



IMPACT OF THE INTEGRATED VILLAGE ECONOMIC DEVELOPMENT PROJECT (PROSPEK) OF TRADITIONAL VILLAGES IN DUNGUN, TERENGGANU

M. T. M. Hanapiah^{*1}, A. S. Zaidi² and M. A. Marzukhi¹

¹ College of Built Environment, Universiti Teknologi MARA (UiTM), 42300
Puncak Alam, Selangor, Malaysia.

² College of Built Environment, Universiti Teknologi MARA (UiTM), 40450
Shah Alam, Selangor, Malaysia.

**corresponding: mtaufekmh@uitm.edu.my*

Article history:

Received Date:
24 December
2024

Revised Date: 1
May 2025

Accepted Date:
1 June 2025

Keywords:
Rural, Integrated
Rural
Development,

Abstract— To improve local economies, this study uses the Creativity Index to analyze how an integrated economy affects six (6) traditional villages in Dungun, Terengganu, Malaysia. Working with government agencies to improve rural economies and quality of life was inspired by the Creativity Index. Rural-urban inequities were reduced and natural resources were better used when villagers' economic interests were harmonized with local values. Agriculture, livestock, aquaculture, SME firms, and rural tourism will be assessed in these communities.

This is an open-access journal that the content is freely available without charge to the user or corresponding institution licensed under a Creative Commons Attribution-NonCommercial-NoDerivatives 4.0 International (CC BY-NC-ND 4.0).

I. Introduction

The 11th Malaysia Plan, which focuses on people-centred growth, has implemented several efforts to develop the rural population. One of these initiatives is the Integrated Village Economic Development Project (PROSPEK), which also contributes to the objectives of the 11th Malaysia Plan [4]. The Integrated Village Economic Development Project (PROSPEK) is an initiative led by the Ministry of Rural Development (KPLB) that aims to enhance the economy, infrastructure, and human capital of established villages. The elements encompassed by PROSPEK in KETENGAH are livestock, economy, housing, basic infrastructure, tourism, and human capital. By offering suitable support to promote the involvement of rural communities in their economic development, it can ensure the economic stability of these communities [2]. The

PROSPEK project was selected as a pilot initiative in Malaysia by the Ministry of Rural and Regional Development, with KETENGAH serving as the executing agency.

The primary objective of the PROSPEK project is to enhance the quality of rural well-being through the development of core economy, entrepreneurship, infrastructure, housing, tourism, and the environment. This project is an innovative initiative launched by the ministry in early 2019 with the aim of identifying villages that possess economic resources that can be harnessed for their development (Lembaga Kemajuan Terengganu Tengah, 2019). In addition to recognising the potential of traditional villages in the research area as network villages, these villages serve as a standard for the future implementation of PROSPEK in other traditional villages across Malaysia [3].

This study aims to assess the impact of the pilot project to

inform the development of a new framework that can enhance the economic outcomes of the PROSPEK project when implemented in additional villages in the future.

"The support, commitment, and dedication of every Malaysian is needed to guarantee the success of RMK-11 and the realisation of aspirations to transform into an inclusive and sustainable developed country by 2020," by Datuk Sri Mohd Najib Bin Tun Haji Abdul Razak, Prime Minister of Malaysia.

In RMK-12, one of the objectives is regional development aims to address socioeconomic imbalances and promote equitable growth between regions and states as well as rural and urban areas. During the RMK-12 period, efforts will be intensified to speed up more inclusive development for states and regions, as well as bridge the development gap between rural and urban areas. This includes making the most of the region's economic potential, developing sustainable cities and

transforming rural areas to close the development gap. More emphasis will be given to development in less developed states.

A. Creativity Index (CI) Concept

The key to economic growth and development consists of effectively utilizing human creativity in all aspects of innovation and production. This includes developing new technologies and enterprises, improving processes, enhancing manufacturing and production systems, and optimizing service delivery [1]. The value of the impact or benefit received by the people in comparison to the cost of the project (development and operation) for a specified period is defined as CI. The impact's duration is the period from the project's completion until it is re-implemented in the future or until the project/project output generates an impact multiple time. CI is employed as a metric to assess the capacity of initiatives to provide high-impact value to the public at a minimal cost to the government.

The 'greatest value for money' principle will be employed to optimize the utilization of government resources, while this CI value will establish project priorities. The core ideas of CI include the following:

- Projects provide specific outputs
- These outputs have a direct effect on individuals
- The impact on individuals is evaluated using six factors
- Each of the 6 impact parameters must be quantifiable, attainable, and substantiated through proxies
- The proxy will provide a monetary value for the impact, which will be multiplied by the number of recipients affected by the impact
- The number of impact recipients can be justified
- The value of the impact will be compared to the cost of t

The CI is a commonly used method for evaluating the extent to which ventures contribute to economic progress. This metric is assessed based on the

expenses incurred in executing the project and the overall household income following programme implementation [1]. The PROSPEK project, like this study, utilises the CI technique to evaluate the project's feasibility for implementation.

"We have implemented the creativity index methodology, which involves requesting state governments and ministries to evaluate the anticipated benefits and allocate them proportionally according to the project's cost. The creativity index approach will serve as a metric for us to compare and evaluate different projects," by Datuk Seri Abdul Wahid Omar, The Star.

II. Methodology

The CI has six (6) main parameters in determining the impact of rural development including assessing the economic and social impact. In this study, only three parameters involving the measurement of economic impact were used namely, 1) income, 2) cost of living, 3) easy and comfortable. These three parameters are used

as the basis for in-depth interviews that are targeted by sampling aimed at representatives of the village residents who conduct the main economy, namely, 1) Livestock, 2) Aquaculture, 3) IKS and 4) Tourism.

In this study, data recorded from site visit using in-depth interviews were codified into the Thematic Analysis. Qualitative methods such as in-depth interviews are used to obtain primary data, while document collection is used for secondary data.

III. Results and Discussion

A. Integrated Village Economic Development Project Implementation Guidelines (PROSPEK)

The Integrated Village Economic growth Project (PROSPEK) aims to promote growth in a minimum of five existing adjacent communities, without the need for expanding into new regions (Insitu Development). The PROSPEK programme focuses on the development of niche product via partnerships with

government/private entities and educational institutions. The objective of this project is to decrease the prevalence of rural poverty by implementing initiatives that enhance income, enhance the standard of living, and enhance the infrastructure of current communities.

The PROSPEK's development has three primary components which are economy, housing, and basic infrastructure. PROSPEK prioritises strategic engagement with relevant government agencies, corporate entities, and institutions of higher education.

KETENGAH determined the village for the PROSPEK pilot. Remoteness limits accessibility to the villages. Natural resources and established economic activity in the village foster economic development and diversity in the study locale. Land uses in the study area has various underdeveloped zones that the PROSPEK project might develop to improve population economic well-being. Table 1 and 2 show the data obtained from interviews with PROSPEK

Project participants from each economic sector in Terengganu.

The indicator employed for assessing the economic influence of the people is based on the economic characteristics outlined in the preceding notion of the CI specifically 1) income, 2) cost of living, and 3) ease and comfort.

According to the outcome table of the PROSPEK project, the four main projects in the economic activity component of rural areas, namely aquaculture livestock, poultry/ruminant livestock, business premises, and tourism, have had a positive impact on the implementation of this project. Additionally, these projects have been successful in terms of income, effective implementation, and production management.

PROSPEK's aquaculture cattle project has increased protein supplies in Terengganu. The initiative intends to produce 13 tons in 2020 and 11 tonnes in 2021 by helping freshwater fishpond farmers with equipment, seeds, and food. This has helped localize aquaculture

cattle production and benefitted businesses.

Poultry and ruminant breeding efforts boost businesses' incomes. Benefits might increase their monthly income from RM700 to RM1500. Buffalo enclosures, goat pens, and chicken coops enable businesses maintain their animals and generate profits.

The business premises initiative benefits small and medium-sized businesses by improving livestock management and local economic activity. Thus, 16 rural shopkeepers got business equipment and store signage.

Besides, 20 homestay entrepreneurs have benefited from this tourism campaign. The average daily income increased 66.6% from RM1200 to RM2000. From RM60 to RM300, the lowest daily income has increased 500%. Thus, these homestay businesses currently earn RM800 per month, up from RM500. This project helps businesses restore 20 rural housing units, increasing their earnings from local tourism.

Table 1: Economic parameters based on main economic activities

Economic Activities	Economic Parameters
Animal Husbandry (R1)	<p>Income: Consider the impact of adding buffalo to the income equation. If the newborn is male, there will be an increase, but if the newborn is female, there will be no increase. This practice is known as perpetual farming, which entails not solely concentrating on buffalo farming, but rather prioritising buffalo care during that period.</p> <p>Living Cost: The demand is always there, it's just that he collects the buffalo. In terms of annual income, there is an increase.</p> <p>Easy and Comfortable: This buffalo is difficult if there is no land. But it is better to have land and stables. If there is no land, the aid given will be wasted. If you can't take care of it, the buffalo will be sold. That's why the government must find out if there is land or not.</p>
Aquaculture (R2)	<p>Income: Before joining this project, I only did village work like tapping. Income before RM600, after joining there is an increase. If there is no increase in income, the existence of this project helps in reducing the cost of living.</p> <p>Living Cost: Can be taken from fish farming to be used as daily food. No need to spend money to buy side dishes. The increase in income does not appear in terms of increased sales revenue but reduces the cost of living.</p> <p>Easy and Comfortable: There is a course that I participated in organized by the Fisheries Department in Perlok for 2 days and 1 night. This fish project helps a bit. The improvement so far is the KETENGAH giving the best.</p>
IKS (R3)	<p>Income: Before there was this project there was less accumulation but after the aid there was a slight increase. But there is indeed a slight increase, for example bread used to be 4kg, now it is 6kg.</p> <p>Living Cost: The cost of living is getting higher, but with help, it is possible to reduce the burden a little. This roti canai business is not widespread and only depends on the local people.</p> <p>Easy and Comfortable: The nearest city is more than 40km to get equipment for this business purpose and need to buy in large quantities at a certain time. It's just that food items can't be bought in large quantities for fear of spoilage.</p>

Income: After only receiving aid, continued MCO until today no one came in. Even before the aid, less people came and earned around RM200 only. After there was a change in leadership, no one came. Before this there were also students. Maybe it was active before, the current government is less active. When the new government focuses on other things, so there are no visitors here. This is the Sultan's focus village but unfortunately the government is less active now.

Living Cost: This matter cannot be measured now because the MCO does not bring results to the tourism sector. In addition, the change in leadership has made tourism promotion in this area less focused.

Easy and Comfortable: It is easy to get help and willingness from the government in providing necessary public facilities for tourists such as surau, health facilities, basic hardware facilities and infrastructure service facilities such as good and stable telephone lines.

Table 2: Outcome of the PROSPEK economy project until December 31, 2021

Project	Output	Outcome	Impact
Aquaculture	<ul style="list-style-type: none"> • Ice Box – 20 units • Cage Net – 20 units 	<ul style="list-style-type: none"> • Equipment assistance to 20 people breeders in freshwater fishponds 	Provides an additional source of protein to the State of Terengganu as much as Year 2020- 13 tons
Livestock	<ul style="list-style-type: none"> • pH meter – 1 unit • 110,000 fish seeds • 880 bags of fish food 	<ul style="list-style-type: none"> • Giving fish seeds and feed to 30 farmers 	Year 2021-11 tons
Poultry / Ruminant Livestock	<ul style="list-style-type: none"> • 3 buffalo barn units • 2 units of goat pens • 1 chicken coop unit 	8 beneficiaries	Gives the average income from RM700 per month to RM1500 per month

Business premises	<ul style="list-style-type: none">• 48 units of business equipment• 16 units of store signs	Aid with business equipment and shop signs to 16 traders	<ul style="list-style-type: none">• Provide management facilities livestock in helping to develop the economic activities of the population
Tourism	<ul style="list-style-type: none">• 20 homestay units are renovated	Benefiting 20 homestay entrepreneurs	<ul style="list-style-type: none">• Increase the average revenue yield Lowest: RM60/day to RM300/day (500%) Highest: RM1200/day to RM2000/day (66.6%)• Increasing the source of income for homestay entrepreneurs from RM500 to RM800 per month

IV. Conclusion

The primary objective of this study is to examine the practicality of implementing a 'rural web' system to stimulate economic growth in Traditional Villages. Several topics have been created based on the thematic analysis conducted through interviews with policy makers and implementation agencies. The developed themes are categorised into two groups: policy maker themes and implementing agency themes.

The themes explored in the policy-making group are derived from the Public Impact Fundamentals indicators, namely public confidence, stakeholder management, and political commitment. The themes that emerged from interviews with implementing agencies using web rural indicators include the dynamics of the connection between implementing agencies and stakeholders.

Another subject addressed pertains to development that must adhere to the development policy and requires a logical justification. For a project to be

implemented at the agency level, it must adhere to policies set by the Ministry.

V. Acknowledgement

Authors acknowledged the Universiti Teknologi MARA Selangor for funding under the DUCS Scheme (600-UITMSEL (PI.5/4) (136/2022)) and College of Built Environment, Universiti Teknologi MARA (UiTM) for their generous contribution towards this research.

VI. References

- [1] R. Florida, C. Mellander, K. Stolarick, K. Silk, Z. Matheson, & M. Hopgood, "Creativity and Prosperity: The Global Creativity Index", Martin Prosperity Institute, 2011.
- [2] *Projek Bersepadu Pembangunan Ekonomi Kampung (PROSPEK) - Kementerian Kemajuan Desa Dan Wilayah*, Kementerian Kemajuan Desa dan Wilayah, 2020.
- [3] M.A.M. Abdul Hadi, "Tujuh kampung dipilih sebagai projek Prospek", 2019.
- [4] *Majlis Taklimat Garis Panduan Penyediaan RMK ke-11, 2016-2020: Prospek Ekonomi, Teras Strategik Dan Penyediaan Projek Pembangunan*, Unit Perancang Ekonomi Negeri Jabatan Perdana Menteri, 2015.