

The Functioning of Town Planning within a Dynamic Socio-Economic Environment – The Malaysian Experience

Preface

The paper does not intend to give a critical evaluation on the role of Town Planning in the context of national development in Malaysia. Rather it is just to highlight its functioning and complimentary role within the development process and to share the experience thus far with readers. For that purpose the paper will be presented in two distinct parts:

- Part A - gives a brief insight into Malaysia's push in transforming the country from being a less-developed nation to a developing one and to finally achieving a developed nation status by 2020. All this within a clearly defined visionary path.
- Part B - traces the commitment of Town Planning machinery as a tool in ensuring the goals achieved are managed, maintained and sustained all within the spirit and framework of national development.

PART A

1. Introduction – Geopolitical Background

Malaysia consists of two distinct regions – Peninsular Malaysia on the tip of mainland Asia and East Malaysia on the island of Borneo, and separated by the South China Sea. Malaysian is an independent nation state, with a Parliamentary Constitutional Monarchy and Federal Government Structure (refer Figs 1 & 2).

The country comprises thirteen States and three Federal Territories of which the capital **Kuala Lumpur**, is one. It has adopted a three-tier system of Government - **the Federal, State and Local governments** and each in turn runs by their respective level of government machineries.

Malaysia was a British colony until gaining independence in August 1957 leaving a unique legacy of a multi-ethnic, multi-cultural and a multi religious society. The main ethnic or races being the Bumiputra (Malays), Chinese, Indian and a smattering of Europeans. And the religions being Islam, Buddhism, Hinduism and Christianity. This diversity in turn becomes **the number one** crucial factor in policy formulation and decision making process at all levels of government in Malaysia. However through **prudent and conscientious** governance and planning Malaysia has managed to achieve a harmonious and peaceful co existent from such a diversity towards building a prosperous nation of commendable economic achievements. As a nation Malaysia covers a land area of 330,000 sq. km. and a total population of slightly above 25 million in 2004 with Kuala Lumpur as the capital city, although the new township of Putrajaya is the new administrative hub. Again, it is worthy of mention that the colonial heritage also included a relatively prosperous economy which has been greatly enhanced to this day by the government. Thanks partly due to its abundance of natural resources, providing the basis for its key wealth creating industries. These include rubber, tin, timber, oil palm and petroleum and natural gas. And of course as

mentioned earlier, prudent and the visionary planning on the utilization of these resources has made such a dynamic growth possible.

Figure 1 : Regional Setting

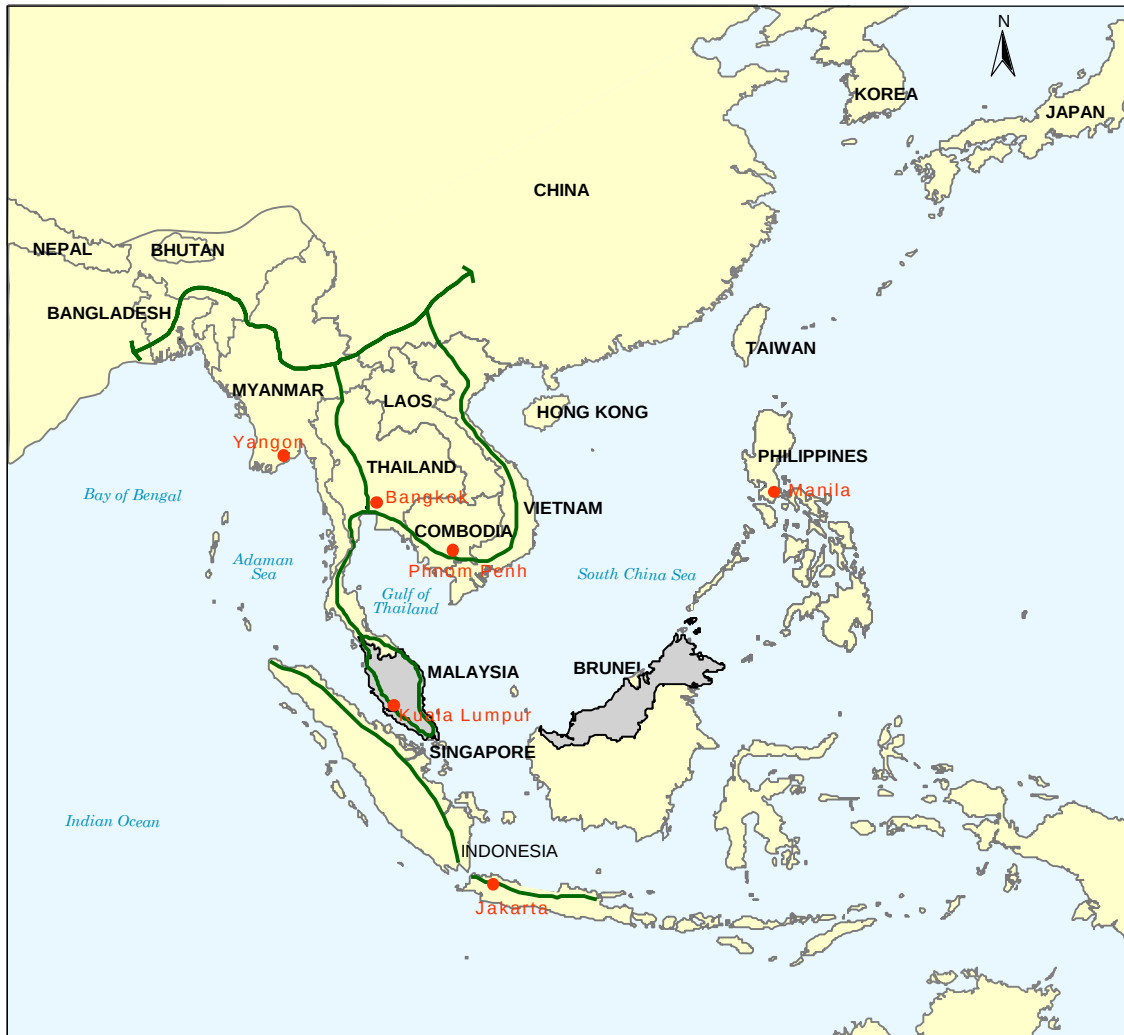


Figure 2 : National Setting



2. Nation Building and Development Planning

2.1 *A Retrospective Background*

Development planning in Malaysia (or the then British Malay) started during the colonial rule. During the period of self-government, economic diversification remained an important objective of Malaysian economic development. The government has adopted '**the laissez-faire**' approach where industrialization was conceived as the engine of growth. Economic development during the period of the 1950s and 1960s was concentrated mainly on accelerating the maximum growth strategy of the economy through investment in infrastructure to promote maximum development of commodities and import substitution industries to a certain extent. Although this strategy did serve to successfully strengthen the economy, it nevertheless resulted in the imbalance of economic activities between social groups, and between geographical locations whereby the west coast states of Peninsular Malaysia were enjoying better economic opportunities and quality of life than the east coast states. This trend continued and culminated in the **1969 social tension**, and this has been regarded by many as **the cornerstone** in Malaysia's **national development planning**. Being a newly independent country inheriting a diverse social and economic groupings it has become **apparent** from this bitter experience of 1969, especially to the politicians and policy-makers, that there was seriously a need **to re-examine** the country's approach to development planning. That was somewhat unfortunate since from the outset to self-government in 1957 the government had already embarked on introducing development planning beginning with the **1950 – 1955 Draft Development Plan, Malaya**. This went on until the Second Malaya Plan of 1961-1965 and the First Malaysia Plan of 1966-1970 with policy changes made accordingly to suit with the time, but these were mostly **short-term myopic changes** and largely economic in nature.

2.2 *The Imperatives for a Strong Centrally-Planned Development*

The year 1969 was highlighted as the cornerstone for Malaysia's development planning annals one that had had **profound influence** on future approach and thinking both of politicians and decision and policy-makers. One important backdrop of post-independent Malaysia, as mentioned earlier, is that it is a country of **rich diversity**, economically, socially and physically. But it was a paradox.

Past efforts of development planning, while very respectable in terms of overall growth rates, do not seem to have had much impact in breaking especially the racial compartments thus enabling a general inter-sectoral and occupational mobility, exacerbating further the issue of **identifying** economic activities through **racial lines**.

Another **by-product** of this move towards creating a modern-economy was that of imbalanced development, between the west and the east-coast states, between urban and rural areas. Inevitably such a phenomenon led to **influx of migrants** to the biggest urban areas especially on the west-coast states. Needless to say this created an **unhealthy** picture of urbanization and resulted with the attendant problems of **unplanned urban growth** and Kuala Lumpur, the capital city having had to saddle the biggest brunt of the impact.

Thus in 1970, Malaysia's **future stability** and economic growth were by no means assured and its development strategy was under intensive review, with the intention of ensuring **growth with equity**, particularly equity between ethnic groups, would be achieved. Politicians and policy-makers and the people at large had been obliged by

circumstances to recognize that development is a process that cannot be achieved by economic and technocratic means alone, but contains **strong social elements**. Which means development needs **to involve** the different ethnic, religions and social groups, giving them all a stake in its outcomes, and building bridges of understanding between them.

2.3 *The Radical and Innovative Shift*

With such a socio-economic backdrop the central theme for future development has to be strong in **social cohesiveness** building upon a strong **political base**. The overriding objective was, and still is, for the achievement of a strong **National Unity**. It was out of this situation that the New Economic Policy (NEP) was formulated. It was both a **social contract** and a bold exercise in **social engineering**.

Basically **development planning**, or rational economic planning in Malaysia falls under **two categories**, based on length of years, namely the long-term development planning of **Outline Perspective Plan** with length between ten to twenty years and the five-year intermediate plans or the popularly known **Five-year Malaysia Plan**. The latest being the recently introduced Ninth Malaysia Plan (2005-2010). This information is listed in Table 1.

Table 1 : National Development Planning, 1950 – 2010

Long-term Development Plans	Year/Period	Five-Year Development Plans
	1950 - 1955 1956 - 1960 1961 - 1965 1966 - 1970	Draft Development Plan, Malaya First Malaya Plan Second Malaya Plan First Malaysia Plan
First Outline Perspective Plan (OPP 1) : New Economic Policy (1971 – 1990)	1971 - 1975 1976 - 1980 1981 - 1985 1986 - 1990	Second Malaysia Plan Third Malaysia Plan Fourth Malaysia Plan Fifth Malaysia Plan
Second Outline Perspective Plan (OPP 2) : National Development Policy (1990 – 2000) Vision 2020	1991 - 1995 1996 - 2000	Sixth Malaysia Plan Seventh Malaysia Plan
Third Outline Perspective Plan (OPP 3) : National Vision Policy (2001 – 2010)	2001 - 2005 2006 - 2010	Eighth Malaysia Plan Ninth Malaysia Plan

It is evident that being a federation of thirteen states it is imperative that a **strong centrally planned** development is required to enable a **balanced** and **equitable distribution** of wealth created can be achieved considering that most state level governments has limited financial resources to undertake development projects. Thus funding from the federal government becomes essential.

Each level of planning provides different focus or scope of framework. The salient points of each is briefly described as follows :

i) First Outline Perspective Plan (OPP 1) 1971-1990 :

This is the first long-term development plan introduced to correct the imbalance that led to the 1969 unrest. It has been formulated within the framework of the **New Economic Policy** (NEP) whose objectives were to **achieve national integration** and **unity** through **the two-pronged strategy** of 'eliminating poverty and restructuring of society'.

ii) Second Outline Perspective Plan (OPP 2) 1991 – 2000 :

This second long-term plan was implemented within the framework of the **New Development Policy** (NDP) which basically maintained the main strategies of the NEP but giving greater focus on **growth with equity**; further emphasis and focus on **anti-poverty** strategy; a greater reliance on the **private sector** to generate economic growth and income; and the development of **human capital**.

Vision 2020

This is a very forward-looking strategy that laid the path for Malaysia to achieve a fully developed nation by the year 2020 emphasizing the holistic nature of the development endeavor.

iii) Third Outline Perspective Plan (OPP 3) 2001 – 2010 :

This stage **consolidates further** and builds upon the achievements of the NEP and the NDP with emphasis on the need to build a resilient and competitive nation in the globalization era. **Key strategies** include developing a **knowledge-based** society and the economy and accelerating the shift of the key economic sectors towards more efficient production processes and high value-added activities.

iv) Five-Year Malaysia Plans

As Shown in Table 1 the successive Malaysia Plans are the tools in implementing and translating the broad policies and strategies provided by the OPPs into achievable targets for real development.

As a general measurement of the success achieved, following are three of the such indicators among others. Refer to Table 2. Table 3 and Table 4.

Table 2 : GDP Percentage Annual Average Growth Rate

	1970	1980	1990	2000
Malaysia	6.0	7.4	9.0 OPP1 Target 6.7	8.5 OPP 2 Target 7.0
Developing Countries	7.6	5.4	4.0	5.5
Developed Countries	4.5	1.4	2.8	3.5

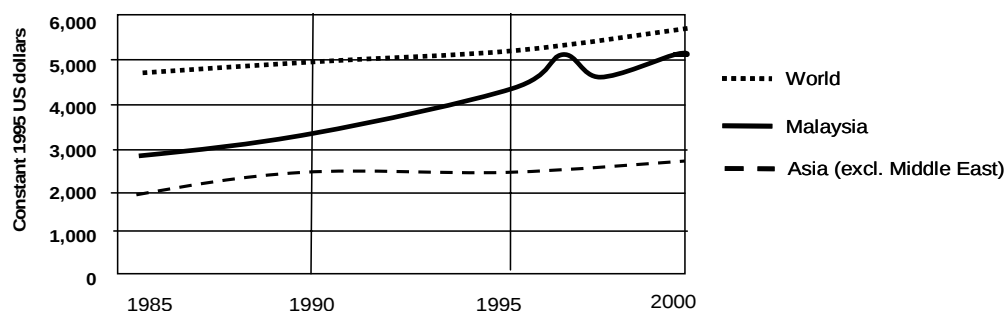
Source : The World Bank, 2004. World Development Indicators 2004 online

Table 3 : Poverty Eradication - Malaysia Incidence of Poverty (%)

1970	1990	1999
49.3	16.5	7.5

Source : Government of Malaysia : OPP 2 Report, 1991 , OPP 3 Report 2001

Table 4 : GDP Per Capital, 1985 - 2000



Source : EarthTrends 2003, online

2.4 Conclusion of Part A

A brief assessment of the centrally-orchestrated national development planning shows **a success** in terms of **achieving** the social, economic and political **goals set earlier** in the NEP and maintained and consolidated further in the NDP and the NVP. The success of the policies was largely attributable to political stability, strong foreign direct investment, and visionary leadership. The **socio-economic evidents** are in terms of reducing poverty, improvement in the quality of life, greatly reduced squatter settlements, better wealth distribution and of racial harmony. The physical evidences is to be seen in the functional and physical urban infrastructure of air and land transportation facilities, the development of the Multimedia Super Corridor (MSC), the ultra-modern Putrajaya government complex and other physical icons. Needless to say these achievements are made possible by careful and prudent comprehensive planning, mindful of the delicate nature of the natural environment and resources, elements that are crucial to further sustain a harmonious growth. And this will be dealt with in Part B.

PART B

3. Town Planning – A Crucial Complementary Role in National Development

Although town planning **already existed** and practised as early as 1921 it was not until the period of the **Second Malaysia Plan** (1971-1976) that its role was **officially and actively employed** and move abreast with the mainstream national development process. Prior to that its role was somewhat **passive, trivial** and almost obscured to the general populace, confined to the very local issues and rarely involved at the strategic policy level. However the **year 1969** was the cornerstone that will change this sad state of event and subsequently **elevate town planning** as a crucial profession in national development (refer Table 5).

From the discussion in Part A it is apparent that achievements made through the various national economic or development planning need to **be judiciously** translated into physical and spatial dimensions. This is to avoid a repeat of pre-1969 situation where laissez-faire or **market forces** determines such allocation whereby the desired results may be **difficult to achieve**. And this is one **bitter lesson** which Malaysian can share with other developing nations. However this is not to claim that town planning is the **panacea**, the cure-all answer in this context. Leaving all the successful efforts to the 'invisible hands' of the market alone to deliver **is not enough**. It has to be **complemented and supplemented** by some form of **carefully guided intervention**.

Thus, within this premise, several **factors necessitate** the active and **purposeful role of town planning** to translate in physical terms the achievements made through policies and strategies embedded within the national economic and development planning process. **Very briefly these are**, within the Malaysian context :

- i) Social factors :
 - a) multi-racialism (challenges & sensitivities)
 - b) multi-cultural and religion (challenges & sensitivities)
- ii) Economic factors :
 - a) income disparity (between races, rural and urban)
 - b) access to economic activities (between rural and urban areas)
 - c) transformation to higher or complex economy (its challenges to human capital)
- iii) Quality of life :
 - a) access to facilities e.g education (between urban and rural)
 - b) adequate housing (especially in the urban areas)
- vi) Physical/Spatial factors
 - a) regional disparity (between the states)
 - b) conducive living environment (especially in urban areas)

Needless to say all these happenings, shiftings and renewed awareness were set, or being influenced, by a **strong political understones, or flavours**. Incidentally this **gave town planning** the needed push as one of the players in the mainstream system of nation building. And to this day the profession advanced and projected itself usefully within such a backdrop. (However it is not the intention of this paper to dwell on the political issues).

Table 5 : The Function of Town Planning Within The National Development Planning System

Long-term Development Plans	Year/Period	Five-Year Development Plans	Town Planning Input/ Function
(The pioneering phase)	1950 - 1955 1956 - 1960 1961 - 1965 1966 - 1970	Draft Development Plan, Malaya First Malaya Plan Second Malaya Plan First Malaysia Plan	Very localise non-strategic planning at Town and Municipal levels. Mainly system maintenance
First Outline Perspective Plan (OPP 1) (Bold shift and take-off phase)	1971 - 1975 1976 - 1980 1981 - 1985 1986 - 1990	Second Malaysia Plan Third Malaysia Plan Fourth Malaysia Plan Fifth Malaysia Plan	Beginning of shift to strategic and statutory Town Planning. Introduction of the milestone Town and Country Planning Act, 1976. Strengthening the function of town planning machinery at Federal and State levels. Formation of the State Planning Committee. Preparation of statutory Structure Plans and Local Plans.
Second Outline Perspective Plan (OPP 2) (Wealth creation phase)	1991 - 1995 1996 - 2000	Sixth Malaysia Plan Seventh Malaysia Plan	Consolidation of The Town and Country Planning Act, 1976, with first amendment in 1995. Formulation of the Total Planning and Development Doctrine (guidelines) in 1997 to meet the challenges of VISION 2020 and the next millennium.
Third Outline Perspective Plan (OPP 3) (Consolidation phase)	2001 - 2005 2006 - 2010	Eighth Malaysia Plan Ninth Malaysia Plan	The 21 st Century another milestone in Malaysia's Town Planning profession. Amendment to the TCP Act 1976 in 2001 further elevated town planning for nation building. The TCP (Amendment) ACT 2001 creates : a) National Physical Planning Council b) Formal Planning Regions c) Regional Planning Committees d) a National Physical Plan e) Localise Special Area Plans

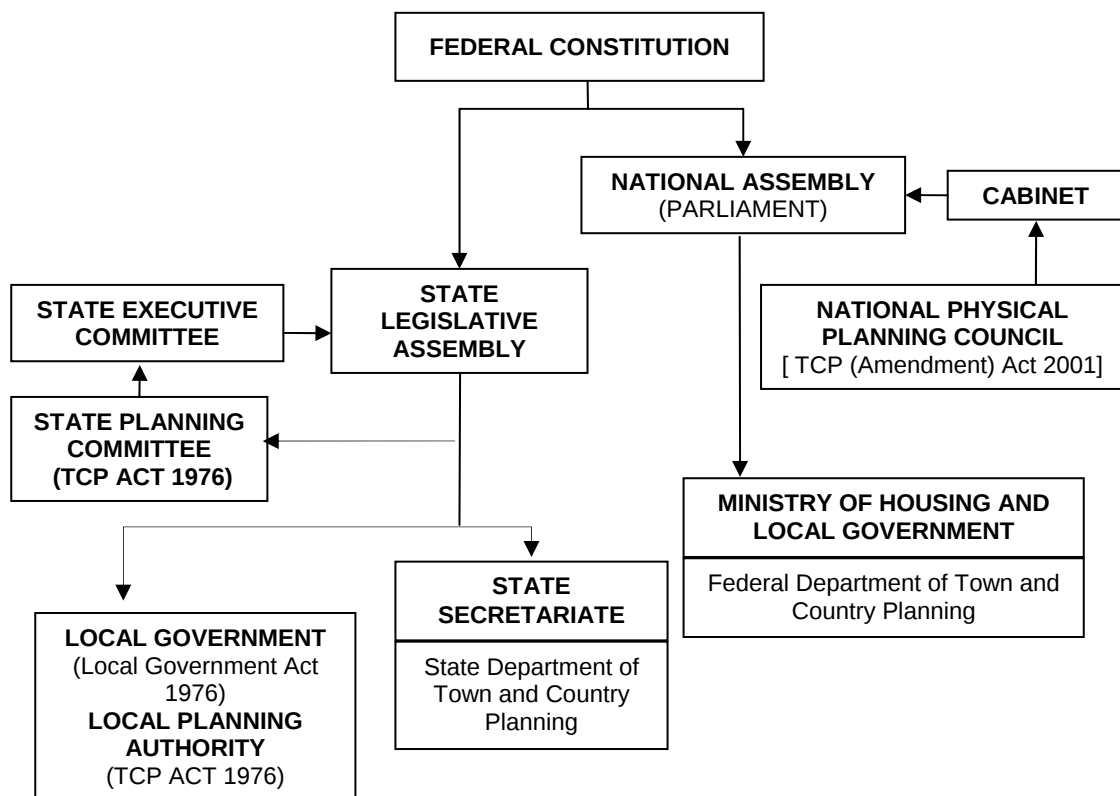
3.1 *The Changing Landscape-Enactment of the Town and Country Planning Act, 1976*

As mention earlier the year 1969 had profound impact and influence how **the future approach** of economic and development planning was to be undertaken in the country. The **physical, strategic and visionary** elements became additional focus to ensure enforcement of the set goals and objectives within the desired physical and locational dimension. Malaysia being a **federally constituted system** of government **further enhanced** the need for a strong centrally accepted physical planning system albeit by **legislative means**.

3.1.1 *The Town and Country Planning Act, 1976*

At that point of time and needs the Act was **all-encompassing** but revolving around the **Constitutional division** of the Federal and State authorities' function. However town planning appears on the **concurrence list** of the Federal Constitution (refer Fig. 3).

Figure 3 : The Constitutional Role/Function of The Town and Country Planning



Essentially the Act, in the town planning context further **reinforced the three-tier system** of government, that is the Federal, State and Local governments. Where previously town planning responsibilities were not very clear the Act addressed this by ensuring policy matters of national interests rest with the Federal government, the State government similarly will look after policies of its interests. The Act entrusted Local governments as the **Local Planning Authorities** to implement directive and policies issued by the higher level authorities, which means they are **the implementing and regulating authorities**.

Prior to this, in the role of the town planning agencies were only rudimentary. There **already existed** at the time a **Federal Town and Country Planning Department** and the **State Departments of Town and Country Planning** but only for the important states like Selangor, Penang and Johore. But **with limited** powers they were somewhat **ineffective** in solving complex challenges.

To further ensure **effective administration** of town planning the **Act provided** the setting-up of the **State Planning Committee** for the respective state governments to be chaired the by **Chief Minister**, who is the chief politician in the state. Members were appointed among senior politicians and senior bureaucrats. **Their tasks**, besides ensuring proper execution of the town planning principles, is to monitor that development are judiciously distributed and policies and directives given were observed by parties concerned. This is a **powerful and influential committee** indeed.

Another important introduction of the Act was the **statutory requirement** for the State and Local government to prepare the **State Structure Plans** and the Local authorities' **Local Plans** respectively with the **inclusive** principle of public consultation to ensure fairness in wealth distribution, transparency in decision-making and to inculcate a knowledge society.

Needless to say these Structure and Local Plans served as **useful tools** in the allocation and distribution of resources accordingly as targeted by levels of agencies. **More importantly** these somehow provided the **means to translate** the strategies, policies and targets **formulated under successive five-year Malaysian Plans** and also long-term strategies of the Outline Perspective Plans (OPP). As these are **Statutory plans endorsed by** the State Planning Committee after extensive consultations, the plans somehow **provided the common ground guidelines** for forward planning and development control, at least for the local government.

Another important development worth mentioning happened at the same time was the introduction of the **Local Government Act, 1976**, culminating in the restructuring of the local government system. The aim was to streamline the administrative and governance of the local governments to **ensure effective delivery and management** of resources and development to the population. And the TCP Act, 1976 ensured this through the setting up of the local planning authorities (refer Fig. 3).

A cursory look at the result of physical planning function within the OPP 1 period of 1970 -1990 shows urban centres of population of varying sizes between 10,000 – 50,000 increased from 51 in 1970 to 129 in 1991 which shows that certain improvement in the quality of life has been achieved.

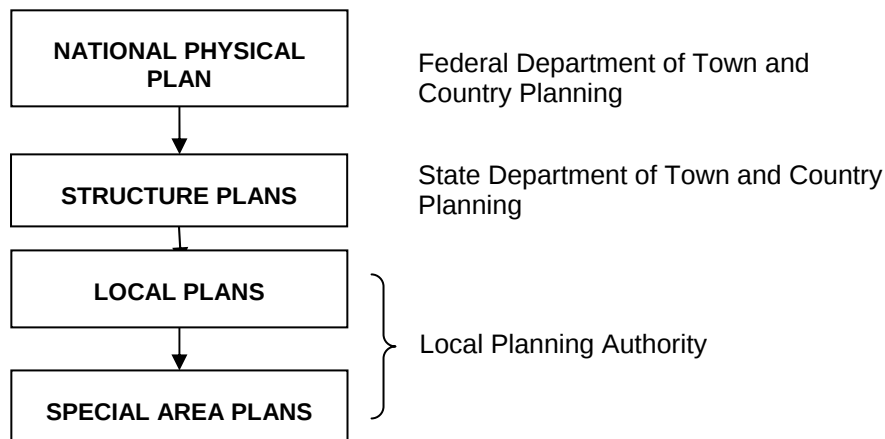
3.1.2 A Bold Undertaking – The Town and Country Planning (Amendment) Act, 2001

The 1976 Act had a minor amendment in 1995 in response to challenges. However the bigger challenges from **globalization** gave far greater impacts on Malaysia's quest for sustained national economic development especially when **foreign and private sector** involvement has been targeted to play a major roles. The OPP 2 from 1991-2000 gave focus for **such a shift** and carried through by the Sixth and Seventh Malaysia Plans. Expectations from **privatization** and **foreign direct investment** (FDI) posed a different kind of challenges to the town planning profession from one of **reactive to** being **more pro-active**. Unhealthy competition from the various state governments will see a **return** to the previous problems of **regional imbalances** whereby the east coast states and similar less-developed regions will not be able to

compete. This is in view of the **commendable growth rates** achieved – which were 6.7 % per annum during 1971 – 1990 and 7 % per annum during 1991 – 2000 period. Hence there were ample opportunities to plan with.

As a result the 1976 Act had another **milestone amendment** in 2001 with the passing of the **Town and Country Planning (Amendment) Act, 2001** which is considered as another recognition and achievement for the important role of town planning. In this era of sustainable development a **holistic approach** is necessary. In anticipation of such challenges the amendment **introduced another level** of development planning that is the **National Physical Plan (NPP)** to be the responsibility of the Federal Town and Country Planning Department. The NPP will be **the one guide** to be referred to by all the state governments, for its preparation of the respective state Structure Plans. The NPP was endorsed by the Cabinet in 2005 (refer Fig. 4).

**Figure 4 : Physical development Plans Hierarchy
- Town Planning Act (Amendment) 2001**



Another interesting feature provided for by the amended Act is the formation of the **National Physical Planning Council** chaired by the country's **Prime Minister** whose **members comprised** of senior Cabinet Ministers and critical bureaucrats from Federal Ministries. This provision projects a **total commitment** to ensure that development is to be properly planned and adhered to. This is in fact **a forum** where **decision-makers concerned** discussed, analysed and agreed on planning matters of national interests. The state Chief Ministers are also members of the Committee (refer Fig. 3).

With **globalization** and society becoming **more sophisticated**, expectations will no more be just **a job for everyone** or a **roof over the head** but demands that need to be handled delicately and fully aware of the implication. **Problems and issues** of the twentieth century appear and presented in a **different dimension** in this millennium. Within such a backdrop for the moment, the Town and Country Planning Act provides the much needed legal respite for Town Planning to function effectively and sympathetically.

To end the paper, besides the legal instrument and the clear machinery set-up, town planning has functioned commendably within the mainstream national development process, thanks to the **political stability** and **the unity in diversity** that Malaysia is always proud of.

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