

CHAPTER 1

URBAN GROWTH AND DEVELOPMENT IN MALAYSIA

INTRODUCTION

Malaysia's modern urban growth, development and urbanisation experiences may be conveniently periodised into three major periods, based on the form, structure and functions of the urban centres. Urbanisation began as the founding of urban areas and urban growth during the British colonial rule, roughly covering the period 1887-1956. This was followed by urban growth, development and increasing urbanisation in the early years of independence, 1957-1969 (Hamzah Sendut 1962; 1965; Yeoh and Hirschman 1980), and urban explosion and urban areas as growth centres in the export industrialisation period, 1970-1997 (present).

Urbanisation During Colonial Rule

British colonialism helped found a modern urban system in Malaysia. Although one of the country's historical cities, Melaka, grew into a centre of world commerce in the fifteenth- early sixteenth century, this city-state failed to provide the impetus for a traditional system of urban centres. The urban centres set up by the British provided basic commercial, financial, social and administrative functions to strengthen and further the cause of British colonial exploits in the country. Port towns along the coast, resource based towns in the main tin mining areas in the Kinta and Klang valleys and rubber growing areas, and administrative centres grew mainly by immigration of Chinese from China and Indians from India for several decades in the pre-second world war years.

Urban growth after the war was sustained by internal natural population increase in the absence of new international immigration. The increase was due in part to rural to urban migrations, albeit small in number due to the limited urban opportunities for work, and largely to the relocation of some 573,000 people, mainly Chinese, in scattered rural areas into 'new villages' during the Emergency period (1948-1960) which were often counted as new urban centres in previous urban research in Malaysia (Sandhu 1964). At least three significant points emerge from this description of urban growth and development during the colonial period. First, these urban centres provide a system of urban centres for the independent government to utilise its development strategy for the country. Second, these urban centres left a legacy of an internal physical urban structure that required much attention to planning in order to make urban centres in line with the demand of contemporary urban living. Third, the colonial internal urban social

mosaic that tended to segregate the main ethnic groups into different areas of the individual urban centre doing clearly differentiated work required policies, strategies and programmes to deconstruct it in order to make the urban centres more sustainable according to contemporary requirements.

Urbanisation After Independence

The independence of Malaysia in 1957 and of both Sarawak and Sabah in 1963 brought new dimensions to the Malaysian urbanisation experiences. Major urban centres such as Kuala Lumpur, Georgetown and Johor Bahru became the destinations of urbanward flows of people, with some skill from rural labour surplus areas, who took up opportunities that had been left vacant by British personnel and emerging new jobs, some in the import substitution firms as well as in the commercial, financial and social sub-sector of the urban economy. Nevertheless, the pace of urbanisation in the 1957-1969 period was slower somewhat compared with the pace in the earlier period although the independent government's policy initiatives were to urbanise the people in an effort to modernise the country.

Past studies on the urbanisation process in the country have suggested that the slower pace of urbanisation during the period was due partly to rural urbanisation through massive rural land development undertaken by the FELDA and partly to the slower growth in urban job opportunities. Rural to urban migration of youths continued, that tended to strain the available urban physical infrastructures and amenities as well as social services. Symptoms of over-urbanisation in the form of spontaneous settlements, disguised unemployment and an involuted informal sector of the urban economy were evident. The internal urban structure and social mosaic of the colonial urbanism were further accentuated, thus exacerbating the already strained urban atmosphere. Indeed the urban circumstances in the 1960s were a planner's nightmare. The 1969 racial conflict, albeit confined to Kuala Lumpur-Petaling Jaya urban area, pointed sharply to the need to deconstruct the under-development of the cities and country (Saw 1972 ; Nagata 1974).

Urban Explosion in the Export Industrialisation Period

The Malaysian government pursued a deliberate urbanisation policy in the 1970's to the present period. At the national level the New Economic Policy was adopted. Having a two-pronged aim of restructuring the Malaysian society so that eventually economic activities and race are no longer interchangeable and to eradicate poverty irrespective of racial origin, the policy provided the basis for a more affirmative action to change the colonial urban structure for the next twenty years, 1970-1990, of development focus. In order to implement the policy successfully the

government had to create wealth for equitable distribution. This was possible in the early 1970's since during this period world development hinged on the globalisation of industrial production. If in the past industrial production had been confined to within a national boundary in countries in the traditional industrial core, in the late 1960's and 1970's onwards manufacturing production tended to be carried out in locations all over the world, especially in the countries in the developing regions. Malaysia positioned itself to take advantage of the changing world development.

The shift from internationalisation of economic development in the past to globalisation of development in the last few decades brings direct impacts on the Malaysian overall development and specifically on its urban system. Policy instruments prepare and open the country to direct foreign investments as well as to information, technology and culture (Mohamed Ariff and Yokoyama 1992). Foreign multinational corporations slowly make their presence in the Malaysian major cities at first and later they diffuse down the urban hierarchy into the medium and even smaller towns. The government in turn has prepared for the entry of the corporations by opening up industrial estates all over the country, especially along the western industrial corridor in Peninsular Malaysia. The export oriented industrialisation process has enabled the country to develop its economic strength. Sustained high economic growth in the last ten years has created the wealth for further socio-economic development in the urban areas and in the country.

The direct and indirect impacts of globalisation are noticeable in the rising level of urbanisation since 1970 (Pryor 1973; Hirschman 1976; Ooi 1976). Only about 27 per cent of the total 10.4 million population were urban in 1970. The level increased to 34 per cent (13.1 million population) in 1980 and to 50.6 per cent (17.5 million population) in the last population census, 1991 (Department of Statistics 1996a). Looking beyond the data, there must have been major urban explosions in the country for the level of urbanisation to have increased that fast in the last decade. An overt increase in economic opportunities has attracted more youths from the countryside to migrate to the cities. In addition, in the past two decades the major urban regions have attracted about two million foreign workers in the construction and low-paying service industries. Among the foreign workers are groups of professional expatriates making their sojourn in the cities. Physical expansion of individual major cities has pushed urban land uses to extend beyond the gazetted city boundaries, producing a continuous urban landscape which grows into the surrounding agricultural areas.

Mega urban regions arising from urban conurbation have emerged in the Klang Valley, in the Georgetown-Seberang Prai urban area, and in the Johor Bahru-Pasir Gudang urban corridor.

Other main regional cities have exploded too, sending urban land-use sprawling into the surrounding agricultural land. The combined effect is the conversion of more rural lands for urban-industrial complexes. The city structure and social mosaics are also changing fast. Mixed residential areas have altered the population distribution patterns in the cities. Meanwhile, in response to the increasing wealth, the city's commercial sector has adapted to the population need for planned shopping complexes. The original urban form founded during the colonial time is today overtly strained to adjust to the development and physical transformation of the cities following the expansion of manufacturing industries and population increase in the urban areas in the countries. The urban planners and managers have to respond to transformation.

LEVEL OF URBANISATION AND URBAN GROWTH , 1970-1997

Level of Urbanisation

Malaysia has experienced spectacular urban spatial transformations from 1970 to 1997. Not only have urban units increased in number, the larger urban centres have expanded outwards to burst out of their gazetted boundaries, to sprawl into the open spaces into the rural area. This expansion is in response to the increasing number of people coming to settle in the urban areas. Over the observation period the total Malaysian population has increased at the rate of around 2.8 per cent per year. Table 1 summarises the population growth at the state level (Department of Statistics 1996a).

Table 1.1: Population¹ by State, 1980, 1991, 1995 and 2000

State	Number ('000)					Average Annual Growth Rate (%)		
	1970*	1980	1991	1995	2000	1981-9	1991-95	1996-200
						1		0
Johor	1277	1,644.9	2,188.1	2,443.8	2,731.5	2.6	2.8	2.2
Kedah	955	1,120.6	1,371.3	1,482.1	1,605.2	1.8	1.9	1.6
Kelantan	686	897.8	1,227.0	1,376.1	1,561.5	2.8	2.9	2.5
Melaka	404	466.6	540.2	571.0	598.9	1.3	1.4	1.0
Negeri Sembilan	481	575.9	726.2	785.6	849.8	2.1	2.0	1.6
Pahang	505	802.2	1,079.6	1,189.6	1,319.1	2.7	2.4	2.1
Perak	1569	1,812.3	1,995.3	2,072.0	2,130.0	0.9	0.9	0.6
Perlis	121	148.8	190.7	209.1	230.7	2.3	2.3	2.0
Pulau Pinang	775	958.2	1,133.6	1,197.8	1,259.4	1.5	1.4	1.0
Sabah ²	650	1,055.1	1,867.4	2,389.0	3,136.8	5.2	6.2	5.4
Sarawak	977	1,351.1	1,723.8	1,885.2	2,064.9	2.2	2.2	1.8
Selangor	1631	1521.6	2,431.2	2,822.4	3,287.8	4.3	3.7	3.1
Terengganu	406	543.1	810.7	922.1	1,064.1	3.6	3.2	2.9
W.P. Kuala Lumpur	-	981.0	1,262.1	1,343.5	1,423.9	2.3	1.6	1.2
MALAYSIA	10,439.	13,879.	18,547.	20,689.	23,263.	2.6	2.7	2.3
	4	2	2	3	6			

Notes: 1 Population data refer to mid-year population

2 Includes Wilayah Persekutuan Labuan

Source: GOM 1996, Table 5-1, p. 139.

The state with the largest total population is Selangor, with Sabah trailing closely behind it while Perlis, Melaka and Negeri Sembilan have smaller populations. In terms of annual growth rate, Sabah population has been and will be the fastest growing, above 5.0 per cent since 1981-1991. Selangor is a close second. An important point arising from the data in the table revolves around the issue that the largely agricultural states such as Sabah and Kelantan have experienced a relatively higher population growth rate. However, the highly urbanised state of Selangor also records high growth rates.

The population distribution and growth rates by states above provide a useful background to view the changing level of urbanisation, as indicated by the proportion of people in urban areas, among the states in the country. Table 1.2 shows that the Malaysian population is increasingly urbanised. From about a quarter of the total population who were “urban” in 1970, the total increased to about half of the population in 1991. The level rose to around 55.0 per cent in 1995 and is expected to rise to 58.8 per cent in the year 2000.

Table 1.2: Urbanisation Level by State, 1980, 1991, 1995 and 2000

State	Urbanisation Level (%)					Average Annual Growth Rate of Urban Population (%)	
	1970 ³	1980	1991 ¹	1995	2000	6MP	7MP
Johor	26.3	35.2	48.0	51.8	56.4	4.6	4.0
Kedah	12.6	14.4	33.1	36.9	42.1	4.7	4.2
Kelantan	14.1	28.1	33.7	35.7	39.4	4.3	4.5
Melaka	25.1	23.4	39.4	44.0	49.8	4.1	3.5
Negeri Sembilan	21.6	32.6	42.5	44.7	47.6	3.3	2.8
Pahang	19.0	26.1	30.6	31.9	33.7	3.5	3.2
Perak	27.5	32.2	54.3	60.5	67.8	3.6	2.8
Perlis	-	8.9	26.7	30.4	35.3	5.5	5.0
Pulau Pinang	51.0	47.5	75.3	80.6	86.1	3.1	2.3
Sabah ²	16.9	19.9	32.8	35.2	38.2	7.9	7.1
Sarawak	15.5	18.0	38.0	43.4	50.5	5.6	4.8
Selangor	39.5	34.2	75.0	82.6	89.4	6.1	4.6
Terengganu	27.0	42.9	44.6	45.1	45.7	3.5	3.1
W.P. Kuala Lumpur	100.0	100.0	100.0	100.0	100.0	1.6	1.2
MALAYSIA	26.8	34.2	51.1	54.7	58.8	4.5	3.8

Notes: 1 Based on Population and Housing Census, 1991.

2 Includes Wilayah Persekutuan Labuan

3 Malaysia, Dept. of Statistics 1996a, Table 3.2, 9.

Source: GOM 1996, Table 5-7, p. 154.

At the second administrative level, the states of Selangor and Penang have emerged in recent years as the most urbanised, apart from the Federal Territory (Kuala Lumpur and Labuan), recording an urbanisation level of over 80%, which is the level of urbanisation normally associated with the developed countries. Kuala Lumpur in the Federal Territory is the seat of the Malaysian government and houses a range of specialised urban functions. Both Penang and Selangor are leaders in manufacturing and related industries in Malaysia. Least urbanised is Perlis, the smallest state in Malaysia, both in size and in population size. The largely agricultural states, such as Kedah, Kelantan, Sabah and Sarawak have less than 40.0 per cent of their population residing in the urban areas.

An insight into the relationship between the level of urbanisation and development is afforded by the information on gross domestic product for all the states (Table 1.3). Generally, the highly urbanised states have the highest gross domestic product per capita. Thus, Penang, Selangor and

Kuala Lumpur have among the highest GDP per capita. Terengganu is an exception. Although having among the highest GDP per capita the state has still a moderate level of urbanisation. The somewhat exceptionally high GDP per capita is attributed to the petroleum and related industries that have expanded since the 1970's.

Table 1.3: Gross Domestic Product by State, 1990-2000

State	Per Capita GDP (RM) (in 1978 prices)		
	1990	1995	2000
Johor	4080	5654	7831
Kedah	2612	3791	5423
Kelantan	1727	1988	2411
Melaka	3723	5439	7933
Negeri Sembilan	3744	5131	7315
Pahang	3648	4610	6067
Perak	3532	4808	6937
Perlis	2936	3764	5029
Pulau Pinang	5246	7789	10867
Sabah*	3695	3556	3720
Sarawak	3892	4656	5950
Selangor	6341	8687	11093
Terengganu	6993	8736	11209
Wilayah Persekutuan K. Lumpur	8501	11610	15329
MALAYSIA	4426	5815	7593

[* including Labuan Federal Territory]

Source: GOM 1996, Table 5-2, p.142, adapted.

Components of Urban Growth

It is clear from the tables above that the Malaysian urban centres have grown in population *vis-a-vis* the rural areas over the period of 1970-1997. The urban population expansion can be associated generally with increasing economic opportunities in these centres. Both the level of urbanisation and urban growth are the outcome of urban population change and urban areas boundary adjustments. Urban population change comprises both the natural increase of urban population, defined as the difference between fertility and mortality level, and the net population migration. Another important component in the urban population change is the adjustment made to city boundary from time to time to accommodate the changing urban land use over time. In the

urbanisation experience of Malaysia the three components have shown variable proportions in their influence over the urban population growth. Over the 1970-1980 census period, for example, the Malaysian urban population increased by about 1.5 million people. Out of that 56.1 per cent was from natural increase, 38.7 per cent from net boundary adjustments and 5.2 per cent from net migration. In contrast, despite the change in the definition of an urban area to include adjacent built-up areas the migration component is still important. From the total urban population change, i.e. about 3.4 million, 52.3 per cent was due to natural increase, 37.4 per cent from net urban boundary adjustments and 10.3 per cent from net migration (Department of Statistics 1996a, p.14). Of late urban population growth in Malaysia appears to depend largely on natural growth, implying a higher urban fertility which is somewhat different from the usual experience of urban population growth in the developed world during the time of major rural to urban population migration. The major urban population expansion during that time in those countries was not due to natural increase. In the Malaysian case the higher contribution from natural increase in the urban population growth could be partly attributed to the higher fertility of the earlier migrant households which have become urbanites during the observation periods.

There are marked variations in the components of urban growth at the level of the state. Since comprehensive information on the components of urban population growth is not available for all states in the country some illustrations will be drawn from states in the Peninsula. For urban areas in the states of Johor, Kedah, Kelantan, Melaka, Negri Sembilan, Pahang and Kuala Lumpur, more than 50.0 per cent of their urban population growth over the 1980-1991 period was due to natural population increase whereas for Perlis, Penang, Terengganu and Perak the urban population growth was made up of natural growth and urban reclassification. Meanwhile, the Selangor urban population growth was due to natural increase (37.0 per cent), net reclassification of urban boundaries (31.2 per cent) and net migration (31.8 per cent). Urban areas in both Sabah and Sarawak must have also increased due to natural growth and reclassification of urban areas. But it is possible that the migration component predominated since the two states have been experiencing heavy internal migration in the country. Planning needs should therefore be differentiated for those different urban growth components in the various states.

Urban Areas by Size Class

The distribution of urban areas by size class is of interest also to planners and to those who manage urban affairs. From Table 1.4 it can be seen that Malaysia had only one city with a total population of 500 thousands and above, that is Kuala Lumpur, by the 1980 and 1991 census dates. In 1970 it was still a relatively small city although it was at the time the largest city in the

country. In 1972 Kuala Lumpur was declared as the Federal Territory, housing the Federal Ministries and Departments. Its boundary was set and finalised to cover an area about 90 square kilometers. The boundary adjustments contributed to the sudden increase in its total population in the 1970s and in the subsequent decades.

The number of urban centres in the rest of the size categories increases over the 1980-1991. It is useful to note that the largest city had about 20.0 per cent of the total urban population in 1980, and that proportion declined to 13.0 per cent in 1991. The urban centres in the next population size class, 150-499 thousands contained slightly more than one-third of the total urban population in 1980, and the proportion increased to over two-fifths of the total urban population in 1991.

Table 1.4: Urban Centres by Population Size Class, Malaysia, 1980 and 1991

Population Size	1980		1991	
	Number of urban centres	Per cent distribution of urban population	Number of urban centres	Per cent distribution of urban population
500,000 and above	1	20	1	13
150,00 - 499,999	8	36	14	41
75,000 - 149,999	6	14	15	19
50,000 - 74,999	8	11	9	6
25,000 - 49,999	10	7	23	9
10,000 - 24,999	39	13	67	1
TOTAL	72	100	129	100

Source: Department of Statistics 1996a.

The census report on urbanisation and urban growth in Malaysia 1996 provides a break down of the urban distribution by size class by states for 1991. Selangor had the largest number of urban centres. Perak and Johor came next, with 18 each, while Penang had 12 and Kelantan 10 urban centres. The rest of the states had less than 10 urban centres with, as expected, Perlis having only one urban centre in the 25-49 thousands population size. Overall, the west coast states in Peninsular Malaysia have the most number of urban centres, i.e. 90 out of 129 in 1991,

suggesting therefore that urbanisation and development are more prevalent on the west coast region of the Peninsula.

Spatially, the urban centres are distributed unevenly following the overall population distribution in the country (Figure 1.1). From the figure more urban centres are found in the higher population density areas, such as the zone along the west coast and the Kelantan delta in the east of the Peninsula, and the coast of Sarawak and Sabah. The majority of these urban centres were founded during the British colonial time. These early towns have grown in size and importance over the years, some progressing to become state capital towns and the leading commercial centres at the state level.

Over the study period new towns emerged from settlements that have their population sizes crossing over the threshold to be included as 'urban', from newly built townships in areas previously without urban settlements and from the Regional Development Authority Areas (GOM 1976,1981). In contrast, there were among the earlier towns, which the British found, that had lost their economic base following the depletion of their resource base such as some of the settlements in tin mining areas in the early decades of the century. Some of these settlements had disappeared from the list of urban centres. By 1970 Malaysia had already a developed urban system, accessible to most people (Lim 1978). The urban centres were linked by transportation and communication systems, producing a network of urban centres that helped to distribute goods and services to the consumers at large.

One way to show the urban system is to arrange the individual centres hierarchically according to its population size. Figure 1.2 provides a visual distribution of these urban systems since 1911. To planners and urban managers the distribution of urban centres according to their size and rank in each of the system is useful to view the full range of the availability of urban centres in the various size categories. The preferred rank size distribution is said to be the log-normal distribution, where the size and rank of the population of the second largest city should be proportionate to the largest city, as one progresses down the distribution curve. Similarly one can go further down the hierarchy of urban centres until the smallest centre to observe the behaviour and well-being of the centres from their sizes in the service of the communities. From the distribution one can detect the state of primacy of Kuala Lumpur. The primacy allows the observer to gauge whether Kuala Lumpur has the tendency to grow too large at the expense of the other urban centres. The rank size distribution also allows for the detection of the shortage of urban centres in certain size groups. The lack of urban centres may signal some deficiencies of access to goods and services and more importantly to the source of information

and innovations for initiating development for populations in some sub-urban regions.

From the diagram earlier it is clear that Kuala Lumpur does not stand out as a primate city relative to the second, third, fourth and fifth largest city. Urban management groups should find the study of urban primacy useful in monitoring whether the largest city in a country is growing exceptionally large, suggesting that it uses the bulk of any development allocation in the country. A simple but useful way to look into the primacy issues is to study the primacy index of the city. From Table 1.5 the primacy of Kuala Lumpur is increasingly getting bigger relative to the second largest city in the country, i.e. from 1.7 in 1970 to 3.3 in 1980 and to 3.0 in 1991 census. However, the primacy of Kuala Lumpur becomes less dominant when the city population is compared with the combined population of either the second, third and fourth largest city or with the combined total population of the second, third, fourth and fifth largest city. The trend in the various primacy indices implies that as opportunities expand in Kuala Lumpur over the study period opportunities also expands in the other urban centres. That there has been decentralisation of development down the hierarchy of urban centres has certainly prevented Kuala Lumpur from becoming an overtly large city drawing most of the growth and development promotion activities.

Part of the explanation to this trend is the fact that the Malaysian regional development policies since 1970 have been based on the concept of growth centres. Through this concept, the Malaysian urban system is restructured to allow for more orderly industrial growth throughout the urban hierarchy. Thus, Kuala Lumpur has been designated to be the national growth pole while Georgetown-Bayan Lepas-Prai and Johor Bahru-Pasir Gudang are the counter poles for the northern and southern regions, respectively. In addition to this, Kuala Lumpur is bounded by an area of 243 square kilometres that limits physical growth. New towns in the outlying areas have absorbed the growth and prevented the overt concentration of people in the city. Political decree and sound administrative procedures have together ensured the success of the growth centres concept. However, the primacy indices conceal the actual dynamism of Kuala Lumpur. The huge urban conurbation in the Klang Valley, of which Kuala Lumpur is a part, causes excessive commuting flows daily into and out of Kuala Lumpur with its attendant environmental problems.

Table 1.5: The Primacy of Kuala Lumpur

Primacy Index	Year		
	1970	19880	1991
$P_1 : P_2$	1.7	3.1	3.0

P ₁ : P ₂ , P ₃ , P ₄ ,	0.7	1.2	1.2
P ₁ : P ₂ , P ₃ , P ₄ , P ₅	0.6	0.9	0.9

The primacy of the largest city at the sub-region, that is at the level of the second administrative tier of the country, the state, however is more pronounced in some of the states and less so in the other. The situation suggests that the largest towns in most of the states in the country have grown too fast relative to their second and third largest urban areas, suggesting that development efforts at the state levels have tended to be concentrated in the largest town. This state of affairs is to be expected since the largest towns are also the seat of the state governments and therefore they become the foci of other developmental pursuits of the states. Of particular interest to note is the primacy of the largest town in the state of Negeri Sembilan. The primacy of the state capital has become more acute over the study period. Being in the southern edge of the booming Klang Valley the state capital, Seremban, has the cumulative locational advantage to draw in development projects. The other urban centres in the state have lagged in development. In contrast the states of Selangor and Perak afford a different example. The primacy of their largest towns has declined over the study period. Selangor in particular, being the industrial hub of the country, is able to allocate some development projects to urban centres down the urban hierarchy. This has reduced the possibility of the more established Klang town to grow at the expense of other urban centres. Similarly, Ipoh in Perak and Kota Kinabalu in Sabah have to share some of the industrial development projects with the other major urban centres such as Taiping in north Perak and Sandakan and Tawau in Sabah. The rest of the state capitals are also growing in step with their second and third largest towns.

Urbanisation, Urban Development and Industrialisation

The manner that urbanisation, urban growth and urban distribution in the country has taken shape over the years owes in part, as stated in the introduction, to the historical evolution of urban centres and partly to the changing factors influencing urban growth and urbanisation, especially in the last twenty seven years. While British colonialism helped to found the basic internal structure of cities and the overall urban system, the subsequent development undertakings by the independent government have made initial adjustments to the basic internal city structure and urban system. In the study period development policies, strategies, programmes and economic activities that have been undertaken bring a wider transformation to the individual urban centre and the urban system as a whole.

The opportunity to undertake full scale development emerges against a background of a changing world economic order (Robertson 1992). Production of goods and services have become more internationalised. The new economic order gives precedence to new patterns of international investment flows, the increasing role of multinational corporations and the rise of trans-national companies that come to set up their production of industrial goods in countries away from their own countries of origin in the developed countries. Malaysia, like many of the countries in the Asia-Pacific region, aligned itself to the international economic order to take advantage of the available opportunities. Through these opportunities the country has placed its hope for wealth creation that is necessary to eradicate the widespread poverty and uneven development socially, economically and spatially in the country. The detailed strategies, programmes and activities to move the economy are shaped from the New Economic Policy, an affirmative policy to bring about a truly developed and harmonious Malaysian society. Malaysia positions herself as from the 1970's to participate in the new international division of labour. In the past the country was the supplier of industrial raw materials for the industries in the West in context of the old international division of labour. However, in the study period Malaysia participates in the new international division of labour, which opens possibilities for her to mobilise her abundant supply of labour with some skills to engage in the production of manufactured goods for export. Her manufacturing industries use investment and technology from the developed countries through the multinational corporations. Local corporations soon follow to contribute to the industrial development.

In the new international division of labour the multinational corporations provide the know-how, the manufacturing tools and the marketing network. In turn the Malaysian government prepares the country in such a way that it becomes attractive for the multinationals to come and invest, including the preparation of industrial estates, upgrading of infrastructures and amenities, the liberalisation of trade practices, and financial reforms. Both the government and the multinational corporations have developed a level of understanding to ensure that both sides benefit from the investments.

The industrial development and expansion in the country are closely related to the transformations of urban areas in the country. In response to the multinational corporations' needs, which initially requires industries to locate in major urban areas where the basic infrastructures are already available and later moving to urban places down the urban hierarchy, the government chooses to leverage the development efforts through the urban centres. The decentralisation of industries are possible to carry out conceptually as the Malaysian government attempts to develop her regions through the use of growth centre strategy (Taylor and Ward

1994). Table 1.6 shows that the Malaysian urban system is being re-arranged in line with the growth centre concept. Thus, the development strategies, programmes and activities to be attracted to Kuala Lumpur are commensurate with the Kuala Lumpur function as the national growth centre (Kamal Salih 1975). In order to prevent the development of Kuala Lumpur into a run-away primate city and thereby accumulating all wealth creation within its precinct, the regional policy suggests the development of Penang and Johor Bahru as the respective second tier growth centres for the northern and southern region respectively. Further down the urban hierarchy the rest of the states' capitals are to be the sub-regional centres, while smaller urban centres are to be the local centres.

In practical terms, building on the initial locational advantages of Kuala Lumpur, Penang and Johor Bahru that had been the bases for import substitution industries in earlier decades, more attractive support facilities therein are able to draw new industries. Kuala Lumpur and the other towns in its vicinity have become the main attraction of more recent industries. Slightly later, some of the new industries were pushed to Penang and Johor Bahru. Over the years further expansion of industrial estates was brought to urban places down the urban hierarchy, especially along the western industrial corridor stretching from Perlis to Johor Bahru along the west coast of the Peninsula. There was a need to concentrate the industries along the western corridor initially in order to maximise the existing somewhat limited facilities and amenities which would be otherwise thinly distributed all over the country. Later, industries were distributed to the eastern industrial corridor in the Peninsula, in Sarawak and Sabah.

Table 1.6: Rationalised Growth Centres in Malaysia: As Outlined in the Second Malaysia Plan

Centres	Existing Urban Centres
National Growth Pole First Order Centres Second Order Centres Third Order Centres (10,000 & above)	Kuala Lumpur Penang, Johor Baharu, Ipoh Alor Star, Taiping, Klang, Shah Alam, Seremban, Melaka, Muar, Batu Pahat, Kluang, Kuantan, Kuala Terengganu, Kota Bharu, Kuching, Kota Kinabalu. <i>Other large district capitals:</i> e.g. Sungai Petani, Kulim, Kuala Pilah, Segamat, Temerloh-Mentakab, Cukai, Dungun, Pasir Mas.
Planning for: Rural Growth Centres New Growth Centres Peninsular Malaysia - Sarawak Sabah	Village groupings Regional Development Authority Pahang Tenggara (DARA) Johor Tenggara Terengganu Tengah Kelantan (Ulu) Jengka Triangle (FELDA, Pahang) Miri-Bintulu (Sarawak) Increasing Cohesion

Source: GOM 1971 - Regional Development.

Some insight into the distributions of the industries may be gauged from Figure 1.3 (Abdul Samad Hadi and Mohd. Yaakub Johari 1996). The main concentration of the industries is certainly in the Kuala Lumpur - Port Klang urban conurbation. Two slightly smaller industrial concentrations are in the Penang-Prai-South Kedah emerging urban complex and the Johor Bahru-Pasir Gudang urban areas. Industries are now found not only in the regional centres but also in the local centres. Furthermore, over the study period rural growth centres are founded

especially in the Regional Development Authority Areas. What is more significant to note is the planning to bring the Peninsula into more cohesion with Sabah and Sarawak.

The regional strategy for urban development outlined in the early seventies, as has been outlined in the Second Malaysian Plan, was further refined in the Third Malaysian Plan (Table 7). The Peninsula was divided into four major regions so that there would be more co-operation in development of resources on state boundaries. Thus, the states of Kelantan, Terengganu and Pahang form the east coast region, Negeri Sembilan, Selangor, the central region, Perak, Kedah, Penang, Perlis the northern region, and Johor and Melaka the southern region. As can be seen efforts carried out during the 1970's increased urban densities in areas that were hitherto lacking in urban areas and urban linkages between certain smaller urban centres with the main towns and cities. The further urban expansion efforts have certainly increased attention to urban development and urban interactions within the Peninsula and between the Peninsula and Sarawak and Sabah. Going hand in hand with the urban development is the attention given to planning of large urban areas such as the completion of a master plan for the Klang Valley, Miri-Bintulu in Sarawak and South Johor. Planning for other areas is in progress.

In the 1980's planning that had relevance to urban development and expansion centred on the founding of new towns (Table 1.8), upgrading and improvement of large urban centres such as urban renewal (Table 1.9). From Table 1.8 at least five main types of new towns have been recognised, namely new towns within cities such as the building of new towns within Kuala Lumpur; new towns on the fringes of large cities; new towns in rural areas especially in resource frontier regions, and new towns based on specific resource such as petroleum. The new towns within large cities are meant to help disperse urban functions and population away from the congested central city area of major urban centres to the new lower density new towns. The new towns on the fringes of large cities are to help divert population concentrations away from the established major cities to new underdeveloped areas. Such towns include Bangi New Town and Shah Alam in the Klang Valley, Bayan Baru in Penang, and Senai in Johor Bahru. These towns by and large have prospered to help extend the urban land use into the once rural agricultural areas. New town in rural areas, however, are meant to provide resource frontier areas with growth centres that can bring growth to the region. The new towns based on specific resources are growing fast to mature as towns complete with the basic urban functions. The Kerteh new town in Terengganu has the ambience of an international urban centre as parts of its workforce consist of skilled expatriates in the field of petroleum.

Structure plans for major cities were also prepared during the study period. These structure plans were meant to streamline city development so that urban land use was properly assigned to

specific areas within a city. Through the structure plans haphazard internal city development could be avoided, thus ensuring the sustainability of the city functions.

By the end of 1980's more plans had been implemented to promote the increase of urban linkages. In Table 1.9, for example, more attention has been given to upgrade urban functions and services in areas that have experienced slower urban development. It is noticed too that urban development in fringes of major urban areas appears to continue. Urban renewal programmes are to continue in six regional development centres, namely Kuala Lumpur, Georgetown, Johor Bahru, Ipoh, Kuching and Kota Kinabalu. More importantly, if previously attention seems to have been given more to the Peninsular urban centres in the Fifth Malaysia Plan (1991-1995), Kota Kinabalu and Kuching are to be upgraded in order that they will play their regional growth centre roles more fully. Industrial estates are slowly shifting to these Sabah and Sarawak largest urban centres.

Table 1.7: Urban Development Strategy Third Malaysia Plan, 1976-1980

Regions	Further Rationalisation of Urban Centres
1. East Coast Peninsular Malaysia	a) Kuantan - regional centre for Pahang, Kelantan and Terengganu. b) Increasing urban density in east coast. Increasing linkages. Machang - Tanah Merah. Kuala Krai - Pasir Puteh. Jeli - Gua Musang, Kelantan. Raub, Jerantut, Maran Bukit Ridan, Kuala Rompin, Pahang. Durian Mas, Cukai - Terengganu - Pekan Pahang.
2. Central Region Negeri Sembilan, Selangor, Melaka	a) Strong linkage in this region centering on Kuala Lumpur b) Increasing links for: Kuala Pilah - Bahau, Negeri Sembilan. Negeri Sembilan - Tanjung Malim, Perak.
3. Northern Region Perak, Pahang, Perlis	a) Georgetown has developed linkages. <ul style="list-style-type: none"> • High density urban centres from Georgetown to Ipoh, to Bidor • North to Sungai Petani and north to Alor Setar and Kangar. b) With the Muda Irrigation project as hinterland, Sungai Petani, Kangar, Arau, Beseeri in Perlis. Baling - Grik on Kedah - Perak border as small regional centre. Southern part, Teluk Anson, Lumut/Sitiawan.
4. Southern Region Johor, Melaka	a) Johor Bahru as regional centre. <ul style="list-style-type: none"> • Linkages with Batu Pahat, Muar, Kluang, Kulai. • To the north and east centralising development on Mersing, Janduang, Segamat.
Development of Master Plans <i>Completed:</i> Klang Valley & Penang Southeast Pahang Southeast Johor Kelantan Central Terengganu East Negeri Sembilan Miri - Bintulu South - Johor <i>In Progress:</i> South Perak, North Perak Outside Klang Valley, Kuantan - Tanjung Gelang Sabah	<ul style="list-style-type: none"> • urban • resource • resource • resource • resource • resource • urban/industry • urban industry

Source: GOM 1976, Regional Development.

Table 1.8: Continuing Urban Development During the fourth Malaysia Plan, 1981-1985

Type of Urban Development	Types of New Towns	Function
1. New towns	a) New towns within cities: Kuala Lumpur Hawthornden Bukit Jalil Penchala/Segambut Sentul Bandar Tun Abdul Razak b) New towns on fringes of major towns: Bangi, Shah Alam, Subang - close to Kuala Lumpur. Bayan Baru; Penang Senai, Johor Baharu c) New towns in rural area: New towns in Regional Development Authority area/FELDA e.g. New towns in Jengka Triangle, Southeast Pahang, Southeast Johor, Central Terengganu, Inland Kelantan. d) New towns based on: Petroleum e.g. Kerteh - Paka in Terengganu.	<ul style="list-style-type: none"> • Built - upon existing towns/settlements. • To solve existing housing problems. • Decentralising urban functions form CBD area. • 10 - 30 km from city centre. • Industries • Resource development • Rural characteristics • Facilities for expatriates
1985 Structure Plans	Completed for Kuala Lumpur, Johor Baharu, Seberang Perai, Seremban, Kuala Terengganu. In preparation: Kota Kinabalu.	

Source: GOM 1981, Regional Development.

Table 1.9: More Urban Strategies and Programmes
Fifth Malaysia Plan, 1986-1990

A. Urban Development by Regions	
1. Northern Regions	<p>Slower urban development due to outmigration of workers from the region</p> <ul style="list-style-type: none"> a) Georgetown - Increasing concentration due to port and completion of Penang Bridge. b) Ipoh - Upgrading function and service to complement Georgetown.
2. Central Region	<p>Most urbanised (63% urban population)</p> <ul style="list-style-type: none"> a) Kuala Lumpur: slowing down. b) Klang, Shah Alam, Bangi - faster growth.
3. Eastern Region	<p>Expected faster urban growth; above national average.</p> <ul style="list-style-type: none"> a) Urban centres in Terengganu,, Kuala Terengganu - continuing growth. Paka-Cukai, hub of petroleum based industries. b) Kota Bharu - continuing growth. Gua Musang, Jeli, Kuala Krai, Tanah Merah -growing.
4. Southern Region	<ul style="list-style-type: none"> a) Urban development in the fringes of Johor Bharu; links to Pasir Gudang Port. b) Segamat, to grow from Kuantan - Segamat highway.
5. Sabah	<ul style="list-style-type: none"> a) Development of urban centres. b) Developing linkages for Kota Kinabalu, Sandakan, Tawau.
6. Sarawak	<ul style="list-style-type: none"> a) Kuching continuing development. More linkage with other towns. b) Upgrading Bintulu as industrial centre. More higher order goods and services. c) Kota Kinabalu - Kuching - upgrading as regional growth centres. More intergration with the Peninsular through trade.

B. Related Strategies Affecting Urban Development	
1. Structure Plans for cities	All state capitals have their structure plans by 1990.
2. National Agriculture Policy (NAP) 1984	Modernising further agriculture. Commercial based agriculture.
3. Industrial Master Plan (IMP) 1986	<ul style="list-style-type: none"> • Industrial corridor • Selected industries
4. Towards National Urban Policy	To provide an integrated urban development plan with defined roles and functions for urban centres according to their size categories, their economic linkages with other towns.
5. Specific Programmes	<ul style="list-style-type: none"> • Development of satellite towns. • Urban renewal in six regional development centres, namely Kuala Lumpur, Georgetown, Johor Baharu, Ipoh, Kuching, Kota Kinabalu. • Pan Borneo Highway to link Kota Kinabalu with Kuching.
6. A shift in regional and urban development strategy	From 'place prosperity' to 'people prosperity'. Identification of suitable urban centres for development and to redistribute migrants, away from the Klang Valley.

Source: GOM 1986, 224-226.

In the nineties, through the Sixth and Seventh Malaysia Plans, urban development continues to be carried out as have been outlined in the earlier Plans. As more industries are added urban centres grow and expand. Thus, by 1997 at the macrolevel the Malaysian space economy is able to support a widespread urban centre network throughout the country. Excepting communities in remote rural areas in Sarawak and Sabah whose number is relatively small, the bulk of the Malaysian people are found close to growth centres for easy access to basic goods and services, growth promoting activities and innovations. In the meantime, as stated much earlier, towns in the higher urban density areas such as the Klang Valley have grown and expanded outwards to each other to form a huge urban regional complex stretching from the mountain range in the eastern

part to Port Klang on the coast of the Straits of Melaka. Minor urban complexes are to be found now in all states centring on the state capitals and also other large towns. At the microlevel the internal structure of an individual city is also being transformed very fast. Internal urban land uses are changing to accommodate the changing urban economy and the inflow of more people to come to become urbanites. The original internal city founded during the British colonial time, although slowly modified as development proceeds in the major urban centres in past decades, has become too constricted to cope with the voluminous people and vehicles in the industrial urban areas.

All these changes at the macro- and micro-level of the urban areas have direct impacts on the urban environment and the ensuing urban issues are directly relevant to the urban managers.

Urban Explosion, Migrant Labour and Professional Workers

Implicit in the expansion of industrial firms in the country is the movement of people, especially labour. In the increasing globalisation of economic development three types of migrant flows are influencing the growth of urban centres in Malaysia. These are; the continual outflow of rural, small town and inter-state labour to the cities; the immigration of workers from the neighbouring countries, both legal and illegal, and the rising size of professional expatriates. With respect to internal labour flows, two major movement types are easily distinguished. They are those people who have left their rural and small town homes to work and live in the major urban centres, and those who commute daily from their homes in the rural areas and small towns to the industrial estates. Extracts of information from the 1991 Population Census and the migration sample survey 1996 give some dimensions of the rural-urban labour flows. According to the census in 1991, from the 17.5 million total Malaysian population, about 2.3 million (about 14 per cent) have been classified as migrants. From that about 1.1 million are involved in state-state flows which can be broken down into 55.0 per cent urban-urban flows, 16.1 rural-urban, 18.5 per cent urban-rural and 10.4 per cent rural-rural flows. In contrast, the migration sample survey 1996 found that from samples of 56 776 living quarters, about 5.0 per cent of the sample were migrants. Out of that 21.6 per cent of the internal migrant flows were urban-urban, 20.8 per cent rural-urban, 20.7 per cent urban-rural and 36.9 per cent rural-rural. Excepting the rural-rural flows the rest of the flows involve the urban centres in the country (Department of Statistics 1996b). Implicit in the data, albeit a small proportion of the sampled people, is the constant shifting of labour in and out of urban areas as well as rural settlements.

The labour flows from the Population Census and the migration sample survey record people who have shifted their homes. It is highly visible to any observer that a great proportion of labour commutes from their homes in the villages and small towns to the cities especially to the

industrial centres. Factory buses ferry these workers throughout the day according to the firm requirements.

Examining next the inflows of international labour to the country, comprehensive data is somewhat elusive as many of the workers have entered the country illegally. The 1991 Population Census recorded about 2.0 per cent of the 17.5 million total Malaysian population as external / international people. In the 1996 migration sample survey, 15.1 per cent from the total estimated migrants in the country (that is about 5.0 per cent of the total population at 20.6 million) were international migrants. If this figure for international migrants is to include the illegal migrants the number would certainly be larger. Studies on these international migrant labour in the country have suggested the majority of them are found working in specific sectors of the urban economy such as the construction sector, domestic and services (Pillai 1995). The presence of these migrants have certainly increased strains on urban infrastructures and amenities in the country, a problem urban managers have to grapple with.

In turn, the presence of professional expatriates provides another dimension to the migration component of urban growth in the country. Although the flow of professional expatriates into the country has taken place since the time of the British colonial time, in the last twenty seven years Malaysia has become accustomed to having professionals from a number of countries, especially the industrialised countries, as business partners to the national economic developments. These people hold senior posts in their respective firms, others as academics and consultants. As an illustration, a quick look at 917 Japanese companies operating in the countries in 1996, it is found that there were 953 top executives serving those firms, 619 were Japanese and the rest Malaysians and others (Wesley 1996). These professionals are based in the major urban areas which contribute to the increase in the pressure on the urban managers to supply appropriate amenities, infrastructures and services in the urban areas.

The Larger Urban Centres in Malaysia

Materials presented in earlier sections point to the increasing concentrations of economic projects and their related support activities to the main growth centres in the country, which are essentially the federal capital and the state capital cities. From the material in Table 1.10 it is noticed that the ten largest cities in the Peninsula have grown variably over the last 1970-1991 census period. The growth of these towns are influenced by the three components of urban growth, namely urban population natural increase, net urban boundary adjustments and net population migration discussed earlier. Georgetown, in particular, however, has been registering negative population growth for the two periods. Being the oldest city Georgetown has seen subsequent expansion

taking place beyond its boundary especially in the new towns and industrial centres from Bayan Lepas to Prai - Butterworth. In turn the capital city of Perak, Ipoh, had a slow growth in 1970-1980. As its economic base started to dwindle Ipoh began to be less attractive to the job seekers. Other cities grew at a high rate especially Kota Bharu , Kuantan and Kuala Terengganu partly due to net boundary adjustments. By 1980-1991 Kuala Lumpur had settled to grow at a much slower rate as it had to depend mainly on natural increase. The patterns of growth among the ten largest urban areas in the Peninsula illustrate the urban dynamics that the urban managers have to grapple with.

Table 1.10: Population and Rates of Change of Major Metropolitan Towns, Peninsular Malaysia, 1970 - 1991

Metropolitan Town	Population (thousands)			Average Annual Growth Rates (per cent)	
	1970	1980	1991	1970-80	1980-91
Kuala Lumpur	451.8	919.6	1,145.3	7.1	2.0
Ipoh	248.0	293.8	468.3	1.7	4.2
Johor Bahru	136.2	246.4	441.7	5.9	5.3
Klang	113.6	192.1	368.4	5.2	5.9
Petaling Jaya	92.7	207.8	351.0	8.1	4.8
Kota Bharu	55.1	167.9	234.6	11.1	3.0
Kuala Terengganu	53.3	180.3	228.1	12.2	2.1
Georgetown	269.2	248.2	219.6	-0.8	-1.1
Kuantan	43.3	131.5	202.4	11.1	3.9
Seremban	80.9	132.9	193.2	5.0	3.4

Source: Department of Statistics 1996a.

SUSTAINABLE URBANISATION AND FUTURE URBAN DEVELOPMENT

During the 1970-1997 period development debate generally has shifted from the earlier preoccupation with how to bring development to the developing countries to the question of sustainable development. Despite that its application to urbanisation and urban development is still somewhat fragmentary. The concept of sustainability for urbanisation is practical and useful. There is a strong assertion in the debate that urbanisation is a major contributor to unsustainable development of many developing countries. There is the tendency in those countries that urbanisation proceeds in a situation of acute under-development. Thus, the urbanisation process

tends to create more unsettling urban problems. More resources have to be used to maintain the process and a lot of urban wastes, for example, are produced, making it difficult for urban managers to move the urban centres for the national development. For other developing countries urbanisation has been instrumental in carrying forward the national development process. For Malaysia the national development strategies during the period, as stated earlier, have been structured around urban based industrial growth.

A main concern for Malaysia is to sustain urbanisation and urban development in order to achieve sustainable development so that by the year 2020 Malaysia can stand as a developed country pinning its economic sustainability on expanding manufacturing industries. To this end there is an underlying concern therefore, to ensure that the Malaysian cities should continue to lead in a further quest for development. At the same time there is concern, in particular, to manage lingering urban problems which were the outcome of the urbanisation process during the period of under-development decades before, lest the problems will slow down the city development that in turn slow other development pursuits. There is concern to continue to eradicate poverty, especially in the major urban areas, to provide for the less fortunate and the overall concerns for quality urban life. At least five main factors provide the basic component of urban sustainability in Malaysia, namely the demographic, economic, social and environmental considerations.

Demographic Considerations

With regard to demography, it has been amply illustrated in earlier sections that more Malaysians are making urban areas their homes. If people who work in urban areas but stay in rural settlements are included with those already in urban areas and those living in built-up areas in the urban periphery, then the number of Malaysians exposed to urban lifestyle is indeed large. Their needs are certainly different compared to rural people which the urban managers have to administer.

Malaysian urban centres have the capacity to absorb urban job seekers into the various urban economic sectors during the period given that the Malaysian economy has been growing at an average of 6.7 per cent per year. In fact because the country has been enjoying full employment for the entire period of observation, foreign labour has been recruited to make up the labour shortage. The urban informal sector still provides an avenue for those less able to participate in the urban economy. The presence of this sector in the growing number of corporations is certainly challenging to the urban managers.

Economic, Political and Social Considerations

Despite the high rate of economic growth during the study period poverty remains an issue among a portion of the rural and urban people. Since independence the Malaysian government has been focusing its efforts on poverty eradication. It is useful to note that poverty has declined further in the country from 16.5 per cent in 1990 to 8.9 per cent in 1995. That means the total number of poor households has declined from 574,500 in 1990 to 370,000 in 1995. If foreigners are included, then the figure for those under the poverty line is 17.1 per cent in 1990 and that total has declined to 9.6 per cent in 1995. More people under the poverty line are in the rural areas. Urban managers have to consider these people in their management of the urban areas since urbanisation may transfer them to the urban areas in the future, thus making them an urban issue (GOM 1996).

When poverty in the urban areas is considered it is heartening to note that in 1970 there were 82000 poor households in the urban areas, giving a poverty rate of 7.1 per cent. In 1995, while the rate decreased to 3.7 per cent, the number of households increased to 84.6 thousand. The urban managers have still to give proper attention to them. In recent years as the Malaysian economy continues to progress more attention is given towards the very poor group whose monthly earnings are about half of the poor households. In 1990 there were 15.5 thousand very poor households, giving a rate of 1.3 per cent, while in 1995 the rate was 0.8 per cent with household total of 19.2 thousand. These groups of people have special needs that the urban authorities have to provide. If neglected they may hamper the smooth running of activities towards sustainable urban development.

A special concern of the urban planners and managers is the presence of the poor foreign households. At one level the mere presence of the foreigners amidst the Malaysian urbanites has to be managed. Since the majority of the international migrant workers are in the somewhat low paying occupations their needs are specific, such as proper affordable housing. The task of the urban manager is to ascertain that these people do not contribute to unnecessary burden to the city.

The professional expatriates, on the other hand, have different needs with respect to housing, amenities, infrastructures and recreation. In order to attract them and their economic ventures to continue supporting the city, the urban manager has also to look into their welfare that is appropriate to their position.

Housing

Malaysia has been pursuing a commendable strategy to provide sufficient housing for all families at their appropriate level of ability to pay for them. Special attention is, of course, needed to provide low cost housing for the low income earners and also for those under the poverty line. The public housing programme has built low cost public housing, offering site and amenities for those people to build on at their own affordable price and upgrading of old and dilapidated houses. The private sector has also come forward to participate in housing development in major urban areas including in new towns. Their preoccupation is largely of building medium and high cost houses to meet the ever growing demands in the open market. The low cost housing, being priced at RM 25000, has remained a burden since not many developers are willing to put their resources towards the project for the obvious reason of low return to their investments compared to the medium and high cost houses (GOM 1996).

During the period of the 1991-1995 (GOM 1991) 573,000 units of new houses were planned, and 647,460 units were built. The private sector built a total of 562,718 units. A total of 386,074 units medium and high cost houses were completed, giving a 168.4 per cent achievement from the target. In contrast a total of 261,386 units of low cost house were completed, giving about 76.0 per cent achievement from the target. From the total units of low cost houses completed, the private sector contributed 214,889 units. In addition, 131,325 units of houses were built under the special low cost housing scheme, in which the public sector built 46,497 houses (i.e. 36.7 per cent from target, the rest was constructed by state governments and by the various government agencies).

At the present rate of urbanisation Malaysia has to continue to provide housing for new families. It is planned that for the 1996-2000 period 800,000 more houses have to be built, of which 740 thousand units are new houses, 60,000 units for replacements, 35,000 for poor people, 200 thousand units for low cost housing, 350 thousand units for low-medium houses, 1300 medium cost and 85,000 units high cost. The private sector is to build 71.3 per cent (570,000 units). Despite all the efforts at providing the people with appropriate housing the urban managers have to find solutions to squatter settlements which seem to have increased in number in urban areas especially in the states that are still undergoing fast urbanisation such as Sabah and Sarawak and in the major urban areas. The presence of illegal foreign workers in the country is another potential contributor to the increase in size of squatter settlements in major urban centres in the country.

During the period sustained political stability has ensured continuous high economic growth. This has made it possible for wealth accumulation that partly provides for the necessary funding

of urban development. The urbanites are made more accessible to financial resource, better health facilities and to recreational sports. The social programmes of the government are to continue with the creation of a caring society. This is important since the continuous high economic growth and rising prosperity the urban areas have to grapple with other dimensions of urban problems. These problems are related to youths, family and the general welfare of the communities, all of which have to managed lest they weaken the sustainability of the cities and towns. To continue sustaining the country's economic growth is imperative in order to ensure the sustainability of the urban centres. Thus, a further transformation of the economy is urgently required as the past approach to development through labour intensive industrialisation has begun to falter under the present circumstances of the globalisation of development. Malaysia is poised to move into the high value added economic activities and globalising its industrial development. The urban areas still remain the thrust of industrialisation.

Environment

With respect to environmental considerations, later sections will deal with them in greater detail. Suffice to state here that increasing urbanisation has produced greater challenges to urban managers to make the urban environment sustainably liveable.

Overall, Malaysia transformed itself from a mere backwater to a modern and fast developing country. The globalisation of development has made it possible for the country to industrialise and become parts of the global intricate networks of industrial producers-consumers. Industrialisation has enabled the country to accumulate the necessary wealth to modernise and develop the people. Urban areas become the focal points to leverage the development of the country. The Malaysian urban centres then become the scene of overt changes epitomising the total transformation of the country. For this reason urban management has to move to central stage to ensure the welfare of the whole country.

Figure 1.1: Distribution of urban centres (10,000 and above) 1991.

Figure 1.2: Rank-size urban distribution for the largest 25 cities in Malaysia, 1911-1991.

Figure 1.3: Locations of the main office of selected foreign companies.
Source: Abdul Samad & Mohd Yaakob Johari 1996.

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