

URBAN GOVERNANCE AND RAPID URBANIZATION ISSUES IN MALAYSIA

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ABSTRACT: *The foundation of the present modern urban system in Malaysia was laid during British colonialism (1786-1957). During the colonial era, basic infrastructure such as transportation and utilities were built to support commercial, financial, social and administrative functions to further exploit the resources (e.g. tin and rubber) in the country. After Independence in 1957, the rate of urbanization in Malaysia is on the increase, from about 25% in 1960 to 65% in 2005 and is expected to exceed 70% by 2020. The government has taken innovative urban governance to achieve regional balance and prevention of primate cities by policies of decentralisation.*

Keywords: *Urbanization, primate cities, regional balance and urban and regional planning*

Introduction

Modern Malaysia is a multi-cultural and multi-racial society of approximately 18 million people where ethnic Malays, Chinese and Indians live together in relative harmony. Geographically, Malaysia consists of two distinct land regions: Peninsular Malaysia, which shares common land borders with Thailand and Singapore, and the Eastern states of Sabah and Sarawak in the northwest region of the island of Borneo. There are 11 states in Peninsular Malaysia – Perlis, Kedah, Penang, Perak, Selangor, Negri Sembilan, Melaka, Johore, Pahang, Trengganu and Kelantan (see Figure 1).

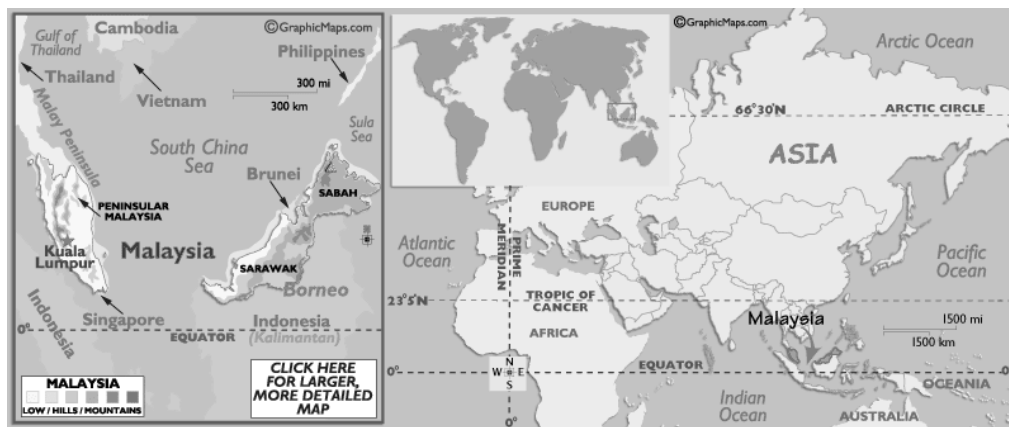


Figure 1: Map of Malaysia

The foundation of the present modern urban system in Malaysia was laid during British colonialism (1786-1957). During the colonial era, basic infrastructure such as transportation and utilities were built to support commercial, financial, social and administrative functions to further exploit the resources (e.g. tin and rubber) in the country. The infrastructure and urban development soon attracted massive Chinese and Indian immigration, which created a modern day situation where the ethnic groups were segregated by geographical area and occupational function. By the late 1950s and 1960s, the ethnic Malays or bumiputras lived mainly in rural areas participating in the agricultural sector while the non-indigenous Chinese and Indians lived in the cities where they were largely working in commerce and trade. According to Ooi (1975), 11.2% of Malays lived in urban areas in 1957 (as compared with 44.7% for Chinese and 30.7% for Indians).

During the period of 1957-1969, after Malaysia's independence from British colonial rule, the pace of urbanisation was relatively slow, partly due to policy emphasis on agriculture and rural land development projects. Evidence of rural-urban migration, that of Chinese farmers was observed during the Malayan Emergency (1948-1960). In particular, during the mid-1950s, when Chinese New Villages were created near existing urban centres along main roads by moving the Chinese farmers from rural areas. This resettlement policy under the Briggs Plan was aimed at cutting off food and medicine supplies and clearing potential hideout of communist insurgents. The resettlement policy, however, directly contributed to a forced migration of rural farmers, mainly the rural Chinese to the existing urban centres and was a major factor in the increased pace of urbanisation in some states on the west coast of Malaysia Peninsula.

In parallel, the Malaysian government had since the 1970s encouraged rural Malays to migrate to the urban areas. According to Agus (2002, p130), the tempo of urbanization for all ethnic groups in Malaysia from 1970 to 1980 was faster than the period between 1957 and 1970, but the Malays had the fastest rate of urbanisation. The increasing relocation of bumiputras to cities resulted in a reduced Chinese majority in the urban areas. By 1991, the proportion of Malay urban residents in the country had increased to about 46% (compared to 44% for Chinese and 10% for Indians). The historic economic feature of ethnic Malays in agriculture or primary production is consequentially rapidly changing. The government has in recent decades implemented various other policies such as National Economic Policy (1970-1990), National Development Policy (insert year), and National Vision Policy (insert year), to strengthen bumiputra community. The aim is to enable the bumiputra community to compete intellectually and economically with the to-date more successful minority ethnic Chinese and Indian populations. In terms of urbanization, there has been rapid growth of the population and the capital city. The proportion of urban population in Malaysia has increased from 50.7% in 1991 to 62% in 2000. The urbanization rate ranges from a low of 34.2% in the state of Kelantan to a high of 100% in Kuala Lumpur (the capital). Other states which have relatively higher than the national average urbanization proportions (62%) are Selangor (87.6%), Penang (80.1%), Malacca (67.2%) and Johor (65.2%). The large increase in urban population is a key feature of Malaysia's post-independence urban development.

Based on the criteria of World Development Indicators (2003), Malaysia is ranked 61 out of 117 nations on the composite Human Development Index (see Table 1). A significant contributory factor is the country's sustained economic growth and political stability over the last three decades. Economic development has led to expansion of personal wealth and better quality of life. From 1980 to 2005, Malaysia's population has increased more than two-fold from 11.4 million to 25.3 million, and life expectancy for males and females has increased from 66.4 years and 70.5 years in 1980 to 70.2 years and 75.0 years in 2000, respectively. The gross national product (GNP) per capital over the same period has risen fourfold from US\$ 1494 (US\$ 1.00= Malaysian Ringgits (RM) 2.50 in 1980–95) in 1980 to US\$ 9512 in 2000 (US\$ 1.00=RM3.80 in 2004). In the global league table of GNP per capita (1997) Malaysia is in position 35 (Agus et al, 2002). The gross domestic product (GDP) growth rate has averaged 7.06% p.a. Applying a poverty line income of US\$ 170 per month for a household of 4.6, the incidence of poverty has decreased from 18.4% in 1985 to 5.5% in 2000 while the incidence of hard-core poverty (half of the poverty line income) decreased from 6.3% to 0.5% (Seventh Malaysia Plan, 7MP-(1996-2000). The mean monthly gross household income has increased from US\$ 468 in 1989 to US\$ 808 in 1995 with an average annual growth rate of 9.5%.

Table 1: Human Development Index on Malaysia (2005)

Human Development Index (HDI) Rank of 177 countries (2005)	63
Human Development index value	0.811
Life expectancy at birth (years)	73.7
Adult literacy rate	88.7
Combined gross enrolment for Primary, secondary and Tertiary	74.3
GDP per capita (PPP US\$; 2005)	\$10,882
Life expectancy index	0.811
Education index	0.839
GDP index	0.783
GDP per capita (PPPUS\$) rank minus HDI rank	-6
Population Largest City : Kuala Lumpur (2005; millions)	1.39
Population Growth : (16) capital cities or agglomerations with 750,000 inhabitants or more in 2000#	
- Est average growth of capital cities or urban agglomerations 2005-2015	28%
- Number of capital cities or urban agglomerations with growth over 50%, 2005-2015	1
- Number of capital cities or urban agglomerations with growth over 30%, 2005-2015	4
Sanitation, percentage of urban population with access to improved sanitation (2002)**	96%
Water, percentage of urban population with access to improved drinking water sources (2002)**	96%
Slum population, % of urban population (households with access to secure tenure) (2001)**	2%
Slum population in urban areas (2001, million)**	0.26

Poverty, % of urban population below national poverty line (2001)**	na
Aid (Net ODA received; US\$ Millions; 2003)^ A	\$109.1
Aid as a Share of Country Income (Net ODA/GNI; 2003)*	0.1%
Aid per capita (current US\$; 2003) A ^	\$4.4

Source : The World Bank, World Development Indicators 2005,
<http://www.worldbank.org/data/wdi2005/index.html>

* OECD, Development Assistance Committee, Recipient Aid Charts, 2003,

** United Nations, Millennium Indicators Database

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Urbanization Issues and Problems

The rate of urbanization in Malaysia is on the increase, from about 25% in 1960 to 65% in 2005 and is expected to exceed 70% by 2020. The rate of urbanization in Malaysia has been very rapid since the 1970s. Today, 62% (or 16 million) of all Malaysian live in towns and cities, a relatively high level of urbanization for a Third World country. By the year 2010, 68.2% of the country's population will be urban with an estimated total urban population of 18.8 million people (Malaysia,2005) Rapid urbanization has had consequences for the distribution of population and huge demands on land, water, housing, transport and employment. Due to historical reasons and land form, Peninsular Malaysia is more urbanized than east Malaysia (Sabah and Sarawak). Peninsular Malaysia presently has about 75% of its population living in urban areas as compared with Sabah and Sarawak where 48% and 48.1% respectively of the total population live in urban area. Such geographical concentrations of people, growing rapidly, have presented challenges of both numbers and quality in ensuring an adequate supply of housing, solving urban congestion and protecting the environment at the local and national policy level. The migration from rural areas has created pressure on housing for the new urban dwellers.

Majority of the people living in cities enjoy a relatively high standard of living. Overall, about 96% of Malaysians have access to clean water and sanitation facilities. Since the 1970s, many urban settlements have been planned near existing major townships. All the housing estates are planned with quality infrastructure for education, shopping, religion and recreation, and utilities such as road, water, sewerage, drainage and telecommunication. The incidence of slum housing has decreased to about 2%. Most of these slums are in squatter areas, commonly found along railway, road, river and government reserve land. The shortages of low cost housing in cities and illegal immigrants from Indonesia have created a surge in squatter areas on open land. Most State governments have implemented a Zero Squatter policy to ensure the problem will be eradicated by the year 2020 or earlier.

Although Malaysia has experienced spectacular urban spatial transformations from 1950 to 2000 (urbanization rate of 20.4% in 1950 has increased to 61.8% in the year 2000), the rate of urban population increase has dropped from 5.5% in 1950-1955 to 2.96% p.a. in year 2000-2005. This rate is however still higher than the national average of 2.6% p.a. By contrast, as summarised in Table 2, the rural population experienced slower but positive growth rate of less than 1% in the years 1990-95 and 2000-2005.

Both the level of urbanization and urban growth are the outcome of urban population change and urban areas boundary adjustments. Urban population change consists of both the natural increase of urban population, defined as the difference between fertility and mortality level, and the net population migration. The urban population expansion is contributed by the increasing economic opportunities in the urban centres. The other important component in the urban population change is the adjustment made to city boundary to accommodate the changing urban land use over time.

In the urbanization experience of Malaysia the three components have shown variable proportions in their influence over the urban population growth. LESTARI (1996) study showed that over the 1960-1970 census period, 56.1% of the total increase urban population of 1.5 million people was from natural increase, 38.7% from net boundary adjustments and 5.2% from net migration. Despite the change in the definition of an urban area to include adjacent built-up areas, the migration component is still important. From the total urban population change in 1980-90, i.e. about 3.1 million, 52.3% was due to natural increase, 37.4% from net urban boundary adjustments and 10.3% from net migration (Department of Statistics 1996a, p.14). It is also concluded that in the Malaysian case the higher contribution from natural increase in the urban population growth could be partly attributed to the higher fertility of the earlier migrant households which have become urbanites during the observation periods.

Table 2: Level of Urbanization in Malaysia from the year 1950-2030.

Variable	1950	1960	1970	1980	1990	2000	2010	2020	2030
Rural population (thousands)	4866	5975	7222	7977	8955	8790	8745	8362	7867
Urban population (thousands)	1244	2165	3631	5787	8891	14212	18768	23218	27324
Percentage urban (%)	20.4	26.6	33.5	42	49.8	61.8	68.2	73.5	77.6
Rural population (millions)	4.866	5.975	7.222	7.977	8.955	8.79	8.75	8.36	7.87
Urban population (millions)	1.244	2.165	3.631	5.787	8.891	14.212	18.77	23.22	27.32
Variable	1950-1955	1960-1965	1970-1975	1980-1985	1990-1995	2000-2005	2010-2015	2020-2025	
Rural annual growth rate (%)	1.94	2.17	1.13	1.22	0.18	0.13	-0.42	-0.57	
Urban annual growth rate (%)	5.52	5.44	4.8	4.36	4.84	2.96	2.25	1.76	

[Source: Population Division of the Department of Economic and Social Affairs of the United Nations Secretariat, World Population Prospects: The 2002 Revision and World Urbanization Prospects: The 2003 Revision, <http://esa.un.org/unup>, 28 September 2005; 8:04:32 AM.]

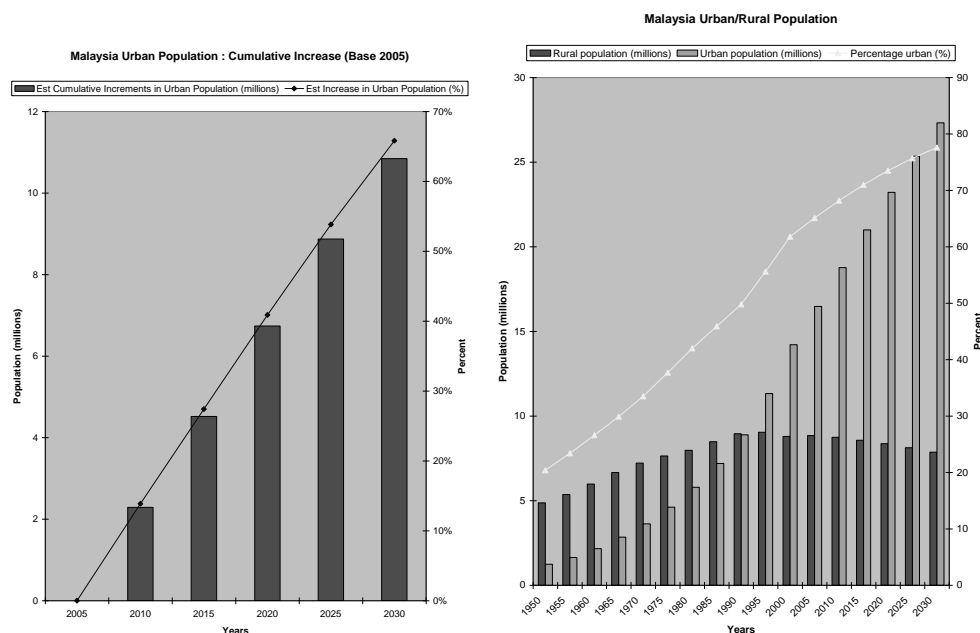


Figure 2: Malaysia urban cumulative increase and rural- urban population, 2000-2030

It is projected that by year 2030 more than three quarter (77.6%) of the total population will be staying in the urban areas. Table 2 shows the rural population will experience negative growth after the year 2010 and the total rural population will be 7.87 million as compared with 27.32 million urban populations (See Figure 2).

The population distribution and growth rates by states in Table 3 show that the Malaysian population is on an increasing urbanization trend in all the states except Federal Territory (Labuan and Kuala Lumpur). In year 2000, Federal Territory (Kuala Lumpur and Labuan) has the highest urbanization level of over 80%, followed by states of Selangor, Penang, Malacca and Johor which have urbanization rate above national average of 62%. The states of Selangor, Penang, Malacca and Johor are strong in manufacturing and related industries in Malaysia. Among the least urbanized states are largely the agricultural states such as Perlis, Kedah, Kelantan, Sabah and Sarawak which have less than 40% of their population residing in the urban areas. According to LESTARI (1996), the highly urbanized states have the highest gross domestic product per capita. Terengganu is an exception. Although having among the highest GDP per capita, the state has a moderate level of urbanization. The somewhat exceptionally high GDP per capita is attributed to the petroleum and related industries that have expanded since the 1970's.

Table 3: Urbanization Level by State, 1980, 1991, 2000 and projected 2020 population

State	Urbanisation Level					Avg Annual growth of Urban population (%)		
	1970	1980	1991 ²	2000	2020 target	1970-1980	1981-1990	1991-2000
Johor	26.3	35.2	47.8	65.2	71	5.2	5.4	6.8
Kedah	12.6	14.4	32.5	39.3	49.5	2.6	9.5	4.8
Kelantan	14.1	28.1	33.5	34.2	38.0	8.8	4.6	1.4
Melaka	25.1	23.4	38.7	67.2	76.5	0.3	5.9	9.0
Negeri Sembilan	21.6	32.6	42.0	53.4	62.6	5.6	4.5	5.2
Pahang	19.0	26.1	30.4	42.0	58.8	7.7	4.2	6.1
Perak	27.5	32.2	53.6	58.7	77.6	2.7	5.4	2.0
Perlis	-	8.9	26.6	34.3	41.6	-	12.8	4.1
Pulau Pinang	51.0	47.5	75.0	80.1	90.0	0.8	5.8	3.1
Sabah ²	16.9	19.9	33.2	48.0	-			
Sarawak	15.5	18.0	37.6	48.1	-			
Selangor	39.5	34.2	75.2	87.6	94.0	18.0	12.2	8.7
Terengganu	27.0	42.9	44.5	48.7	54.0	7.5	3.8	2.8
Federal Territory Kuala Lumpur	100.0	100.0	100.0	100.0	100	3.6	2.0	2.1
MALAYSIA	26.8	34.2	50.7	62.0	73.5	4.8	6.4	5.5

[Source: 1 LESTARI report (1996); 2 Population and Housing Census, 1991; 3 Population and Housing census of Malaysia 2000; 4 National Physical Plan study 2005 (* 75% is used as urbanisation for Peninsular Malaysia).]

National Policies affecting Urban and Regional Development

The urbanization, urban growth and distribution in Malaysia are largely due to the historical evolution of urban centres. While British colonialism has helped to provide the basic internal structure of cities and the overall urban system, the subsequent development by the Malaysian government has made adjustments to the basic internal city structure and urban system. Through the implementation of Town and Country Planning Act 172, development policies, strategies, programmes and economic activities proposed under the Structure Plans and Local Plans have brought a wider transformation to the individual urban centre and the urban system as a whole. One of the most significant changes is the development of Multi Super Corridor (MSC) to spearhead IT in the country's future growth.

Malaysia, like many of the countries in the Asia-Pacific region, has aligned itself to the international economic order to take advantage of the available opportunities. The aim is wealth creation to eradicate the widespread poverty and uneven development (socially, economically and spatially) in the country. The detailed strategies, programmes and activities to move and expand the economy are shaped by the New Economic Policy, which is an affirmative policy to bring about a harmonious Malaysian society. In the colonial past, the country was the supplier of industrial raw materials for industries in the West in a context of the old international division of labour. With independence and especially as from the 1970's, Malaysia has positioned itself to participate in the new international division of labour, tapping opportunities to mobilise her abundant supply of labour to engage in the production of manufactured goods for export. Through a strategy of multi-national corporations (MNC) investment, Malaysian manufacturing industries are using investment and technology from the developed countries. At the same time, local corporations (SME) are encouraged to contribute to the industrial development.

As with many developing countries' pattern of development, Malaysia's industrial development and expansion are closely related to the transformations of its urban areas. MNC industries are generally located in major urban areas where the basic infrastructures are already available. Some of these industries would subsequently move to smaller urban places when costs in major capital cities become too expensive. In light of this trend, the most cost effective approach to promote urban and regional growth is to leverage the development efforts through the urban centres. Therefore, in the Second Malaysia Plan (1970-75), growth centres are used as the main development strategy to develop regions. Table 4 shows the growth centres outlined in the Second Malaysia Plan (1970-75), which is the foundation of today's urban and regional development framework. Although Kuala Lumpur was designated to be the national growth pole, the regional policy also identified Penang and Johor Bahru cities as the respective first order growth centres for the northern and southern region respectively. The rest of the state capitals are identified to be sub-regional centres, while smaller urban centres are to be the local centres. Expansion of industrial estates was promoted in urban places lower in the urban hierarchy, especially along the western industrial corridor on the Malaysia Peninsula stretching from Perlis to Johor Bahru cities. This phenomenon of concentrating industries along the western industrial corridor was as much to maximise the existing limited facilities and amenities as to harness the agglomeration effect of industrial and urban

development. In subsequent phases, industries were distributed to the eastern industrial corridor in the Malaysia Peninsula and to Sarawak and Sabah. The planning also attempted to bring greater cohesion between the Malaysia Peninsula and the eastern states of Sabah and Sarawak.

In addition, Kuala Lumpur is bounded by an area of 243 square kilometres that limits physical growth. New towns in outlying areas have been able to absorb the growth and prevent further concentration of people in the city. Political decree and sound administrative procedures have combined to ensure the success of the growth centres concept and prevented Kuala Lumpur from becoming a runaway primate city. For rural areas, rural new towns were proposed in the regional development authorities areas such as KEJORA, DARA, KETENGAH and KESEDAR (see Table 4).

Table 4: Proposed Growth Centres in Malaysia: as outlined in the Second Malaysia Plan (1971-75)

Centres	Existing Urban Centres
National Growth Pole	Kuala Lumpur
First Order Growth Centres - Selected state capital in specific geographical area.	Penang, Johor Baharu, Ipoh
Second Order Growth Centres -major cities and capital states	Alor Star, Taiping, Klang, Shah Alam, Seremban, Melaka, Muar, Batu Pahat, Kluang, Kuantan, Kuala Terengganu, Kota Bharu, Kuching, Kota Kinabalu.
Third Order Centres (10,000 & above)	Other large district capitals: e.g. Sungai Petani, Kulim, Kuala Pilah, Segamat, Temerloh-Mentakab, Cukai, Dungun, Pasir Mas.
Planning for: Rural Growth Centres New Growth Centres	Village groupings Regional Development Authority Pahang Tenggara (DARA) Johor Tenggara (KEJORA) Terengganu Tengah (KETENGAH) Kelantan (KESEDAR)
Peninsular Malaysia, Sarawak and Sabah	Jengka Triangle (FELDA, Pahang) Miri-Bintulu (Sarawak)

[Source: Government Of Malaysia 1971 Regional Development.]

The early 1970s regional strategy for urban development as outlined in the Second Malaysian Plan provided an important foundation of the urban and regional development framework for subsequent Malaysian Plans. Table 5 summarises the regional development strategies and new town development implemented under the subsequent five-year Malaysia Plans.

Table 5: Regional Development Strategies and New Town Development by Malaysia Plans.

	Malaysia Plan	Regional development strategies and new towns development
1970s	2 nd Malaysia Plan (1971-1975)	Rationalised 3 major growth centres and 3 categories of order of urban centres based on population (refer Table 4?)
	3 rd Malaysia Plan (1976-1980)	Further rationalisation of urban centres based on the 4 main regions and completion master plan for the regional development authorities (KEJORA,DARA, KETENGAH, KESEDAR) and Kelang Valley, Penang, Bintulu, South Johor urban master plans
1980s	4 th Malaysia Plan(1981-1985)	New town movement <ul style="list-style-type: none"> - New towns within the Kuala Lumpur City - New towns in fringes of major cities (Bangi, Shah Alam, Subang, Bayan Baru, Senai, Kerteh) - Rural new towns in Regional development authorities (Jengka triangle, DARA, KETENGAH) - Resource frontier new town (Kerteh) - Structure plans for Kuala Lumpur, Johor bahu, seberang Perai, Seremban, Kuala Trengganu)
	5 th Malaysia Plan(1986-1990)	More urban strategies and programmes <ul style="list-style-type: none"> - Urban development by 6 regions (Northern, Central, Eastern, Southern, Sabah and Sarawak regions) - All state capitals have structure plans by 1990 - Shift in urban and regional from 'place prosperity' to 'people prosperity' - Identification of suitable urban centres for development, away from Kelang Valley.
1990s	6 th Malaysia Plan(1991-1995)	Continuation of urban development outlined in the earlier plans Emphasis on balanced development of the economy in order to create a more united and just society. <ul style="list-style-type: none"> - strengthen national unity by reducing the wide disparities in economic development between states and between urban and rural areas.
	7 th Malaysia Plan(1995-2000)	Continuation of urban development outlined in the earlier plans Proposed Multimedia Super Corridor, 15x 50km zone extending south from existing national capital of Kuala Lumpur towards the new KLIA airport at Sepang <ul style="list-style-type: none"> - Include Putrajaya development (new administrative capital) and Cyberjaya
2000s	8 th Malaysia Plan (2000-2005)	Regional development is to progressively integrate regional economies of the state of Sabah and Sarawak to foster national integration and promote complementarity of these economies with the economy of Peninsular states. <p>National Physical Plan</p> <ul style="list-style-type: none"> - provide spatial dimension to sectoral distribution of national resources <p>National land use Policy</p> <ul style="list-style-type: none"> - outline the physical land use development policy in conformance with National Physical Plan.

In the Third Malaysia Plan (1976-1980), the Malaysia Peninsula was divided into four major regions. The aim is to promote more cooperation in development of resources along state boundaries. Thus, the states of Kelantan, Terengganu and Pahang were to form the east coast region, Negeri Sembilan, Selangor, the central region, Perak, Kedah, Penang, Perlis the northern region, and Johor and Melaka the southern region. Policies and strategies were aimed to strengthen urban linkages between certain smaller urban centres with the main towns and cities. Planning of large urban areas such as the master plan for the Klang Valley, Miri-Bintulu in Sarawak and South Johor were also carried out during this period.

In the 1980's urban development and expansion largely centred on the development of new towns. Four main categories of new towns have been developed to achieve the aim of balanced development, namely, urban new towns within cities, new towns of urban fringes; rural new towns in resource frontier regions, and new towns based on specific resource such as petroleum. Urban new towns aimed to decentralise congested urban development functions of major cities. The classic example is the new towns (e.g. Petaling Jaya) created in the outlying areas of the capital city, Kuala Lumpur. Rural new town, on the other hand, aimed to provide resource frontier areas with growth centres that can bring growth to the region. The new towns based on specific resources such as Kerteh Petroleum town is a fast growing town planned with complete urban functions to cater for the population generated by the workforce of skilled local and expatriates in the petroleum industry.

The implementation of Town and Country Planning Act 172 (insert year) resulted in the implementation of structure plans in Malaysia. These are development plans which consist of written statement and key diagrams. They are prepared for major cities to guide urban development. By the end of the 5th Malaysia Plan, all states have structure plans to guide development of the state capital cities. At the same time, urban renewal programmes are to continue in six regional development centres, namely, Kuala Lumpur, Georgetown, Johor Bahru, Ipoh, Kuching and Kota Kinabalu. There is a shift in urban and regional from 'place prosperity' to 'people prosperity' where development emphasis will be given to people rather than place. Suitable urban centres for development, away from the major Klang Valley conurbation, are identified to further decentralise the concentration of the three existing major metropolitan areas – of Kuala Lumpur, Johor and Penang?

In the 1990s, as more industries are added, the urban centres grew and expanded to support a widespread urban centre network throughout the country. Industrial estates are slowly shifting to Sabah and Sarawak's largest urban centres such as Kota Kinabalu and Kuching to play their regional growth centre roles more fully. The majority of Malaysian planned settlements are found close to growth centres for easy access to basic goods and services, growth promoting activities and innovations. Towns in the higher urban density areas such as the Klang Valley have grown and expanded outwards and towards each other to form a huge urban conurbation - regional corridor cluster stretching from Port Klang, Shah Alam, Petaling Jaya to capital city of Kuala Lumpur. Minor urban clusters are found in all the state capital towns such as Johor Bahru and the Penang conurbation,

One of the most significant impacts of the urban development during this period is the implementation of the Multi-media Super Corridor (MSC) in August 1996 to spearhead the transformation of Malaysia into knowledge-based economy. (Yeoh, 2002). Within the MSC, Cyberjaya – the nucleus of the MSC initiative is an example of a creative and innovative urban development. Putrajaya, the Federal Government Administration centre, is another example of urban development that has adopted the prevailing sustainable development planning doctrine that places emphasis on the relationship between man and environment. Care was given to the preservation of the site's natural topography, trees, and to the control of quality and quantity of storm water, and creation of open space and water body.

The current Eighth Malaysia Plan (2001-2005) marks the beginning of the millennium. It has initiated a National Physical Plan (NPP), the first national spatial plan for the whole of Peninsular Malaysia, which looks into the urgency of regional and inter-city planning. The NPP goal is the "establishment of an efficient, equitable and sustainable national spatial framework to guide overall development of the country towards achieving developed nation status by the year 2020" (NPP, 2005,). Under the National Spatial Framework 2020, Kuala Lumpur conurbation will be the national growth conurbation supported by three regional conurbations, namely, Georgetown, Kuantan and Johor Bahru (NPP, 2005). Table 6 shows the National Physical Plan on proposed conurbation and targeted population by year 2020.

Table 6: National Physical Plan Policies on Population of Proposed Conurbations

	Conurbations	Population (2020)
	Kuala Lumpur Conurbation- National growth Conurbation	8..48 million
	Georgetown Conurbation- Regional Growth conurbation	1.09 million
	Ipoh conurbation- Intermediate /Connective Growth conurbation	3.09 million
	Melaka Conurbation- Intermediate /Connective Growth conurbation	0.67 million
	Kuantan Conurbation- Regional Growth conurbation	0.64 million
	Johor Bahru conurbation Regional Growth conurbation	1.84 million

[Source: National Physical Plan 2005]

All these changes in urban growth and areas will have direct impact on the urban environment. The accompanying urban issues of housing and services provision are sharply relevant to the urban planners and managers.

Urban Areas by Size Class

The distribution of urban areas by size class is useful to understanding the pattern of urbanisation and the problem of primate city. Table 7 shows that Malaysian cities are generally small as compared with many Asian cities. Kuala Lumpur city is the only

city with a population of more than 1 million – 5 million, and will likely remain as such until year 2015. The percentage of total urban population is significantly reduced from 14% in 1985 to 8% in year 2015. This shows that Kuala Lumpur as the largest city is not growing faster than the country's overall urban population..

At the same time, the number of urban centres in size class of 500,000 – 1 million people has increased over the year, 1980-2000, i.e. one in 1980 to three (3) cities (Ipoh, Johor Bahru and Klang) in the year 2000 and then to five (5) cities by the year 2015. This shows that the medium size agglomerations of half million to one million population are on the increasing trend. It is supported by evidence of percentage of urban population which is also on an increasing trend, i.e. from 9% in year 1995 to 19% in year 2015. On the other hand, the number of urban centres in size class of less than half a million population has fallen from a total of 15 cities in the year 1980 to 10 cities in the year 2015. This shows that the small-medium cities in Malaysia are also experiencing a downward trend, as evidenced from the falling percentage of urban population from 40% in the year 1980 to 16% in the year 2015.

Rank size distribution of urban centres analysis holds important information for urban managers and planners in the study of the hierarchy of centres, facilities provision and preventing the problem of primacy of city. Ideally, the rank size distribution follows a log normal distribution where size and rank of population of second largest city should be proportional to the primate city.

Table 7: Urban Areas by Size Class

Size class	1950	1955	1960	1965	1970	1975	1980	1985	1990	1995	2000	2005	2010	2015
Cities with population 1 to 5 million														
Number of cities	0	0	0	0	0	0	0	1	1	1	1	1	1	1
Population	0	0	0	0	0	0	0	1016	1120	1209	1297	1392	1506	1635
% urban population	0	0	0	0	0	0	0	14	13	11	9	8	8	8
Cities with population 500 000 to 1 million														
Number of cities	0	0	0	0	0	1	1	0	0	2	3	3	5	5
Population	0	0	0	0	0	645	921	0	0	1028	1835	2082	3520	4019
% urban population	0	0	0	0	0	14	16	0	0	9	13	13	19	19
< 500 000														
Number of cities	16	16	16	16	16	15	15	15	15	13	12	12	10	10
Population	876	1103	1331	1566	1867	1772	2310	2791	3420	3058	3079	3533	2931	3284
% urban population	70	67	61	55	51	38	40	39	38	27	22	21	16	16

[Source: Population Division of the Department of Economic and Social Affairs of the United Nations Secretariat, World Population Prospects: The 2002 Revision and World Urbanization Prospects: The 2003 Revision, <http://esa.un.org/unup>, 28 September 2005; 8:04:32 AM.]

Primacy index is used to further analyse the state of primacy of Kuala Lumpur. The rank size distribution also allows detection of the shortage of urban centres in certain size groups. In 1972, Kuala Lumpur was declared as the Federal Territory and its boundary was increased to cover an area about 90 square kilometres. The boundary expansion of Kuala Lumpur has contributed to the sudden increase in its total population --- in the 1970 of about 0.65 million the city's population doubled to about 1.3 million people in year 2000. However, as mentioned earlier, as the country's largest city, Kuala Lumpur, had about 16 % of the total urban population in 1985 but this was greatly reduced to about 9% by the year 2005 and expected to decline further to 8 per cent in 2020.

Table 8 shows the primacy index of the relationship between Kuala Lumpur as the primate city (P1) relative to the second, third, fourth and fifth largest city. The index shows that Kuala Lumpur city is getting relatively bigger to second largest city from year 1980 to 1990, i.e. 2.34 to 2.44 and then decreases to 2.32 in year 2000. The primacy of Kuala Lumpur city becomes less dominant if one compares Kuala Lumpur city against the combined urban population of the second, third and fourth cities (P2P3P4 or second, third, fourth and fifth cities (P2P3P4P5) as indicated by the falling index from 1.37 in year 1980 to 0.82 in year 2000.

Malaysian regional planning policies since 1970s have emphasised decentralisation based on the growth pole concept of development discussed in the earlier section. These policies have contributed to restraining Kuala Lumpur and arresting it from becoming a primate city. The implementation of decentralisation policy has contributed to the development of Johor Bahru conurbation, Georgetown conurbation and Ipoh conurbation where industrial developments are promoted. Many of the major towns in Kelang Valley such as Klang Subang, and Petaling Jaya are also expanded rapidly. The MSC proposal will further reduce the development pressure of the city to the southern corridor.

Table 8: The Primacy of Kuala Lumpur

Rank city	1980	Urban area	1990	Urban area	2000	Urban areas
P1	919,610	Kuala Lumpur	1,145,075	Kuala Lumpur	1,305,792	Kuala Lumpur
p2	393,712	Ipoh	468,765	Ipoh	562,239	Klang
p3	278,482	Kuching	442,250	Johor Bahru	529,906	Ipoh
p4	238,250	Georgetown	368,228	Klang	506,526	Kajang
p5	165,623	Kelang	351,719	Petaling Jaya	432,619	Petaling Jaya
p2p3p4	672,194		911,015		1,598,671	
p2p3p4p5	1,076,067		1,630,962		2,031,290	
P1:p2	2.34		2.44		2.32	
P1:p2p3p4	1.37		1.26		0.82	
P:p2p3p4p5	0.85		0.70		0.64	

[Source: Population distribution by Local authority areas and Mukim, Population and Housing census 2000. Preliminary Count Report for Urban and Rural areas, Population and Housing census 1991. Population Report for Mukim, Population and Housing census 1980.]

Innovative Governance through National Regional Development and Decentralization Policies

Malaysia has formulated a range of policies and plans to guide the management of national and regional development during the period of 1970-2005. These policies and plans consisted of core national policies; long-term, medium-term, annual and special development plans; and sectoral as well as industry-specific master plans. However, the core policies were the most important; their main components formed the reference for all other policies and plans at various levels including the state, regional as well as the local level. These policies consisted of the New Economic Policy (NEP), 1970-1990 and the National Development Policy (NDP), 1991-2000 and National Vision Plan, 2001-2020. Complementing these medium term plans was the long term plan, the Vision 2020. The plan projected a future vision of Malaysia in the year 2020 as a fully developed nation. In addition to these plans, the National Economic Recovery Plan (NERP), 1998 was a special plan document to deal with an abnormal economic condition faced by the country arising from the effects of the East Asian financial crisis.

The NEP introduced in 1970, has with two prong objectives i.e. poverty eradication and elimination of economic disparities between and among the various ethnic groups and geographical areas. It was operationalised and incorporated as the country First Outline Perspective Plan (1st OPP), 1970-1990 and, at a more detailed level, the Second Malaysia Plan (2nd MP), 1971-1975. Subsequently, policy continued to be the basis of the three other plans, the Third Malaysia Plan (3rd MP), 1976-1980; the Fourth Malaysia Plan (4th MP), 1981-1985; the Fifth Malaysia Plan (5th MP), 1986-1990; and their respective Mid-Term Reviews. The NDP was introduced in 1991 to replace the NEP in the 2nd OPP, 1991-2000 and 6th MP. (Source: Economic Planning Unit, Prime Minister's Department, 2004)

In addition to the national economic policies and plans, the Town and Country Planning Legislation, Act 172 provides the framework for the preparation of a National Physical Plan, the state Structure Plan and the District Local Plan. The National Physical Plan prepared in 2004 under the provision of Section 6B of TCP 1976 (Act 172) is the national blue print for physical planning. The NPP provide firstly, the spatial dimension to the national socioeconomic plans discussed earlier as well as the sectoral policies; secondly, the framework for regional, state and local planning; and thirdly, the regional planning policies and guidelines.

The continuing increase of the rate of urbanization in the 70's, 80's and 90's, requires the need for more systematic planning, efficient administration and better delivery of services at the local authorities level. The emphasis in urban development policy was to ensure that the urbanization process was planned and implemented systematically to help improve the quality of life and contribute towards further economic growth. In this regard, the dispersal of urban development was undertaken as an important strategy to reduce pressures on major urban centres including Kuala Lumpur, Penang and Johor Bahru. The dispersal strategy includes the recent relocation of the Federal Government Administrative Centre from Kuala Lumpur to Putrajaya and the development of technology township of Cyberjaya.

In order for the decentralization policies and strategies to be effectively implemented, the arrangement for state, regional as well as local government must be in properly put in place. Administratively, Malaysia is organized along a three-tier system of government: the federal, state and local government. In carrying out its duties as enumerated in the Federal and Concurrent Lists of the Federal Constitution, the federal government has established a number of ministries (currently the number is 24), departments and agencies. The latter also include public enterprises, statutory bodies and development corporations. In the Malaysian federal system of government, the Cabinet is the highest coordinating executive body of all government activities and interests. Both the national councils i.e. the National Economic Council (NEC) and the National Security Council (NSC) are both headed by the Prime Minister and assist the Cabinet in the discharge of its functions. The NEC is the highest level council responsible for coordinating all development programmes while the NSC is responsible for national security.

In order to improve and enhance coordination within the government machinery, the Federal Constitution provides avenues for federal influence over the state and local governments. Such influence is exercisable over matters that are even listed under the state list of the Constitution. In addition to the two councils described above, three other national councils are the National Council for Local Government (NCLG) under article 95A, the National Land Council (NLC) under Article 91 and the National Finance Council (NFC) under Article 108. All councils are chaired by the Prime Minister or his appointee. Both the federal and state government representatives sit in these councils.

The government planners has subscribed strongly to the belief that economic growth is not an end itself but it is the means to bring prosperity and better quality of life to all segments of society within the country. In this respect, the principle of 'growth with equity' has underlined all previous development efforts, beginning with the New

Economic Policy (1971-1990), the National Development Policy (1991-2000) and the present National Vision Policy (2001-2010). The implementation of the growth with policy has contributed to some significant reduction in the incidence of poverty and a more equitable distribution of income across the states. For instance, the incidence of poverty has declined sharply from 49.3% in 1970 to 16.5% in 1990 and further to 7.5% in 1999. The mean incomes of the bottom 40%, middle 40% and top 20% of the households indicate some significant increases in income among the households. From the equity participation perspective, the Bumiputera share of equity ownership in the corporate sector has increased considerably from 2.4% in 1970 to 19.3% in 1990 although declined slightly to 19.1% in 1999. (Source: K. Yogeessvaran, 2004)

The Third Outline Perspective Plan (OPP3), which constitutes the second decade of development under Vision 2020, gives emphasis on building a resilient and competitive nation. During this 20 year period, policy efforts give emphasis to raise the quality of development and generate high sustainable growth and bringing prosperity for all. The aspect of national unity remains the overriding goal of both national and regional development. The diversities of Malaysians various ethnic, lingual, cultural and religious differences will be taken into consideration in the creation of a harmonious, tolerant and dynamic society. The socioeconomic development policies, which contributed to enhancing the quality of life of Malaysians, continue to be given priority in the OPP3 (Malaysia, 2001)

The implementation of regional development strategies during the Seventh Plan period, particularly the diversification of the economic base and the provision of modern amenities has stimulated the overall economic growth of all the states including in the northern as well as eastern part of Malaysia. This has led to increased income, improved living standards, a higher quality of life and reduced economic disparities between regions. In addition, the improvement in employment and income generating activities resulted in narrowing the income gap of the less developed states relative to the more developed states, thus reflecting the effectiveness of strategies towards achieving the objective of balanced development (Malaysia (2001).

The Eighth Malaysia Plan policy efforts attempts to optimize the utilization of resources and to transform all the states and local areas into modern and resilient economies. The policy attempt to further harness the potentials of all states in particular in diversifying and strengthening the economic base of the less developed states. The policy on development of knowledge-based activities emphasis will be in accordance with the economic strengths of the individual states. The policy efforts will also be placed on improving the quality of life of the people, especially for those in the less developed states in the northern and eastern part of Peninsular by increasing opportunities to earn higher income and providing better infrastructure and amenities (Malaysia (2001).

In addition, the Eight Malaysia Plan continued the policy efforts to eradicate poverty and to create a resilient rural community motivated towards bringing about greater development. A development policy principle which was introduced in 1996 called the New Philosophy of Rural Development (NPRD) continue to be implemented to help accelerate the transformation process of the rural areas into modern, well developed and attractive environment. This development philosophy emphasized both human

and physical development as well as provided a stronger framework for rural development. In the area of village development, the *Gerakan Desa Wawasan* programme was implemented to encourage active participation of the Village Security and Development Committee or the *Jawatankuasa Keselamatan dan Kemajuan Kampung* (JKKK) and village leadership in planning, organizing and proposing village development projects. This programme has so far benefited 2,168 villages nation wide. In addition, the Government continued to provide modern social and infrastructure amenities under various development programmes such as rural roads as well as water and electricity supply (Malaysia, 2001).

The development strategies in the Eighth Malaysia Plan placed greater emphasis on ensuring balanced regional development among the states. It further emphasized diversifying the economic base of the less developed states and developing knowledge-based activities in order to generate more job opportunities and higher incomes. In addition, economic activities based on the economic strengths of the states will be developed to ensure greater efficiency in resource utilization, thereby contributing to the development of sustainable and resilient state economies. Some of development activities cut across the state boundaries, inter-state cooperation and resource-sharing in joint projects have to be encouraged in order to improve the quality of life in urban and rural areas.

The successful implementation and coordination of development as well as service provision to the public requires effective structure of the various levels of government, state, regional and local government. The Local Government Act of 1976 clearly spelled out the two major local government functions, the mandatory functions and discretionary functions. The mandatory functions include all critical functions such as refuse collection, street lighting and activities pertaining to public health. The discretionary functions include all development functions such as providing amenities, recreational parks, housing and commercial activities. The provisions of the Local Government Act 1976 grant local authorities the following roles :

- As the local planning authority;
- As a licensing authority;
- Have the power to impose certain kinds of taxes;
- Undertake building, housing and commercial construction (markets, hawker stalls etc.);
- Power to perform urban planning and management functions;
- Traffic management and control (manage urban public transport systems); and
- Power to plan and provide public utilities.

Generally, the present structure of state and local government has helped facilitate the successful implementation and coordination of development projects as well as service provision. For an example, the Government launched the Local Agenda 21 programme in 1999 in order to strengthen sustainable development activities at the local level. It involved the local authorities, local communities and other community-based organizations. The pilot project was considered a successful project and has been implemented in four local authorities' areas, namely Petaling Jaya, Krian, Kuantan and Miri. In addition, a Sustainable Urban Development Project was also

launched in 1999 in the cities of Kuching and Kota Kinabalu with the main to improve the management of solid wastes, land use and natural resources. Again the present structure of state and local government has helped toward the successful implementation of the SUD project.

Regional Economic Governance

The responsibility for regional economic governance and development in Malaysia can be described by the existing structure. The country government structure has three levels, the federal, state and local. In addition there are also regional development agencies such as the JENGKA, KETENGAH, KESEDAR and KEJORA specially created by act of parliament in order to develop resource frontier regions in the states of Pahang, Terengganu, Kelantan and Johor respectively.

In the discharge of its functions, the cabinet is assisted by two national councils, the National Economic Council, the National Council for Local Government, the National Land Council and the National Finance Council. The Ministry of Housing and Local government (MHLG) is the federal body responsible for local government matters and is assisted by the NCLG and the National Physical Planning Council.

The coordination of all development activities between the state governments and the federal government is conducted through national councils formed under the Federal Constitution. These councils are the National Council for Local Government (NCLG) established under article 95A, the National Land Council (NLC) under Article 91 and the National Finance Council (NFC) under Article 108. All are chaired by the Prime Minister or his appointee with member representatives both from the federal and state governments.

The eight state governments is each headed by ceremonial state rulers. The ruler act on the advice of state Executive Council headed by the state Chief Minister. All states have unicameral legislatures and elections are held every 5 years. In the states where there is no hereditary ruler, a governor is elected by the King as the ceremonial Head of States. The state legislature has the autonomy to pass any law so long as it is consistent with federal laws.

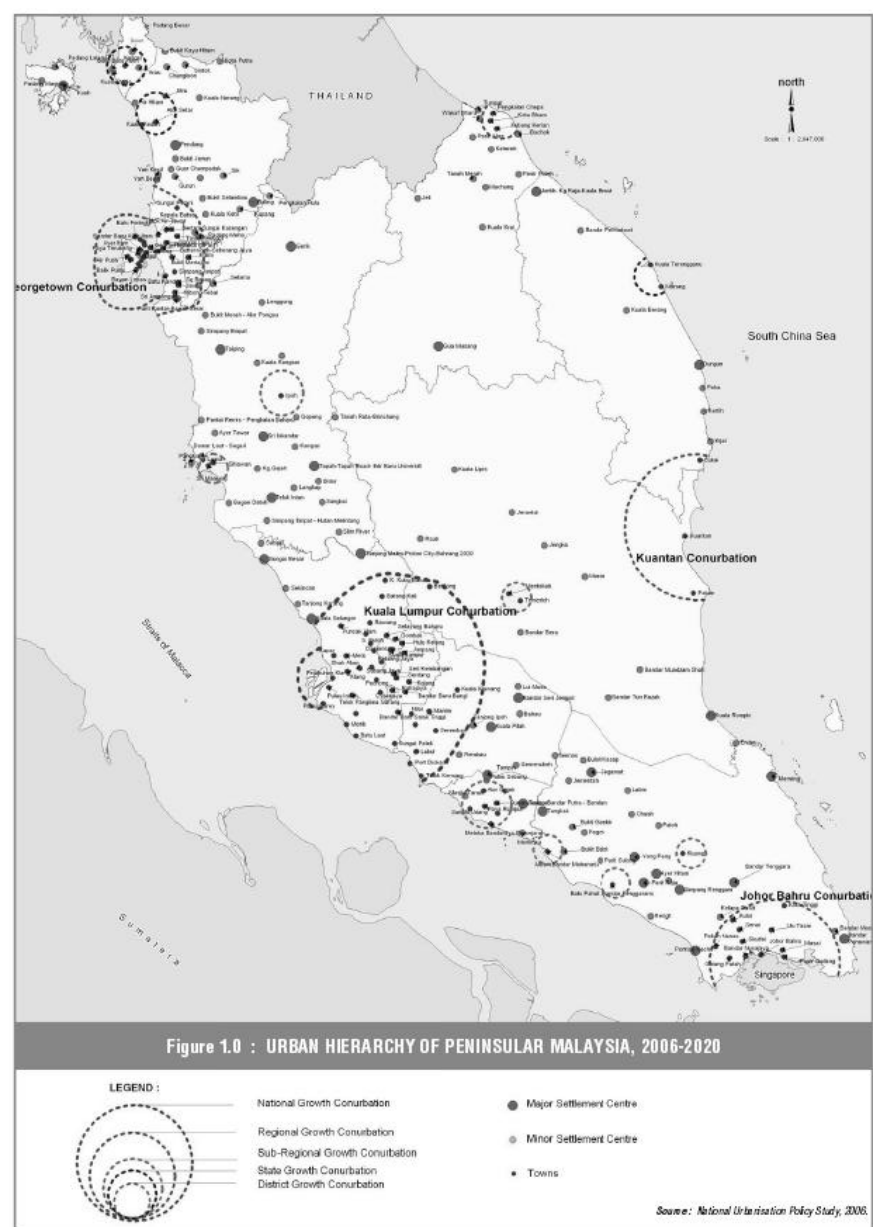
Local government comprises two levels, district administration and local authorities. District administration is the most prominent administrative body at the district level for both the state and federal governments. The district officers head the District Council and responsible for the development of the district as a whole. Coordination of the development activities is done through various committees, most of which are chaired by the District Officer.

There are two types of local governments, the city and municipality for cities and large towns and the district councils for small urban centres. The state government appoints the Mayor, Chief administrative officers and the councillors.

Local government functions include:

- Planning and overseeing development, including the preparation of structure plan.
- Licensing and control over trade, hawkers and entertainment night spots, advertisings and billboards.
- City beautifications.
- Providing health services, food quality control, and cleanliness of food centres and control of contagious disease.
- Constructing and regulating road systems.
- Regulating drainage systems and maintaining a clean environment. and
- Providing and maintaining public amenities such as wet market, business centres, stalls, sport complexes, bus stops, halls and libraries,

In the recent development, based on the National Physical Plan 2025 the rapid urbanisation of existing metropolitan areas such as Klang Valley, Penang and Johor Bahru metropolitan areas will be planned based on conurbation planning. Figure 3 shows the urban hierarchy and designation of planned regional conurbation areas in Malaysia. This approach of planning involved a larger area which may involve more than one local authority or involving two different state administrations. In other words, it involves the governance of a larger region to prevent unhealthy competition and duplication of infrastructure. In line with this approach of planning concept, several development corridors such as Iskandar Malaysia in Johor, Northern Corridor Economic Region (NCER) in Penang and Kedah and East Coast Economic Region (ECER) in Kelantan, Trengganu, Pahang and Johor were proposed in 2006. Joint committees of different state and technical approving committees will be set up in these development corridors to promote and facilitate development in these regions.



[Source: National Urbanization Policy 2005]

Figure 3: Urban Hierarchy of Peninsular Malaysia – Conurbation regional planning

Conclusion

Like many developing countries, rapid urbanisation is a common phenomenon when industrialization program is adopted by the government to promote modernisation and economic development of the country. However, rapid urbanization without strong urban governance through urban and regional policies and economic incentives to decentralise development will result with primate city problems and regional imbalance issues. In the case of Malaysia, apart from the long terms perspective plan such as Outline Perspective Plans, the Five Year National development plans help to monitor and correct the imbalance development fairly successfully. The problems in Malaysia are more unique due to its rural urban and also ethnic polarisation and economic disparity. Both of these problems need to be corrected to ensure racial harmony and regional prosperity.

The implementation of National Physical Plan 2005 and National Urbanization Policies 2005 will further enhanced the urban development of Malaysia in a more orderly manner by establishment of an efficient, equitable and sustainable national spatial framework to guide the overall development of the country towards achieving quality living environment and developed nation by 2020.

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