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Issues and Challenges in Human Capital Development in Agriculture Sector in Malaysia

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When the New Economy Policy (NEP, 1971-1990) was implemented, agricultural development programmes formed the main components of poverty alleviation strategy of NEP. Various agricultural modernisation programmes were implemented, mainly targeted to smallholders and fishermen through increased commercialisation, supported by price and income support measures, to enhance income and reduce poverty.

Since 1984, Malaysia has formulated three National Agricultural Policies (NAP). In 1984, the First National Agricultural Policy - NAPI (1984-1991) was launched, to capture the decline of the agricultural sector contribution to Gross Domestic Product (GDP) and to maximise incomes from agriculture through productivity driven growth, in situ development, land development, and consolidation of uneconomic farm holdings. The NAPI recognised the need for the sector to be efficient in order to sustain agricultural growth in the long run.

The second NAP was formulated in 1992 (NAP2, 1992-2010) giving greater emphasis to productivity, efficiency, and competitiveness issues in the context of sustainable development and linkages with other sectors. Strategies for expanding food production, greater role for the private sector, marketing reform, accelerated agro-based industrialisation and further liberalisation of the agricultural sector were outlined. In this regard, the modernisation of the smallholders sub sector was emphasised through the promotion of group farming activities as well as provision of support services. The modernisation of the agriculture sector was further accelerated through improvements in the delivery of agricultural support services. These services would encourage farmers to venture into commercial farming with intensive use of bio-fertilisers, adopt new technologies and increase productivity.

Malaysia's Third National Agricultural Policy NAP3, 1998-2010, contained an overriding goal of income maximisation through optimal utilisation of the sector's resources. Specifically, the NAP3 prescribed the following five policy objectives: to enhance food security; to increase productivity and competitiveness; to strengthen linkages with other sectors particularly the agro-based and the related services sector; to explore and develop new sources of growth; and to conserve and utilise natural resources on a sustainable basis.

Hence, human resources development for agriculture sector has to be tailored towards fulfilling the need of the whole agricultural sector value chain in meeting those policy objectives prescribed in the NAP3. This is indeed challenging considering a tight labour market in Malaysia.

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