

REGIONAL DEVELOPMENT STRATEGY AND DEMOGRAPHY STRUCTURAL CHANGE : A LESSON FROM MALAYSIA EXPERIENCES

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Abstract

Cities and urban centres throughout Malaysia continue to grow beyond their present boundaries as population and development activities continue to increase. Such scenario can have several negative consequences, if urban centres are allowed to grow haphazardly without the benefit of proper planning. Malaysia experienced a rapid population growth in the seventies with the introduction of the New Economic Policy (NEP), that policy which have two pronged strategy to eradicate poverty problem and restructure society had been specially designed to correct the socio-economic imbalance within the major racial ethnics in the country and to speed up national economic growth of the country and as a result of this scenario, the impact of the population pressure result from migration process was a major factor for concern because the increase was much faster than the pace of economic development. To cope with the exceptionally rapid population increase, a decentralisation policy was introduced and adopted. The policy actually let to the establishment of new township centres decentralised. Through the introduction of regional development strategy, the implementation of the dispersal strategy through this strategy has not been fully satisfactory although the migration level into the centres has been reduced. The degree of the development of the new townships in regional development areas have not grown to the level as they were planned to be achieved. We cannot run away from the fact that our urban centres metropolitan area will undergo dramatic changes due to a rapid urbanisation and advancement in development of economic and new invention in communication technology. With perhaps greater challenges and more complex problems to be encountered than we have ever experienced before. The introduction of the new and effective development strategy therefore needed to meet these new challenges. By recognising the spatial effects of economic and social policies, urban development strategy tend to provides the framework for intergrated planning of urban growth and effective management or urban and regional planning process. So in order to fulfil the theme of conference, the scope of discussion of this paper will be focused on, namely i). Regional promotion strategy to balance the regional development; ii). Strategy of efficient and well-managed urban centres through comprehensive urban development planning; iii). Development of special feature towns; and iv). Promotion of dynamic private sector participation.

1. Introduction

In this country the objective of Regional development were planned to be achieved within the last Outline Perspective Plan period of 1971-90. The strategies had spelt out in terms of five-year Malaysia Plans. The new land development scheme had been identified as a major policy instrument to promote growth of less developed regions. The policy was basically aimed at achieving the NEP through optimal utilisation of natural, human and financial resources and urbanisation of selected areas (Malaysia, 1986: 165). After almost two decades the regional development policy had been implemented, there's a lot of debates on the question whether regional development strategy practices in the country achieves the general standard of living of the majority of the people and able to improve their socio-economic by decentralising the development efforts in small towns. Partly the interest in promoting small towns and rural development is due to the experiences of the failure of urban-industrial based strategy to spread growth to rural areas and also as a result of the argument that widespread economic growth can be facilitated through a more decentralised pattern of urban development.

2. Urbanisation Pattern

Urbanization is the process of change in the growth and socio-economic characteristics of urban centres as a result of the increasing concentration of population and economic activities in urban areas over time. In Malaysia, urban development has been recognized as an important strategy to achieve the national development objectives of economic growth and distribution. In Malaysia, recognition that urban centres have vast economic potential developed gradually. Initially, urban development was largely unstructured except for the provision of basic infrastructure and services to facilitate the exploitation of resource-rich areas, particularly along the Western and Southern Coasts of Peninsular

Malaysia. This process continued at a more rapid pace after Independence with the provision of better urban amenities and services and improved accessibility to international markets.

The next phase of urban development proceeded to take its cue from the NEP. Accordingly, urban strategies, programmes and projects were consciously tailored towards the attainment of distributional objectives. Guided by the NEP, the following urban development strategies were implemented;

- (i) Establishment of economic regions and regional growth centres;
- (ii) Establishment of new townships in resource frontier regions;
- (iii) Establishment of satellite industrial towns around major urban centres;
- (iv) Promotion of the orderly development of metropolitan towns; and
- (v) Promotion of a dense transportation network between major urban centres.

However, to ensure faster economic recovery in the face of a prolonged economic recession since the mid-80s, national economic policies now emphasize growth efficiency. In line with the above policy emphasis, and in efforts to stimulate private sector participation, urban centres that are well-established and possess high growth potential are being enhanced to fully utilize their potentials and capitalize on existing scale and agglomeration economies. Notwithstanding the impetus for economic growth, the attainment of the distributional objective has remained a matter of concern in urban development as indicated by the amount of public funding allocated for the provision of, among others, infrastructure and low-cost housing programmes.

3. Regional Development

Because of the lack of literature on urbanisation process in Malaysia prior to the British colonial period, not much can be discussed on the process of urbanisation takes place during that period. However, most literature on urbanisation in Malaysia begins with the growth of the Straits Settlements of Penang and Singapore and mining towns of Ipoh and Kuala Lumpur during the British colonial period. During the first period of the urbanisation (period of 1911-1921) was a result of the British colonialism which relates to the exploitation of natural resources for export. This was not associated with any process of industrialisation as experienced in the Western countries, but rather was attributed to the growth of the economy based on tin and rubber during the colonial period (Ooi, 1975). Followed by a large scale immigration of Chinese labour from China and Indian labour from India attracted by employment opportunities available in tin mines and rubber plantations. During 1949-1970 witness the second period of urbanisation as a result of rapid population growth due to natural increase and rural-urban migration. The urbanisation rate grew by 11 per cent point from 15.9 per cent in 1947 to 26.5 per cent in 1957 and the urban growth recorded a phenomenal increase of 8 per cent per annum, representing the highest rate of growth in history. The resettlement programme was mainly responsible for the rapid pace of urbanisation in this period with the towns at the lower end of the hierarchy experiencing the highest growth rate. At the same time, the resettlement programme helped to accelerate the concentration of non-Malay population in urban centres. And during the period of 1957-1970, the slow growth in the urbanisation rate influenced by three factors (Hirschman : 1976); i). A sizeable urban to rural migration stream countering the effect of the expected rural to urban movement; ii). The major flow of rural to urban migration which occurred from Peninsular Malaysia to Singapore, across an international boundary; and iii). Urban-rural differentials in natural increase, especially fertility, which masked the effect of rural to urban migration on population distribution; and in the third period of the urbanisation can be seen as the product of the New Economic Policy (NEP) which was formulated after the racial riots of 1969. The policy gives the concentration on the use of urbanisation strategy, among other instruments, as a deliberate policy to restructure society. This period also marked the beginning of concerted action by the government to increase Malays communities in urban development in new towns in rural regions.

3.1 Regional Disparities

As discussed in the preceding parts, the present socio-economic situation of the country have their origins from the British colonial period. The natural resources in agriculture sectors (rubber) and mining sectors (tin) play an important role in the economy, although their contribution to the country's exports is on the decline since the emergence of palm oil, petroleum and manufacturing products. Peninsular Malaysia has experienced three types of disparities since its Independence (1957, likely regional disparities among the geographic areas, urban-rural disparities, and ethnic disparities among the three major groups. According to Choguill (1985), these disparities overlap and magnifies the dualism which exists within the country. Where in West Coast, Chinese and Indians become the major ethnics which is form a large proportion of their population and in the East Coast is largely rural with a majority of Malay population. There are three major factors contributes to the regional disparities (Ghaffar :1987); i). The impact relief, climate and distribution of natural resources; ii). The impact of colonial rule on the social, economic and spatial structure; and iii). Insufficient attention to the spatial aspects of resource allocation.

This scenerio seen indicates that the present regional imbalances in the development was a result from the colonial period and are aggravated by uneven distribution of natural resources. In the Second Malaysia Plan (Malaysia, 1971),

have been identified three types of economic imbalances, which are; i). income imbalances between economic sectors, location and races; ii). imbalances in the ownership and control of wealth; and iii). imbalances in employment between location and races.

3.2 Strategy For Regional Development

In the first part of this paper, it is clear that the development of new towns in the frontier regions of Peninsular Malaysia (1970s) was aimed to modernise agricultural development and urbanise rural community with the main objectives of reducing the disparities between regions and ethnic groups. For the purpose of the discussion, this paper will focus on development of new towns in Terengganu Tengah Development Authority region in the State of Terengganu. The development of this region is to be for the benefit, in descending order, of those people living within the area, those living in adjoining areas of Terengganu State and the East Coast region and more generally for the people of Malaysia as a whole. Since the new towns have been built as part of the regional policy to develop the less developed rural areas and to reduce the regional disparities in the region, any attempt to evaluate their impact should make reference to their objective in the national systems. According to Galantay (1980: 27), new towns should be viewed as elements of the national system of settlements and their planning must take into account their future regional impact. Criteria of performance should be defined to permit to gauge (sic) the success of the New Towns in terms of their objectives. Their impact should be measured on three levels, i). Their contribution to National Performance, ii). Their impact on the regional level, and iii). Their performance as it affects the lives of their own population and the activities and industries settled within their area.

The regional policy in the country is formulated in order to achieve the objectives of the NEP in reducing poverty and restructuring the society and continuation of the existing policy of agricultural and industrial development. However, with an increased emphasis on the modernisation of rural areas and the development of less developed states. Based on the Third Malaysia Plan (Malaysia, 1976: 209-214), the main elements of the regional policy can be summarised as follows ;

- i). The development of existing agricultural areas with high incidence of poverty through an integrated *in situ* development approach.
- ii). New land development forms a major means in the future growth of agriculture, manufacturing and services in the poorer states. The exploitation of natural resources and development of agro-based activities complement the land development in resource rich states.
- iii). Related to the industrial development, urban development emphasises the need to integrate the development of growth centres with the hinterlands.
- iv). The industrial development emphasises the redistribution of manufacturing activities to the less developed parts of the country.

Within the broad framework of the above regional policy, basically four important strategies can be identified: resource and new land development strategy; *in situ* rural development; industrial dispersal strategy; and rural urbanisation and growth centre strategy.

i. **Resource and New Land Development** : The strategy aims at increasing agricultural productivity in highly productive land development schemes by absorbing the rural poor from less developed states. This implies a mobility of large numbers of people to the new development areas. The method used to achieve this is through the creation of RDAs (Regional Development Authorities) which are empowered to transform virgin land into agriculturally productive areas. They are related to the resource based industries served by relatively high level of urban services and other infrastructure (Choguill, 1989: 269). The RDAs also have the responsibility to coordinate the activities of other government agencies involved in the development of land in their respective regions.

ii. ***In Situ* Rural Development** : The *in situ* development is an integrated development approach aimed at modernising the existing rural areas by providing infrastructural facilities such as drainage, irrigation, marketing and other agricultural services. The aim is to increase the productivity of the farmers and thus increase their standard of living. Large *in situ* development projects which have a regional impact on the surrounding regions are mainly located in the less developed parts of the country. The important ones are Muda, Kemubu and Besut which are all located in the low income states of Kedah, Kelantan and Terengganu. The *in situ* development is different from the old rural development approach in that the new strategy involves

defining areas, planning integrated activities, and special implementing and coordinating organisation (Mat, 1983: 98).

iii. **Industrial Dispersal Strategy** : The industrial decentralisation is seen as a means to accelerate development in the poorer states through the utilisation of the local resources and thus absorbing a large number of the unemployed, especially the Malays. This strategy is linked to the strategy of growth centres in that the development of these centres would spread the development to the hinterlands.

iv. **Rural Urbanisation and Growth Centre Strategy** : Rural urbanisation and growth centre strategy is an integral part of urbanisation strategy designed to encourage rural to urban migration especially among the Malays in the context of the NEP. It is aimed at relieving the congested metropolitan areas and at the same time developing the depressed areas by restructuring the indigenous rural communities into a more modern and productive communities.

Rural urbanisation strategy is related to other strategies like rural industrialisation, industrial dispersion and growth centres. The rural urbanisation concepts has three purposes (Mat 1983: 103);

- a) to introduce an urban type environment, facilities and services to generally agricultural and rural areas;
- b) to foster development of modern commercial and industrial activities in the rural areas, and in the designated new growth centres, in particular; and
- c) to induce active participation by the Malays and other indigenous people in the modern sector of commercial and service activities.

Under the NEP (Third Malaysia Plan) the objectives of the regional development were spelled out as follows;

The regional development strategy under the New Economic Policy (NEP) seeks to bring about closer integration among the States of Malaysia. This will be achieved through redressing economic and structural imbalances among the regions in the country. It will draw and build upon the strengths of each region for agricultural and industrial development particularly in the less developed States, to ensure that regional development contributes towards the national goals for economic development. The underlying aim is equitable distribution not only of income but also of facilities for health, education, utilities, services, recreation, housing and most important of all, opportunities for social and economic advancement of the people in accordance with the goals of the NEP.

The implementation of regional policies were takes place within the framework of four important strategies, which are resource and new land development strategy; *in situ* rural development; industrial dispersal strategy; and rural urbanisation and growth centre strategy.

Table 1 : Distribution of Urban Population Peninsular Malaysia, 1980-1990 (by State)

State	Urban Population(000)			Urbanisation(%)		
	1980	1985	1990	1980	1985	1990
Kedah	162.5	183.9	207.9	14.5	15.2	16.0
Perak	589.8	637.4	684.7	32.5	32.9	33.6
Perlis	13.2	16.4	20.5	8.9	9.9	11.2
P. Pinang	455.2	566.4	684.3	47.5	54.0	60.4
Melaka	109.5	114.4	120.4	23.5	23.2	23.1
N. Sembilan	188.5	232.8	283.8	32.7	37.2	42.1
Selangor	524.4	832.7	1,193.8	34.5	45.7	55.3
K. Lumpur	981.0	1,152.6	1,362.8	100.0	100	100
Kelantan	250.1	305.7	378.0	27.9	29.8	32.2
Pahang	211.9	253.9	306.2	26.4	25.4	24.6
Terengganu	233.9	299.0	383.6	43.0	47.0	51.1
Johor	584.5	731.2	901.2	35.5	39.4	43.7
P. Malaysia	4,304.4	5,326.4	6,527.2	37.5	41.1	44.7

Source: Malaysia (1986: 184).

The experience of many countries which have implemented a new town policy shows that the location of new towns vary according to the purpose for which they are built. Those which are built for economic reasons, such as exploitation of natural resources and industrial development, are normally located outside urban regions. Those which are aimed at relieving congestion of large urban centres are normally located at the fringes of urban regions. Those which are aimed at directing urban growth to certain parts of urban region are normally located in the region itself. The discussion on the new town development in Malaysia points to the fact that the new town policy has been initially concerned with the decongestion of large cities and towns. It has been influenced by the "Garden City" concept which gives rise to the development of suburban new towns. The new towns are planned and implemented by state government. However, in recent years the emphasis has been on the development of less developed areas of the country within the context of the New Economic Policy. Rural new towns are built in the frontier regions of the country. They are planned and implemented by Federal-funded RDAs. The present new town policy has been mainly shaped by the political objective of social equity under the NEP.

New towns have been used differently and for different purposes in different countries and basically they can be grouped into three different types (Merlin, 1971);

- i) Towns built outside urban regions for economic reasons, raw materials for new industrial area or for political reasons. This type of new towns are normally found in developing countries or less developed areas of industrialised countries in which the new town policy aims at reducing the imbalance between the regions in the country. New towns in frontier regions of Malaysia are examples of this category.
- ii) Complete urban life, with housing, employment, education, leisure activities, commerce, etc. This type of new towns are mainly found in the developed countries in which the policy aims at relieving congestion of large built up urban areas.
- iii) New sectors planned as extension of a city or as its satellites. This type of new towns are sometimes known as new towns-in-towns and are built with the aim of directing growth to a particular section of a city region.

In this country the concept of new towns can be categorised on the basis of their location and the purpose for which they are built. Actually there are basically two types of new towns that can be identified on the above basis (Lim : 1987). One is suburban new towns and the other is rural or frontier new towns.

4. The Impact Of Regional Development Strategy On Demography Structure

At this point, the discussion will analyse the impact of the development of the new towns in the frontier region of Peninsula Malaysia which focussed on aspects of the impact of the new towns.

4.1 New Towns in Regional Development Authorities (RDAs)

The new towns in the frontier region of Peninsula Malaysia had not been able to attract a significant number of people from within the region. A large majority of the migrants to the new towns came from other depressed parts of other areas outside the region. This could be explained by the fact that they were simultaneously attracted to the new towns by the pull factor of job opportunities and pushed by the lack of job opportunities in their place of origin. Those who had migrated to the new towns were generally better off in terms of income levels and the availability of public facilities and services compared to the rural villagers. The high income levels among the new town residents may be partly explained by employment shifts from the low productivity agricultural sector to a higher productivity agricultural sector in the region and partly explained by the other factors such as household income before migration, period of residence in the new towns and educational level of heads of household.

On the other perspective, this strategy has difference impacts in several area especially in city areas such as city of Kuala Lumpur (KL-the capital city of the country).

4.2 Major Urbanised Area

Kuala Lumpur experienced accelerated population growth in the seventies with the introduction of the New Economic Policy (NEP) and the favourable economic prospects at that time. The two-pronged strategy of the NEP,

which was intended to eradicate poverty and restructure society, had been specifically designed to correct the economic imbalance between the major racial groups in the country. The NEP as an instrument for achieving a more equitable distribution of wealth amongst the various racial groups, has encouraged rural-urban migration as more employment and business opportunities. The impact of the population pressure on Kuala Lumpur was a major cause for concern because the increase was much faster than the pace of economic development. The quality of housing and urban services continued to deteriorate as squatter settlements grew in number occupying vacant pieces of state land, government reserves and undeveloped areas including those under private ownership.

To cope with the exceptionally rapid population increase in Kuala Lumpur, a decentralisation policy was adopted as recommended by the Klang Valley Study in 1972-73. This policy led to the establishment of five new towns/ growth centres in the region with Kuala Lumpur as the main centre and the townships of Shah Alam (260,000), Bangi (125,000), Selayang (60,000) and Kelang (300,000) as the subsidiary centres.

The implementation of the dispersal strategy has not been fully satisfactory although the migration level into Kuala Lumpur has been reduced. The performance of these new townships development have not grown to the level they were expected to reach. Several factors have contributed to the slow growth of these townships. The reasons among others are as follows;

- i. The negative effects of the economic recession and poor investment climate.
- ii. the economic base of the townships is not strong enough to attract new investments and create job opportunities.
- iii. Pressure to develop land outside the boundaries of the growth centres and on the outskirts of the Federal Territory.

As explained earlier, this dispersal strategy has its positive results in reducing migration trends into Kuala Lumpur. Had it not been for the implementation of the growth centre concept of development Kuala Lumpur's problems would have been much more serious. Many Asian cities namely Bangkok, Jakarta and Metro Manila are suffering from the effects of massive rural-urban migration. The acute poverty level amongst the squatter population is a major issue requiring urgent government action. Metropolitan governments will be saddled with this socio-economic problem for a long time to come unless drastic steps are taken to reduce urban migration and speed up the process of rural economic development.

The planning strategy was designed to form the basic framework and guidelines for the future growth and development of the City. It recognizes that over-concentration of development activities in the Central Planning Area (CPA) is undesirable and thus the principle concept of the Plan is to secure a balanced development of Kuala Lumpur through moderate development of the Central Planning Area and much faster development of the outlying zones

5. Conclusion

From the above discussion, it can be seen that the regional development policies and strategies in the Malaysian context are aimed at redressing the growing imbalances among the sectors of the economy, among the states, and the races. It can be seen that the introduction of the NEP and the strategy of creation of new towns in the Regional Development Authority has resulted in the rapid urbanisation which lead to a rapid migration of population from less based of development to a strong based economic urban areas. The present regional inequalities can be seen as the product of the above pattern of urbanisation and the government policies and despite the government's efforts to reduce regional inequalities existing among the sectors of the economy, between the regions and among the races, the pattern of regional inequalities has not declined. The development policies and strategies in the earlier years emphasised a rapid growth of economic development of the country and this has resulted in an increase in the disparities among the sectors of the economy, regions and races. The emphasis changes dramatically with the introduction of the NEP whereby regional aspects of the development were given more attention. The aim of the policy has not been only to reduce regional disparities but also to restructure the society. However, the impact of the policy on the reduction of regional disparities has been marginal.

The regional strategies are aimed at redressing the growing regional disparities in the country through increasing agricultural productivity and modernising rural areas, dispersing industries to less developed areas, and promoting the development of rural and urban growth centres. What can be concluded here is that, in order to ensure sustainable development for long-term economic growth and social equity of regional development area in the country, the following strategies are proposed;

- i. keeping the pace of urban growth in line with the absorptive capacities of urban centres;
- ii. consolidating urban programmes to accelerate the attainment of planning objectives;
- iii. providing at least minimum levels of services and facilities to all categories of urban centres;

- iv. providing adequate housing and improving physical infrastructure to assist economically disadvantaged groups in major urban areas;
- v. improving rural urbanization by strengthening rural-urban linkages;
- vi. enhancing sectoral development by designing urban programmes which are supportive of sectoral policies;
- vii. dispersing urban economic activities over the widest radius possible through the establishment of new industrial zones, new townships and service centres within the peripheries of major urban centres;
- viii. promoting fuller utilization of land resources for agricultural and industrial activities, especially in the resource-frontiers by means of regional development and new township programmes as well as industrial estates and satellite industrial towns, providing investment incentives, and improving the inter- and intra-city transport systems;
- ix. promoting major urban centres as hubs of culture, administration, tourism and commerce;
- x. promoting a conducive urban environment which will attract private investment by providing adequate services and facilities;
- xi. promoting economic efficiency in urban development without neglecting the needs of disadvantaged urban groups; and
- xii. strengthening the role of urban centres in accordance with a functional hierarchical system to prevent the excessive development of the bigger towns at the expense of the smaller ones. This would minimize regional imbalances created by the urban development process and further enhance national cohesion.

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