

Participants' Perceptions and Understanding Level of the Joint-Venture Business Model of Land Reform in Kanowit District, Sarawak: Preliminary Findings

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Abstract

The main purpose of this paper is to reveal the preliminary findings on the level of perception and understanding of the NCR land owners who have participated in the joint-venture business model in Sarawak. Although the mixed methods of research were initiated in September 2016, only the quantitative data information would be revealed. The quantitative data collection process was achieved in December 2019, which involved forty NCR landowner participants for the pilot testing, and 300 participants for the actual survey at the designated research area. Before the main thesis paper is written, these findings may be able to highlight some of the variables with a low to very low level of both perception and understanding of the JV business model. This may be able to answer why hundreds of land dispute cases are still not settled in the various levels of the judiciary courts between the developers and the NCR land owners throughout Sarawak. Furthermore, there have been endless problems encountered by the State Government, such as road blockades, which have resulted to a few cases of the NCR land taken back by the participants in Kanowit district. These findings would then be able to signal important messages to the developers, the Sarawak State Government, as well as the NCR land owners that they are in dire need of reviewing the principal deeds to resolve these problems. It had not only hindered sociocultural and economic development sustainability but had also badly affected the environmental dimension of rural development in Sarawak. Therefore, these preliminary findings would not only allow the public to have a better understanding of the present administrative shortfalls, it has also revealed evidence of social exclusion development policies implemented by the State Government that have hindered the objective of poverty eradication in the rural areas of Sarawak.

Keywords: JV Business Model, Land Reform, Poverty Eradication, Rural Development, Social Exclusion Policies

Introduction

This paper is specifically focused on the JV business model involving the Native Customary Land reform development in Sarawak, especially by accessing the NCR landowners' feedback in determining the level of understanding and their perception after it was implemented in Sarawak more than two decades ago. Apparently, in the past twenty over years, the Sarawak State Government has been focusing on large corporations through the joint-venture between the government agency, the developers, and the NCR landowners as partners as one of their efforts in poverty eradication in the rural areas of Sarawak. This study is therefore involved in a few Boustead Pelita Plantations in Kanowit which commenced between 1998 and 1999. Until today, it had already been in operation for more than two decades and a lot of problems still exist, such as the issues on uncertainty of the status of ownership to the NCR land, as well as

with regards to fairness and justice in the distribution of wealth, and the transparency of the management of the whole joint venture project. This paper is therefore, crucial and timely to understand what has actually happened on the ground, and it is high time that an empirical study is done to evaluate the perception and the level of understanding of its terms and conditions and a few other variables by the NCR landowners with regards to the implementation of the JV business model in Kanowit.

Problem Statement

There have been long-existing problems with the ownership of land and the disbursement of dividends with the implementation of the JV model in Sarawak because the definitions of ownership of NCR have been very controversial and unclear. This had resulted in numerous commotions between the NCR landowners and the developers. The sharing of the return of investment has also become problematic. It may be due to the lacking of understanding of the JV business concept. With these severe repercussions and the continuous endless dispute over the demarcation of the NCR land boundaries and the ownership of the NCR land, there has been no significant intervention by the Sarawak Government to resolve this issue, despite a few cases of dissatisfaction having been voiced to the authorities concerned. Since its implementation more than twenty years ago, very little information pertaining to the level of perceptions and understanding has been reported, despite there have been some empirical research that examined the antecedent of the “new concept” business model. This study is therefore very crucial and timely to probe the answers because it will be able to assist the NCR landowners in Sarawak, as well as other stakeholders such as the developers and government managing agency (PELITA) in the aspect of the degree of understanding of the JV business model concepts by the NCR participants.

If there is still a lack of timely empirical research to be carried out to reveal the level of understanding of the NCR landowners with regards to tenure rights to their NCR land, it has become problematic because the majority of the NCR landowners have now perceived that they have lost their tenure rights to their NCR land. Further deterring a cordial working relationship between the developers and the NCR landowners was the disputes on the quantum of profit sharing, as most of the law-suit cases to the various levels of judiciary courts were on these issues. At this juncture, more and more NCR participants are filing law suit cases against the developers and LCDA because most of the NCR participants felt that they have not been fairly treated and deprived off their rights. Thus, it had become an alarming problem not only in-between the developers and the NCR landowners, but also involved the Sarawak State Government’s managing agency (LCDA), for there have been more than four hundred litigation cases throughout Sarawak (Bian, 2014). At this juncture, the only way for public intervention is to carry out a research study to identify problems and recommend some remedies to resolve these predicaments among all the parties involved.

Objective of Study

The main aim of this study is to examine the image of the JV business model as perceived by the participants in Kanowit district by fulfilling the following three main objectives:

- (i) to examine the perceptions and level of understanding of the NCR landowners of the joint-venture land reform business model in Kanowit;

- (ii) to determine the perceptions of the NCR landowners in relation to the social, economic, cultural, and environmental impacts of the implementation of the joint-venture land reform business model in Kanowit;
- (iii) to recommend improvement to the JV land reform business model for rural development in Kanowit.

At this juncture, when the main thesis writing is still on-going, this paper would only reveal the preliminary findings with regards to the perceptions and the understanding level by the NCR landowner participants, and the second and third objectives on its impacts and recommendations on improvement to the JV business model would not be discussed here.

The Study Background

To begin with the level of perception and understanding of JV business model by the NCR participants, there is a need to understand the factors of production and the importance of its relationship among the stakeholders within the joint-venture partnership. In the Principles of Modern Economic study, the three factors for the production of goods and services that need to be fulfilled are as follows: (i) Land and other natural resources such as water, forests, minerals, and etc., and (ii) Labour or workers, because it provides required labour for production, and they may be highly educated or illiterate persons who do manual work. The last factor of production is capital. It can be classified into (i) physical capital, which consists of various inputs required at different stages of production, for example, fixed capital like tools, machines, buildings, generators, and computers; (ii) working capital which consists of raw materials (like yarn for weavers), money in hand, and (iii) the human capital. This is needed because we need knowledge and enterprise in order to put together land, labour, and physical capital to produce an output. So, a population that is educated, trained and healthy becomes human capital.

It was these factors of production that had ignited the ‘New Concept’ or the JV business model of land reform to be implemented in Sarawak. This is because the population of Sarawak was widely scattered all over Sarawak and it was so difficult and expensive to provide basic infrastructure and development. Hence, the building of basic infrastructures such as roads, clinics, schools, electricity, and piped water supply was not efficient due to lacking of “economics of scale”. Therefore, it had hindered the modernization and physical development of the rural people, which has also hindered the eradication of poverty in rural areas.

The Sarawak State is rich in plant and animal diversity, and forms one of the global biodiversity hotspots. According to Hon and Shibata, (2013), the government saw the potential for land development in the large areas of undeveloped hinterland. Hence, land reform and registration has therefore, become necessary as it was aimed at controlling the land by the administrator. In addition, curtailing of shifting cultivation and promoting settlement and commercial land development is accomplished. Furthermore, it has all the while been perceived that the ownership of land by the natives as an unprofitable entity and of its low value if it is no been utilized (Hon & Shibata, 2013). Consequently, the government claimed that this low value would increase once some form of land development occurred and would benefit the rural people of Sarawak.

For all the above reasons, from the 1990s onwards, the Sarawak State Government consolidated its power to approach the targeted groups to impress that the only option left open for them to lift their living standard was to participate in large-scale projects with modern

technology, and whenever necessary, machines would be used to take advantage of economies of scale and comparative advantage. Moreover, they would become partners, such as a joint-venture basis for the NCR landowners without having to put up the money, in exchange for the use of their land, and get paid as well for working in the plantations. Hence, the JV business model of land reform was materialised by 30% shares possessed by the NCR land owners who had surrendered their NCR land, the developers owned a 60 percent stake, and the Land Consolidation and Development Authority (LCDA), a 10 percent shareholder, whose duty is just to oversee the legal and administrative matter of this project.

Since its implementation of this business model over two decades ago, many commentators and public intellectual have put the benefits-of-doubts of its success and assistance to the NCR landowners on whether or not there has been any socioeconomic progress, especially in how the income of the NCR landowners has improved. At this juncture, they are still perceived or considered to be powerless, including in the non-participatory of the decision-making in the oil palm plantations' daily operations. Despite the NCR landowners have 30 percent stakes in the plantations, their voice and urge for fairness and justice had not been addressed and hence, there is a need to analyse whether the participants have perceived that socioeconomic development does exist at the implementation sites. Furthermore, it is high time to check whether the balance of political and social power among the indigenous group has been exploited or whether they have been deliberately kept in a social exclusion manner for other hidden agendas. As such, it is high time that the public should ponder over a substitute model that could enhance a win-win for all the stakeholders. The subsequent section of the literature review will disclose some of the good land reform models implemented globally for comparison purposes.

Literature Review

Most of the time, when talking about economic development, it means having economic possibilities for the betterment of our people, whilst rural development strategies have long been used by many developing countries to eradicate poverty in order to improve the well-being of their people. However, development is not just economics. It is an integral part of development, as it may refer to whether a country's citizens would have any autonomy to make their own choices or to have organisational and administrative capacity of its citizens. Furthermore, it may also refer to not just an individual's decisions but at a collective level, which means proposing solutions for the community. According to The Ethnic News Watch (1992), it is a way to generate many alternatives, such as the appropriation of technology, credit possibilities, and adaptation of an economy proper to us. It further revealed that rural development is an economy that allows us to control our means as well as allows the communities to develop their autonomy. As a rule of thumb, it has not been the exception in most of the developing countries including Malaysia that we have only paid attention to rural development for economic growth, and therefore it has become the basic attention as a micro element in order to prevent influx of rural population migrating to the urban areas. To quote an example, Chambers (2013) defined rural development as the process of improving the quality of life and economic well-being of people living in rural areas.

Hence, the Malaysian government, for instance, from its first Malaysia Five-Year Plan in 1963 to the current 11th Malaysia Plan, has put a lot of efforts and emphasis into developing the rural areas, either through agriculture development or capitalising on the natural resources of the forest through logging. Rural development, therefore, has traditionally been centred on

the exploitation of land-intensive natural resources such as agriculture and forestry, as broadly summed up in Figure 1.

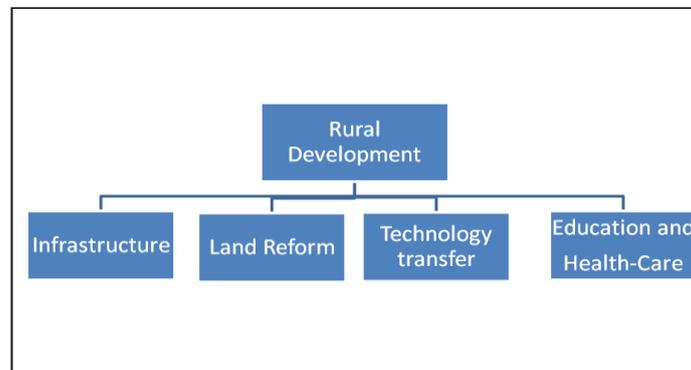


Figure 1: Supporting policies for rural development.
 Source: Chambers (2013)

As shown in Figure 1, Chambers (2013) in ‘putting the last first’ described four conditions for rural development, namely infrastructure, land reform, technology transfer, and supportive policies in education and health-care, in order to improve socioeconomic conditions for those who are poor and reside in rural areas. In most developing countries, land reforms have played the major roles in rural development of a nation, and its success or impact would be directly reflected in the level of infrastructure, education, and health-care development of a nation. Unfortunately, land reform has always come along-side with hidden agendas by those who are in power.

Identified Global Types of Land Reform

Land reform (also known as agrarian reform) is a widely accepted strategy that involves the changing of laws, regulations, or customs regarding land ownership (Hull, Babalola, & Whittal, 2019). It is called the cadastral land reform system in South Africa, it is consisting of a government-initiated or government-backed property on redistribution; restitution, and a tenure system, generally of agricultural land (see Figure 4).

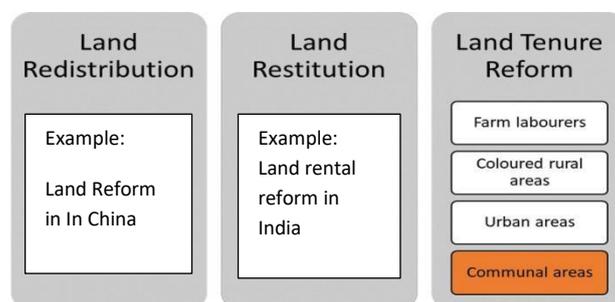


Figure 2: Land Reform in based on the Cadastral system definition
 Source: Hull, Babalola, & Whittal (2019)

Hull et al. (2019) summarised land reform in South Africa into three elements, as depicted in Figure 2. The first element is land restitution, which entails the transfer of land from individual ownership, even to peasant ownership in smallholdings. As land restitution is also about giving people back the land that was taken from them due to past racially or

politically motivated and discriminatory legislation, an example was implemented in China when it first formed the People's Republic of China in 1949. According to Kirby (1956), long before the Land Reform Law was promulgated on 30th June 1950, the Chinese Communist Party had been experimenting with measures to return the land to the vast numbers of peasants. However, the land that had been handed out to the peasants was slowly returned to the state (Kirby, 1956). This was because the process of collectivization that started in 1953 had made the farmers first to organise into so-called mutual help teams. Then, they were gradually merged into lower agrarian Cooperatives during the Great Leap Forward (Kirby, 1956). These lower forms of Cooperatives would be merged into huge People's Communes. Since 1978, changes in rural land policies have constituted a critical dimension in the evolution of the Chinese economy toward liberalisation and marketisation (Vendryes, 2010). It is well-known as the era of "the China Economic Reform Era" from 1978 to 2015.

With regards to the re-distributive of land reform model, an example was in South Africa, which it had brought about both direct benefits to beneficiaries and indirect benefits to the rural economy. According to Hall and Kepe (2016), redistributing access to ownership of land, which previously, and currently in South Africa, has reduced poverty and contributed to economic growth. Therefore, in any kind of land reform, the aim was to contribute to economic development.

The Sarawak Native Customary Rights concept may be similar to the South African model because they are both facing with insecurity when land rights-holders are uncertain that their rights to land will be upheld in the face of challenges to those rights. The only difference between the J.V land reform models in Sarawak to that of South Africa is that land delineated in South Africa was not only to the individual farm labourers but also to the urban areas, colour rural, and communal areas. Furthermore, in the communal areas, it was administered in the form of Cooperatives with government agencies to manage the Cooperatives based on commune with rural folks' participation both as stakeholders and landowners (Hull et al. 2019).

After comparing the various types of land reforms implemented by the various countries as depicted in Table 1, the majority of the models had resulted in positive effects on rural development and its impacts throughout the world. For the purposes of this study, only the joint-venture model in Kanowit is discussed pertaining to its mechanism, level of understanding, and the perceptions of the participants.

Table 1: Types of Global Land Reforms

Types of Land Reform	Mechanism	Social Economic Impacts	Social Cultural effects	Environmental Impacts
1. Social Contribution (Donation Model)	Social contribution of land to the poor with the help the of Government NGO involvement Ownership to land	Empowerment of community Skills development for citizen Increase in food productivity Raise standard of living.	Establishment of private enterprise, education institutions	Long term ownership to land. Consciousness of environmental and biodiversity protection inheritance to siblings
2. Land Request Model	People request land from the Govt and issued out land titles Ownership to land	Increase in productivity and income both in the short and long run. Sense of belongings	Evidence of good neighbourhood Poverty eradication with more evenly distribution of wealth	Easy implementation of rules and regulations pertaining to environmental protection Ownership to land
3. Rental Model	Government rent-out land to individuals without ownership to land	Increase in food security in the short run Decrease productivity in the long run	Decreased in overall food production due to lack of ownership to land	Lack of consciousness to environmental protection due to temporary ownership to land
4. Politically driven land reform model	Revolution, deregulation by the government to issue out land titles Ownership to land permanently	Increased in productivity of food crops had been evidenced	Poverty eradication and evidence of more evenly in the distribution of wealth	Enforcement of laws for environmental protection had been enhanced
5. Joint-venture Model (New Concept Model)	Government, developers and NCR land owners to jointly develop the NCR land	Provisional lease to the developers for raising development funds from the banks	Evidence of tense relationship over land disputes between the developers and the NCR land owners	Evidence of deforestation for oil palms planting by the developers. Hence, evidence of environmental issues

Adopted from: Chamber (2013); Meloto (2017); Todaro & Smith (2003)

Conceptual Framework

The underlying problem statement of this research is the land reform of the JV business model implemented in Sarawak with big scale plantation agriculture. It has not only caused significant changes to the socioeconomic and social-cultural impacts (which will not be discussed in detail here), but also to the natural habitats of the environment. The focus here is on the level of perception and level of understanding of the JV business model by the NCR landowner participants, which had led to many anxieties, fear, and suspicious of the NCR landowners, resulting in dissatisfaction among the stakeholders because of these poor administration issues. For example, there had been many cases of disputes over ownership of land. Some had been filed to the various judiciary courts in the past two decades and many are still pending for judiciary acquittal. The main reason for such a cause of action was perceived to be lacking a thorough understanding of the legal documents with regards to the terms and conditions to establish a cordial working relationship among the stakeholders. Further exacerbated the situation was the failure to enhance the good perception of this JV business model that had resulted in the lack of confidence of profit-sharing among the NCR landowners.

Thus, the conceptual framework as illustrated in Figure 3 depicts the components of the State-led land reform model on how the level of understanding and perceptions of the JV business model by the NCR landowners are related to the independent variables of 'people', 'land', and 'rights' together with the implementation of the rural development policies that might have hindered the smooth progress of the JV business model in order to sustain rural development in Sarawak.

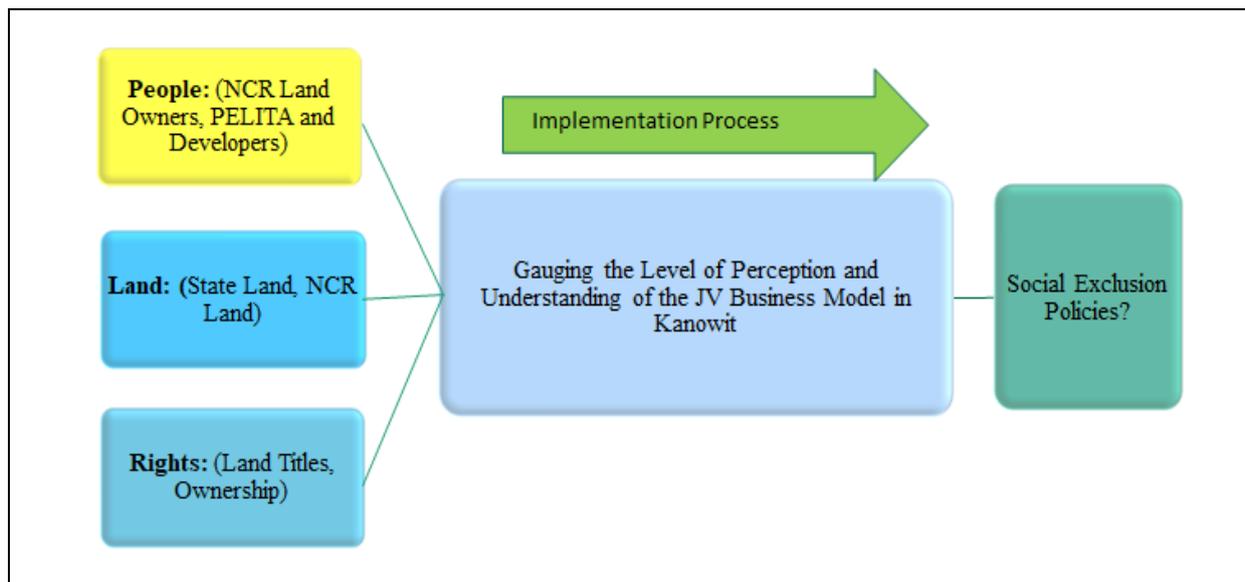


Figure 3: Conceptual Framework

As only one ethnic group of the Ibans were among the participants of this JV business model, the elements of people consists of the NCR landowners, the developers, and the LCDA officials as one of the components of the independent variables, with the NCR land itself and the land rights are among independent variables (refer to Figure 3). Hence, the dependent variables are the level of understanding and its perceptions, and it would be gauged whether there had been any relationships between the independent variables. This preliminary finding would therefore, be able to reveal the existence of social exclusion policies intentionally or unintentionally implemented both by the developers and the State Agency, (LCDA). It was this conceptual framework that acted as a guide for the researcher to achieve the objective of this study as stipulated. As a consequence, this has led to the preliminary findings of this research study via the following research methodology.

Methodology

Stratified random sampling was chosen in this data collection process because it intends to guarantee that the sample represents specific sub-groups or strata. For example, the population for these purposes is divided into five or more groups (strata) in accordance to the five plantation sites of the Boustead Groups, and with only one common attribute, i.e., to randomly choosing only those NCR landowners who had participated in the JV business model in Kanowit. From the five strata, the total population is estimated to have 2988 NCR landowners. Therefore, for quantitative data collection, it was based on a proportional representation of the population of these subgroups that have been chosen based on the computation as shown in Table 2.

Table 2: Basic Scientific Guidelines on Sample Size with Acceptance of Margin of Error

Margin of error	Size of population					
	≥5000	5000	2500	1000	500	200
± 10 %	96	94	93	88	81	65
± 7.5%	171	165	160	146	127	92
± 5%	384	357	333	278	217	132
± 3%	1067	880	748	516	341	169

Source: Alreck & Settle (2003)

Calculating Sample Size

Choosing a number between the minimum and maximum of the sample size from a population depending on the situation (Alreck and Settle, 2003). In this case study, it was supposed to survey the NCR participants in the JV business model which was initially estimated to have approximately 2988 participants in terms of population. According to Alreck and Settle (2003), the minimum sample size would be 100. This would give a rough, but still useful idea about their opinions within the population. The maximum sample would be 300, which would give a fairly accurate idea about their opinions.

Pilot Testing – Goodness of Measures Based on Reliability

Reliability is referred to the degree of consistency with which the measuring instrument measures whatever it is measured (Franzen, 2000). In this case study, the pilot test only involved those NCR landowners' who had participated in the JV projects because only the right group of respondents would improve reliability of the questionnaires to gauge the right data. Reliability is the degree to which measures are free from random or stratified sampling error and therefore yields consistent results (Franzen, 2000). Therefore, the purpose of the pre-testing or pilot survey was to identify and correct the weaknesses of the questionnaire which is deemed necessary, especially for its design and setting of the right questionnaires. In the first round of pilot testing on 2nd May 2019, a total of twenty (20) respondents from Kanowit district where the JV model was implemented were tested. The outcome did not verify for the actual quantitative survey to be processed because the Cronbach's Alpha value was at 0.176, which is less than 0.5.

The Second Pilot Testing Results

Due to lower score of Cronbach Alpha score, a second pilot testing was carried out at the beginning of June 2019 with another 20 new respondents who were chosen from those JV model participants randomly. This is necessary because according to Zainuddin (2011), if the alpha Cronbach's Alpha value is more to 0.50, then the result of the test can be considered as reliable. As demonstrated in Table 4.7, measurement items score was at 0.683, meaning that the questionnaires were reliable to proceed to the next stage of the actual survey. Stage two results were aimed to confirm the goodness of the instrument's based on reliability test because according to Zainuddin (2011) the reliability of a measurement refers to the degree to which it is without bias (error-free) and therefore it can ensure the stability and the consistency of the measurement items across the time. After the second pilot test, the actual survey was carried out in July 2019. The whole process took more than three months to accomplish and the achievement of the research objective.

Actual Data Collection

After the questionnaires have been redefined, the actual data collection process had begun in August 2019. The whole process took more than three months to accomplish. Subsequently, the collected data were keyed-in the SPSS software for the necessary data screening and cleaning process.

Data Screening and Cleaning

The keying-in process into the SPSS software, as well as data screening and cleaning, took more than two months to accomplish including running a frequency test. After the data had been cleaned, several tests were run, including descriptive statistical tests, cross-tabulation, and correlation tests. The descriptive statistical analysis including cross-tabulation and correlation test are elaborated in the finding section.

Data Analyses

For this research study, data analysis began in January 2020, which are generally consisting of the descriptive and comparative research questions, as well as the relationship-based research questions that were used to set and test the scene of the research questions and problem statements for this entire study. It is necessary that these research questions would allow the respondents to answer succinctly. Hence, the composite means were used in the descriptive research-based research questions.

Descriptive Analysis

The first descriptive analysis was carried out based on the demographic profiling of the respondents, which includes the location of the estates that the NCR landowners had participated. The demographic profile includes the age group, education level, income before and after joining the JV program, and the main activity on the NCR land before it was surrendered to the developer. The data has also included the number of NCR participants (respondents) who were employed by the developers, as well as the household income of the participants and the size of the NCR land that they had surrendered to the developers. The descriptive results were analysed based on the frequency, mean and percentage gathered from the feed-backs.

Findings

The second descriptive test was based on their knowledge of the following: the terms and conditions of the contract; dividend disbursement; future status of NCR land after the end of the contract; possession of a copy of the signed contract; and their own experiences dealing with the estates and the government department in-charge. The descriptive results were analysed based on the frequency, mean, and percentage gathered from the feed-backs in accordance to the Likert's scale from very low level, low level, indifference, high level to very high level of understanding. Thirdly, the researcher's analysis on the perception of the respondents with regards to the implementation of the JV model in Kanowit was ascertained by the ranking scale from very poor, poor, indifference, good, and excellent. For this specific purpose, only the mean of the results was tested.

As shown in **Error! Not a valid bookmark self-reference.**, the average age was recorded at 64, whilst the youngest age was 41. The eldest respondent is from Mapai Estate and he is from Rumah Sandai. He was 84 in the year 2019. In terms of the land size among the participants, a mean of 6.9 hectares was recorded. The minimum size of 0.5 hectare of one

individual was recorded with only one participant, and a maximum land size of 78 hectares was also recorded with only one participant. There is a large disparity between the land sizes of just one NCR landowner and thus, this 78-hectare landowner had become the outlier and has influenced the average land size. Using the first quartile of the 25% of respondents, the average size of the land was calculated to be 2.5 hectares, which was a better average. The standard deviation was 4.9, which meant that the range of the sample mean was between (2.5 ± 4.9) , or between 2.4 and 7.4 hectares.

Table 1: Profile of Respondents

Profile	Mean	Median	Mode	Maximum	Minimum
Age	64	65	70	84	41
Size of NCR Land (Hectare)	6.9	5	1	78	0.5
Monthly income After Joining JV Model (RM)	389	291	125	4805	31
Profile	Groups	Frequency	Percentage		
Highest Education Attained	No formal education	143	47.7		
	Primary School	110	36.7		
	Secondary School	45	15		
	Tertiary Education	2	0.7		
Main Activity Before joining the JV Model	No activity (Fallow Land)	20	6.7		
	Farming (Rubber, Pepper, Vegetables)	53	17.7		
	Others (Forests)	227	75.7		
6. Are you Currently Employed by the Developers?	Yes	6	2		
	No	294	98		

Level of Understanding of the Respondents

One of the main objectives of this study is to gauge the level of understanding of the respondents on the JV business model. For this purpose, the level of understanding for JV business model are measured based on their knowledge of the terms and conditions of the contract; disbursement of dividends; future status of NCR land after the end of contract; possession of the copy of the signed contract and their own experiences dealing with the estates and the government department in-charged. **Error! Reference source not found.** presents the level of understanding of the participants of the JV model based on the level of understanding of the concepts and the terms and conditions. The results indicated that a very low level of understanding, with a mean score of 1.42 and 1.51 respectively on the JV business model.

Table 4: Level of Understanding of the JV Business Model by the Respondents

Variables	Scale	Frequency	Percent	Mean
Do you understand the concepts of the JV Business model?				
	Very low level	212	70.7	} 1.41
	Low level	66	22	
	Indifference	11	3.7	
	High level	10	3.3	
	Very high level	1	0.3	
	Total	300	100	
Do you understand the terms and conditions of the JV Business model?				
	Very low level	191	63.7	} 1.51
	Low level	83	27.7	
	Indifference	11	3.7	
	High level	12	4	
	Very high level	3	1	
	Total	300	100	

Therefore, it has been reflected that the majority of the respondents are perceived to have failed to understand the business model well, with only one respondent who has claimed that he had fully understood the concepts and the terms and conditions of the JV business model. Apart from the above two questions, a few other questions had been developed to measure the level of understanding as depicted in Table 5.

Table shows several other variables that are used to gauge their level of understanding. Only two respondents out of 300 respondents were aware of their roles as participants in this project. Most of them could not even remember when the first payment was made and how the dividends would be shared. Most of them did not know what was going to happen to their NCR land when the agreement ended in 2058. A majority of the respondents also revealed that they did not know what would happen after the agreement expired. Only one respondent had responded that he had requested a copy of the said agreement from the LCDA office in 2001, during the time when many of the participants had started to file a law-suit case in the Magistrate Court. Hence, the rest of the respondents did not receive a copy of the agreement, of which they were supposed to get one each. Thus, this data demonstrated that the majority of the respondents had a very low level of understanding of the JV business model.

Table 5: Variables Used to Measure the Level of Understanding of the Respondents

Variables	Frequency	Percent
Do you know what roles you have to play in the JV Model?		
Yes	2	0.67
No	298	99.33
Total:	300	
Do you know when were you received the first dividend?		
Yes	54	18.00
No	246	82.00
Total	300	
Do you know how the JV profits be shared?		
Yes	19	6.33
No	281	93.67
Total	300	
Do you know how long you have signed the agreement for?		
Yes	171	57.00
No	129	43
Total	300	
Do you know what will happen after the agreement ends?		
Yes	30	10
No	270	90
Total	300	
Did you receive a copy of the agreement?		
Yes	1	0.33
No	298	99.33
Missing	1	0.33
Total	300	
Has the dividends been paid each year?		
Yes	265	88.33
No	35	11.67
Total	300	

On the issue of what are the prerequisites to be legitimated as participants in this JV business model, the answers gathered were unanimously similar throughout the five plantations, i.e., just surrender their NCR land by signing an agreement. Subsequently, LCDA and the Land and Survey Department officers would survey their land to determine their land size and that would also determine how much dividends they were going to get. Figure 4 illustrates a causal link diagram on the reasons and who had actually convinced the participants to participate in the JV business model. The overall perception of performance is also summarised in the causal link diagram.

In tandem to the quantitative findings, all the five estates' feed-backs had revealed that the majority of the respondents had given low feed-backs. As revealed in Figure 4, four out of the five estates' respondents mentioned that many participants have withdrawn from the JV business model, namely from Kelimut, Jih, Pedai, and Bawan estates because of the unjust distribution of the dividends.

In short, the understanding of the respondents of the JV business model mechanisms and terms of references are very low. Most of the respondents do not understand their roles in the business model, not sure of the dividend arrangement, and the mechanism of profit sharing. Most of them do not know what will happen after the agreement ends and have not received a copy of the agreement. However, most of them have received the dividends and well-informed of the duration of the contract. Age and income of the respondents do not influence the level of understanding of the JV business model. Only the education level of the respondents influences the level of understanding of the JV business model.

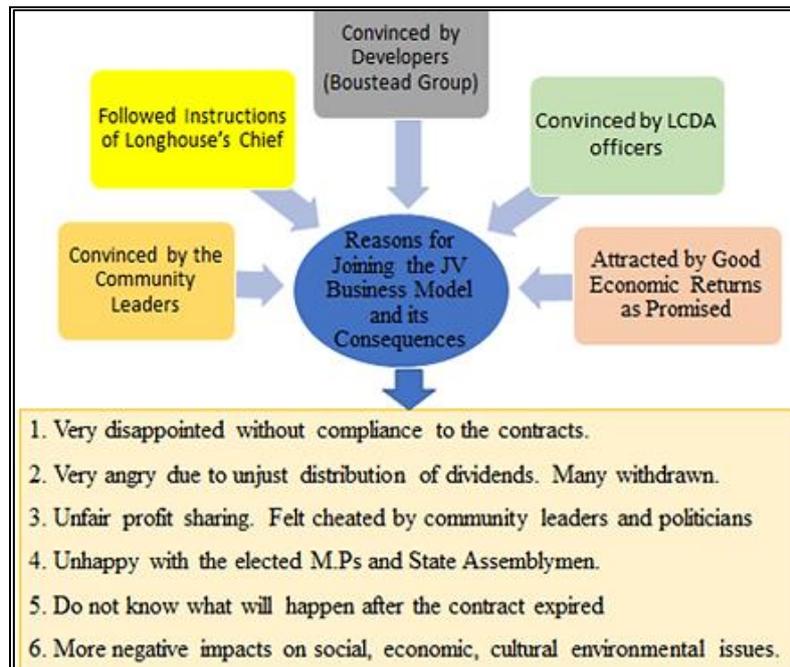


Figure 4: Summary on the Causal Link Effects of the JV Business Model

Implication on poor Perception of the JV Business Model to the respondent and the project

The second objective of this research study was to examine the perceptions of the NCR landowners with regard to the participation of the JV business model in Kanowit. The actual outcomes have shown poor perception of the implementation of the JV business model in Kanowit, which has directly implicated poor perception of the project's implementation itself. Hence, it has virtually implied that:

- I. The JV business model in Kanowit was poorly perceived by the respondents. The reason is that the NCR landowners are still poor. The majority of the participants (approximately 90%) are still attached and abide by the JV agreement, and the dividends were paid once a year, and the amount received was insignificant in terms of Ringgit per month per hectare. However, they cannot do much to repudiate the agreement because this minimal amount of money means a lot to them as they still need cash to sustain for their daily expenses.
- II. Limited platform to voice their dissatisfaction, unaffordable to seek legal advice. The poor perception of the JV business model by the respondents has also implied that they have been resented and disheartened, mainly due to their inability to find a suitable platform to express their views and opinions. Although they have voiced their opinions on many occasions, especially on the sharing of profits and compensations on the opportunity cost of surrendering their NCR land, the government agency (LCDA) and the developers have turned them down. The only choice for them was through legal channel, but the previous litigation experiences in Kelimut have shown to them that they would be the greatest losers if they were to act against the government via law suit. Moreover, it has always not been cheap to engage legal opinions as the previous few cases of litigation led by a few Dayak leaders in Kanowit and it had costed them tenth of thousands of Ringgits and yet, most of them have lost their shares in dividends disbursement yearly.

III. The NCR landowners are easily compromised by deception, temptation, threats, and money politics. The politicians, developers and the Government Agency knew very well of the weaknesses of the Iban's attitudes and behaviour because they can be easily compromised to deception, temptation, and money politics. Furthermore, the demographic profile of those NCR landowners has been characterised by a very low education level and senior in age. Thus, they can easily be subjected to the exposure of political and legal contentious and to be abused easily, especially before every five years term of State and Parliamentary Governments expired. During each term of the election campaigning periods, the politicians would normally use money for various purposes, such as providing a few zinc sheets and plywood for longhouse repair to deceive for votes by affiliating and collaborating with the community leaders (Faizal 2010). For example, it has been widely seen and become a norm that during the election campaigns, just sacrificing a few pigs for big parties in a few longhouses and starts broadcasting their empty promises, the politicians found that this strategy had been effective and efficient because the same groups of politicians and community leaders by affiliating themselves, could continuously be in power and ruled in the past 57 years after Sarawak jointly formed Malaysia with Sabah and Peninsula Malaya in 1963.

Discussion on the Level of Perception of the JV Business Model

There is no doubt that one of the causes of the low level of perception of the JV business model by the NCR landowners was on the developers' failure to adhere to the terms of dividend sharing. As agreed upon during the campaigning period, the first dividend payment should be three years after the planting of oil palm. Instead, the majority of them revealed that they only received the first payment after nine years and some even mentioned only after 11 years. This unjust and unfair sharing of dividends had ultimately deprive them of their rights and caused the NCR landowners or participants to lose confidence in this JV business model. In addition, the segregated land boundaries surveyed by the Land and Survey Department in Sarawak should be based on lot numbers under individual NCR landowners' name. Instead, these provisional lease lots are all withheld by the developers by combining NCR land into one parent title. Therefore, they are not certain that, after 60 years of the tenure period, these segregated lots will be given back to their siblings as the provisional lease licences are mortgaged by the various banks by the developers.

To sum up, it is invariably irreversible to immediately change the mindsets of the low perceptions of the NCR landowners towards the JV business model implementation based on the implication as discussed above. It is therefore, in dire-need to discuss the various outcomes of its impacts based on the three pillars as mentioned in the literature review in chapter 3.

Conclusion

In summary, by using the quantitative research method, there is no doubt that most of data collected had revealed more negative impacts than the positive repercussions on not only in the areas of level of understanding and perceptions of the JV business model, but also like the cases revealed in the literature review of the incidence other countries. The major findings of this study have proven with some evidences of social exclusion policies implemented by the developers in the joint-venture business model in Kanowit. This would then be able to signal more important messages to the private entrepreneurs, the Sarawak State Government as well as to the NCR land owners that it is in dire need to review the JV business model in order to

remain sustainability for rural development in Sarawak. These preliminary findings are therefore, strongly recommended to all the stakeholders to address and resolve some of the social exclusion policies and other in-efficient and unjust policies implemented by the developers and LCDA personnel.

Limitation

It was found that a large majority of the participants did not have the skills to answer the questionnaires and hence, the survey assistants and the researcher have found it to be so tedious in accomplishing the quantitative data collection process. Furthermore, the age of the respondents also might have hindered the data collection process as most of them are at their senior age and considered to be senior citizens of having a lot of shortfalls and handicapped. The other reason why this aspect of research could not be pursued with perfection was because some of the longhouses in the remote interior has no good access roads (only logging roads) like Rumah Lajang and Engkayau in Ulu Machan. Hence, this group of respondents could have been omitted despite they are the participants of the JV business model.

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