EFFICIENCY IN URBAN GOVERNANCE TO ENHANCES COMPETITIVENESS OF CITY REGION

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ABSTRACT

This paper discusses on the preliminary study on efficiency in urban governance towards enhancing competitiveness of the city. The focus of this paper is to analyse the literature review on the concept of efficiency in urban governance. Preliminary discuss with selected local authorities in Klang Valley has been carried out to gain their understanding on the efficient urban governance. Malaysia has successfully applied economic planning to guide the development of the country from an economy of agriculture and mining to a largely industrialised one. Now, with its sights set on attaining the economic level of a fully developed nation by 2020, the planning system must be made even more efficient and focused. The country must focus on securing a credible share of the lead sectors of the globalised economy. The country must also be fully aware of the enormous competition it faces in a region with rapidly expanding and modernising economies, all contending for the same pool of potential international investments. The urban sector is an important catalyst towards national economic growth and a vital investment centre for the nation. Efficient urban governance is characterized by sustainability, subsidiarity, equity, efficiency, transparency and accountability, civic engagement and citizenship, and security. In line with this, the importance of efficient urban governance is eminent in administration of developing city like Kuala Lumpur City Region. Efficient urban governance is also fundamental issue in development.

Keywords— city region, city competitiveness, development, efficiency, urban governance,

1. INTRODUCTION

Globalisation has escalated the level of competition in the international market. Not only does the domestic macroeconomic structure and environment need to be strengthened, but elements of the micro economy including the respective economic sectors and local corporations also need to be made more resilient. In order to enhance national long-term competitiveness, the Government will continue to promote the transition to higher value added activities in three main economic sectors, the first being manufacturing; second, services; and third, agriculture. New sources of growth in these sectors will be identified and promoted to generate additional income and to develop new sources of economic wealth. The manifestation and aspiration of Vision 2020 sets the framework for which development is to be steered. The nation is now in its second phase of development towards achieving the Vision.

Brain [1] proposed urbanisation issues being emphasized by the government, among other, are urban poverty the rising crime rate, solid waste disposal, housing for the poor, environmental protection, pollution etc. These issues need to be tackled holistically to ensure the role of urban centre as the engine of economic growth will be continuously maintained and enhanced. Cities need to be governed efficiently and effectively to promote a sustainable and conducive environment as a place of work and living. At the same time, the uniqueness of city should also the preserved to maintain its image and distinct identity. The essence of world class Kuala Lumpur is a place where all citizens of Kuala Lumpur and visitors feel the greatest possible sense of physical, emotional, intellectual and spiritual well-being. The process undertaken will be towards a long-term goal of "meeting the needs of the present without compromising the ability of future generations to meet their own needs". This means ensuring that the ways in which we live, work and play will not interfere with nature's inherent ability to sustain life

2. THE CONCEPT OF EFFICIENCY IN URBAN GOVERNANCE

Beata Banachowicz & Justyna Danielewicz [2] proposed urban governance implies high organizational efficiency, with respect to the process of the assumption formulation for local and regional development policy and its implementation Thus it contributes to economic development, stabilization and welfare, bringing the transparency of decision-making process, social participation, openness, finance equilibrium and law being obeyed to. Integrated mechanisms, processes and institutions, through which citizens and social groups might state their preferences, negotiate solutions of their contradictions and make use of their constitutional rights, as well as realize their duties, is also being understood as the urban governance. Thus, public governance should guarantee that formulating political, social and economic priorities will be made in accordance with the broadly understood social consensus, with both the poorest and the richest affairs taken into account when decision process influencing resources and goods allocation is being considered.

Mc Carney, Halfani and Rodriquez [3] proposed in a lengthy discussion of governance as applied to urban examples throughout the developing world, find that an important element in the development process, explicitly lacking in

many official and agency-based definitions, is the connection of government, and particularly local government to emerging structures of civil society. The United Nations Human Settlements Program (UN-HABITAT) [4] has proposed the urban governance definition "Urban governance is the sum of the many ways individuals and institutions, public and private, plan and manages the common affairs of the city. To address and manage this effectively, there is a need to plan, developed and manage a more systematic and efficient urban service in order to achieve a better quality of living for the community. Hamzah Jusoh [5] has proposed that the potential for urban growth has to be planned in the best possible way in tandem with advances in technology and the challenge of globalisation so as to maximise its contribution to the national economic growth. An urban centre is a catalyst and contributor towards the national economic growth, a centre for innovation and entrepreneurship and a source for high social services. Efficient and effective urban governance will help to generate a competitive national development.

Simon [6] proposed in its broadest sense, to be efficient simply means to take the shortest path, the cheapest means, toward the attainment of the desired goals. However, efficiency is not limited simply to making incremental efficiency improvements in existing practices, but it should stimulate creativity and innovation in the search for new ways of doing things. Communities and Local Government Department of United Kingdom [7] defined efficiency in urban governance is about raising productivity and enhancing value for money. Efficiency gains are achieved by one or more of the following:

- Reducing inputs (money, people, assets etc) for the same outputs;
- Reducing prices (procurement, labour costs etc) for the same outputs;
- Getting greater outputs or improved quality (extra service, productivity etc) for the same inputs; or
- Getting proportionally more outputs or improved quality in return for an increase in resource.

The aim of the efficiency in urban governance is to ensure that the resources available to local government are used in the optimum way to deliver better public services according to local priorities.

2.1 Characteristics of Efficiency in Urban Governance

The United Nations Human Settlements Program (UN-HABITAT) [4] proposed efficient and efficiency in urban governance is characterized by sustainability, subsidiarity, equity, transparency and accountability, civic engagement and citizenship, and security.

a. Sustainability - Sustainability in all Dimensions of Urban Development

Cities must balance the social, economic and environmental needs of present and future generations. This should include a clear commitment to urban poverty reduction. Leaders of all sections of urban society must have a long-term, strategic vision of sustainable human development and the ability to reconcile divergent interests for the common good.

Subsidiarity - Subsidiarity of Authority and Resources to the Closest Appropriate Level

Responsibility for service provision should be allocated on the basis of the principle of subsidiarity, that is, at the closest appropriate level consistent with efficient and cost-effective delivery of services. This will maximize the potential for inclusion of the citizenry in the process of urban governance. Decentralization and local democracy should improve the responsiveness of policies and initiatives to the priorities and needs of citizens. Cities should be empowered with sufficient resources and autonomy to meet their responsibilities.

c. Equity- Equity of Access to Decision-Making Processes and the Basic Necessities of Urban Life

The sharing of power leads to equity in the access to and use of resources. Women and men must participate as equals in all urban decision-making, priority-setting and resource allocation processes. Inclusive cities provide everyone – be it the poor, the young or older persons, religious or ethnic minorities or the handicapped -- with equitable

access to nutrition, education, employment and livelihood, health care, shelter, safe drinking water, sanitation and other basic services.

Transparency and Accountability - Transparency and accountability of decision-makers and all stakeholders

The accountability of local authorities to their citizens is a fundamental tenet of good governance. Similarly, there should be no place for corruption in cities. Corruption can undermine local government credibility and can deepen urban poverty. Transparency and accountability are essential to stakeholder understanding of local government and to who is benefiting from decisions and actions. Access to information is fundamental to this understanding and to good governance. Laws and public policies should be applied in a transparent and predictable manner. Elected and appointed officials and other civil servant leaders need to set an example of high standards of professional and personal integrity. Citizen participation is a key element in promoting transparency and accountability.

e. Civic Engagement and Citizenship

People are the principal wealth of cities; they are both the object and the means of sustainable human development. Civic engagement implies that living together is not a passive exercise: in cities, people must actively contribute to the common good. Citizens, especially women, must be empowered to participate effectively in decision-making processes. The civic capital of the poor must be recognized and supported.

f. Security - Security of Individuals and their Living Environment

Every individual has the inalienable right to life, liberty and the security of person. Insecurity has a disproportionate impact in further marginalising poor communities. Cities must strive to avoid human conflicts and natural disasters by involving all stakeholders in crime and conflict prevention and disaster preparedness. Security also implies freedom from persecution, forced evictions and provides for security of tenure. Cities should also work with social mediation and conflict reduction agencies

and encourage the cooperation between enforcement agencies and other social service providers (health, education and housing). Therefore, development potentials that exist in urban areas should be continuously adopted and supported as a place for investment.

4. ISSUES EFFICIENCY IN URBAN GOVERNANCE IN MALAYSIA

4.1 Rapid Rate of Urbanisation

Urbanisation in Malaysia has developed rapidly especially during the last two decades whereby the rate of urbanisation has increased from 54.3% to 65.4% between 1991-2000. This is expected to increase to 75% by 2020. The increase in population will mostly concentrate in major conurbations such as Kuala Lumpur City Region, Georgetown, Johor Bahru and Kuantan. The high rate of population increase requires the development of new areas for housing, social amenities, commercial and other urban land uses. The lack of clear urban limits has led to the creation of urban sprawl encroaching upon environmentally sensitive areas, major agricultural areas and areas unsuitable for development.

In addition, non compliance with the existing development plans has also contributed to this problem. This situation has given rise to various urbanisation related woes such as environmental pollution, traffic congestion, brown field areas, loss of inner city attractions, infrastructural decay, lack of social amenities and green areas; ultimately resulting in degradation in the quality of urban living. The problem of conflicting land use still exists especially in towns that experience rapid growth considering the high demand of land use at strategic areas. The existence of illegal factories in urban areas has caused much environmental pollution.

4.2 Ineffective Urban Governance

National Urbanisation Policy of Malaysia [9] proposed with the rapid pace of urbanisation by 2020, urban governance is faced with various complex challenges a head. These challenges require that the respective parties be more focused in undertaking parties be more focused in undertaking each and every responsibility in urban development. However, the involvement of

multiple agencies and departments in urban management had made it difficult to coordinate many actions and in turn affects the effectiveness of those actions. Good urban administration and management also need to take into consideration the capability of each local authority as each local authority as each differs in terms of manpower, skills and financial capacity to provide good service for its population. There is wide gap between the expectation of the community and the ability of the local authority to fulfil those expectations.

The various roles that are expected of these local authorities to attain a liveable city with a high quality of living had put pressure on those authorities to acquire a strong organisation. The pressure is left more intensely by small; and medium sized local authorities that lack finance, manpower, skills and equipment in providing the expected services. The local authority is also confronted with the diverse aspirations and interests of community groups that it has to fulfil, as well as various social issues and negative influence. Public cooperation and involvement are much needed to address these problems. However, community participation that are too brief pertaining to activities organised by the local authority also inhibit and do not fulfil that aspiration of the local authority at involving the community in planning and development of urban areas.

4.3 Less Competitive Urban Economy

The United Nations forecast that 60% of the world population which is equivalent to five billion people will reside in urban areas by 2030. With more than three quarter of the population living in urban area in Malaysia by 2020, the demand for employment in urban centres will significantly increase. This will put a pressure to create enough employment in urban areas to meet the increasing demand as well as reduce unemployment to an acceptable level. A high unemployment rate will result in various social issues related to poverty, crime and nuisance. The pressure to create employment will be more intense in the conurbation which is expected to encounter competition from other cities worldwide due to globalisation and trade liberalisation. This is because the conurbation is anticipated to lead the nation in securing foreign investment, and in turn become competitive centre to attract investors. Thus, one of the challenges of the urban economy is turn urban areas into investment and commercial centres. It should have the capacity to attract foreign and local

investment and trade in order to achieve a viable economy and provide adequate employment opportunities.

4.4 Inefficient Transportation System

The Road and Transport Department of Malaysia [10] stated that the total number of registered vehicles for Malaysia was 14.8 million in 2003. Out of this, 47% comprised of motorcycles, 44% were private cars while the remainder were commercial and other vehicles. The large number of private vehicle ownership puts pressure on the capacity of the existing road network especially for larger conurbations like Kuala Lumpur City Region and Georgetown. Furthermore, inefficient public transportation resulted in the tendency for the urban population to opt for private vehicles instead of the public transport. Study on the Integration of Public Transport Development and Land Use in Klang Valley 2003 [11], the ratio of private vehicle usage compared to public transport was 89:11.

These two factors have contributed to the acute problem of congestion in those cities. In the long term, this will have negative impact on the competitiveness and the attraction of those cities to draw local and foreign investors. Basically, the current transportation system is insufficient to handle the problem of congestion and provide services incorporated with safety and user-friendly principles to the urban dwellers. Transportation facilities are provided without taking into account the need to integrate the different modes of transportation subsequently make it difficult for the user to change the modes of transportation. The provision of physical infrastructure for public transportation system such as covered pedestrian footpath and bus stops that enhance the comfort of the user.

4.5 Declines in Quality of Living for Urban Dweller

The decline in quality of living in urban areas is one of the major issues that arise out of poor management of urban development. For a town to be both viable and sustainable it is necessary to provide quality support infrastructure and a high quality of living derived from the provision of adequate housing, education, recreation and health facilities. In respect of the provision of housing, the main issue is the lack of housing for the low income group. Although the supply of housing is generally in excess of actual demand, the

supply of housing for the urban poor is still insufficient as the price of these houses is beyond the reach of this group.

In terms of social facilities, it was found that the provision of recreation areas is generally inadequate for all towns in Malaysia. Moreover, there is a problem of maintenance of facilities as well as being non-user friendly since the location and design of facilities do not take into account the needs of certain segments of the society such as the disabled, children and elderly. Vandalism of public properties also exists and leads to not fully utilised facilities. The rapid growth of the urban population has also increased the demand on infrastructure and utility which is beyond the capacity of the existing facilities. In terms of the quality of urban services provided, it is generally beset by a low level of service incapable of fulfilling the urban dwellers expectations.

5 IMPROVEMENT EFFICIENCY IN URBAN GOVERNANCE IN MALAYSIA

5.1 An Efficient and Sustainable Urban Development

Urban development should have a clear guidance on the direction of future expansion to accommodate an orderly and manageable development. The development of an urban system needs to be based on clear system of hierarchy so that the provision and distribution of facilities and infrastructure will be more efficient, thus, preventing wastage of national resources. Urban development needs to be carried out within a specified area to ensure urban sprawl is avoided. Towards this end, land use development should be based on the adopted development plan and comply with all policies, programmes and action plans proposed by the respective plan.

The urban limit needs to be identified to implement the development of a more efficient land use. Urban development should be implemented in accordance with the principles of smart growth with emphasis on redeveloping suitable areas especially in urban centres and brown field areas, preserving green areas for recreational purpose and conserving environmentally sensitive areas. This is to prevent development from encroaching upon agricultural and environmentally sensitive areas, to promote the optimum usage of existing infrastructure and to revive the attractiveness and liveliness of the urban

centres. Urban redevelopment programme of suitable and strategic areas in one way of increasing the efficiency of urban areas.

5.2 Effective and Efficiency in Urban Governance

An effective urban governance system should be established to administer urban growth and development a various levels particularly the local authority level. This will ensure that the value of assets, economy, social and the environment will be maintained and value-added towards attaining sustainable urban centres in Malaysia. The local authority, as the main agency responsible to urban management, needs to update the administration and management system to optimise its financial revenue including new sources, upgrade its capacity to enable towns to become more competitive and viable, strengthen human resources by employing skilled and experienced staff as well as expand the use of technology.

With rapid urbanisation, local authorities should emphasize the use of innovative approach and technology to reduce cost and increase efficiency in all aspects of urban planning, development and management. In addition, these efforts will contribute to the management of a more viable environment. The management and administration system practised should be founded on an ethical work culture, be transparent and efficient to ensure a more effective delivery system. In this light, there is a need to review and strengthen the respective system and work procedure, implementation approach, standards and guidelines to achieve the highest standard of services.

To complement actions being carried out, he existing legislations related to urban administration and management should be reviewed for more effective enforcement and implementation of the urban development. Local authorities need to cooperate closely with the local community, ongovernmental organisations and the private sector to plan and implement appropriate urban planning and management programmes that meet with their requirements for sustainable development as mooted in the Local Agenda 21. Such cooperation will provide opportunity for the local community to monitor and give feedback on the programmes implemented in their respective area. To facilitate this proposal, the local authority should establish a unit responsible

for coordinating and managing programmes to improve local community participation in urban planning and governance activities.

5.3 Development of an Urban Economy that is Resilient, Dynamic and Competitive

There is a need to identify the economic strength and specialization of each urban centre to develop, promote and strengthen its future growth and development. A strong correlation between economic growth and urban growth further clarifies the role of the local economic base in national economic growth. A major conurbation will encounter challenges from globalisation and technological development including the emergence of knowledge-based economy. The growth of knowledge-based economy requires a high level of competency among administrators, service providers and consumers. The improvement of skills of the urban dwellers will further accelerate economic growth, expand knowledge, and lead to the upgrading of skilled manpower.

Besides encouraging the growth and development of major urban centres, the economic development of medium and small sized urban centre should also be supported as they provide consumer goods to the urban population. Small towns also have an important role in improving the standard of living of the rural population as they function as commercial and trading centres especially in marketing agricultural products. The growth of these small towns creates demand for agricultural products and provides non-agricultural employment opportunities; both of which will improve the economic base of the rural population.

5.4. An Integrated and Efficient Urban Transportation System

An efficient and comprehensive transportation system is vital in enhancing the competitiveness of an urban centre. The increase in population and high private vehicle ownership compound by an inefficient public transport calls for a strategy that could resolve these issues. Thus, the development of an integrated transportation system needs to be implemented with emphasis on multi-modal and environmentally friendly features to address the problems of congestion in large cities like Kuala Lumpur City Region, Georgetown and Johor Bahru Conurbations. A policy that promotes the use of an integrated

public transportation system that is effective and affordable to all levels the population should be formulated. Furthermore, traffic management has to be implemented comprehensively in order to reduce congestion in the cities.

5.5 Provision of Urban Services Infrastructure and Utility of Quality

The provision of infrastructure and utility should be viewed in terms of fulfilling the demand of the population and supporting the growth of the urban economy as well as contribute to the competitiveness of the particular township. Infrastructure and utility need to be adequately provided in terms of quality, coverage of distribution, and be of high quality that utilizes the latest technology. The provision of infrastructure and utility should be coordinated with the hierarchy level; and function of town. In conurbation areas, the supply of utilities such as electricity and telecommunication should be of higher standard to meet the requirements of value-added and k-economy activities. Moreover, these facilities need to have an efficient level of management and maintenance with good back-up services to reduce interruption during service.

For an efficient urban service, the main strategy is to widen its coverage and improve the quality of service by ensuring the sustainability and cost efficiently of maintenance. Major urban services such as waste collection, sewerage maintenance, drainage maintenance, cleaning and management of public places should be provided extensively and be of high quality. This will improve the quality of living of the local population as well as increase the attractiveness of the urban area. For more efficient and cost effective management of domestic effluent, the existing sewerage system needs to be improved in addition to the construction of new facilities. The involvement of the local community needs to be encouraged to assist the local authority in administering and managing the urban area.

6. CONCLUSION

The 9th Malaysia Plan period witnessed a renewed commitment by the government to promote good governance and will be continued with Government taking steps to enhance the integrity, transparency and accountability of the public and private sectors and further improve the level of good governance. These measures will help address corruption, reduce

wastage and the cost of doing business as well as increase the efficiency of public service delivery and corporate sector. These gains from good governance will make Malaysia more competitive and attractive to investors and facilitate the achievement of the nation's development goals. The scope of efforts to enhance the public sector delivery system encompassed land administration, services of local authorities, investment facilitation, quality management, performance measurement, consolidated licenses and permits, improvements in counter services, management of public complaints, reduction of bureaucratic red tape and ICT development.

The commitment to enhance the efficiency and effectiveness of the public service delivery system will continue in order to reduce the cost of doing business, encourage private investment and positively influence investor perceptions about Malaysia as a preferred destination for trade and investment. Many challenges faces the Malaysia's city regions in this new millennium, it is importance of efficiency in urban governance is eminent in administration of developing city. Governance has given greater attention not only in public administration but also in the operations of private businesses. The task to turn

Ministry of Housing and Local Government of Malaysia [18] proposed both strategies are achievable through the process of efficient urban governance which integrates all sectors including public, private and other social organisations. To accomplish the desired outcome, this integration results in an effective and efficiently managed city. In city marketing, a city promotes its buildings, physical infrastructure and development to enhance its image. Efficiency in urban governance is also fundamental issue in development. Vision 2020 identifies globalisation as one of the major underlying 'mega trends' which Malaysia must follow in order to ensure a sound basis for economic development, a view further emphasised by the Third Outline Perspective Plan (OPP3, 2001- 2010) and Second Industrial Master Plan (1996-2005). High technology and high skilled industries, together with finance, transportation, tourism, business, information and professional services shopping and other commercial activities, are the principal components of the nation's economy, which must be developed to a level well beyond where it is now.

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