

The State and Urban Development in Malaysia¹

by

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INTRODUCTION

The growth of squatter settlements and rapid urbanization process in developing countries have been primarily associated with the problem of low-income households (Grimes, 1976; Drakakis-Smith, 1980). City land is scarce and sometimes made scarcer by controlled speculation. On the periphery of these cities, more land is available but it is rarely functionly integrated with the inner, city (Yeh, 1984). Their large size, high rates of urban growth and low and unevenly distributed incomes cause the spread of slum and squatter population.

During the colonial period various policy measures were adopted to control urban housing in the urban areas. The approach towards urban housing was generally connected to migration control and residential segregation. For such purposes the colonial administration imposed new laws, acts and ordinances to restrict migration (Tipple, 1976; Sandhu, 1964).

Along with migration control, residential segregation of the indigenous groups was also practiced during the colonial period as part of controlling the housing problems in developing countries (King, 1976; Patel and Adams, 1981). In the Malaysian context, a special Malay Reservation area was created by the British (Ahmad Nazri Abdullah, 1985), whilst the Chinese became "squatters" in the New Villages (Sandhu, 1964).

¹Paper presented at the Association for Asian Studies, New Orleans, USA. 1991.

The inability of the low-income households to purchase housing at open market prices has stimulated some developing countries to construct public low-cost housing for these households. This has resulted in a series of highly subsidized public housing units and relocation and resettlement projects on the peripheries of major cities (Gilbert and Gugler, 1983). Such conventional approaches, have however, limitations and weaknesses (Lim, 1982; Tan, 1983; Mohd. Razali Agus, 1990; 1991). In some cases, they have resulted in providing subsidized housing units for non-low income households (Vernez, 1976). The other reason for the failure was that low-income housing never had any priority in national development plan of developing countries (Abrams, 1964).

One of the major social objectives in the Malaysian development plan is the provision of cheap housing to the low-income groups. This recognition has led to the formulation of new policies and programs aimed at ensuring that all Malaysians, particularly the urban poor, have access to adequate shelter and related facilities. Since the introduction of the New Economic Policy (NEP), housing and urban development programs have been undertaken by both public and private sectors to meet the needs of the population.

The Malaysian government has realized the limits of the public sector's production of low-income housing. At the same time, there is a growing body of sentiment among housing developers and professional bodies that the public sector in Malaysia is choked with many responsibilities. Hence, it cannot be expected to change itself rapidly to meet new targets of constructing 240,000 units of low-cost houses annually.

Since the public sector could not do the job alone, a new policy was formulated to incorporate new sectors such as the private and informal sectors. In fact, the private sector has been identified as providing the leading role any dynamism in the Malaysian economy. As early as 1969, the Malaysian government proposed that Federal government would facilitate private sector investment in large-scale development. However, this participation was limited to public works and agricultural development (Tun Razak Hussein, 1969; Mohd. Razali Agus, 1987).

In 1981, the Federal government envisaged the private sector to play the leading role in providing stimulus to economic growth and in spear-heading further industrialization and urbanization (Malaysia, 1981; 1986). Both the public and private sectors are now expected to co-operate and participate in the construction of houses for the lower income groups.

The private sector's role in the partnership with the public sector should be able to balance the need for profits with a positive response to the socio-economic needs of the lower income groups. Concurrently, the informal

sector is also a vital and dynamic sector capable of providing employment and income opportunities for rapidly increasing urban population, especially the urban poor. By introducing a new approach to housing development and promoting its role in national development strategies, the new housing policy can provide an innovative solution to the problems of housing and unemployment in Malaysia and developing countries.

This paper focuses on the role of state agencies in urban development and housing programs. It discusses the development of Kuala Lumpur and the migration of the Malays during the implementation of the New Economic Policy (NEP). It also discusses the growth of squatters in Kuala Lumpur and examines the new policy on the privatisation of squatter settlements and its implication on urban policy.

THE EARLY DEVELOPMENT OF KUALA LUMPUR

The capital of the present Malaysia is Kuala Lumpur founded in the 1840's, first as a tiny Chinese mining camp (Gullick, 1955). However, the dispute over the identity of the founder and developer of Kuala Lumpur has received quite some attention since 1980 (Carstens, 1988: 185-207; Adnan Nawang, 1989). In 1890's it became a major administrative center for the British as well as an important commercial center for the Malay Peninsular as the rubber plantation industry expanded (See Gullick, 1955; 1983; Middlebrook, 1951; Khoo Kay Kim, 1987: 6-11). Accompanying the expansion of these functions was a considerable increase in the city population from 2,000 in 1878 to 316,230 in 1957 (see Table 1). The growth of the population correspondents with the expansion of the city boundary. In 1878, the total area of the city was 0.25 square miles. It was expanded to 5 square miles in 1901, 17 square miles in 1911, and 36 square miles in 1957.

Throughout this period the city remained essentially an administrative and commercial centre for both the British administrators and Chinese urban economic activities (see Gullick, 1956; McGee, 1968). However, early urban Malay villages such as Kampung Baru in Kuala Lumpur were agricultural settlements rather than full-fledged city environments (Provencher, 1968). These urban villages provided cheap housing and maintained the rural family structure of extended family system. These villages also provided cheap housing for low-income Malay migrants (McKillop, 1972: 466-447). On the other hand, the Chinese had established themselves in the city for more than a century (Sandhu, 1964: 167).

According to Sandhu, Chinese predominance in Kuala Lumpur can be generally associated with four major areas; the China towns, the New Villages that have been incorporated through urban expansion, localities hugging the older intercity routes and the manufacturing zones (Manjit,

1978). Whilst the Indians were concentrated in two localities: Sentul (Batu) and Brickfields (Sungai Besi - Seputeh areas). Thus, segregation of ethnic groups in Kuala Lumpur can be observed before 1970s.

PLANNING FOR KUALA LUMPUR, 1933-1984

In 1933, the first city plan was prepared and became the most important document in guiding the growth of the city (Hamzah Sendut, 1972: 461-473). This was superseded by the first Town Plan of 1939 (Dewan Bandaraya, 1984: 1). The Town Plan was subsequently amended in 1950 with the extension of the Municipal boundary to 36 square miles. In 1965, the then Minister of Local Government and Housing directed that the 1950 Town Plan be replaced by a new master plan. A set of three plans consisting of the Central Area Development Plan 1886, Residential Density Zoning Plan 1887 and Land-use Zoning Plan 1888 was produced and displayed for public objections in 1967. All the above plans were prepared in accordance with the provision of part IX of the Federated Malay States Cap. 137, Town Board Enactment.

In 1970, the three plans were modified and renumbered as the Comprehensive Development Plan No. 1039 (Central Commercial Area), the Comprehensive Development Plan No. 1040 (Density Zoning) and the Comprehensive Development Plan No. 1041 (land use Zoning) respectively and exhibited in accordance with the provisions of the Emergency (Essential Powers) Ordinance No. 46 of 1970. These plans cover the Federal capital area of 93 square kilometers. In 1973, the Ordinance was replaced by the City of Kuala Lumpur (Planning) Act 1973 (Act 107).

In 1974, Kuala Lumpur was enlarged to 243 square kilometers (94 square miles) and henceforth known as the Federal Territory of Kuala Lumpur (*Wilayah Persekutuan Kuala Lumpur*). In 1976, the Malaysian Parliament passed the Town and Country Planning Act 1976 (Act 172) for the purpose of providing a legal framework for planning and development in all local authorities in Peninsular Malaysia. In preparing the new development plan for Kuala Lumpur, the City Hall decided to adopt the structure Plan system (Goh, Hock Guan, 1975). A new Act, the Federal Territory (Planning) Act 1982 (Act 267) maintains the administrative framework of the 1973 Act and incorporated the Structure Plan system as propagated by the Town and Country Act in 1976.

In 1982, the Kuala Lumpur Draft Structure Plan was produced but its ranking concept was criticized (Dewan Bandaraya, 1982; Lee Boon Thong, 1983: 76-86). Instead, the zoning and planning units were introduced and Kuala Lumpur Structure Plan was gazetted in August 1984.

MIGRATION OF THE MALAYS TO KUALA LUMPUR

The movement of the Malays to Kuala Lumpur in the 1960's and early 1970's has been studied by McGee (1968; 1976) and Khadijah Mohamed (1978). The increases in the share of Malay urban population during the 1970's was primarily caused by the opportunities promoted by the Malaysian government to encourage the Malays to participate in urban activities. It was not surprising that about 68.3% of the total rural urban migrants in the 1970's were Malays (Malaysia, 1983: 79).

In the 1980's the bulk of the urban Malay population is concentrated in the biggest metropolitan areas of 75,000 or more people such as Kuala Lumpur. This new trend reversed the 1970's trend whereby the Malays tended to constitute the biggest proportion of the urban population in the smallest town (10,000 to 20,000 persons) (Narayanan, 1975; Chan and Kok, 1984). By 1980, about 20 percent of the total urban Malays were in the Federal Territory of Kuala Lumpur, constituting 33 percent of the total population. It is expected that the number of Malays living in Kuala Lumpur to reach 48.3% by the year 2,000 (Dewan Bandaraya, 1984; Malaysia, 1984).

According to the 1970 Census, the 1970 population would have been 648,276 (Malaysia, 1983). Ethnically, the population of Kuala Lumpur has been dominated by the non-Malays (see Table 2). In the 1970 census, Malays comprised 24% while the Chinese and Indians formed 58% and 18% respectively. The 1980 Census also showed that Kuala Lumpur city was dominated by the non-Malays, but the Chinese and Indian populations declined 6% and 3% respectively. In 1990, Kuala Lumpur City Hall estimated that the Malays now formed the majority (54.6%) as compared to the Chinese (43.7%) and Indians (19.7%).

Within 20 years of the implementation of the New Economic Policy, the composition of the Kuala Lumpur's population has changed drastically in favor of the Malays. This is still below the national trend for the Malays (48%). In fact, it was the desire of the Federal Government to have a more balanced ethnic composition in the city by 1990 (Malaysia, 1986; Zaharuddin Mohd. Alias, 1978: 23-35).

DISTRIBUTIONS OF SQUATTERS IN KUALA LUMPUR, 1970-1990

In the previous section we analyzed the changing spatial distribution of the major ethnic groups in Kuala Lumpur during a period of rapid growth and changing ethnic composition, 1970 to 1990. In this section we will focus on another sub-group of the population, the low income households as represented by the squatters, and we will analyze them separately by ethnic groups. Data are not available for households by income group for sub-areas

Table 1:
Population Growth in Kuala Lumpur, 1878 - 1990

Year	Total Population (A)	Percent Change (%)	Municipal Area (B)	Density (A/B)
1878	2,000	-	0.25	8,000
1884	4,054	102.7	0.50	8,108
1891	19,020	369.2	5.0	3,804
1901	32,381	70.2	8.0	4,048
1911	46,718	44.3	17.0	2,748
1921	80,424	72.1	17.0	4,731
1931	111,418	38.5	20.0	5,571
1947	175,961	57.9	19.0	9,261
1957	316,230	79.7	36.0	8,784
1970	648,279	105.0	94.0	6,897
1980	977,100	50.7	94.0	10,395
1990	1,362,800	39.5	94.0	14,498

Source: Manjit Singh Sindhu, *Kuala Lumpur and Its Population* (Kuala Lumpur: Surinder Publication, 1978), 1 - 13.

Penganugerahan Bandaraya Kuala Lumpur: 1 Haribulian Februari 1972 (Jawatankuasa Sebaran Air bagi pihak Jawatankuasa Pusat Perayasan. Penganugerahan Bandaraya Kuala Lumpur dengan kerjasama Jabatan Penerangan Malaysia, 1972), 6.

Kajian Separuh Penggal Rancangan Malaysia Keempat, 1981-1985 (Kuala Lumpur: Jabatan Percetakan Negara, 1984), 179.

Fifth Malaysia Plan, 1986-1990 (Kuala Lumpur: The Government Press, 1986), 184.

Population and Housing Census, 1970-80. (Kuala Lumpur: Department of Statistics, 1973 & 1983).

Kuala Lumpur City Hall, 1990 (unpublished).

DISTRIBUTION OF ETHNIC GROUPS IN KUALA LUMPUR, 1970-1990

Table 2:
Population of Kuala Lumpur: Major Ethnic Groups 1970-1990

(Percentage)

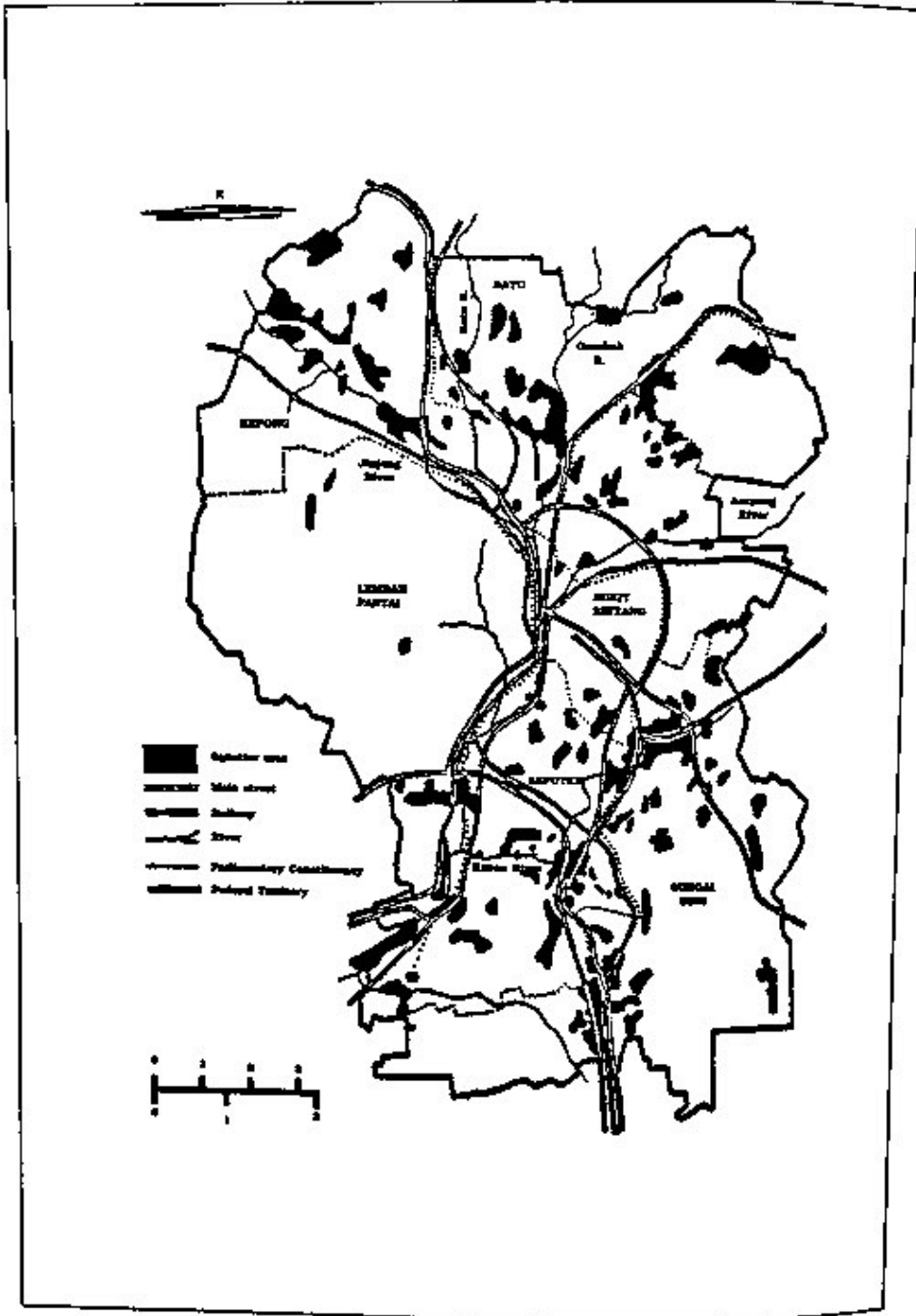
Ethnic Group	Year					
	1970	%	1980	%	1990	%
Malays	155,586	24	322,443	33	621,436	45.6
Chinese	376,000	58	508,092	52	595,544	43.7
Indians	116,960	18	146,565	15	145,820	10.7
Total	648,276	100	977,100	100	1,362,800	100

Source: Kuala Lumpur City Hall, 1990

of the city, so we cannot analyze this sub-group directly. A large percentage of the lower income households live in distinct settlements, and data are available for these sub-areas. We analyze changes in these settlements as a surrogate for a direct analysis of low income households as a whole.

Traditionally, low-income settlements in large urban centers in Malaysia have been referred to simply as *kampung* (villages), *petempatan setinggan* (squatter settlements), or *kawasan perumahan kos rendah* (low-cost housing areas). The squatter community in Kuala Lumpur is one of the most visible low-income groups. City Hall authorities have categorized them as an urban-poor group because their income level is below the average monthly income of RM\$675 for urban households (Malaysia, 1981). Owing in part to their lower educational attainment, in part to their general lack of basic skills and of formal training, the majority of them have had to turn to informal economic activities.

Squatter problems are more acute in Kuala Lumpur than other cities in Malaysia (see Wehbring, 1978; Wegelin, 1978; Johnstone, 1979; Wan Abdul Halim Othman, 1982). There are several reasons that contributed to these problems. First, Kuala Lumpur, as the center of administrative and commercial activities in Malaysia, has attracted a large number of rural-urban migrants (Dewan Bandaraya, 1987a). The city has often been dubbed "the primate city" (McGee, 1987). City Hall estimates that the squatter



Map 1:
Squatter Settlements in Kuala Lumpur, 1990

population of 234,693 comprise about 17 percent of the city's total population (Dewan Bandaraya, 1981). The Enforcement Directorate of Kuala Lumpur City Hall monitors the movement of squatters and controls the growth in size and number of squatter settlements. Although by 1990 the number of squatters, as a percentage of the total population, has declined, the absolute number of squatters in the city is still quite large (see Table 3).

Table 3:
Squatters by Major Ethnic Groups, Kuala Lumpur 1970 - 1990

Ethnic Group	Year					
	1970	%	1980	%	1990	%
Malays	20,674	20.0	70,830	33.0	72,145	30.7
Chinese	69,258	67.0	126,464	53.6	126,698	54.0
Indians	13,438	13.0	38,807	16.4	35,850	15.3
Total	103,370	100.0	236,101	101.0	234,693	100.0

Source: Kuala Lumpur City Hall, 1990 (Unpublished Data)

According to Kuala Lumpur City Hall, there were about 25,000 squatter families and a total squatter population of 103,370 living in the city in 1970 (see Table 3). Malays comprised about 20 percent of this figure, Chinese, 67 percent, and Indians 13 percent. This following decade saw a rapid increase in the squatter population, to 46,000 squatter families and a total population of 234,101 by 1980. It was the Malay squatter population that grew most rapidly in the seventies, followed by the Indians and the Chinese.

It will be noted, however, that the Chinese squatters declined over the period as a percentage of the total number, from 67 percent in 1970 to 53.5 percent ten years later.

During the second decade (1980-1990), the Malay and Chinese squatter populations comprised a slightly higher proportion of the total, while the Indian squatters declined from 16.4 percent in 1980 to 15.3 percent in 1990. The slight decline in total population in squatter settlements between 1980 and 1990 reflects the direct policies of City Hall. The movements of squatters were monitored regularly, and controls were imposed both on the expansion of existing squatter settlements and on the formation of new ones.

A relocation program was set up by City Hall to ease the overcrowding of these settlements (Dewan Bandaraya, 1987). Between 1978 and 1988, the City had relocated about 45,606 squatters (see Table 4), first to Rumah Panjang (Long Houses) and later to low-cost public housing. Squatters were thus moved about from single-unit dwellings with few, if any, of the basic amenities, to temporary, wooden row houses with about ten dwellings in each unit. From there, they would eventually be transferred to five-storey walk-ups or, more commonly, to high-rise units. A large number of squatter families thus had to undergo a period of rapid adaptation, beset with discontinuities, to live in more settled conditions with the advantage of all the basic amenities. However, new migrants continued to replace the relocated squatters. Overall, the number of squatters has decreased only slightly to 45,048 squatter families, for a total squatter population of 234,693, living in 32,066 dwellings in 1990 (see Tables 5 - 7). It will thus be noted that there are, on average, 5.2 persons in each family; 7.3 persons per dwelling, and 1.4 families per dwelling.

About 202 squatter settlements still remain in Kuala Lumpur, located in various areas between the central business district and the periphery of the city (see Map 2).

During the last two decades, the development residential uses by the private housing developers in Kuala Lumpur has shifted northwards, indicating an expected northeast direction of never development of urban centers in Kepong, Batu and Titiwangsa areas. This is clear evidence of development

Table 4:
Parliamentary Areas and Squatters Relocated, 1978 - 1988

Parliamentary Area	Malaya	Chinese	Indian	Total
Batu	3,965	3,010	3,443	10,418
Kepong	1,429	741	561	2,731
Titiwangsa	7,755	1,815	599	10,169
Seputeh	323	835	587	1,745
Sungai Besi	2,212	5,000	566	7,778
Lembah Pantai	5,634	1,761	3,066	10,461
Bukit Bintang	643	1,164	497	2,304
TOTAL	21,961	14,326	9,319	45,606

Source: Kuala Lumpur City Hall, 1990 (Unpublished data)

Table 5:
Squatter Houses and Parliament Area in Kuala Lumpur, 1990

Parliamentary Area	Malaya	Chinese	Indian	Total
Sungai Besi	1,162	3,571	587	8,320
Kepong	831	3,341	1,090	5,332
Seputeh	319	3,347	572	4,238
Batu	2,513	1,226	973	5,770
Titivangsa	3,571	1,226	973	5,770
Bukit Bintang	86	589	279	951
Lembah Pantai	3,356	958	1,029	5,343
TOTAL	14,478	14,933	5,655	32,066

Source: Kuala Lumpur City Hall, 1990 (Unpublished data)

Table 6:
Squatter Households and Parliament Area in Kuala Lumpur, 1990

Parliamentary Area	Malaya	Chinese	Indian	Total
Sungai Besi	1,620	5,896	1,028	8,544
Kepong	991	5,382	977	7,350
Seputeh	522	5,011	788	6,321
Batu	3,200	2,124	1,555	6,879
Titivangsa	4,552	1,092	1,261	6,905
Bukit Bintang	200	1,516	312	2,028
Lembah Pantai	4,431	1,203	1,387	7,021
TOTAL	15,516	22,224	7,308	45,048

Source: Kuala Lumpur City Hall, 1990 (Unpublished data)

Table 7:
Total Squatters and Parliament Areas in Kuala Lumpur, 1990

Parliamentary Area	Malaya	Chinese	Indian	Total
Sungai Besi	8,255	30,757	5,336	44,348
Kepong	4,741	30,655	5,666	41,062
Seputeh	2,116	27,010	4,414	33,540
Batu	15,490	14,180	8,416	38,086
Titiwangsa	21,542	8,132	7,247	36,921
Bukit Bintang	1,311	9,377	1,825	12,513
Lembah Pantai	18,690	6,587	2,946	28,223
TOTAL	72,145	126,698	35,850	234,693

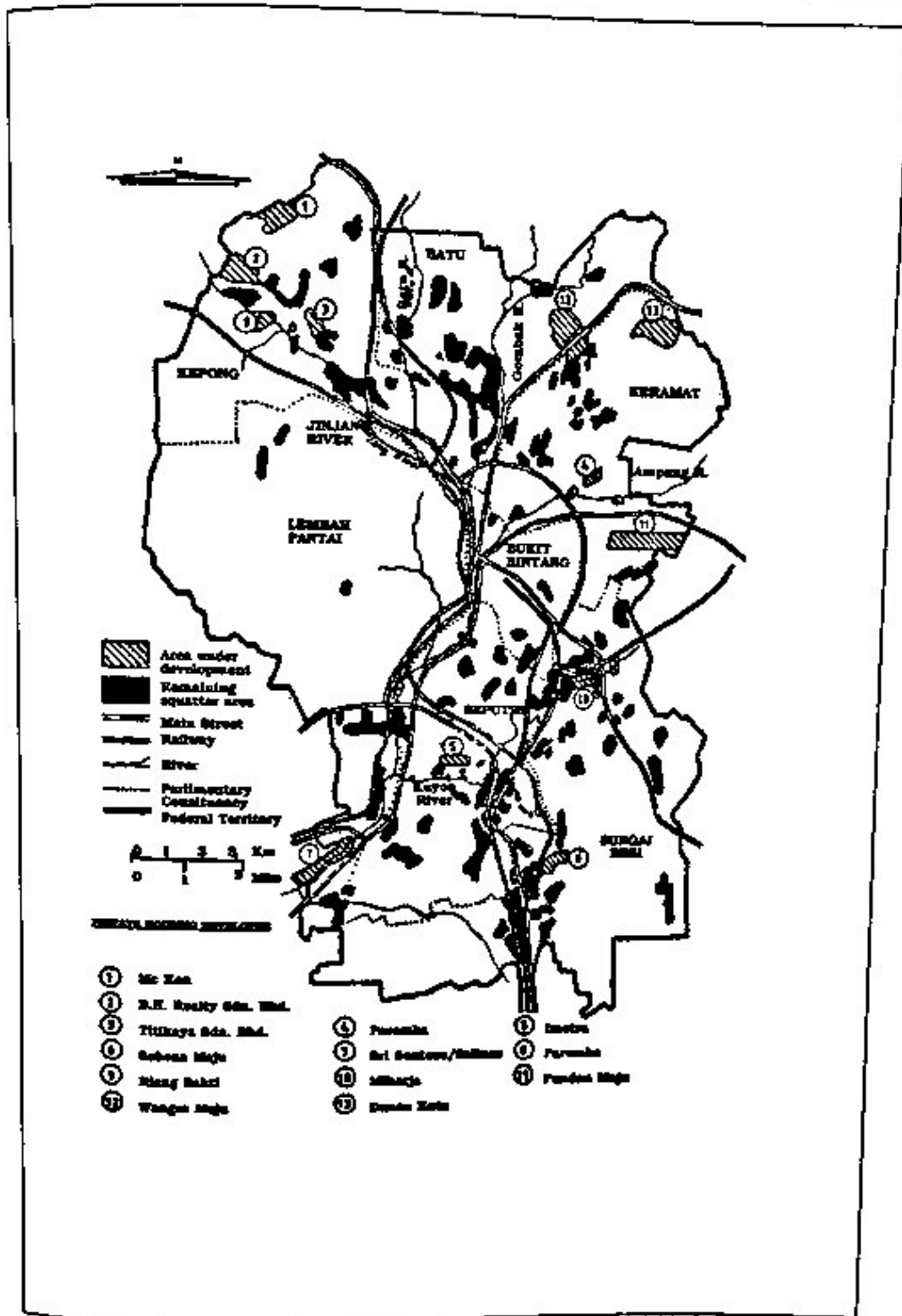
Source: Kuala Lumpur City Hall, 1990 (Unpublished data)

of new growth centers implemented under the Kuala Lumpur Structure Plan in which new growth areas such as Wangsa Maju, Bandar Tun Razak and Pusat Bandar Damansara are being developed to cater the needs of the city's population.

According to City Hall, in the Sixth Malaysia Plan, 1991-1995 at least 13 squatter settlements will be developed by private housing developers (see Map 2). With the construction of new housing units in new growth areas and the privatization of selected squatter settlements all over Kuala Lumpur, it unlikely that the distribution of the residential uses in Kuala Lumpur will be distributed evenly.

THE STATE AND THE URBAN SQUATTERS

As shown in the foregoing analysis, the Malay squatter had the fastest tempo of urbanization during the 1970-1990 period. The factors that contributed to their rapid urbanisation include the construction of new towns which in turn created new jobs and homes. Various federal agencies and the state economic development corporations (SEDCs) have promoted active participation of the Malays in urban economic activities (Kamal Sali, 1975). Despite some criticisms on the NEP (Lim and Canak, 1981: 208-224), it is estimated that the Malay share in the Malaysian corporate sector has increased from 1% in 1970 to about 18% in 1985 (Malaysia, 1986).



Map 2:
Redevelopment of Squatter Settlements in Kuala Lumpur, 1980-1990

The creation of new towns in the big metropolitan areas such as Petaling Jaya, Shah Alam, Bangi and Selayang Baru in the state of Selangor, Senawang in Negeri Sembilan, Senai and Skudai in Johor and Bayan Baru in Penang had also contributed to the strengthening of the urban development strategy of increasing the number of urban Malays (see Mohammad Sulong, 1983; Lee, 1987: 153-169). Thus, promotion of new township in Peninsular Malaysia is part of the crucial strategy to improve the standard of the Malays and change the character of the old towns, which were dominated by the non-Malays.

Under the NEP which was first implemented in the Second Malaysia Plan, the target is to achieve 30% land ownership of urban areas and an equally the same proportion of urban wealth and employment. This objective is to be achieved through a variety of fiscal and administrative as well as political measures backed by vigorous programs of education and training for the Malays to fit them for urban life.

Federal agencies such as the State Economic Development Corporations (SEDCs), the Urban Development Authority (UDA), the Regional Development Authorities (RDAs) have played a very crucial role in increasing the number of statutory bodies in the urban and housing development programs. The Malaysian government too has created new government companies such as Syarikat Perumahan Pegawai-Pegawai Kerajaan (SPPK). The government deliberately gave them bigger capital outlays in order to manage their efforts more effectively and competed better with the more established Chinese family-based housing companies.

In fact, most of these statutory bodies are managed by senior government officials who are under the supervision of ministers or Menteri Besars, who comprised top Malay political leaders. The Malay political leaders have declared that the objectives of the NEP will be achieved without sacrificing the rights of the non-Malays and without depriving them of their position in society. The non-Malays are requested to support the NEP by assisting the Malays and training them to participate in housing, commerce and industry, either in their own right or as participants. Thus, ruling party and the state bureaucracy, with the support of some of the Chinese businessmen have been largely responsible for greater Malay participation in the urban economy.

An increase in the number of urban Malays does not mean an improvement in their socio-economic status. The Malays who migrated to metropolitan areas consisted mostly of unskilled, lowly educated young individuals. The continuing migration of the rural poor has literally transformed rural poverty into urban poverty. A social survey on the Malay squatters in Kuala

Lumpur indicates that their incomes are below the average income level of urban workers. The Malay squatters are generally known as the "urban poor". For example, the average monthly income of urban households was RM675.00 while the average monthly income of Malay squatter households was less than RM4000.00 (Malaysia, 1981: 40; Mohd Razali Agus, et. al., 1984). About 33 percent of urban Malay households earned less than RM675.000 per month. They remain poor because of the low labour absorptive capacity of some of urban industries. Some end up working in low-income jobs or in the informal sector (Mohd. Razali Agus, 1989a). The potential of the informal sector has been identified but very little has been done to help them at the municipality level (Kamal Salih, 1975).

Progress in the provision of housing for the lower income groups such as the squatters, was very poor despite concerted public and private sectors efforts (Mohd. Razali Agus, 1983; 1984; 1986; 1989b). In many housing development programs, the public sector played a very crucial role in planning and implementation of low-income houses. Despite an increased expenditure, the performance of the public sector in constructing low-cost housing continued to worsen. In the Fourth Malaysia Plan (1981- 1985), many SECCs competed with the private sector and diverted some of the funds meant for low-cost housing to medium and high-cost housing (Malaysia, 1986: 522; Mohd. Razali Agus, 1989b).

Because the bulk of urban Malay population is concentrated in Kuala Lumpur and its surrounding areas, acute problems of urban housing began to emerge not only in many squatter areas but also in the slums of the Malay Reservation area (Dewan Bandaraya, 1984: 171-178; Mohd. Razali Agus, 1983: 97-110). The Kuala Lumpur City Hall (KLCH) has continuously strive to house these squatters and slum dwellers in the Malay Reservation areas and other lower income groups of the city population irrespective of race in new high-rise and low-cost flats. During the Third Malaysia Plan, 1976-1980, a sum of RM\$103 million was allocated for the construction of 7,017 houses by the City Hall. However only 28% of the houses were completed (Malaysia, 1979; 212).

One senior government official notes that most of the urban development projects undertaken by the public sector had run into several difficulties, mainly due to the lack of suitable land, shortage of construction materials and limited capacity of contractors and weaknesses of the public agencies (Lim, 1982: 1-9; Tan 1983). Elsewhere, I have argued that the constant intervention by a political party at local and state levels continued to aggravate the housing problems of the lower income groups in some Peninsular Malaysia States (Mohd. Razali Agus, 1986).

However, the government employees, middle class and elites continued to receive relatively better attention than the other lower income groups. For example, in the Third Malaysia Plan (1976-1980), about 73,000 were planned, of which 24% were for the employees of government, 57% for the lower ranks of the police and armed forces personnel and only 19% were for the other income groups. In the Fourth Malaysia Plan (1981-1985), only 4,698 squatter families were relocated to new housing areas out of the total 44,011 squatter families in Kuala Lumpur (Dewan Bandaraya, 1982: 78). At the same time, the construction of medium and high-cost housing by private developer succeeded the Plan target (Mohd. Razali Agus, 1987). The only clear policy stated in the Plan was the need to build 58% low-cost housing and the rest on medium and high cost housing (Dewan Bandaraya, 1984: 39). Since the public sector could not finance new housing programs, the private sector were encouraged to redevelop squatter settlements into new towns. However, only less than 40 percent of new private housing projects were allocated for the low-income groups. Thus, lower income groups, particularly the squatters continue to be neglected by both the City Hall and private housing developers.

CONCLUSION

The urbanization process in Peninsular Malaysia has been very rapid, especially during the implementation of the New Economic Policy (NEP) to urbanize the Malays. The expansion of the pre-independence economic activities of the Chinese and Indian immigrants created distinct spatial distribution both in terms of urban centres and ethnic groups. In the decades after the war, there were differential rates of urbanisation influenced by various economic, social and political factors. Rural to urban migration made a major contribution to the population process. The empirical evidence in 1970 presented a clear picture of the differences in the level of urbanisation between ethnic groups. The 1980 and 1990 data indicated the significant changes that had taken place in the patterns of urbanisation over the ten year period.

The spatial patterns of ethnic groups, especially the lower income groups, in major cities has received little attention in urban research in Malaysia. The distribution of the Malay, Chinese and Indian squatters in Kuala Lumpur was explored in this paper. The Malay squatters are the second largest lower income group in the city and doubled in population between 1970 and 1990, increasing in both absolute and percentage terms of the total squatters in the study period. It is evident that the Malay and Indian squatters moved steadily to peripheral areas, while Chinese squatters moved to southwest of the central business district. As the Malay squatters

moved, concentration increased in 3 parliamentary areas such as Lembah Pantai, Titiwangsa and Batu.

More importantly, the recent policy on the privatization of squatter settlements has affected low-income groups to own houses. The majority of the squatters cannot afford even the minimum standard housing and such ill-conceived approach the squatter settlement problem has only resulted in further deprivation of housing opportunities for the lower income groups. A comprehensive policy of financial assistance to the lower income groups needs to be formulated by the state, housing developer and more importantly, the credit and financial institutions to overcome the lack of concern of the housing problem of the lower income groups.

The greater availability of data by sub-areas will help researchers in their efforts to understand the changing urban scene. Until now, efforts by researchers to gather useful data on urban phenomena have been hampered by the lack of recognition of the need for information on a micro-spatial level. By not understanding the importance of micro spatial approaches, planning officials have often failed in the co-ordination between the government departments responsible for the various phases of urban development. The increased awareness fostered by studies such as this can help government officials in their efforts to design and implement effective policies.

Research in many complementary fields such as urban economics, urban anthropology and public administration could supplement the findings of the present study. In general, the collection and analysis of data on the economic, social, cultural and political aspects could provide a comprehensive understanding of the dynamics of Kuala Lumpur.

There should be established in City Hall a research unit which would start collecting new data on all aspects of Kuala Lumpur's development. Co-ordination and co-operation with state agencies at all levels should be established so that researchers can analyse the results and provide a better understanding of the spatial structure and characteristics of the growing metropolitan population.

This study has been limited to the Kuala Lumpur metropolitan area, and the extent to which its findings are specific to that city or general for all urban areas in Malaysia is not known. Other large cities like Ipoh and Penang and intermediate cities such as Petaling Jaya, Shah Alam and Kelang, should be the subject of similar studies to develop an understanding of national patterns and regional differences.

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