. KEJORA has managed to develop the economic status and human capital development of the villagers in its area. Various projects under the implementation and management of KEJORA have been developed and benefited the villagers especially in agriculture, animal husbandry, tourism, agro-based industry, and resettlement of the population. KEJORA is also the only rural government agency that not only plans but also ensures that its implementation can provide overall benefits to the villagers. This is in line with the Rural Development Policy 2030 (DPLB). Looking at the strategies and projects that have been implemented, it is clear that KEJORA is more of a role as a coordinator to the rural community. This article also discusses various challenges that must be faced by KEJORA theoretically and technically, especially in overcoming problems related to rural economic development.

Keywords: KEJORA, Rural Development, Community, Rural Economic Development

Introduction

The Southeast Johor Development Authority or better known as KEJORA is a statutory body agency under the Ministry of Rural Development Malaysia that serves as the regional development agent for the south-eastern area of the state of Johor covering an area of approximately 300,277 hectares (Plan Gazet 728, section 410KTN). Beginning its establishment on 1 June 1972, KEJORA has proven its capabilities in implementing functions and roles in various sectors including agriculture, industrial, tourism, human capital, entrepreneurship, village development as well as the provision of infrastructure and public facilities (KEJORA Annual Report, 2018).

The establishment of KEJORA is based on three objectives of the New Economic Policy which is to reduce economic imbalances, create job opportunities and accelerate economic growth in the Southeast Johor Region. In addition, KEJORA is authorized through Enactment 118 (Enactment of the Southeast Johor Development Authority, 1972) which gives certain functions and powers to develop the Southeast Johor Region.

A total of nine development programmes or projects have been implemented by KEJORA such as entrepreneurship, tourism and agriculture development programmes as well as human capital programs using the allocation approved by the Federal Government to develop the Territory through economic and human capital empowerment. In line with KEJORA's mission to make the Southeast Johor Region developed and prosperous, the role played by KEJORA through the development of catalytic projects is seen to have had a developmental impact on the surrounding residents.

Literature Review

The rapid development of cities is a challenge faced by all countries in the world. This is because the city is the centre of economic growth and the main administrative centre that provides a variety of job opportunities. This led to the occurrence of a phenomenon of migration of rural to urban residents felt by the whole world. According to UNDP World Urbanization Prospects (2014), an estimated 60.0 percent with a total of 5.1 billion people live in rural areas compared to 40.0 percent with a total of 3.4 billion in rural areas worldwide by 2030.

Not to mention a country like Malaysia that is rapidly developing as a result of economic activities and technological advances to experience the trend of rural migration to the city. According to the Department of Statistics Malaysia through the Malaysia Survey Report 2018 published on 11 July 2019, internal migration was 89.3 percent with the state of Selangor and the Federal Territory of Kuala Lumpur being the highest migration rate of 28.5 percent each and not to mention the state of Johor which is experiencing a high migration rate of its population to neighbouring Singapore (Department of Statistics Malaysia, 2019). Various factors cause rural migration to the city, among which is due to a 24.% employment factor compared to other factors.

This phenomenon is caused by the problem of unemployment in the rural community and the lack of employment opportunities in the rural areas themselves. Rural residents took the initiative to migrate to the city to try their luck to change their lives. The unemployment rate in July 2019 remained at 3.3 percent. As of July 2019, the number of unemployed was 524.8 thousand people, up 0.7 percent compared to the previous month. The unemployment rate (season adjustment) in July 2019 also remained at 3.3%. Figure 1 below shows the percentage of the unemployment rate (season adjustment) from July 2018 to July 2019 (Department of Statistics, 2019).

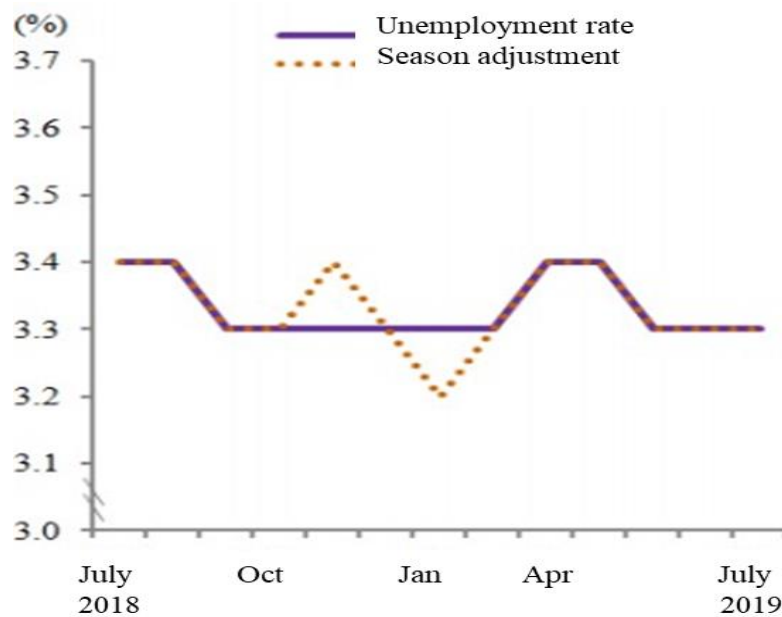


Figure 1: Unemployment Rate (Season Adjustment) 2019

Source: *Key Statistics of Labour Force in Malaysia 2019, Department of Statistics Malaysia.*

Thus, KEJORA is one of the government agencies that will take a role in facing these challenges to balance the standards and quality of the population and determine that the village does not fall behind in the mainstream of development, especially economic development. The various measures, mechanisms, strategies, and agendas implemented by KEJORA are to address the gap between urban and rural areas at the federal, state, and local levels. The total number of rural residents in the KEJORA Region is 130,334 people, which is 14.82% of the total population of Johor (KEJORA Region Village Development Master Plan, 2020).

The National Rural Physical Planning Policy (NRPPP), 2030 defines a village with some specific contexts. Among them, NRPPP mentions that rural areas are areas other than cities that consist of settlements including villages, towns, and other small settlements. In addition, the population is less than 10,000 people and is characterized by agriculture and rich in natural resources. Furthermore, the density and low percentage of the active-age population are also one of the rural characteristics outlined by NRPPP. The main economic base of the population is based on agriculture, rural industry, and natural resources. Next, the village situation also includes still maintaining village social and cultural activities including village organizations/committees, family institutions, social and cultural activities. The development and progress of rural areas are also an important asset of the country, according to 2010 statistics, rural residents comprise 36.3% of the entire population of Peninsular Malaysia.

Todaro (2000) argues that development involves the process of organizing and reorienting economic and social systems. This means that development does not only involve increasing income and production, but also takes into account changes in social institutions, administrative structures, public opinion, customs and beliefs, and this opinion is supported by Syed (1976) who thinks that economic development is indeed aimed at increasing the economic standard of living of most of the community (Zaheruddin & Yusuf, 2007).

The 2030 Sustainable Development Goals emphasize economic prosperity, inclusive social development and environmental sustainability (MTEN EPU, 2016). Among them is promoting sustainable, comprehensive and sustainable economic growth, full and productive employment and good jobs for all. KEJORA in this context takes a role to strengthen the rural economic value chain, increase the use of e-commerce and culturalized rural products. In addition, the planning of socio-economic programs is also intensified to increase the ability to participate in the economic development of the city. Next, increase the involvement of the Orang Asli community in the mainstream economy and improve the economic assistance mechanism.

KEJORA's Regional Village Development Concept has introduced a form of mapping based on categories according to the strength of natural resource resources and agricultural activities, this concept is known as "Village Groups". The rural economic potential of the KEJORA Region is focused on agricultural and tourism activities, especially ecotourism and agrotourism activities. The priority areas of village planning and implementation in the KEJORA Region are guided by four (4) priority areas reinforced by 10 main strategic and 33 related projects (KEJORA Region Village Development Roadmap Study, 2020).

Issues and Problems

The development and expansion of the KEJORA Region from 333,962 hectares to 634,239 hectares is a big challenge, especially for KEJORA and the Ministry of Rural Development. In line with the government's commitment to the establishment of the Ministry of National and Rural Development in 1959 (Haliza, 2020), the establishment of KEJORA is important to reduce migration and the economic gap between rural and urban residents. In addition to promoting sustainable, comprehensive, sustainable economic growth and full employment, especially in the Southeast Johor Region. For example, the net out-migration of Kluang district was 2,133 for the period 1995-2000 and 2,832 for the period 2005-2010. Migration is a behavioural phenomenon experienced by all countries around the world (Mohd, 2016).

Table 1

Net Population Migration by District, Johor State, 1995-2010

DISTRICT	1995-2000			2005-2010		
	IN MIGRATION	OUT MIGRATION	MIGRATION NET	IN MIGRATION	OUT MIGRATION	MIGRATION NET
Kluang	6,097	8,230	(2,133)	7,098	9,930	(2,832)
Kota Tinggi	6,497	8,191	(1,694)	5,818	5,841	(23)

Source: Malaysian Population & Housing Census Report, 2000 & 2010, Department of Statistics Malaysia

The less aggressive rural economy and the suboptimal use of resources caused the region's high poverty rate. Based on Johor's economic growth pattern, the agricultural sector is the lowest contributor to the economy while the current land use for agricultural purposes is the highest. Therefore, various initiatives have been taken by KEJORA for the survival of the agricultural sector. In general, the development strategy for rural areas has been

disseminated through the development program of new cities in the Region, that is by financing infrastructure projects and basic facilities in new cities that are developed so that they are complete and orderly.

Based on the KEJORA Region Village Development Roadmap Study, KEJORA has been considered as a catalyst or agent of rural economic development in the Region. However, various challenges are faced by KEJORA in developing a vast region covering two districts and 13 sub-districts. KEJORA always strives to help rural communities, especially in the southeast of Johor. Therefore, this article will discuss the role and challenges of KEJORA in rural economic development.

Purpose of the Study

In general, this study examines the role and challenges of KEJORA in Rural Economic Development. In particular, this study aims to:

1. Identify the role of KEJORA in Rural Economic Development within the KEJORA area;
2. Identify the Economic Development Program developed in the KEJORA area; and
3. Identify KEJORA's challenges in Rural Economic Development within the KEJORA area.

Research Methodology

The methodology is a philosophy in the research process to determine the factors involved in research (Fauzi et al., 2014). The determination of factors such as how the researcher presents the hypothesis and the type of evidence required to decide whether the hypothesis is accepted or not is also included in the research methodology. The methodology of this study will explain in more detail about the work process carried out such as the work steps from the beginning of the title selection process until the final report of this study. This study involves a survey and also a review of official documents. The data obtained was analysed descriptively to see the percentage and number of cases involved.

Study Population

The population of the study includes the existing KEJORA Region which includes Kota Tinggi and Kluang districts with an area of 300,277 hectares. This area covers 13 existing sub-districts, eight sub-districts in Kota Tinggi district, and five sub-districts in Kluang district. These districts are divided into four main zones namely Sedili, Pengerang, Johor Lama and Renggam.

The existing village area in KEJORA Region includes 44 villages and the potential expansion is estimated at 131 villages. The total number of villages involved in the potential expansion of this area is 284 villages including the Parent Village and the Network Village.

Findings and Discussion

The Role of KEJORA in Rural Economic Development

KEJORA plays a role in developing rural areas that have been gazetted by the Government to advance and develop rural areas from physical, economic and social aspects. It can also proactively mobilize energy and resources to transform a marginal area into a sustainable region (Plan Harapan Pembangunan Desa 2018-2023).

Throughout its 50 years of establishment, KEJORA is seen to have implemented rural economic development projects where village cooperative management is one of the main platforms to highlight the active involvement of residents in either the planning or implementation of a project. In general, KEJORA plays an important role as the coordinator of the projects that have been proposed. Through the KEJORA Region Village Development Direction Master Plan, there are planning strategies supported by four priority areas of KEJORA Region village planning and implementation.

In addition, various programs and other development projects have also been implemented by KEJORA through non-physical programs such as entrepreneurship, tourism and agriculture development programs as well as human capital programs by using the allocations approved by the Federal Government to develop the Region through economic empowerment and human capital.

KEJORA Economic Development Programme

Based on the pattern of economic growth in the state of Johor, the agricultural sector is the lowest economic contributor even though the current main land use is agricultural. The KEJORA region also consists of vast agricultural areas seen as a potential asset to be developed as a major contributor to activities, especially in rural areas. Various economic projects have been implemented by KEJORA to ensure the survival of existing agricultural land and at the same time become the source of income for rural communities (Kejora Regional Village Development Master Plan).

The KEJORA economic area development strategy is strengthened with four main areas of village planning and implementation in the KEJORA Region, namely Sungai Johor Village Cluster, Sedili Village Cluster, Kluang - Kahang Village Cluster, and Simpang Renggam Village Cluster - Bandar Tenggara. This strategic area supports the National Rural Physical Planning Policy 2030 which outlines the strengthening of the rural economic value chain in increasing the use of e-commerce as well as cultivating the use of rural products (National Rural Physical Planning Policy 2030). Therefore, the main goal of the implementation of economic programs by KEJORA is to reduce the rate of poverty, inequality and unemployment in the context of a growing economy (Balwi, 2005).

KEJORA Challenges in Rural Economic Development

KEJORA's main challenge in rural economic development is the trend of the rural population getting lower. The percentage of the rural population in Kluang district has decreased from 41.68% (2000) to 39.43% (2010). While the percentage of rural residents in the Kota Tinggi district experienced a significant decrease from 79.80% (2000) to 62.35% (2020). Kluang District experienced net out-migration covering a total of 2,133 net migrants for the period 1995-2000 and 2,832 net migrants for the period 2005-2010. While the Kota Tinggi district experienced net out-migration covering a total of 1,694 net migrants for the period 1995-2000 and 23 net migrants for the period 2002-2010. The phenomenon of migration of rural residents to cities is felt worldwide according to (UNDP World Urbanization Prospects, 2014). Internal migration can be categorized into two levels, namely migration that migrates across the state and migration that migrates within the state (Department of Statistics Malaysia, 2019). The population migration trend not only involves rural to urban areas, but this internal migration trend also involves population migration from urban-to-

urban areas, rural to rural areas and even urban to rural areas (Usman & Tarmiji, 2010). According to Purnomo (2009), residents moving from rural areas to urban areas will indirectly cause development and urbanization to occur.

In Malaysia, Chitose (2003) found that the New Economic Policy (NEP) introduced in Malaysia was significant and had a positive effect on the Malay ethnic group to migrate, on the other hand, the non-Malay ethnic group did not affect migration. Two policies are formulated that cover rural and regional development as well as urbanization and township (Abdul, 1989). Rural and regional development policies are formulated to transform and improve the living standards of the population in rural areas in terms of income levels, infrastructure improvements, more modern job opportunities, and others (Rodzli & Seng, 2012). While according to Rusly and Nurashikin (2013), this rural transformation involves the process of modernization, development and urbanization of employment, health standards, education, transportation, communication and other related transformations. Economic factors are seen to have a great influence on internal migration and according to Filiztekin and Gokhan (2008), poverty, unemployment, and income have become the causes of internal migration. One of the factors of individual migration is to take into account the expected income and satisfaction that will bring them profit (Napolitano & Bonasia, 2009).

The next challenge faced by KEJORA in Rural Economic Development is the economic rate of the rural population which is less aggressive because there is no unique rural economy that is specifically based on agricultural practices. Existing industrial companies or small and medium enterprises (SMEs/SMEs) are also conventional and limited as stated in the Johor State Structure Plan 2030. The reorganization of the economic and social system needs to be implemented by KEJORA in line with the opinion of Todaro (2000) which not only involves increased income and production but also takes into account changes in social institutions, administrative structures, public opinion, customs and beliefs.

Implications and Recommendations

The proposed implementation mechanism for rural economic development is seen to be centred on the village community level through the institution of “Koperasi Kampung” known as Village Cooperatives. The Village Cooperative is seen as acting as a project management platform that can involve the villagers as a driving force. Management as a Village Cooperative is applied as the main platform to involve the active participation of residents either in the planning or implementation of a project. KEJORA also plays an important role as the coordinator of the projects that have been proposed. This is to ensure that the projects can be implemented holistically and continuously (Kejora Regional Village Development Master Plan).

Summary

The expansion of the KEJORA Region shows that this agency is still relevant as the main agency in helping the development of the rural population. KEJORA should function as a project coordinator with the help of Village Cooperatives, penghulu, village heads, villagers, and other relevant agencies to ensure a more holistic rural development. If there is an overlap of duties between KEJORA and other agencies in the future, KEJORA needs to focus more on the development of the rural population. However, several challenges need to be addressed by KEJORA with a harmonious and beneficial approach for all parties, especially in dealing with

the situation with various parties, whether on the part of the state government or the villagers. Overall, various methods of approach can be used in facing the challenges at the level of KEJORA itself, especially to ensure that KEJORA's role in empowering rural communities from various aspects whether economic, human capital and infrastructure can be successfully achieved.

Appreciation

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