

THE QUESTION OF BUMIPUTERA PARTICIPATIONS IN URBAN RETAIL SECTOR: TOWARDS URBAN LIVABILITY

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ABSTRACT: Retail sector is one of the important components in urban economic activity for urban livability. Livability of the urban area contributes to the sustainability of urban retailing. Since retail sector is the *lung of economy* for urban areas, an in-depth study to understand the framework of this sector should be emphasized. This paper discusses the participation of Bumiputera in urban retail sector focusing on the Seremban Municipal Centre (SMC) as the designated study area. The purpose of this paper is to examine the role of the New Economic Policy (NEP) in bringing economic equity by ensuring 30 per cent of Bumiputera participation in urban retail sectors and to look into the pattern of Bumiputera consumers buying goods in SMC. Bumiputera participation in retail activity is still low as compared to the NEP target. While the NEP was established (in 1970), the targeted results are still unclear. To achieve sustainable quality of life from the economic perspective, local economic equilibrium plays an important role. Economic balance for every ethnic group should be emphasized in order to achieve economic equality and cohesion between ethnic groups. The results obtained through primary and secondary data indicated that Bumiputera retailers' involvement constitutes only 7 per cent, while the remaining 93 per cent are from non Bumiputeras (Chinese 80 per cent and India 13 per cent). In addition, the trend for the past three decades shows a mere 6 per cent increase in Bumiputera participation in retail sector in SMC. Bumiputera retailers' are involved in specific businesses such as restaurant, beauty care, travel and insurance agency, tuition centre, boutique and also private clinics. The result shows that Bumiputera participation in retail sector is still low and urban planners should play bigger roles to ensure Bumiputera's retail activities are sustainable in the SMC. Based on consistent development of Bumiputera retailers over the past 33 years, we extrapolated that the quality of life of this group is sustainable and consistent as compared to other ethnic groups. 80 per cent of Bumiputera consumers tend to choose services while visiting this area. Therefore, it shows the relationship between Bumiputeras' consumption pattern and the economic status for their retailers in SMC area. This consistency plays an important role in maintaining the culture, tradition and quality of life of the Bumiputera group, as far as availability of goods and services is concerned.

Keywords: Urban Livability, Retailing, Economic Equity, Bumiputera, Sustainability

INTRODUCTION

Retailing is a main component in urban lifestyle. It contributes to the economy and social wellbeing by creating interactions between people. It also affects the development of a city and accessibility in urban space (Balsas 2004; Rotem-Mindali, 2012). Retailing is also a factor that promotes a city's vibrancy because it is one of the attractions for consumers to visit the business area for all kind of purposes, not just shopping but also as a place for recreations. A vibrant city will contribute to the livability of the urban area and also promotes good quality of life.

In a livable city, the city people and visitors find the city attractive, walkable, ecologically healthy, with clean air and clean water, green with trees and flowers, and generally there is happiness around with the urbanites having basic needs - their own shelters, jobs, access to good education at all levels, ease of mobility and access to goods and services. All these needs are set in a city design that allows people to reflect more on the blessings of good life than on the negativities (Pacione, 2001).

In this study, retailing and its contribution to the Bumiputera's economy were observed. The group consumer behaviour is the main scope of this research, there is a real need now to examine in depth the human aspects of city livability. According to Idrus et al. (2013), conceptually livable city should provide physical accessibility to the basic infrastructures for the people. The livability of Bumiputera group should be seen in this context too.

THE ARGUMENT

Bumiputera participation in retail activity is still far from achieving the New Economic Policy (NEP) target. Although the NEP was implemented since 1970, the result is still unclear. To achieve sustainable quality of life from the economic perspective, local economic equilibrium plays an important role. Economic balance for every ethnic group should be emphasized in order to achieve economic equality and cohesion between different ethnic groups which is crucial in multi-ethnic Malaysia.

The issue of ethnic adjustment in the economic sectors started in 1970 and was mentioned in the NEP. The NEP was established with the objective to improve the economic status of the Bumiputera, as well as their special privileges. This is due to the situation that Bumiputeras were being left behind in economic activities (Faaland et al., 2002). During the colonial era, the Malayan economy was dominated by the Chinese community who lived in urban areas. The British colonial administration also developed mining, plantation and agriculture (Mohd Said, 2004). The Malays lived in the village and work in agricultural field while plantation estate activities were dominated by the Indian community (Mohd Zainudin and Zulkifly, 1982). The historical segregation has caused economic inequalities in ethnic participation with its effect lasting till today.

Despite the funds and supports provided for Bumiputera entrepreneurs throughout the years, their participation in the economic sector is still low. Large number of agencies has been created to help the Bumiputera, such as MARA, Bank Bumiputera, Amanah Saham MARA, Amanah Saham Bumiputera, Urban Development Authority (UDA), Bumiputera Entrepreneurs Corporation (PUNB), Bumiputera Transformation Roadmap program, TERAJU, and many others (Bushra 1993; Rostam, 2001). All these organizations, agencies and aid funds given are to help the Bumiputera to be on par with other ethnic groups in retail sector, but until today Bumiputera participation in retailing has yet to reach a satisfactory level.

In order to understand the relationship between retailing and consumerism, a study on consumer behaviour is crucial. Through this observation, a researcher might be able to find out the relationship between retailer and consumer in terms of its sustainability in contributing to today's urban economy.

STUDY AREA

This study was conducted in Seremban, Negeri Sembilan, Malaysia. Seremban is a developed township which is about 70 km south of Kuala Lumpur. Seremban City Centre is located in the Bandar sub-district and is categorized as an old town district. The function is similar to the central business district (CBD) because of the criteria based on Proudfoot (1959), CBD exists in area with a high level of business over the surrounding area and there are multi-storey buildings. There are 1442 commercial lots available in this area. This area consists of a mixture of old and new buildings with two to five storey (Department of Town and Country Planning, 2010). Due to the ongoing development of the surrounding area, Seremban area has been affected in terms of housing development, infrastructure, transportation and also retail activities. Study on the development of this area is crucial in order to monitor urban dynamics within the region.

METHODOLOGY

This study used both primary and secondary data. Primary data were collected through field work and secondary data taken from a manuscript of data and documents from the Seremban Municipal Council (SMC). The collections of primary data were used to clarify the retail activities as well as information about the type of business and ownership. The data used focused only on small-scale retailing. Hypermarket or supermarkets nearby are not included in this study. From a total of 1442 shops in SMC, only 768 shops were chosen for this study due to the type of ownership (there is no ethnic information for some retailer) and the data constraints from the SMC. The 768 shops included in this

study were shops that provide retail activity and services, such as franchise, vacant shops and office are not involved.

In order to review the Bumiputera's consumer behaviours in buying product, interviews were conducted using purposive sampling. This sampling method was chosen because the survey applied to only a focus group of visitors who come to the study site. The selection includes all categories of Bumiputera visitors such as students, government and non-governmental employees, housewives, tourists and businessmen who were willing to be interviewed. The interview aimed to obtain visitors' responses on which product they tend to buy in SMC among 10 products and services that are set by the researcher such as health care, information and communication technology (ICT goods), home and electrical appliances, restaurant, groceries, beauty care, services, clothing and shoes and repairing vehicles. A total of 91 Bumiputera respondents in SMC were interviewed and the data were analysed using descriptive analysis to show the patterns of Bumiputera's buying habits.

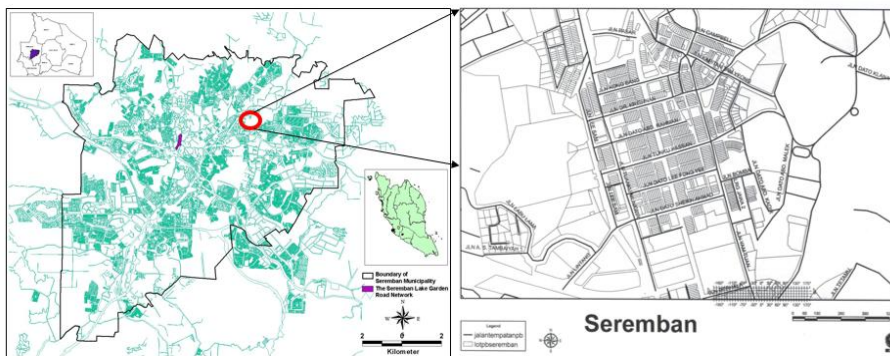


Figure 1: Location of study area through Malaysia map and close-up shop lots in SMC

RESULTS AND DISCUSSIONS

The results showed that only 7 per cent of the overall retail shops in SMC is owned by Bumiputera whereas Chinese and Indian ethnic group consists of 80 per cent and 13 per cent respectively (Figure 2). In line with Malaysia's history, the Chinese community is still dominating the country's economy (Bushra 1993; Faaland et al. 2002; Ahmad Idris, 1990). This study on the SMC found the pattern has changed little during the last three decades.

For the past three decades, the involvement of Bumiputeras has shown increment of only 2 per cent compared to the previous study by Mokhtar (1979). Whereas, from 2008 until 2012, the participation of Bumiputera in retail sector at SMC increased by 4 per cent. Through the participation pattern showed by the Bumiputera's retailer, it can be concluded that the Bumiputera retailers are trying to increase participation in the retail sector in SMC.

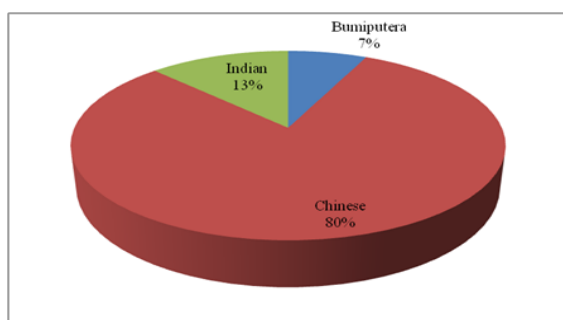


Figure 2: Participation among ethnic group in retailing at Seremban Municipal Center

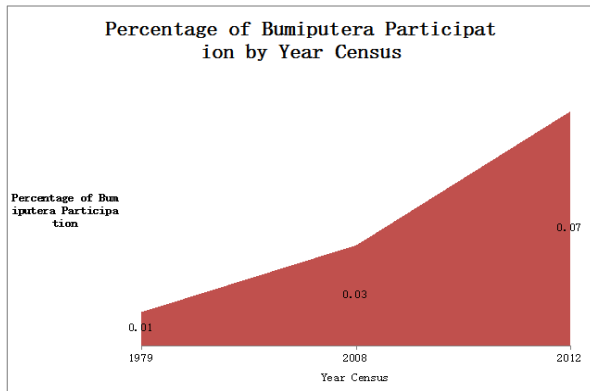


Figure 3: Percentage of Bumiputeras’ participation by year census

Based on the observations made in this research, the participation of each ethnic group in retail sector is associated with the density of local population. This is proven through census in Seremban District. The census showed that the Chinese population has dominated this area from 1991 until 2010 (Figure 4) followed by the Indians, Bumiputera’s, non-Malaysian and others.

According to Table 1 below, all ethnic groups are experiencing positive growth. Bumiputera population increased drastically in the past 10 years by 123 per cent. Changes in the Bumiputera population growth explained why Bumiputera participation has doubly increased within a short period of time (2008-2012) (Figure 3). However, the table shows normal growth for the Chinese and Indian population together with changes in their retailers’ participation in retail business as well.

Table 1: The dynamics of population growth following the ethnic from year 1991-2010

Ethnic	1991	% Growth	2000	% Growth	2010
Chinese	10150	26	12802	31	16797
Indian	3926	40	5500	20	6579
Bumiputera	2772	28	3542	123	7886

Source: Department of Statistics, Malaysia (1991, 2000 and 2010)

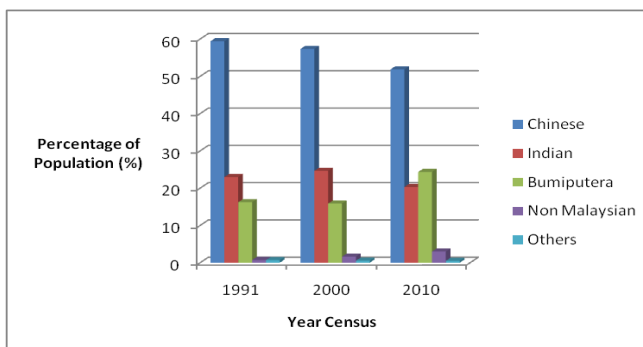


Figure 4: The dynamics of population in Seremban District (1991 to 2010)

This study also revealed that Bumiputera retailers are involved in businesses such as furniture trade, boutiques, clothing, cosmetics, beauty, health equipment, computer parts, grocery stores and other services such as photocopy services, banks, restaurants, salon, telecommunications, travel agencies as well as insurance, dental clinic, pawnbrokers and tuition centre. Bumiputera businesses are already experiencing changes within the types of business conducted over the past three decades as they undergo the process of adaptation to the new environment and compete with the current retail development (Hadi et al, 2012). There are two to six storey buildings in the SMC, but the distribution of Bumiputera participation can only be seen on the ground floor, first floor and second floor. When compared with the findings from previous studies, Mokhtar (1979) showed that almost all retail businesses owned by Bumiputera are small and medium size and almost all shops are located away

from the strategic locations (the core and walkways). The study found that only 1 per cent of commercial floor space in Seremban is occupied by Bumiputera retailers. Hadi et al. (2008) observed that the presence of Bumiputera in business is visible in small-scale or dealing with MARA bazaars which are supported by the government. Bumiputeras' businesses usually focus on selling daily needs such as agricultural production, fruits and vegetables, groceries, food and drinks. In conclusion, the business owned by Bumiputeras mainly focus on trades that require small capital with low risk. In addition, the types of businesses owned by Bumiputera retailers have changed over the past 33 years. For example from small scale eateries, the Bumiputera started to get involved in businesses that were previously dominated by Chinese such as beauty parlour. This shift of business interest is probably to fulfil demand for this kind of service for the ever changing and dynamic culture, where more Bumiputeras are visiting beauty parlours. This shift of business type also further supported our speculation that the Bumiputera business community's existence is to cater for Bumiputera residents.

The Patterns of Bumiputera Consumers Buying Products

Study about consumer buying products is essential in retailing to observe urban retail resilience. Urban retail resilience is defined as the ability of stores and shopping districts to tolerate and adapt to changing environments that challenge the retail system's equilibrium, without failing to perform its functions in a sustainable way (Barata-Salgueiro and Cachinho, 2011; Wrigley and Dolega, 2011). The result on the patterns of Bumiputera consumers buying products is shown in Figure 5. The Bumiputera consumers tend to choose services (80 per cent) in SMC, the two types of products that are popular among customers are electrical (63 per cent) and home appliances (62 per cent).

Based on past studies about ethnicity and its relation with the retailers, consumers tend to choose retailers who are from the same ethnic group (Eroglu, 2002). This reinforces the findings of the present study which showed that the dominant ethnic group in Seremban District also has the most number of retailers in retail area at SMC and vice versa. Findings from these studies also showed that there was ethnic cleavage in the distribution of retailer in terms of their ethnicity within the retail sectors in SMC. However, in this regard, the issue of balance is already in place in Seremban, where the participation of retailers according to ethnic group, is consistent with the size of its population size. In order to achieve the livable city that can give equality and equity among ethnic groups, the balance of ethnic involvement in the economy is important to keep the people comfortable, happy and prosperous. Based on the consistency of the Bumiputera retailers development over the past 33 years, we extrapolated that the quality of life of this group can be considered to be sustainable. In addition, this consistency in participation plays an important role in maintaining the culture, tradition and quality of life of the Bumiputera, as far as the availability of goods and services is concerned.

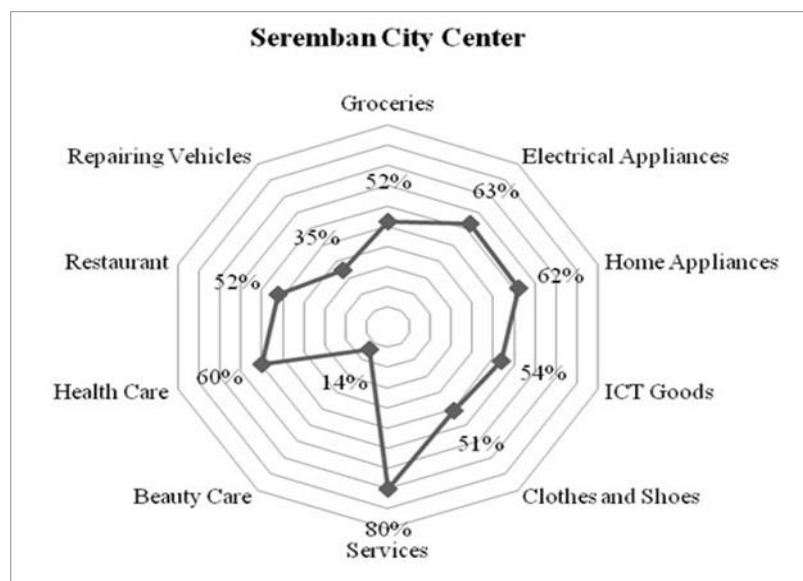


Figure 5: The tendency of Bumiputera consumers buying products in SMC

CONCLUSION

The results showed that retailers from each ethnic group increased alongside with the size of its population. Inequalities based on ethnic participation in retailing at the study area is appropriate to the proportion of the population. The largest population living in the Seremban district in terms of ethnic classification is Chinese. They attained highest participation in retailing sector at SMC. Based on the balance between the number of Bumiputera retailers, its population and the demand from its consumers, a trend which is also reflected on other ethnic groups, economic equality and equity among the different ethnic groups in the retail industry in SMC cannot be measured to gauge the livability of a city. Based on the finding, we concluded that the implementation of NEP approach is inappropriate in the study area. This situation requires more attention from city planners who should play a role in ensuring and also maintaining the livability and sustainability of Bumiputera retailers in the retail sector at SMC.

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