

INSTITUTE OF CURRENT WORLD AFFAIRS

GDN-5
Rural Development II
The Red Book

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Petaling Jaya, Selangor
Malaya
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Dear Mr. Nolte,

Early in 1960 the new Ministry of Rural Development issued its first directive. The aim was to set in motion the program of rural economic development. Following the directive, each of Malaya's 70 district officers formed a rural development committee, composed of the district's heads of technical departments and its elected representatives to state and federal legislatures. The committees collected requests from the rural people for such amenities as roads, schools, community halls, etc. Practical requests were included in the plan. Impractical requests were rejected and the committee had the responsibility of explaining its action to the people. Then proposals were collected from government departments. Everything from large land schemes to small water supplies was to be considered.

Priorities were assigned and rough estimates of costs were made for each project. All the proposals were then located on one of 12 basic map tracings of the district and entered in a large book (2' by 3') provided by the Ministry. Thus was born the District Rural Development Plan, better known as the Red Book.

Red Book proposals from each district were collected and edited by the respective state rural development committees. All state plans were then brought together and edited by the Ministry for inclusion in the second five-year plan. The plan allocated M\$ 441 million to Red Projects. This was about 20% of the plan's total public investment target.*

When the planners in the Ministry of Rural Development first set forth the idea, the Red Book was conceived simply as an organizational mechanism that would allow for a rapid and efficient census of existing and required facilities in the rural areas. As one might expect the Red Book has turned out to have a far wider significance.

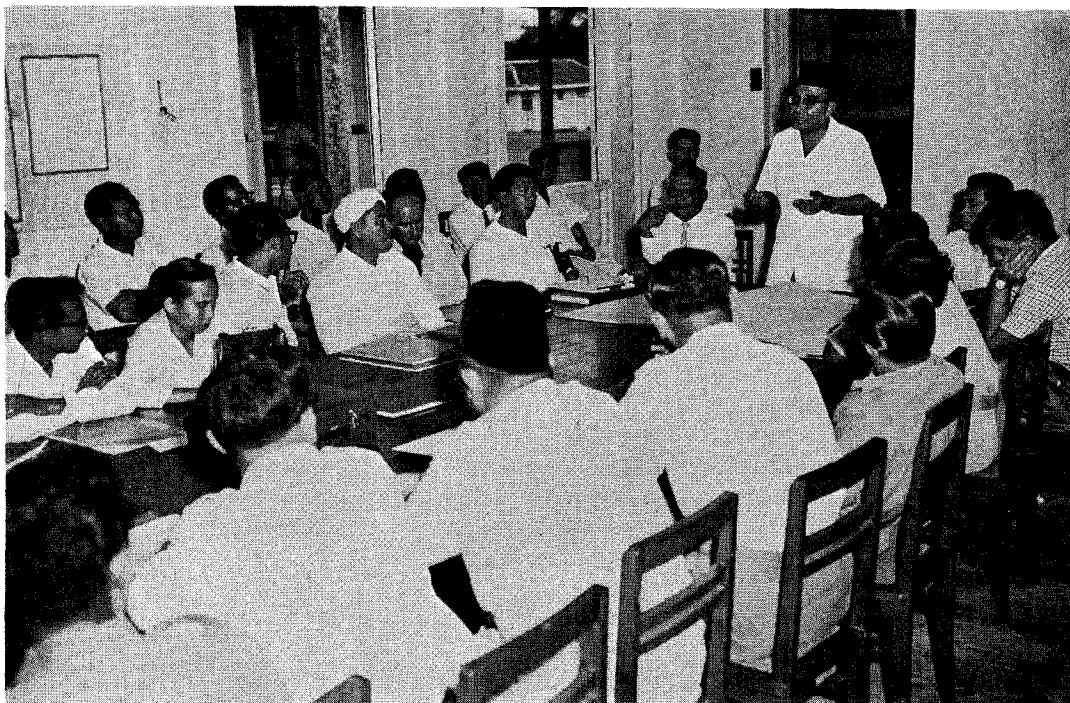
The immediate aim of efficient, rapid, and rational planning, has largely been achieved. Efficiency has been achieved by giving the primary responsibility for planning to the lower levels of the

* A rough estimate I made indicates that in addition to Red Book proposals, perhaps another M\$ 443 million of public investment will be made in the rural sector. This total of 40% of public investments in the rural sector for 1961-65 reflects government priorities more accurately than do the Red Book proposals alone.

administration. Malaya's bureaucracy is quite competent and the lower levels possess an intimate knowledge of local conditions. The composition of the development committees at all levels provides for active coordination of all technical services and local governing units. Planning has thus been pragmatic rather than ideologically committed, thus ensuring a minimum of useless or unwanted schemes.

Speed in planning was provided by decentralization, and by the force of Tun Razak, Minister of Rural Development. With their knowledge of the district and their technical competence, the local committees were in the best position to accomplish their limited tasks with the greatest speed. Completion of the Red Book was given top priority by federal and state governments. In addition, Tun Razak brought the full force of personality and his position as second in command of the federal government and of the controlling Alliance party to the realization of the goal. As one committee member told me, "You can't fool with him; when he says jump, we jump!" And jump they did. Most committees met once a week or more, some even working around the clock to meet the deadline.

There were some instances of mild resistance. The time allowed was too short for careful planning at normal bureaucratic speed. Some professional engineers were reluctant to make rough estimates of costs, and a few refused to sign the map tracings as originally directed. The Ministry dealt with this quickly and effectively. A memorandum was issued reiterating the request for rough estimates. Professionals were told both that they would not be held responsible for estimates that would later have to be revised, and that their signatures on the tracings indicated only their cooperation with the program. The memorandum was friendly but firm; professional



A committee presents the Red Book to Tun Razak (standing)

reluctance could be defined as disloyalty.

The original directive insisted that correspondence (under the general definition of red tape) be kept to an absolute minimum. Committees were advised to make inspections of proposals and to make decisions on the spot. This was reenforced by the instructions that the committee was not to be concerned with problems of finance. All necessary and practical schemes were to be included and no lengthy justification was required.

Since the planning was decentralized, it was rational from the point of view of national goals. In rural development as in industrial development, though perhaps more in the latter than in the former, the government assumes that the people know best what they want and need.

All of this had largely been anticipated by the planners, but there have also been some unanticipated consequences of the Red Book. I am only beginning to become aware of these, but the following might be taken as representative of some of the salutary and troublesome unanticipated consequences of this method of planning.

1. The Red Book has provided something simple and tangible for the people (and the press) to get hold of. This makes it an ideal symbol of the government's concern for the rural people. Even more, it is an ideal symbol for the wider task of national economic development. Late last year a part of the Indian community held an essay contest on the subject of rural development. The resulting ideas were put up in a "Little Red Book" which the Ministry has promised to consult and use where possible. Early this year the Malayan Association of Youth Clubs produced its own "Blue Book" of plans for the Youth Clubs to engage in community development projects in support of the rural development program. Beyond the expectations of the planners, the Red Book has provided a symbol which can mobilize individuals and organizations behind the drive for economic development in Malaya. I doubt that Madison Avenue could have done better.

2. The symbolic power of the Red Book has not been entirely salutary. The Red Book has called attention to the government's commitment to hear and act on popular requests. The people have been told that money is no problem. Where the state makes its fullest effort, the federal government will supply necessary funds to complete projects. There is, however, a limit to what can be done. Though Malaya is a rich country, funds are not unlimited. There are also technical and organizational limits to what can be done in any year. Not all the roads, bridges, paths, and water supplies that the people have requested can be built this year, or even in ten years. The Red Book has helped to push popular aspirations beyond the ability of the government to satisfy those aspirations, at least for the next few years. The possibilities for political unrest arising from this frustration need hardly be labored.

There is an increased danger of political instability arising from the different reactions of Malays and Chinese to failure to

fulfill aspirations. The Malays are not yet fully oriented to the modern money economy. They are not yet, as the Chinese are, full members of the acquisitive society. My impression is that the Malays tend to react with apathy, to withdraw disillusioned with politicians, when their hopes are frustrated. This is perhaps less true where promises of land have been made. The Chinese can be expected to react somewhat more positively, especially since they tend to be the target of two opposition parties currently growing in strength. For opportunistic political leadership, Chinese frustration with rural development is not simply an isolated event. It can easily be linked to other disadvantages experienced by the Chinese. This is made more significant because the MCA, the Chinese political wing of the Alliance Party, appears to many Chinese not to be representing their interests with much vigor. The Red Book makes it imperative for political stability that legislators spend time with their constituencies explaining the full meaning and requirements of economic development. This may actually be both a troublesome and a salutary unanticipated consequence of the Red Book.

3. Perhaps the most important consequence of the Red Book stems from the decentralization of planning and execution of development. The district rural development committees did the work of planning, and those same committees will now execute large parts of the plan. With all proposals mapped, coded, and described in the Red Book (proposals can be added, deleted, or altered easily by the committees), the central government has an effective means of controlling the broad policy of development. With some confidence, the federal and state governments can allocate blocks of funds to the district committees and give them full control over the funds. The immediate effect is to facilitate completion of projects by cutting out the excessive paper work normally associated with such projects. The district officer no longer has to present a formal request for permission and funds to do specific projects.

In Perak, for example, the committees knew last December how much money they would have for this year. They could, and did, go ahead immediately with work on the projects. Contracts were awarded by the district tenders committee (generally composed of the district officer, the district engineer, and one of the elected representatives). Contractors began most projects early in the year.

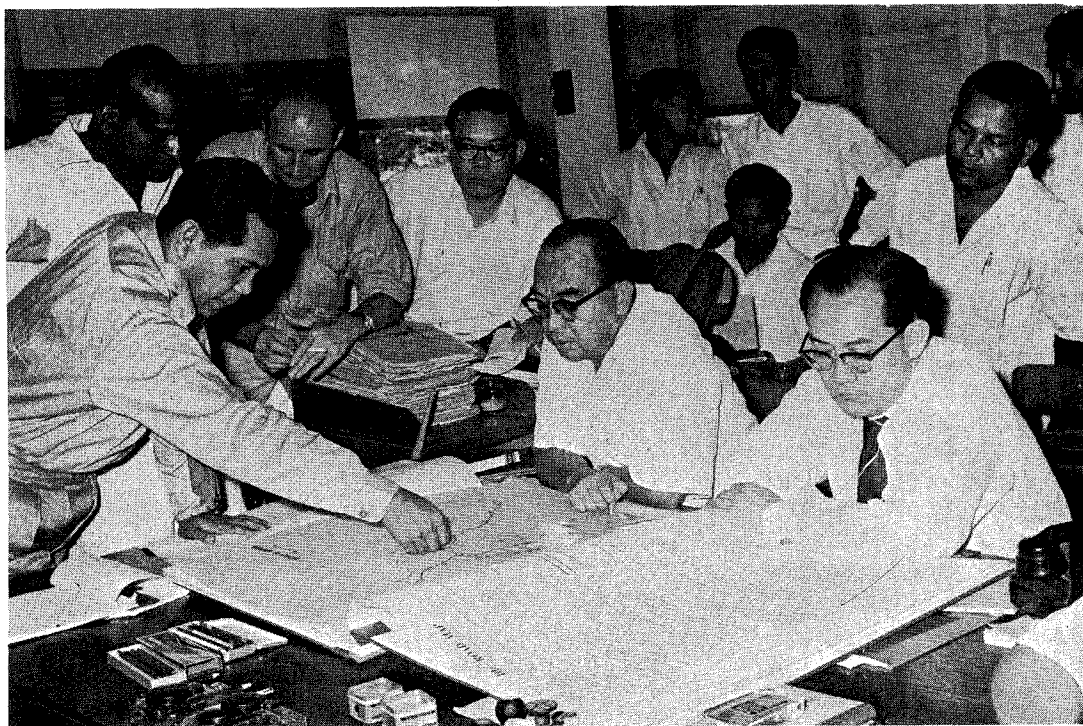
The method does more than simply get the work done, an effect significant enough in its own right. Of greater importance, however, is the stimulation the Red Book gives to the development of local initiative and responsibility. For projects under M\$1,000 the district officer often gives the job to an ad hoc village committee, organized for the specific job. Materials and wages (normally about 50% of contractors' labor costs) are provided by the district committee. This is known as self help, or gotong royong, a traditional form of cooperation which the government is trying to harness for the development program.

In a rice growing area of Perak, large segments of the population are cut off from the outside by lack of roads. Unsafe and

uncertain waterways have been the main avenues for movement of people and goods. The bicycle paths that have been built are subject to constant washing away in flood seasons and are very costly to maintain. Under the rural development plan, one local leader had the idea of laying concrete slabs over the earth paths to hold them down during the floods. It was a good idea and as power lay in the hands of the district committee, it could be implemented immediately. Some miles of these paths have already been built and most of the area will be well served by the end of the year.

A community hall is built and handed over to a local committee charged with maintaining and controlling the use of the hall. A cooperative is formed. A village committee is formed to coordinate activities and to maintain facilities once completed. These are all the small beginnings of local government and local initiative.

The process is slow and painful. A village leader might line his own pockets out of development funds. Some kill the spirit of self help through autocratic methods. A cooperative society manager might be more skillful in making himself comfortable than in making the society pay dividends. There might be the tendency for the benefit of schemes to accrue more to the already wealthy people in the kampong. It may well be that some inequality and mild corruption will be the necessary price to pay for growth of local initiative. But it also appears that the Red Book, using the district committee with its internal checks, provides both the best guarantee against excessive corruption and also the greatest support for the beginnings



Tun Razak on a surprise inspection of rural development

of local initiative and responsibility.

4. Perhaps the greatest danger in this decentralization stems from the possibility of a subtle kind of subversion of the broader goals of the development program. To be successful the rural development program must ultimately change the values and attitudes of the rural people, especially the Malays. This is recognized at all levels of the government and administration. Whenever I ask the question, "What is the biggest problem in making the rural development program a real success?", I meet the same general reply.

"To put it in one word, it is education." said one district officer. He then went on to explain that the Malays must be taught to show some initiative and to take advantage of what the government is offering them. They should plant vegetables on their house plots as the Chinese do. They should start coops, go into the contracting and transportation business.

"Are you saying that the Malays must be taught to work?" I asked.

"I guess so."

How does a government go about changing values and attitudes? To a certain extent rewards can be offered for the desired values. In the large land development schemes, it was urged that applicants who owned a watch and a pen, but had no savings should be rejected as unsuitable. To a certain extent the shock of new construction, of the changing physical environment, can have a dislocating effect on the traditional values, especially if the local people can work for wages in the construction. Decentralization of planning makes it probable that these physical changes will have a greater effect because they are directly related to the needs and desires of the local people.

Red Book decentralization of development requires the utilization, and therefore the strengthening, of certain local institutions and organizations. It is possible that the institutions strengthened might also be the carriers of the traditional values that have been most inimical to economic development. A community hall turned over to a committee under the control of the local imam (religious leader) will subvert the broader goals of development if the imam believes that taking interest on savings accounts or cooperative shares is haram (forbidden to Moslems). During the next year I shall be watching the embryonic Adult Education Program, also under the Ministry of Rural Development. To what extent will it be captured by local institutions that support traditional values? Or to what extent will it be a force promoting economic rationality among the rural people?

The Red Book is just over one year old. It is still too early to tell just what will be the results of this type of planning and

execution. One thing is certain, however. Whatever the results, the political repercussions will be immediate and decisive for the entire Federation.

One of the gravest problems of Malaya, and all the new, developing nations, is that of building a viable political community. It must be possible to vote a government out of power without causing the total disruption of the state. In these new nations there is a considerable gap between the government and the governed. This gap must be narrowed if a stable state is to emerge. In a recent article* Edward Shills described this as the gap between a small elite, in which all the initiative is concentrated, and the masses, in which there is no initiative. An oligarchic government can obscure the gap, but cannot close it. The gap will be closed only by the development of local initiative, and it is only some democratic form of government that allows sufficient freedom for this development. In this respect the most important aspect of the Red Book is that it indicates that the government of Malaya is committed to a course of action that will close the gap.

It cannot be said that the decentralization of rural development is an isolated act of the current leadership. The whole organization of rural development was taken over from that used to fight the terrorists during the Emergency. Then there were Federal, State, and District War Executive Committees. These all met at frequent intervals which allowed for rapid coordination and action. In addition, the district officer with his own military support was allowed wide powers of initiative. He and his committee could carry out direct action without first obtaining permission from above, once the broad policy was laid down. This organization proved highly successful against the Communists and now it has been directed against rural poverty. More than the organization has been carried over, for the rural development program is defined in part as a fight against Communist subversion on a new and more difficult front.

Most governments of the new nations have shown strong tendencies towards oligarchy. The problems of economic development and political stability have appeared so large as to cause the leadership to draw increasing power to the central government. This tendency has accelerated whenever the governments have been faced with a military threat. Malaya's decision to decentralize control to meet a military threat is thus especially significant. It was a decision of the British government, of course, and it was possible because there existed an administration which that government could trust explicitly. Nonetheless, it was a decision in which the Malayan leadership and administration participated. The training provided by that decision has been invaluable and has not been lost on the current leadership, which now appears firmly committed to a democratic form of government.

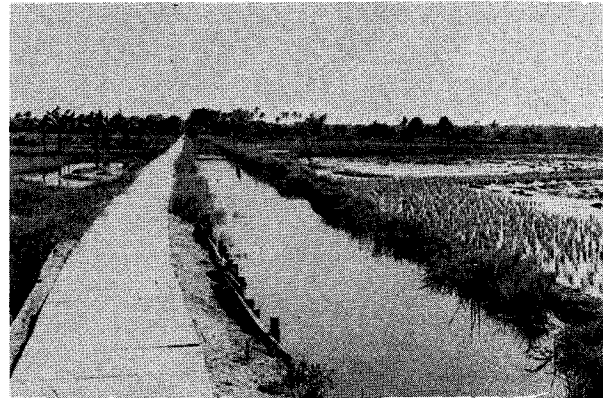
* Edward Shills, "Political Developments in the New States,"
Comparative Studies in Society and History, VOL. II, nos. 3 & 4
April & July 1960.

There are other forces external to Malaya that will strongly influence the country's economic and political development. However, from the consideration of this one organizational mechanism, the Red Book, there is some cause for optimism. Internally, a viable political community is being formed. The process is not far advanced, however, and success is by no means assured. I might well reiterate the final impression of my last newsletter. The task of transforming a peasant economy is a vast one and can be accomplished only slowly. One always wonders if there will be sufficient patience at all levels to accept the time requirements of economic development.

Sincerely,

Gayl D. Ness

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A district officer and a permanent path through the padi

Photographs on pages 2 and 5 courtesy of the Department of Information, Federation of Malaya.