INTRODUCTION
In my presentation, I would be facing a difficult task of having to weave together four integrated and overlapping intellectual domains that permeate the exploration of the issue of the interacting nexus of the urbanisation transition and its influence on the relationship between market, government and society in Malaysia. First, I want to discuss the issue of my engagement as a foreign researcher with Malaysian society and how this has positioned both my academic life and this presentation. In the second part I focus on the relationships between development and urbanisation and in terms of the theoretical paradigms of transition theory. Thirdly I explore the main ideas that will influence the relationship between urbanisation and development at the level of the global order in the 21st century. Finally I tease out the implications of the changing urban condition of Malaysia to what I believe is a necessary repositioning of the state, market and society in 21st century.

PART ONE: ENGAGING MALAYSIA
To begin with let me stress that this presentation is very much a work in progress and I welcome any comments you might have. I must admit to feeling quite insecure in talking to you about the effects of the rapid urbanisation on society, government and the market in Malaysia that is the theme of this meeting. The majority of my academic research has been in the field of comparative urbanisation in developing countries of Asia, Latin America and the Pacific. Most of my published research is in this field. Thus, I do not regard myself as “Malaysianist.” Rather I think of myself as a “comparative urbanist.” The exploration of the “urban condition” is my intellectual passion and starting point for most of my research. The time I have spent in Malaysia has been only a small part of the 55 years of my academic life. But my experience and research in Malaysia has been absolutely central to the understanding of the central issues of comparative urbanisation that I have engaged. I like to think of these experiences as intense moments of experience that have led to major changes in structuring my research on urbanisation in other parts of the world.

This brings me to the central issue of my engagement as a researcher in Malaysia. My central relationship with Malaysia revolves around four intense “moments” of research experience. In fact this engagement has been largely with what is today called peninsular Malaysia and my discussion today is geographically limited to this part of Malaysia. There are probably more practical reasons for limiting this discussion to peninsular Malaysia. Sabah and Sarawak joined the Malaysian state in 1963 with rather different constitutional responsibilities to those of the States of Peninsular Malaysia and the urban transition is not so far advanced in East Malaysia.

My first engagement with Malaysia was in the early 1960s when I taught in the Department of Geography at the University of Malaya and carried out research for my Ph.D. thesis on Malay urbanisation in Kuala Lumpur. I arrived in Malaya from New Zealand full of the ideas of the inequities of colonialism and problems that the colonial power had created—distorted economies in which poverty was prevalent; in which “macrocephalic” cities were nodes of wealth acting as the gateways to the export of resources contrasting with overwhelming poverty of the majority of the rural population most of whom were Malays. This led to sharp differences between the largely Chinese and Indian urban areas and the rural Malays. All this was to be corrected by the independence of the former colony. These ideas were learnt from Keith Buchanan in the Department of Geography, University of Victoria New Zealand. The name may be familiar to you because of the recent publication of a book by his son called “Fatimah’s Kampong.” Thus in 1959 I arrived in Malaya (as it then was) as a determined political evangelist for their efforts of the new Malaysian government to “throw off their colonial shackles” (a familiar phrase) and create a modern independent state. But I very quickly recognised that the “developmentalist” trope that the Malayan government was adopting had been laid out in a World Bank report of the 1950s stressing policies of “import-substitution” industry and rural development, was essentially not going to resolve the issues of urban and rural disparities and the underlying condition of “pluralism” in Malaya (Mc Gee 1969).

It was hardly surprising that I should focus my research attention on the issues of “reducing the
disparities” between the major communities. Coming from New Zealand I saw the Malay “condition” as a colonially constructed “stabilised rural people” that had been positioned in this “constructed space” in the same way as the Maori people had been “positioned” in a “constructed” space of “pas” and land reservations under “white settler colonisation”. Therefore I set about to deconstruct the myths that had been constructed by the colonialists about Malay society that were also being addressed by Malay scholars at the time such as Ungku Aziz, Syed Husein Alatas and many others. This involved the historical examination of the Malay urbanisation experience in the pre-colonial period as well as the colonial period and a detailed field study of the Malay urban community in Kuala Lumpur in the early 1960s in which I saw that the pace of change was not moving rapidly enough for many Malays at that time and I compared them to the “position” of the American black community which I had seen at first hand when I visited the USA in 1962. The thesis forecast the possibilities of events of the type of the “May 1969” riots that led to the major policy changes that occurred post-1970. The introduction of these new policies designed to hasten Malaysia’s development to the status of an Asian NIC as well as correct the imbalance of wealth between the Bumiputera and other communities that accelerated the movement of Malays to the cities, increased their share of national wealth and culminated in their numerical dominance in urban West Malaysia today.

My second research “moment” was in the seventies when I worked with Malaysian scholars on a study of street vendors in Penang and Kuala Lumpur. This was part of a comparative study of Hawkers in Southeast Asian Cities and linked to my theoretical interest in the informal sector of cities. By this time I was in Hong Kong, had published The Southeast Asian City (Mc Gee 1967) and was focusing more on issues of comparative urbanisation in the Southeast Asian region. This is the time when I began to think of myself as a comparative urbanist rather than as an area studies specialist. But throughout this shift from an area to comparative studies perspective I have constantly been aware that the knowledge of local conditions is the foundation of successful comparative studies. In the context of a culturally heterogeneous Southeast Asia this is absolutely crucial and requires researchers from different countries to work together. The actual hawkers study in Malaysia occurred in the mid-1970s and new state policies were certainly encouraging Malay participation in the food systems of cities as opposed to the policies of many other Southeast Asian cities that saw hawkers as “people who get in the way” of development (Mc Gee and Yeung (eds.) 1976).

In the eighties my “moment” of research engagement with Malaysia was through a study that I carried out together with Kamal Salih, Mei-ling Young and other Malaysian researchers on rural-urban linkages between Malay female workers and the kampungs from which they had come. In every sense this moment of engagement was a shared experience in which I saw myself as a junior researcher. The study focused on Malay workers in the factories of Penang engaged in the electronics industry and their linkages with their rural households. This research moment captured the success of the macro-policy of Malaysia that was encouraging rural out-migration. In particular it showed the resilience, and capacity of Malay women workers to manage this transition from “rural” to “urban”. Since we carried out surveys of the kampungs from which they had come as well as the migrant’s families in residence we were able to establish the importance of non-rural income, particularly from urban sources, in their rural households that amounted for more than 50 per cent of household income. Thus Malay villages in “rural areas” were increasingly becoming “invisible suburbs” which retained a rural façade but in fact were deeply reliant on urban linkages for their economic well-being. This insight drove much of my work on comparative urbanisation in Asia over the next twenty years (Mc Gee, Kamal Saleh and Mei-ling Young 1990). In the late 1990s I again engaged Malaysia working on the social impacts of the financial crisis in the urban areas of Vietnam, the Philippines, Thailand, Indonesia and Malaysia. I was fortunate to work with Dr Siti Daud from the Universiti Kebangsaan Malaysia who provided me with many insights on the current social and urban conditions of Malaysia (Mc Gee & Scott 2001).

Since then my moments of “engagement” with Malaysia have been brief although I have followed an approach to Malaysian developments that has relied upon Malaysian friends and colleagues to brief me through what I call the “Rumah Kopi” approach which has been eagerly embraced by Malaysian bloggers. Incidentally it is an underestimated form of information.

In an earlier draft of this paper I had engaged in a lengthy discussion of the “position” of the foreign researcher in constructing the knowledge of a foreign country. I have always felt immensely ambivalent about this process. An ambivalence that has been reinforced by the work of Edward Said and the gurus of post-modernism (Said 1978). But as I revised the paper I began to think that is a less important issue. The researchers of Southeast Asia are now internationally recognised for their research on their countries and vigorously contest the “outsiders” views. Southeast Asian governments and funding agencies now insist on foreign researchers submitting proposals and working with local researchers. I expect that my research on Southeast Asia will be contested as vigorously in Southeast Asia as it would be in a non-Southeast Asian country.
PART TWO: TRANSITIONS OR TRANSFORMATIONS IN THE DEVELOPMENT PROCESS

I would now like to pass on to the second domain of ideas that I wish to engage. This is concerned with the relationship of development to urbanisation. In the past forty years researchers and policy makers in Asia’s developing countries have favoured development strategies that have placed increased emphasis on encouraging urbanisation and structural shifts in their national economies to industrial and service sector activities (World Bank 1993). This has occurred despite an ongoing commitment of many Asian governments to the rhetoric of rural development, food security and concerns with persistent rural poverty. The reasons for this focus are numerous but among them the conventional economic wisdom that investment in industry and services that are focused in urban areas creates higher returns than agriculture is a powerful mantra. There is also a strong belief that urbanisation is an inevitable part of the process of creating a modern state; indeed the economies of scale, the creation of mass markets and the higher productivity that occur in urban areas make cities and it is argued, absolutely crucial to the process of development (Lampard 1965). The consequences of this approach are only too obvious particularly in the developing countries of Asia (particularly East Asia) characterised by rapid urbanisation, increased industrial production and the increasing importance of the urban-based service sector. Of course these developments have been heightened by the growing integration of the global economy and the restructuring of the economies of the developed world that are part of the much-debated process of globalisation.

Implicit in these assumptions are, 1) the idea that as countries become more urbanised so cities begin to assume more importance in the political economy of their countries. They become the major contributors to national wealth and emerge as critical sites for “innovative responses” to the structural change that is occurring as societies become more urbanised. 2) the idea that cities can provide an environment that can “shape and direct” transitions is related to the fact that the “urban scale” becomes more significant in relation to the national and rural scale, and 3) that the development of relevant forms of knowledge, expertise and capability is a part of this “shaping” experience. This sets up a problematic situation in societies which are experiencing rapid urbanisation within the “developmentalist” mode. In this situation the very act of national development is increasing the economic importance of cities in relation to the nation. This process often creates considerable political and economic tension between national and urban governments. In addition in many developing countries the political economy and the institutional architecture of these inadequate to cope with the new urban reality.

The problem here is that most developmentalist theory assumes that developing societies are passing through some kind of linear and inevitable transition from underdevelopment to development (Rostow 1970; Porter 1990). The pace and change of this process may vary greatly between countries and global sub-regions but it is a global trend. This idea is encapsulated with the idea of transition from tradition to modernity; the demographic transition that postulates societies pass through stages of low population growth, high population growth into a phase of slower population growth; the environmental transition that argues that as societies become more developed they become more sensitive to issues of sustainability in a situations where environmental problems abound. Finally, there is the urbanisation transition that predicts an inevitable shift from low levels of urbanisation to high levels of urbanisation as countries become more developed.

These theories of transition are based on three assumptions. First, that these transitions while they may vary between countries are inevitable; countries must go through these transitions to become developed. A second assumption is that these transitions are linear and go through a series of stages which although they may vary in their length between countries are necessary prerequisites for development. Thirdly, transition theory adopts a model of the rural-urban transition that assumes a classic model of rural-urban dichotomy. Basic to this conception is the idea of division between rural and urban that is reflected in the spatial and administrative structures of societies (See Champion and Hugo (eds.) 2004; Montgomery, Stren, Cohen and Reed (eds.) 2003). Thus, transition theory assumes a spatial re-ordering of countries as an important part of the process of development over long periods of time. But the time it takes to become urbanised is accelerating. It took 100 years for England to move from 20 percent level of urbanisation to 60 percent in 1900. By contrast the developing countries have experienced much more rapid urbanisation. Thus, Mexico took 40 years to go from 15 percent level of urbanisation in 1950 to 60 percent in 1991, Peninsular Malaysia took 30 years to go from 28 percent level of urbanisation in 1970 to 62 percent in 2000 and China took 20 years to go from the level of 20 percent in 1990 to 50 per cent in 2010. This accelerating pace of urbanisation is occurring within a political and institutional environment in developing countries that is not changing as rapidly as the urban transition thus creating serious challenges to national policies.

It is central to the argument that I wish to make in this presentation today that transition theory is flawed as a model to investigate the development in Malaysia today. On the face of it this may seem a surprising assertion for many of the developed countries of East Asia, Japan, The
Republic of Korea, Taiwan (China) and Malaysia appear to have experienced transitions broadly conforming to transition theory. But I would argue (following Marcotullio and Lee) that the conditions of the transition that they have experienced are very different for the pace of the transition that is occurring at a very much faster rate than that of early transitions. Marcotullio and Lee have argued that the "...unique feature of the present era is the compression of the time frame in which the transitions are occurring" (Marcotullio & Lee 1993a) which they call *telescoping transitions*. I find this concept of the telescoping of transitions very helpful in interrogating the concept of the rural-urban dichotomy that is central to transition theory. For fundamental to the idea of telescoping transitions is that they are being driven by accelerated transactional flows of people, commodities, capital and information between, and within countries which result from a synergy of interests between the developmental state and globalization forces. Most obviously the flows of capital and information can occur almost instantaneously (unless there are institutional or technological restraints) while the movement of people and commodities have become much faster over the last fifty years.

The different character of the transactional revolution places much more emphasis on the flows of people, commodities, information and capital within national space economies in which rural-urban flows are only one part of series of flows within countries that include, regional transactions and urban to urban transactions flows between transaction nodes of nations. Thus, development is seen as occurring in a dynamic sense as a process of transformation of national economic space in which interaction and linkage is a more accurate reflection of reality than the idea that rural and urban areas are undergoing somehow spatially separated transitions. Thus, there is a strong argument for revising the concept of the rural-urban transition that views development as sequential process to an approach views development as a transformational process in which changes occurring in a national space involve a simultaneous intermeshing of rural and urban in a transformational process that includes changes in institutions as well as space. In other words we no longer need to view the process through an historical lens that does not reflect contemporary reality. In contemporary Malaysia the rural-urban transformation is fundamentally driven by a network of linkages that provides a dynamic spatial frame of flows of people, commodities, information and capital (Marton 2000; Mc Gee 1981; Mc Gee et al. 2007 and Douglass 1998).

This means the acceptance of this concept of transformation as involving a form of developmental change that flows through networks that ignore the rural and urban divisions of political and economic space. This is of major importance in peninsular Malaysia in which assumptions about the persistence of rural are intertwined with historical perceptions of the occupation of rural and urban space by the major communities. The recognition of these "transcending networks" enables the researcher to reassess assumptions about relationships between the government, the market and society in Malaysia in the 21st century which makes up the final part of this presentation.

**PART THREE: THE NEXUS BETWEEN THE URBANISATION PROCESS, ECONOMIC DEVELOPMENT AND ENVIRONMENTAL CHANGE IN THE TWENTY FIRST CENTURY**

In this third section I want to argue that the collapse of the divisions between rural and urban space that are consequence of the transactional revolution and the speed of urbanisation have important consequences for the future of Malaysia in the 21st century. In particular I want to emphasise that there is an institutional lag in adapting to these new realities that poses real challenges to the relationship between government, society and the market in Malaysia as it faces new challenges of global environmental change, economic volatility, decreasing energy resources and the social needs of the increasingly urbanised society. Dovers (2009) has written extensively on how difficult it is to create new institutions for long term sustainability policy.

There are three central ideas that are needed to understand these challenges.

1. The need to understand the central role of urban places in issues of sustainability in the 21st century.
2. The need to create resilient and adaptive urban places as the “arena” for developing innovative technologies and policies to develop sustainability and the well-being of the urban populations.
3. The need to develop new forms of government, governance and management in the 21st century that is capable of implementing adaptive strategies.

Let me briefly describe the three ideas since I would argue that they should be the basis of the developing Malaysian society of the 21st century.

**IDEA 1: THE CENTRALITY OF THE URBANISATION PROCESS**

First, I want to emphasise the centrality of the understanding of the urbanisation process in this reformulation of these new intellectual constructs. Six facts underlie this claim. First, for the first time in global history we now live in an urbanised world, more than 50 per cent in 2008. (United Nations 2002). Second, this level of urbanisation will grow rapidly until 2050 when it is estimated that between 60-70 per cent of the world’s population will be living...
in urban places. Third, most of this urban increase (an estimated 75-80 per cent) will occur in the countries of the developing world of which some 60 per cent will occur in Asia much of it in the largest population giants of India, China, Indonesia, Pakistan, Bangladesh (Mc Gee 2008). Fourth, it is estimated globally urban places at present produce some 70 per cent of GHC’s while occupying 2 per cent of the land areas. In 2003 it was estimated that the developed countries contributed some 60 per cent of the GHCs and the developing countries the remainder. (World Resource Institute, 2007a and 2007b). Thus if the urban regions of the developing world exhibit similar urbanisation trajectories to the developed countries then their urban growth will contribute significantly to the global environmental challenges of the world.

Fifth, it is also necessary to emphasise that the ideas of rural – urban difference which have dominated thinking about urbanisation in the past are no longer so significant as former rural areas become more integrated with urban areas and also produce GHC’s as auto-dependent transport, industrialisation and residential sprawl come to dominate the margins of urban places (Mc Gee 1991).

It is important to understand that this growth of urbanisation reflects the determination of the governments of these developing countries to create modern developed states in which cities are regarded as the central economic engines. At present this growing urbanisation is essentially using the development modes of the twentieth century focusing on industrial growth, auto and oil dependent transport systems and increasing incorporation into the global economic system, that is often labeled “globalisation” (Mc Gee and Watters 1997). This developmental mode encourages the formation of mega-urban regions that come to dominate the urban hierarchy (Scott 2001). There is also an ongoing expansion of urbanisation into surrounding regions that is largely reliant upon oil dependent auto-driven transport systems that are under threat with the prospect of dwindling oil reserves (Freud & Marton 1999). This form of urbanisation is also reliant upon consumption practices that developed in the twentieth century that involved increase automobile ownership, the separation of work and home, the ownership of a “home” that are part of the “dream of development” (Mc Gee 1991; Satish and Shaw 2007; Satterwaite 2009; Hanson & Marton 2006; Zukin 1998).

While the understandable determination of the governments of the developing countries to deliver modern development to their citizens is a given I want to argue that this twentieth century “form of urbanisation” is no longer tenable in the face of the global challenges listed above. Urban places throughout the world will have to become critical sites for innovation and the development of knowledge in the low-carbon transition.

IDEA 2: CREATING ADAPTABLE AND RESILIENT CITIES

What ideas should drive the policy responses at a national level to this global dilemma? First, there is a powerful policy thrust that emphasises the role of technological innovation as the best solution for enabling cities to become more innovative and resilient in the face of the global trends identified in the Introduction. For example the greening of cities, the reduction of auto-dependent systems through increased public transport, the development of more compact cities, alternative transport systems, the encouragement of urban agriculture and the “greening” of buildings. There are also a growing number of attempts to make cities as eco-systems less wasteful including recycling of waste, water etc. A typical example of this approach is the recently announced green plan for Vancouver City in Canada that has a 10 point plan to reduce the reliance on cars, imported resources, encourage green industry that will create jobs, reduce the consumption of water, energy as well as increase the recycling aspect of the economy. Another example is the efforts to create a low carbon region in the case of the new development region of Iskander in South Johor, Malaysia (Ho and Fong 2007). Finally efforts are being made to create alternative sources of energy such as solar and wind energy. This does not mean that “developmental modernism” has to be dropped in state policies but nations will have to give priority to these policies of adaptation if the urban places in which the majority of populations of their countries will be able to live in a sustainable life style within the framework of resilient cities that can withstand the challenges of the twenty-first century. At present most of these technological innovations are occurring in developed countries and many developing countries have argued that they cannot afford to sacrifice “development” to pay for their transfer of technology to their countries. Their demands at the Copenhagen conference for developed countries to financially support this process were one of the major stumbling blocks at the meeting. The other was of course the intransigence of the developed countries outside the European community.

However, it may be argued that the developing countries have some capacity for developing intermediate technological responses that involve locally developed technologies that are more responsive to the local contexts (Bicknell et al. 2009). For example many cities of the developing world are still characterised by what Milton Santos (1979) has described as the “two circuits” urban economy in which the circuits of production, distribution and consumption are divided between a lower circuit of activity in which the majority of the population are low income, with a household-dominated system of production, distribution and consumption. This circuit is characterised by low energy consumption, recycling and low consumption. By contrast the upper circuit is characterised by a middle and upper class involved
in an “upper circuit” dominated by a firm economy characterised by high energy consumption in which, people are in engaged in consumption practices and life styles that are typical of developed countries. It should be stressed that these two circuits are interrelated and form part of the total urban economy. An example of this locally developed approach that recognises this dualism is the Chinese adoption of a policy of creating a “circular economy” designed to increase recycling, energy saving etc which while it incorporates high technology solutions for industrial waste adopts many intermediate technology practices of the “lower circuit” (Zhou & Lui 2008; World Bank 2009). It is also important to emphasise that this range of technological responses rests upon city populations becoming aware of the benefits that will accrue from their adoption. Therefore, there must be an increasing involvement of civil society in these policies. This will involve the development of educational programmes and a broad coalition between government, the private sector and civil society that involves radical changes in the systems of urban governance and government.

IDEA 3: BUILDING NEW SYSTEMS OF URBAN GOVERNMENT AND GOVERNANCE

The third idea that I want to emphasise is the need to develop new institutions to guide and implement the creation of resilient low-carbon cities in the twenty-first century. While I realise that efforts will have to continue at the international level to develop policies to alleviate the worst effects of global warming (UNDP 2007) I would suggest that in the short term national and local developed policies will be most effective. This will certainly need to occur in urban places because of the significant role they play in the production of greenhouse gases. Unfortunately, here we are faced with yet another policy dilemma created by the fact that the form of urban government is often the historical product of previous centuries and has undergone only limited adaptation. There are two major challenges to developing new institutions forms of urban governance. The first is that generally at a global level urban governments form a third or fourth tier of government within the national system with a limited range of responsibilities. As a result their fiscal capacity to bring about change is often limited. Often it is the second tier of government that has overall responsibility for cities in their jurisdiction, as is the case in Canada. In other countries such as Brazil after 1988 Municipalities were given equal status with the States and the Federation in the revised Constitution. Over the last two decades in developing countries there has been a growing “decentralisation” of fiscal and administrative powers to the urban level of government by the central state in order to “transfer” some of the responsibility for generating revenue to the city level. This has led in many of the case of the more rapidly economically growing countries such as China and India to a growth of what have been described as “entrepreneur cities” that emphasise the “developmentalist” mode of development often becoming the major centres of wealth generation often at the expenses of environments; deterioration and increased output of GHG’s (Mc Gee et al. 2007; Mathur 1999). These often create conflict with other levels of government. But it is important to note that in the more economically dynamic cities that are becoming integrated globally as for example in China there is an increasing realisation that the creation of clean energy efficient and environmentally attractive cities is important to their ability to be competitive economically. The growth of cities in the 21st century will involve increasing collaboration between inter-governmental jurisdictions to enable environmental policies too be effective.

A second dimension relates to the changes that are occurring in the urban systems of developing countries that are imitative of earlier phases of urban development in the developing countries. For many nations of the developing world urbanisation increases this will involve a change in distribution of urban population between urban places of different size with an increasing proportion of urban population resident in large urban regions that dominate the urban hierarchy among which the largest play role in the global and national economy (Sassen 2001). These large urban regions produce a significant proportion of their countries GDP and area assuming increasing importance in the political economy of the nations of which they are part. Often they take the form of spatially “extended metropolitan regions” (EMR’s) (Mc Gee 1991, Mc Gee and Robinson 1995). This dimension of the urban government and governance challenge introduces the idea of “rescaling” where it is argued that as urban populations increase in size this should be reflected into the systems of government as urban derived issues increase their importance at the national level. (Brenner, 1999, 2006) This shifts the focus of the urban government challenge to focusing on how governmental systems can be developed that manage and govern these large urban regions. While there are many examples of different types of political government the majority have a limited responsibility of strategic planning and the provision of services such as transportation, water and sewerage. Yet these regions are part of eco-systems and economic system that is functionally integrated. Spatially these metropolitan regions are characterised by a high degree of political fragmentation, unequal resource base and considerable social inequality among the many cities that are part of the region emphasise the sharp socio-economic differences in space. Thus, in the large metropolitan region spatial restructuring often involves the upgrading of city cores and the expansion of urban activity such as residential settlement and industry into the urban fringes that creates cities that are “islands” of social exclusion within the metropolitan region. Policy imperatives thus stress the
need to build more efficient, environmentally adapted and socially just cities. But the existing urban government systems are ill-equipped to take-up this challenge because of the problems of institutional embedding we have already discussed. The most obvious policy solution is to seek greater collaboration between the fragmented political units of the metropolis (Mc Gee 2010).

In order to understand how collaboration might be developed it is important to distinguish between government and governance. These are, of course, "ideal types" in which traditional definitions have emphasised the distinction between "government" as a political system in which people are administered and regulated by different levels of government that have different responsibilities involving the authority to make and enforce laws and "governance" which is what government does. However in recent decades there has been a conceptual and practical merging of these two categories in the urban context so that policy-making is directed to include elements of the civil society including both the private sector and civil society (Healey 1997; Douglass and Friedmann 1998; Vranken et al. 2003).

Policy spaces should be opened-up for the action-based policy particularly at the local level from within civil society. Examples are the development of participatory budgetary at the municipality level in Brazil (Sousa 2001) and the experiences of the Homeless People's Federation in disaster prevention in the Philippines (Reyos 2009).

I would argue that this merging of government and governance is absolutely crucial in the formation of effective policies that create a common vision that can promote economic growth, ecological sustainability and social inclusion as well as policies designed to cope with the "low-carbon transition. This is the fundamental difference in the new institutional order of the urban twenty-first century because the implementation of the new visions of the sustainable and resilient cities must involve participation by all sectors of cities' societies. The top-down policies of the government - driven agendas of the twentieth century have to be replaced by collaborative inclusive institutions. There are three main challenges in creating these new urban governance structures. First in developing collaborative relationships between the national, provincial and urban levels. This is often the case in the large mega - urban regions where urbanisation spreads into adjacent areas that are not part of the urban administration. (Angel et al. 2005) Second, developing collaborative institutions within urban areas that often consist of fragmented municipalities that are often characterised by uneven fiscal resources, different political parties and contrasting policy goals. This is no easy task as I have discovered in the last four years of working on a project on collaborative governance in Brazilian metropolitan regions (Mc Gee 2010). The final challenge is how to develop "inclusive institutions" at the urban level. In many developing countries the "developmentalist" state is reluctant to extend the institutions of democracy to the urban level in part because this can lead to a situation in which processes of economic and political decentralisation can lead to challenges to their political hegemony and the vision of a developed state.

PART FOUR: POSITIONING MALAYSIA – FROM "DEVELOPMENTALISM" TO BUILDING “A SOCIALLY RESPONSIBLE SOCIETY”

In this final section I want to try to draw out the implications of the changing conditions of the 21st century to the future of Malaysia. I want to argue that the increasing urbanisation of Malaysia creates an underlying transformation that challenges the relationship between the state, market and society that has been developed since independence. It is important to emphasise that despite the local conditions of Malaysia this is a challenge that is faced by many developing countries that are experiencing rapid urbanisation in Asia.

In order to do this I need to provide you with some brief facts about the urban transformation in Malaysia and remind you again that I am only dealing with peninsular Malaysia. For many of you I suspect this truncation of the Malaysian polity creates a "false condition" and I can accept that position.

THE URBAN TRANSFORMATION OF PENINSULAR MALAYSIA

Here is a brief synopsis of the urban transformation in peninsular Malaysia since Independence.

1. The level of urbanisation is now approaching 70 per cent that has more than doubled from an estimated 33 percent in 1957. This rate of urbanisation has accelerated markedly after 1970 driven by Federal-led development programmes that initially focused on export production but in the last decade have been emphasising the development of the “knowledge economy” after the 1990s (See Hamzah Sendut 1972; Lim H.K. (1978) Lee; B.T. (1996); Abdul Samad Hadi and Mohd Yaakob Johari (1996) for an analysis of the urban system of peninsular Malaysia).

2. This urbanisation transformation has been associated with a sharp reduction in the population engaged in agriculture although agricultural productivity per capita has increased and the value of agricultural production has continued to rise. However the proportion of the contribution of primary sector in the GDP has fallen at the expense of the increase of the primarly urban-based industrial and service sector.

3. While the urbanisation transformation has been associated with decreasing inequality in mean
monthly income between rural and urban dwellers in the region of peninsular Malaysia a considerable difference in the overall level of urbanisation and mean monthly income exists between what have been labeled “Old Malaya” (Kelantan, Terengganu, Pahang, Perlis, Kedah) and “New Malaya” (Johor, Negri Sembilan, Melaka, Perak, Penang and Wilayah Persekutuan Kuala Lumpur). Thus in 2000 it was estimated that the average level of urbanisation was 38 percent for “Old Malaya” compared to 68.7 percent for new Malaya. This was further reinforced by a similar differential in per capita GDP income in 2000. These developments have been accompanied by increasing reduction in the poverty levels of both urban and rural areas and reduction of differences in the “well-being” of rural and urban populations that is a consequence of the collapse of transactional space that has been discussed in the earlier section of the paper.

4. Within the urban system of Peninsular Malaysia there has been an ongoing growth of population of large urban regions based on the largest city cores of Georgetown, Kuala Lumpur and Johor Bahru which are estimated to make-up some 60 per cent of the urban population today. This figure in fact may be even greater if the actual urban populations resident in rural districts that form part of these urban regions were taken into account. These largest urban regions contribute a sizeable proportion of Malaysia’s GDP. The Malaysian Government has placed them in the centre of their spatial development strategies with the establishment of “Corridor Development strategies” embodied in the “information corridor” in the K.L.-Putrajaya-Kelang urban region, Iskander Malaysia based on the core city of Johor Bahru, the Northern Corridor consisting of Penang, Kedah, Perlis and parts of northern Perak and the East Coast Economic Region consisting of the States of Pahang, Terengganu and Kelantan that are the focus of spatial development strategies in the Tenth Malaysian Plan (2005-2010) (see Economic Planning Unit, Prime Minister’s Department 2008; Lestarit 1997 for an excellent discussion on the growth of Malaysian urbanisation).

5. The urban transformation has also seen a radical change in the social structure of urban areas. The most important fact is that the rural-urban division between the dominantly Chinese and Indian and the rural Bumiputera has been sharply eroded. Indeed along with their increasing proportion of the total population the Bumiputra population of urban areas is rapidly becoming numerically dominant in Malaysian urban places. Given my earlier work on the origins of Malay urbanisation in the broader context of Southeast Asia I am not surprised but the pace of Malay urbanisation is certainly beyond my wildest imagination. Whatever social and economic tensions are created by this rapid urban-based social transformation it has to be recognised that it is a fundamentally new component of Malaysian society and structures how Malaysia will develop policies for the 21st century. Of course this phenomenon of social structuring of urbanisation has not gone unrecognised by Malaysian researchers who have debated its impact. Some argue that the growth of a sizeable urban middle class will create more commonality and interaction among other communities. On the other hand others argue that the changing social structures of Malaysia’s cities will increase social tensions as new identities and positions and identities are forged in the intense crucible of urban social interaction (see Jomo 1986; Evers and Korf 2000; Abdul Rahman Embong 1996, 2002 and 2005; Saravanamuttu 2001; for evidence on the development of the middle class). How this will all work out in the future at the political level I am not competent to judge. However, Malaysian friends have suggested that the success of the opposition parties in the highly urbanised states of peninsular Malaysia suggests some realignment of community interests in the Malaysian political system.

6. The final aspect of the Malaysian urban transformation on which I wish to touch is the issue of the spatial, economic and lifestyle changes that are occurring among urban populations. One aspect of this is the negotiation at the local urban level with the developmentalist state. In the last two decades the work of anthropologists, sociologists, planners and geographers both from within Malaysia and without has begun to provide us with evidence of the local –level tension that is developed as local urban communities attempt to reconcile national conceptions of development and planning with the local expression of place, justice and identity (See for example Ziauddin Safar 2000; Goh 2002; Bunnell 2002; Bunnell and Nah 2004; Fischer 2008; King 2008; Baxstrom 2008 and Frisk 2009). This has occurred both within the inner parts of Malaysia’s cities and the peripheries. Along with many other Asian countries internal structure of Malaysian urban places of more than 75,000 have been characterised by similar spatial development patterns. First State-led developmentalist policies have encouraged the spread of cities outwards by the creation of industrial estates, new towns, residential development linked by a transportation that relies on the privately owned motor car, an emphasis on the private ownership of housing (helped by generous subsidised housing loans ) and the development of an urban infrastructure (energy, sewerage, water etc.) that improved the quality of urban life. Secondly, there was a surge in the ownership of household amenities that was part of this style of urban living based upon separation of place of work and living. I first drew
attention to these developments in an article that described the growth of the “consumptionist city” in Malaysia in the mid 1980s (Mc Gee 1985) and this theme was taken-up later by writers such as Joel Kahn (1986). A third aspect of the internal reshaping of larger Malaysian cities was the growth of urban renewal most marked in the internal parts of Kuala Lumpur adjacent to the one of the most interesting historical examples of Malay urbanisation from the colonial era, Kampung Bahru. My principal interest in this rapid spatial spread of Malaysian cities as it impacts on Malaysian society is that it has embedded “practices” of production, distribution and consumption that created environmental challenges atmospheric pollution, uncontrolled resource depletion and land-use conflicts that present major environmental challenges for the 21st century.

IDEAS FOR THE TWENTY FIRST CENTURY

In this final section I want link back to the discussion of part three on the central ideas that inform the policy environment at the global level in the 21st century as can be applied to the urbanised society of West Malaysia.

First there is need to recognise that rural and urban differences are disappearing and that the idea of rural and urban “merging” is central to development. In fact the whole thrust of development in Malaysia that has accelerated since 1970 has created through policies that improved access and reduced differences between rural and urban areas has facilitated this “merging.”

Yet at an “ideological level” there still is an overriding belief in the spatial, economic and social separation of urban and rural life that is “embedded” in the “political economy” of Malaysia. This is compounded by historically persistent stereotypes about the preferences of the major communities for urban and rural residence.

My research and that of some of my Malaysian colleagues suggest that these embedded beliefs do not represent the current reality of West Malaysia and therefore policies for the 21st century will need to be rethought.

The second implication of the current urban condition relates to the effect of urbanisation on the quality of life. The National Five Year Plans, particularly the Eighth and Ninth Five Year Plan emphasise improving the quality of life of all Malaysians by reducing poverty, improving access to services such as health and education and developing the physical amenities to facilitate these improvements. In addition Malaysia has been heavily investing in creating both the infrastructure and educational environment that will facilitate the growth of the “knowledge economy” that will be necessary as the Malaysian economy increasingly restructures to emphasise the role and provision of services. Most global comparisons support the view that Malaysia has been making considerable progress in these initiatives.

However, on one of the central issues of the 21st century these strategic plans remain largely silent. This is the question of how this urban space that will be occupied by an increasing proportion of the Malaysian population will have to be physically shaped to provide an effective framework for better quality of life? The consequences of the present situation are traffic congestion and pollution, increasing travel time in the journey to work and some suggest a negative effect on family life. The prevailing mode of urban spatial development is outward expansion along urban corridors and the National Government has recognised this in spatial planning terms by the creation of “planning spaces” that are labeled the “Regional Corridor Initiative” in the Tenth Five Year Plan. Within each of these five areas regional development authorities or councils have been charged with overseeing developments that will increase the economic development of the region while the local administration of such areas remains the responsibility of districts and municipalities. The prevailing transportation mode for these spreading urban areas is privately owned vehicles and there are huge challenges of access to amenities that will increase as the aged population increases. For example the Kuala Lumpur Structure Plan for 2020 reported that public transport accounted for only 20 per cent of transport journeys per year in 2000 compared to 60 per cent in Tokyo Metropolitan region. Globally, two options to the challenges presented by the spread city are put forward. First, to slow down the outward growth by increasing densities in the central cores- the so-called “compact city model that has been most prevalent in developed countries. A second option is to accept the realities of the spread city but increase the provision of public transport to enable greater access and reduce the use of cars. In recent history the most successful example of this approach has been the creation of metropolitan railways systems as in the case of Tokyo which presently carry up to 60 per cent of the daily commuters. Malaysia has installed some light rail transit in Greater Kuala Lumpur Region but it is still not extensive compared to the large subway system installed for example in Shanghai over the last ten years. Bus systems whether privately or publicly operated can also be greatly improved in the Malaysian context (LESTARI 1998).

The issue of the spatial spread of peninsular Malaysian cities also affects urban environmental issues that have to be set within overall global trends. The central issue here is whether the existing form of spread settlement causes environmental problems. In a general sense it may be argued that all urban areas generate a wide range of environmental problems. First, by making demands for resources that they cannot generate internally. The most obvious inputs are food, energy, water, timber and minerals and the effect of this demand has been the subject of much policy argument and research on the basis of “urban ecological footprints” that create substantial environmental challenges in terms of resource depletion,
environmental problems and the costs of distribution. Urban areas also make substantial demands on non-urban space for leisure activities. Secondly, urban areas generate outputs such as greenhouse gases that contribute to global warming, refuse and sewerage disposal that affect the eco-systems of which the urban areas are part. This has been well documented in the studies of the Langat Basin by researchers from LESTARI (Mazlin, Shahrudin, Ahmad Fariz, Abdul Hadi and Sarah Aziz 2002), that needs to be duplicated in other parts of Malaysia. A quick perusal of the Ninth and Tenth Five Year Plans does not indicate that the Federal Government is tackling Malaysian problems with any sense of the importance of the urban dimension. While the National Government has certainly developed environmental policies, they are directed at systemic environmental challenges such as the loss of bi-diversity, pollution etc (Economic Planning Unit 2008). The Federal Government appears to believe that urban-based environmental issues can be engaged at the local level through such programmes as Agenda 21 although there is limited evidence that this has been successful (Marianna Mohamed Osman et al. 2008).

In part this limited environmental response is related to the large degree of centralisation in the Malaysian administrative system where there are three tier system of federal state government and 144 local authorities (2007). The latter are divided into cities municipalities (urban) and districts (rural), although districts on the boundaries of urban areas in peninsular Malaysia may have sizeable populations engaged in urban activities or commuting to core cities. While the original Local Government Act (1960) does make the States responsible for local authorities some commentators argue that this responsibility has been eroded as the control of local authorities has become more centralised especially after 1976 Local Government Act placed the responsibility for laws relating to local government policy under the Federal Government’s Ministry of Housing and Local Government (Phang 2008). In an increasingly urbanised state it is reasonable to ask whether fiscally beleaguered and resource deficient urban local authorities have the capacity to create policies that lead both to more entrepreneurial and sustainable urban areas. This lack of capacity to innovate, create income and involve citizens stakeholders in participatory frameworks at the local level which is a feature of urban development in some developing countries such as Brazil where I have been working lately raises questions as to whether the centralised government can give enough space to urban areas to play an increasingly important role in the urbanised society 21st century? Even a casual reading of the Malaysian press indicates that there is ongoing local dissatisfaction with urban problems that local urban authorities have difficulty in answering. This is further strengthened by the challenges of sustainability and globalization that have been discussed in earlier sections and political control to the local urban level. Writing about the development of Malaysian environmental policy Hezri and Mohd. Nordin Hasan (2006) have suggested that the failure to develop long term environmental policy in Malaysia is an example of the path dependent theory (Pierson 2004) which “... contends that when a country is consistently rewarded with increasing economic returns the mainstream path will form a force hostile to change.” (p. 47). In other words the tension between centralised developmentalism and local innovation, participation and sustainability remains the central blockage to developing the institutional change and national policies that are necessary for the urbanised society of 21st century peninsular Malaysia.

CONCLUSION

Of course in arguing that the intellectual frameworks that we use to understand urbanisation need to be reformulated I am only too aware of the “embedded nature” of ideas and the practical challenges that are faced in bringing about change. The obvious fact that urbanised countries at the local level still are dominated by administrative structures that were set-up for rural societies is often seen as not relevant particularly if political power is based upon systems of representation that rely on rural support. The conventional wisdom is not changed overnight and perhaps it should not be. But often there is a huge lag in understanding processes of change. For example, the term “industrial revolution” was not introduced until some 75 years after the industrial system that transformed England began to develop momentum. In a similar manner we are struggling to formulate concepts that can explain the developments of the twenty-first century. But it is crucial that new intellectual ideas are formulated to capture this new reality. They permit the clear understanding of the dilemma posed by the contrasting visions of “developmentalism” and “adaptation” that are at the core of developing a restructured set of relationships between society, the government and the market in Malaysia. Once these understanding become part of a common language policy that can be adopted and that can develop innovative responses that enable a new contract between the various levels of government in which the future of Malaysia can be negotiated.

Perhaps, it is now time for Malaysia to shift from an obsession with “developmentalism” to focus on what kind of society they want to become. One that is more in tune with the contemporary urban reality and developed state. As Sunil Khilnani, author of the “Idea of India” and Professor of Politics at John Hopkins University, has commented about India “…we are all so dazzled by change and numbers, glitter and speed, by how different we have become from how we were... by the new statistical architecture of India.... citing growth rates, disclosing on the 'demographic dividend,' tallying the number of new mobile phones that last week joined the
networks..... However, there is a danger in our recent obsession with economics: a sense now common among the elite that all of India’s hard questions of distribution and social justice, of political unity, of preserving the habitat, will be resolved for us by growth.” He goes on to say that there are three fundamental questions that we need to ask ourselves: “How do we think of ourselves as a community? What sort of a society do we want to be? And what do we wish to do in the world?” I would argue that these questions have to remain central to the urbanised and sustainable society in Malaysian society in the 21st century.

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