

# 1 The Role of Urban Governance to Enhance Kuala Lumpur 2 City-Region Development

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## 6 **Abstract**

7 In the age of globalization, it was argued that major cities in the region should be positioned  
8 in the global city system, in order for these cities and their immediate regions are effectively  
9 developed. At the same time, the emergence of new global economic and informational  
10 societies has created a new form of spatial development, the global cities. Such status was  
11 achieved only when a city and its region becomes a major center of international finance,  
12 transnational corporate headquarters, related high-level and specialized services, information  
13 processing and advanced telecommunications, a city with an international command and  
14 control functions. The aspiration for Kuala Lumpur City-Region (KLCR) is to drive rapid  
15 growth parallel with upgrading the city's liveability, according to the Economic  
16 Transformation Programme (ETP)'s A Roadmap for Malaysia.

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18 **Index terms**— Globalization, local government, city-region, international economy, economic tranformation  
19 programme.

## 20 **1 Introduction**

21 n the context of globalization, local government (LA) is increasingly faced with complex challenges. Urbanisation  
22 is a natural constituent of civilisation and development, a consequence of economic changes that take place as  
23 a country develops, and an essential phenomenon that contributes to the growth process at large. However, the  
24 positive role of urbanisation is overshadowed by the enormous problems it brings in its wake. Urban management,  
25 therefore, is concerned with policies, plans, programmes and practices that seek to

26 Author : E-mail : azmizam67@yahoo.co.uk ensure that population growth is matched by access to shelter,  
27 basic infrastructure and economic opportunities.

## 28 **2 II.**

29 Objectives This paper will discuss the effects of globalization, economical crises, competitiveness and development  
30 on the urban structure and city form of KLCR. Malaysia has successfully applied economic planning to guide the  
31 development of the country from an economy of agriculture and mining to a largely industrialised one. Now, with  
32 its sights set on attaining the economic level of a fully developed nation by 2020, the planning system must be  
33 made even more efficient and focused. This paper also discuss on the role of LG to enhance KLCR development  
34 and competitiveness. In this framework the influence of Foreign Direct Investment (FDI) will be analyzed as well  
35 as the role and potentiality of the local economy.

## 36 **3 Year**

37 Managing the affairs of a city-region is an iterative process of planning, implementation and control of some or all  
38 of these aspects and the complex inter-relationships among them. In recent years, it has been recognised the world  
39 over that effective management of urban areas requires a shift from technocratic processes traditionally utilised  
40 by urban planning agencies to a more inclusive process involving a wide spectrum of actors and stakeholders  
41 (Boschken 2008).

## 9 V. THE CHALLENGES OF LOCAL GOVERNMENT IN CITY-REGION DEVELOPMENT

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42 Urban need to be governed efficient and effective to promote a sustainable and conducive environment as a  
43 place of work and living. At the same time, the uniqueness of urban should also be preserved to maintain its  
44 image and distinct identity. City-region is a catalyst and contributor towards the national economic growth, a  
45 centre for innovation and entrepreneurship and a source for high social services.

46 LG will help to generate a competitive national development in the context of physical, economy and social.  
47 Therefore, development potentials that exist in city-region should be continuously adopted and supported as a  
48 place for investment and providing services of a high level. With the rapid pace of urbanization in Malaysia by  
49 2020, LG is faced with various complex challenges ahead ??DTCP 2006

### 50 4 The Roles of Local Government

51 The major functions of LG in city-region can be summarized as environmental, public, social and developmental  
52 (Thye 2002).

#### 53 5 a) Environmental

54 This relates to functions of maintenance and improvement of the environment within the area of jurisdiction.  
55 This includes obligatory services such as cleansing, collection and disposal of solid wastes, proper drainage and  
56 sewage, sewerage system and beautification programmes.

#### 57 6 b) Public amenities

58 This applies to services such as abattoirs, veterinary services, transportation, burial grounds and crematoria.

#### 59 7 c) Public health and cleansing

60 This function includes the provision of sanitation and solid waste management system, cleaning drains and roads  
61 and the general upkeep of the environment. The licensing of hawkers, stall holders, shop and business operators  
62 whose businesses are public nuisances and obnoxious in nature, falls under this function as well.

#### 63 8 d) Social functions

64 Some larger municipalities provide social services such as childcare centres, clinics within their health care  
65 service programmes, ambulance and hearse services. Besides these, they maintain fountains and arrange for  
66 lighting public streets and other public services and provide manual labour and facilities to state governments  
67 or the district offices to assist in the organization of ad hoc social services at the state and district levels; e)  
68 Developmental functions As opposed to mandatory functions of the local authorities, the development functions  
69 are considered "discretionary" under the Local Government Act, 1976. Even though LG could be regarded as an  
70 important instrument for local socioeconomic modernization, the lack of financial and physical capacity limits  
71 the extent and functions that they can provide. This is particularly the case with district councils. (Boschma  
72 2004) In the face of rapid growth and the pressure to fulfil multiple needs of the local citizens and the private  
73 sector community, the scope of functions and responsibilities of LG is expanding every day. The increase in the  
74 rate of industrialization, trade, commerce and development of modern services not only pushes the demand for  
75 urban space but also that of urban support services. With an increasing concentration of people and industries  
76 in urban areas, the functions and responsibilities of LG to have significantly expanded. This requires LG to  
77 perform multifarious roles that include: ? Efficient service delivery functions and employment generation; ? The  
78 normal system maintenance function for public places, drainage and sewerage, market places and crematorium,  
79 road maintenance and street-lighting, landscaping and maintenance, public health and sanitation;

80 ? The development planning and control and management functions (building control, land-use planning,  
81 development, creation of industrial estates etc.); ? The promotion of tourism and urban renewal beautification  
82 programmes; and Year development control and managing the urban system and its environment. Such a role  
83 is important to ensure uninterrupted growth and sustainable development within the context of maintaining  
84 national competitiveness in this era of economic globalization. Besides, it imposes not only financial but also  
85 administrative pressures on local authorities. These pressures come in the form of new demands and challenges  
86 to increase and improve delivery of urban services. The challenges also pose important and strategic questions  
87 regarding their roles at local, national and global levels. One of these challenges is in the management of LG  
88 finance and fiscal development (Boyne 1997).?

### 89 9 V. The Challenges of Local Government in City-Region Development

90 The current global economic challenges have put LG in the front and centre of attention. They are under the  
91 microscope, their past actions are being scrutinized and their behaviour and actions going forward are being  
92 closely watched. In view of this, effective leadership has never been more important. Periods of economic  
93 stress test the ability and capability of LG and demands that they rise to the challenges. The LG of today  
94 are being tested on several levels, both internally and externally. While they may have some control over their

96 internal environment, they certainly do not know what awaits them externally in the current volatile business  
97 environment.

98 Today, the LG is expected to be pro-active in contingency planning, to anticipate and prepare responses.  
99 Expediency in the appropriate response can negate losses. It is necessary for business leaders and LG to seek out  
100 the possibilities in these challenging times. Them must do this to remain relevant, sustainable and competitive.  
101 Leadership is a demanding role even during times of relative calm. It calls for balancing of internal and inter-  
102 business relationships and more so during a crisis, when courage and desire to lead well and effectively are put  
103 to the test.

104 The transformations in city-region triggered by globalization demand a review on the of internal and inter-  
105 business relationships and more so during a crisis, when courage and desire to lead well and effectively are and  
106 desire to well and effectively are put to the test. The transformations in our cities and urban agglomeration  
107 triggered by globalization demand a review on the various planning cultures. Each city/region must be prepared  
108 to act earlier, effectively and with high level of competitiveness. The need to drive the urban dynamic in an  
109 energetic responsible manner also demands an integral strategy with active participation of all stakeholders  
110 (Boyne 1997).

111 The uncertainty and risks caused by climate change requires the adoption of preventive measures on the  
112 planning framework and new environmental regulations. The withdrawal of the state requires rethinking of the  
113 bottom-up approach process on spatial planning and careful analysis of its implications and potential. The  
114 processes of metropolization, the economic new parading of the regions and the functional urban networks open  
115 up questions on crossing border planning perspectives (Parr 2005).

116 The needs to address global challenges in a strategic manner possess questions on the interplay between the  
117 local and the global. Communities and Local Government Department of United Kingdom, 2003 has stated  
118 that LG is crucial to the challenge of creating sustainable communities -places where people want to live and  
119 work. They deliver the day-to-day services upon which people depend and which improve people's quality of life.  
120 Self-evidently, where more resources can be made available to support these activities, there will be significant  
121 benefits for everyone (Thye 2002).

122 According to the ETP, KLCR was selected as NKEA to reflect four important dynamics, the first onethat  
123 urbanization is a driver of GNI growth, where urbanization was one of the most important drivers of economic  
124 growth in any country. Secondly, the Primary City Matters Most -KLCR dominates Malaysia's urban economy  
125 and by a large margin and over the next decade, KLCR was targeted to grow in population by five percent per  
126 year and achieve GNI growth of 10 per cent a year (PMD 2010).

127 The third dynamics is that Urban Productivity Does Matter -that the challenge for KLCR was to harness  
128 the power of urbanization while shaping it to maximise urban productivity to simultaneously pursue efficiency  
129 and liveability. Finally a great city needs to be a liveable city -because while urbanising intensively, KLCR must  
130 also focus on improving liveability and among challenges for KLCR according to the ETP are stiff competition  
131 from neighbouring cities because liveability lags compared to many other Asian cities, public transport remains  
132 inadequate and natural assets remain untapped. The dynamics of change of LG were contributed to administrative  
133 performance, fiscal management, public service provision, enhancing private sector development and participation  
134 in local and regional decision to formulate partnership between LA and civil society. The role of LG in city-region  
135 will establish efficient and transparent inter-government transfer system and creative mechanisms to mobilize and  
136 manage local resources (Phang 2008).

## 137 10 VI.

## 138 11 Results and Discussion

139 Evaluation and measurement of the strength of linear relationships between independent and dependent variables  
140 under this paper can be performed using Pearson correlation. According to Chase and Brown (2000), Pearson  
141 correlation was used for A Year parametric measurements to see the strength of the relationship between two  
142 variables. In this paper Pearson correlation analysis results will test if there is a positive and significant  
143 relationship between the independent variable (five roles of LG in city-region) and dependent variable (KLCR  
144 development).

145 While table ?? shows a summary of the overall Pearson correlation between the independent variable and  
146 dependent variable. According to this table clearly shows that the roles of LG have a strong and positive  
147 relationship with the KLCR development. The value of the correlation between roles of LG coefficients with  
148 KLCR development is 0.684 to 0.878. Similarly, the correlation coefficient of KLCR development. Which roles  
149 of LG have the strongest relationship with KLCR development?

150 Among the roles of LG which had a strong positive correlation with the dependent variable is social function  
151 in KLCR ( $r = 0.771$ ), development function ( $r = 0.767$ ), environmental ( $r = 0.762$ ), public health and cleansing  
152 ( $r = 0.729$ ) and public amenities ( $r = 0.725$ ). If you see the relationship between roles of neither LG nor the  
153 KLCR development still has a strong and positive correlation.

154 This positive relationship indicates that the stakeholders of the study have relative increase in KLCR is  
155 affected by the roles of LG. This shows the correlation of independent variable (five roles of LG in city-region)

156 and dependent variable (KLCR development). Pearson correlation analysis clearly shows that there is a strong  
157 positive relationship between the roles of LG with KLCR development.

158 However, none of the five roles of LG who had a poor relationship with KLCR development with r values less  
159 than 0.50. This analysis clearly shows that the practices by the roles of LG is among the factors to the increase  
160 in KLCR development. LG in KLCR have business relationships with international corporate bodies and NGOs  
161 in order to strengthen the relationship between government, private and public. ETP has also outlined towards  
162 achieving the aspiration by 2020 and the economic aspirations for KLCR was to raise its GNI contribution by  
163 2.5 times, from RM258 billion to approximately RM650 billion per year. The EPP's aim is to attract 100 of  
164 the world's most dynamic companies within priority sectors, attracting the right mix of internal and external  
165 talent and connecting to Singapore via a high speed rail system. The successful implementation EPP will lead  
166 to additional business opportunities within KLCR that will continue to enhance KLCR liveability and generate  
167 incremental GNI (EPU, 2010) KLCR will need to house one million new residents by 2020, and the current  
168 projected housing supply was expected to be sufficient to meet demand. KLCR aspiration can be summarized  
169 as 20-20 by 2020 that is, to be the only city that simultaneously achieves a top 20 ranking in city economic  
170 growth as defined by city gross domestic product growth rates while being among the global top-20 most liveable  
171 cities by 2020. ??KLCH,2008). KLCR will pursue both growth and liveability. Cities must cope with great  
172 numbers of people, plan to provide them services, find resources to meet needs of maintaining and augmenting  
173 infrastructure, respond to the urbanization and poverty, preserve their environment and retain their competitive  
174 edge. Enmeshed in the web of rigid, inflexible working cultures and erosion of all round capacity they must  
175 reengineer themselves to face these enormously complex challenges ??EPU, 2010).

176 This re-engineering is precisely the goal of efficient and effective LG roles. It envisages improving the quality  
177 of life in cities through improved local governance by reinventing a city as an inclusive city. Such a city provides  
178 space and voice to all its stakeholders through inclusive decision-making, since decision-making is the heart of  
179 good governance. The strategy for achieving the goals of good urban environment is to advocate the norms and  
180 country specific issues of the role of LG and promote inclusive decision-making process ??KLCH 2008).

181 KLCR has the opportunity of creating a regional education hub, global biotech industries, global information  
182 technology backup services, virtual university platforms as well as moving up the value chain of service and  
183 building our local businesses in all industries into MNCs. To do this, one would argue we need efficiency and  
184 effective in the role of LG that supports an economic system that promotes and facilitates the ability of business  
185 enterprises to compete effectively in the international markets and ensure the betterment of standard of living  
186 domestically.

187 Table ?? shows the total investment in KLCR from 2007-2010. The table indicates that in 2008 there is  
188 more than RM8 billion investment in KLCR. However in 2009 and 2010 total investment were dropped due the  
189 world economy scenario in 2009-2010. Government keep continue and enhance their role to attract more local  
190 and foreign investors to invest in the country. Therefore, LG play significant role to promote and enhance their  
191 city-region development (Pastor 2006).

192 There must be an inclusive partnership between the private and public sectors as well as civil society as all  
193 our individual needs, demands and wants form the Nation's fabric and collective need (Brannan, John & Stoker  
194 2006). Each of the cogs must move with the wheel to set it in the right motion forward to enhance city-region  
195 development.

196 Competitiveness cannot emanate off a situation where only one of the constituents is called to be accountable  
197 and responsible for advancement and development. The general assumption that business is market-driven and  
198 therefore only the most efficient survive is not entirely true (Thye 2002). LG may be the most efficient but if the  
199 elements in that market do not

## 200 12 Global Journal of Human Social Science

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202 Year move in concert with our level of efficiency, we will not be as successful as we could be KLCR has seen  
203 a tremendous increase in the adoption of advanced technologies, particularly relating to online service delivery  
204 channels, whether business to business (B to B), business to consumer (B to C), government to business (G to  
205 B), or government to citizen (G to C). The online system is an e-government ICT-enabled delivery system to  
206 enhance transparency and improve the ability of KLCR to serve city-region citizens better. An efficient public  
207 service is a key factor in ensuring a conducive environment to attract local and foreign investment. Take for  
208 example financial institutions and the development of these institutions (Taylor 2004).

209 Are these financial institutions supportive of businesses, especially small, medium and indigenous businesses?  
210 Or are they so risk averse such that they make it difficult for businesses to start and expand. This can result in the  
211 government having to intervene where innovative solutions and creative business models would have proven more  
212 effective. The same is true with other service providers. Malaysia is blessed with resources to achieve greater  
213 heights, and we must rise to these obligations in building better tomorrow for our children and grandchildren.  
214 This indeed is a moral imperative for all those with the means to make that difference. In the development of the  
215 efficient and effective role of LG, we need to consider the likely future developments in both locally and globally.  
216 In this respect, there are some possibilities that may develop into opportunities for the betterment of mankind

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217 and some that may cause difficulties, if not resolved properly. One area which poses both opportunities and  
218 threats is globalisation VII.

## 219 **13 Conclusion**

220 Overall, this paper has discussed the assessment on the views of stakeholder on the role of LG in KLCR  
221 development. This approach facilitates analysis of the role of LG carried out to determine the factors that  
222 have an edge and influential enhancement of KLCR development. An evaluation of the determinants of KLCR  
223 development is not only the advantages of physical facilities, human resources and market advantages and the  
224 advantages of economic resources but the role of LG. A total of 5 roles of LG have been tested and evaluated  
225 based on criteria of the interests and views of stakeholders on the roles of LG in influencing KLCR development.

226 The roles of LG in the territories of KLCR from the view of stakeholders are generally good at a moderate  
227 level. This indicates that the processes and practices by the LG in KLCR began to focus such as environmental,  
228 public, social and developmental in planning and developing in KLCR. The roles of LG are creating a direct  
229 impact on the economic advantages of agglomeration, further development of the city-region more competitive  
230 with the cities-region. This paper found that the administration and services of local authorities an important  
231 factor in increasing development in ??LCR (EPU 2010). This is clearly evidenced by the improvement mechanism  
232 delivery system, OSC approval of local authorities to expedite the application process, online services and the  
233 plan approval process license applications and services and the counter service departments of local authorities.  
234 Stakeholders in cityregion benefited from the quality of LG services are administrative and the private sector  
235 consists of foreign and local investors. The role of the private sector in the KLCR is an important promoter  
236 of economic resources areas. When economic resources in urban areas increased this directly enhance KLCR  
237 development ??KLCH 2008).

238 This paper also found that elements of development functions in the role of LG are among the factors that led  
239 to enhance KLCR development. Such things as access to information about LG project, an open tender process  
240 and project procurements, information, financial statements report revenues and expenses of LG. The efficient  
241 of roles of LG have also been increased cooperation between public and private sectors. The roles of LG are  
242 seen as a concept and framework of urban management that involves all stakeholders KLCR. These findings are  
243 consistent in the Pearson correlation was found strong and positive relationships between the elements of the  
244 roles of LG (independent variables) with KLCR development (dependent variables).

245 The 10th Malaysia Plan period witnessed a renewed commitment by the government to promote the efficient  
246 and effective the roles of LG in KLCR. This will be continued with government taking steps to enhance the  
247 integrity, transparency and accountability of the public and private sectors and further improve the level of good  
248 governance. These measures will help address corruption, reduce wastage and the cost of doing business as well  
249 as increase the efficiency of public service delivery and corporate sector. These gains from efficient LG will make  
250 KLCR is more competitive and attractive to investors and facilitate the achievement of the nation's development  
251 goals ??EPU 2010).

252 The scope of efforts to enhance the public sector delivery system encompassed land administration, services of  
253 local authorities, investment facilitation, quality management, performance measurement, consolidated licenses  
254 and permits, improvements in counter services, management of public complaints, reduction of bureaucratic red  
255 tape and ICT development. The commitment to enhance the efficiency and effectiveness of the public service  
256 delivery system will continue in order to reduce the cost of doing business, encourage private investment and  
257 positively LG has given greater attention not only in public administration but also in the operations of private  
258 businesses. The task to turn KLCR has successfully applied economic planning to guide the development of the  
259 country from an economy of agriculture and mining to a largely industrialised one (Pastor 2006). Now, with its  
260 sights set on attaining the economic level of a fully developed nation by 2020, the planning system must be made  
261 even more efficient and focused. It must ensure that every investment made in the country, contribute towards  
262 creating the desirable objective of a strong, modern, internationally competitive, technologically advanced, post-  
263 industrial economy.

## 264 **14 Global**

265 KLCR must also be fully aware of the enormous competition it faces in a region with rapidly expanding and  
266 modernising economies, all contending for the same pool of potential international investments. Efficient and  
267 effective of LG are also fundamental issue in development characterized by sustainability, subsidiarity, equity,  
268 transparency and accountability, civic engagement and citizenship, and security.

269 As described above, city competitiveness is harnessed through 'city marketing and city management'. High  
270 technology and high skilled industries, together with finance, transportation, tourism, business, information and  
271 professional services shopping and other commercial activities, are the principal components of the nation's  
272 economy, which must be developed to a level well beyond where it is now. In this respect, KLCR being the  
273 premier city must play the leading role. Competitiveness is more often than not driven and determined by  
274 soundness of infrastructure development as well as the quality of life a place provides for its people, be it its  
275 nationals, residents, its investors or tourists. Fundamentally the development of KLCR must be the sum total of  
276 what a city-region aims to attract as its outcome and to make it competitive domestically and globally.

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Figure 1:

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<sup>4</sup>The Role of Urban Governance to Enhance Kuala Lumpur City-Region Development

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Council (DBKL), Perbadanan Putrajaya, Shah Alam City Council (MBSA), Petaling Jaya City Council (MBPJ), Klang Municipal Council (MPK), Kajang Municipal Council, Subang Jaya Municipal Council (MPSJ), Selayang Municipal Council (MPS), Ampang Jaya Municipal Council (MPAJ) and Sepang Municipal Council (MPSp).

The study involved 10 main LGs in KLCR with 315 respondents representing various stakeholders which included government agencies, local and foreign investors,

non-organisation  
government

politician and university students. Pearson correlation attempt to measure a significant the relationship between the roles of LG and the KLCR development. In 2010, KLCR population was estimated at six million and it contributed about RM263 billion to the nation's IV.

Figure 2:



## 279 .1 Year

280 [ Kuala Lumpur City Hall (KLCH) ()] , *Kuala Lumpur City Hall (KLCH)* 2008. 2020.

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