Towards Sustainable Regional Economic Development
- The case study of Iskandar Malaysia -

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ABSTRACT: Regional development is one of the main key players in accelerating the rapid changes and processes in Malaysia. Since after the independence, the implementation of regional development policies and strategies has sped up the urbanization and development including the rapid changes in economic growth. Development of regions emerged due to various reasons including the integration of geographical and physical features, the need for cooperation beyond local jurisdiction area and also due to the needs of local and national development.

In Malaysia, there are diverse development concepts of regions implemented to accelerate the economic growth of the country. There are five economic regions namely Iskandar Development Region (IDR), North Corridor Economic Region (NCER), East Corridor Economic Region (ECER), Sabah Development Corridor (SDC) and the most recent is the Sarawak Corridor of Renewable Energy (SCORE). There is also the growth triangle region that is based upon international integration of economic development such as the Northern ASEAN Triangle (IMT-GT), the East ASEAN Growth Triangle (BIMP-EAGA) and the Southern Growth Triangle (IMS-GT).

Reviews of literatures identified sustainable regional economic developments as a development concept in balancing between development and natural ecosystem. Reviews also suggested that sustainable regional economic development were affected by the well-being of its residents. The sustainable development process is a virtuous circle that involves every aspect of living in the region.

This paper presented a review on the approach towards promoting sustainable regional development in Malaysia. The review will also discuss on issues related to sustainable regional development implemented in other countries. Thus, measures and strategies are propose to provide a critical insight for planners, professionals and policy makers in the promoting sustainable regional economic in Malaysia.

Keywords: regional economic development, sustainable; concept, development, strategies.

1. INTRODUCTION

Regional development is one of the main key players in accelerating the rapid changes and process in Malaysia. Since after the independence, the implementation of the regional development policies and strategies has speed up the urbanization and development including the changes in economic growth. There are various definition of regional development based on diverse concept of regions.

Diverse concept of regions can be identified into subjective and objective view (Glasson, 1974). According to Glasson (1974), in the subjective view, the concept of regions is derives from particular purpose while objective view identified regions according to geographical and physical features. However, in the early 1980s, definitions of region are based upon development approaches (Glasson & Marshall, 2007; Dawkins, 2003). Moreover, others identified the concept of regions based on functional that relate to operational concern (Glasson, 1978; Edwards, 2007), formal concept due to homogeneity of an area (Glasson, 1974) and administrative concept that relate to aspect of development (Edwards, 2007). Nevertheless, the concept of regions also emerges upon the needs of local economics and national development and emerges as ‘regional policies’ or ‘local program’ (Collits, 2008).
Although understanding the concept of region is relatively might regard insufficient to create a big impact on the practice of regional planning, however, the availability of information should able to guide the professional and practitioner to implement better development and planning of region.

Every region has a different attributes including its unique economic resources and opportunities in global markets. Target to uplift the economic and social well-being is the every goal of economic development. However, in current era, economic development is more concern towards increasing the regional competitiveness (Drabenstott, 2009). This situation contributes towards the lack of attention given on the well-being of human needs and quality of life. Like the other types of development plan, planning at regional level brings an impact to its physical, social and economic assets.

Besides changes in demographic proportion, regional economic also affects disposable income of its residents, influences the formation of local and foreign business development (Bhandari and Mitchell, 2008), changes in the management of resources including employment opportunity and demands on capital, and affects the environmental features. Thus, the needs to insert sustainable planning into regional development are highly promoted to enhance the balance development on the ground.

2. REGIONAL: PLANNING, ECONOMIC DEVELOPMENT

Regional development is concerned with interaction and function of spatial development towards solving income, employment and welfare issues (Friedmann and Alonso, 1964). Regional development also defined as the allocation process of activities and investment decision within a region (Friedmann, 2001). Regional development has been the global phenomenon to the third world countries since the 1950s (Scott and Storper, 1990) and this is including Malaysia (Ghani Salleh, 2000).

2-1 Regional Development in Malaysia

In Malaysia, regional development in the early 1950s focuses on the strategies to link urban and rural development (Ghani Salleh, 2000). Muzafar Shah and Dayang Affizzah (2004) stated that the objectives of the First Malaysia Plan (1965-1970) centered on bringing the economic development to yield at the fullest possible to reduce income gaps among states. In the early 1970's, opening of new towns are emerging in a frontier regions under the implementation of New Economic Policy in the Second Malaysia Plan. Strategies to develop these new towns were to urbanize rural areas as well as to eradicate poverty. It was also to restructure society through the creation of job opportunities and property ownership. Nevertheless, the goal to achieve economic growth was bringing forwarded by the introduction of six regions namely Northern region, Central region, Eastern region, Southern region, Sabah and Sarawak (Cho, 1990). These regions share a similarity in resources, economic activities. Each of the regions are dominated by a single metropolitan area or also known as growth centre.

Consequently, under the Ninth Malaysia Plan, the economic development has shifted from low end industries to high end technology. This leads to the new branding of regional development in Malaysia (Evers, Ramli Nordin and Nienkemper, 2010). Five major regional economic developments; i) Northern Corridor Economic Region (NCER) (2007-2025) encompasses the states of Perlis, Kedah, Pulau Pinang and North Perak, ii) Iskandar Malaysia regional development which formerly known as South Johor Economic Region (SJER) (2006-2025) covering area of south Johor, iii) the East Coast Economic Corridor (ECER) (2007-2020) covering area of Kelantan, Terengganu, Pahang and the north of Mersing district Johor, iv) Sabah Development Corridor (SDC) and v) Sarawak Corridor of Renewable Energy (SCORE) in the East Malaysia are established. These regional economic developments play the significant role in accelerating economic growth to achieve the national goal of Vision 2020.

Meanwhile, there is also international regional economic development in which integrates regions based on growth triangle concept (Ishak Yussof and Mohd Yusof, 2003). The growth triangle is the economic concept develops to reduce regulatory boundaries in order to exploit economic resources and increase competitiveness by linking areas from three or more countries (Smith, 1997; Ishak Yussof and Mohd Yusof, 2003; Sparke and et al, 2004). Some authors also identified the growth triangle as subregionalism economic zones (Smith, 1997), extended metropolitan regions (Robbins and El-Khoury, 2004) and economic territories (Fauza Ab. Ghaffar, 2000). However, none of the
Among the instruments of ASEAN to speed up its economic development is by promoting the growth areas or the growth triangles (Cuyvers, 2002; Hampton, 2009). There are three growth triangles in the ASEAN level shared the mutual aim to enhance the existing economic growth and competitiveness (Fauza, 2000; Asan Ali, 2004). The three growth triangles are the i) Indonesia-Malaysia-Singapore Growth Triangle (IMS-GT), ii) Indonesia-Malaysia-Thailand Growth Triangle (IMT-GT) and iii) Brunei-Indonesia-Malaysia-Philippines East ASEAN Growth Area (BIMP-EAGA).

The formation of the IMS-GT can be seen as one of the better-known example in catering with intensified urban size and fabric (Robbins and El-Khoury, 2004). However, the future of the IMS-GT is depending on the continuous investment flow in Johor and Riau province (Chia Siow Yue, 1997). Meanwhile, the IMT-GT operates based upon the agreement of sharing industrial support infrastructures and advanced information technology through the implementation of economic corridors (Robbins and El-Khoury, 2004). The BIMP-EAGA is one of the regional development strategies to promote the development of Sabah and Sarawak (Muzafar Shah and Dayang Affizzah, 2006) while at the same time to complement each growth centres to improve the socioeconomic status and standard (Ishak Yussof and Mohd Yusof, 2003).

2-2 Regional Development in Other Countries

Planning and economics are interrelated plans (Hughes and Kozlowski, 1968) in which growth in economic affect the country's national income (Hava and Erturgut, 2010). Regional developments in Malaysia are implemented to solve economic problem of regions structured in long-term period strategy (Snickars, Andersson and Albegov, 1982). As changing in the globalization technology, there is a need to have a change in strategies to increase the economic growth.

One of the examples is the regional development in China. Unequal development has been the troubling issues to China since their reformation in the late 1970s (Huang, Kuo and Kao, 2003). Although inequality issues of regional economic development in China still considered low when it measured by per capita GDP, the regional economic growth has increased by introducing the foreign investment policies in the national policy (Longbao, 2009). The foreign direct investment not only driving the economic growth, but also enhance the technological progress of industries, increase the level of employment and expanding exports activities.

In addition, a study by Fan and Zhang (2004) proved that regional economic development in China is highly correlated with the infrastructure development. Through the development of infrastructure that linked the regions in China, it promoted and enhanced their economic activities. By promoting new industrialization and economic growth, problems and harmonious in economic and social development can be achieved (Longbao, 2009). In addition, economic development is defined by Szirmai (2005) as the ‘development’ where every principles of development is measured by the increasing quantity and quality of all resources (Zhang and Xu, 2011). This indicates that the economic development have a strong connection with the planning and development of a region.

Past literatures identified regional economic development as a multidimensional concept with multidimensional factors (Nijkamp and Abreu, 2009). It also regarded as an outcome of a process and development of available resources and activities (Stimson and Stough, 2008). According to Blakely (1994), regional economic development derives from a continuous and engagement of government or society in a process of business and employment while Malecki (1991) mentioned regional economic development derives from a region’s economy by combining the quantitative and qualitative resources (Stimson and Stough, 2008).

Through the introduction of regional economic development, effort to increase competitiveness in the economic growth can be attained (Bendis, Seline and Byler, 2008). Regional economic developments are identified as the significant key player in integrating and solving economic problem (Berentsen, 1979; Glasson, 1992; Glasson, 1995; McLean, 1996). Thus, policy makers have to pay more attention towards the important role of social and economic development.
3. THE NEEDS FOR SUSTAINABLE DEVELOPMENT

The most common definition of sustainable development is comprising a two dimension of the notion of development (to make better) and the sustainability (to maintain) (Bell and Morse, 2003; p.2). The meaning of sustainable development itself represents all the living actors and elements attached to human-activities. In addition, globalizations process has a strong impact towards environmental change that called for sustainable attention (Auty and Brown, 1997). For that, sustainable development is a concept to create balance between three main pillars of development that is the economic, social (human and social capital) and environment (Hřebík, Třebický and Gremlica, 2006).

3-1 Sustainable through Economic, Environment and Social Development

There are multiple perspectives when it comes to defining the sustainable development. Generally, sustainable development can be understood as a maintenance process of something over time that concerns on the consequences of economic development on social and environmental values (Auty and Brown, 1997). Nixon (2010) stated that sustainable economic development is the combination of a desperate concept to connect environment crisis and opportunity for large-scale economic development.

Nevertheless, the sustainable development is strongly important to improve economic development and social well-being of people. A higher scale of economic development has led to destruction of a local and global environment and scarcity of natural resources. In some cases, many individuals remained at a same margin and not receive a fruit of economic growth due to inappropriate incentives economic growth for consumers and producers (OECD, 2001). Thus, it is important to include sustainable development concept into the regional economic development to boost economic growth.

In the perspective of environment, the increasing size of population with concentration in cities center usually generates substantial amount of wastes and pollutants problems. The environment is not only confined to a natural physical elements but it also represents ‘more than a collective pieces of soil and water that functions to ‘serves’ human (Roberts, Ravetz and George, 2009; p.33).

In the absence of sustainable incentives to improve current urban and global environmental conditions, pressure on the environment can be worse. In addition, expansion of physical development also continue to threatening consumption of natural resources for new building, land uses and urbanization process that often affect local and global climate. These issues become the major key environmental challenges in urban area (Roberts, Ravetz and George, 2009).

Increasing attention on sustainable concept also influences many local and global responses towards sustainable social development. A focus of sustainable social development often related to ecological and economic sustainability (Dillard, Dujon and King, 2009). In short, sustainable development can be promoted through generating sustainable economic business and growth, environmental sustainability as well as sustainable community development.

4. PROMOTING SUSTAINABLE DEVELOPMENT IN REGIONAL ECONOMIC DEVELOPMENT

Nowadays, all plans and programme are tend to be labeled with the term of sustainable to exhibit reliable measures of progress and modernity. However, in most cases, only partial or some approaches of sustainability are integrated in the plans or programmes (Thierstein and Walser, 2000). However, in achieving the goal for sustainable development, more than one criteria need to be included.

A number of principles to guide cities and regions towards the sustainable development can be used. Through reflecting back from the basic concept of sustainable development, key strategies are formulated to promote for sustainable development (Roberts, Ravetz and George, 2009).

i. Economic development
Through economic development, sustainable development can be achieved by promoting an innovation, efficiency, and conservation in the use and reuse of all natural and human resources to increase employment, incomes, productivity and competitiveness (Nixon, 2010). Moreover, another way of achieving sustainable economic development is the sustainable enterprise concept. The sustainable (green) enterprise concept operates based on clean environmental technologies (Nixon, 2009). In the case of Malaysia, sustainable economic development can be promoted through the development of regional economic that expanding opportunity for more economic growth. One of the reasons for local regional economic development in Malaysia is to link resources beyond local boundary to balance for economic distribution. However, at some point, effort to include sustainable development into regional economic development is still at the beginning level.

By implementing the sustainable economic development, economic growth can be enhanced, the living standards of population can be improved and business, employment opportunities and income can be expanded.

**ii. Social development**

Dillard and et al. (2009) stated three important approaches to achieve social sustainability; i) Basic needs approach, ii) Human development approach and iii) Freedom approach.

The basic needs approach is to fulfill the basic requirement of human life including the access to nutrition, water, shelter and sanitation. These are regards as a minimum acceptable level of well-being. For human development approach, it conceives by the economic growth to promote for human well-being by prioritizing on quality and distributional aspect. Moreover, human development approach also involves the government approach to ensure quality of public health care, government political stability and safety as well as low crime cases. Besides that, another approach to social sustainability is the freedom approach. Freedom approach includes a process of able to make a decision making and availability of opportunities in decision making process. In addition, freedom approach also reflects that a society able to have an access to economic resources such as land, skills and materials and at the same time access to social opportunity in involving with other aspect of freedom including education and health care facilities.

Social development is one of important concerns by the policy and decision maker in Malaysia. Often, sustainable social development approach is included at stages of development plans. Starts at the national physical and structure plan, enhancement of social well-being become the apprehension in policies and strategies formulated. Nevertheless, a process to incorporate the social well-being of the society also included during the process of local plan. This is reflected on the publicity and public participation process. These can be regard as a way of promoting sustainable concept into social development in Malaysia.

**iii. Environmental development**

Major environmental threats concerning the loss of biodiversity and scare resources become the center of global attention. Nevertheless, many strategies and policies formulated to combat the issues. Bell and Morse (2003) indicate a number of aspects to be resolved in making progress towards sustainable development. The lack of awareness on the issues, political unacceptability in effort to fight environmental issue, opposition from entrenched interests as well as inadequacy in institutional mechanism in bringing together development and environment are the most critical issues to be looked.

A research conducted by National Institute of Environmental Health Sciences in 2011 outlined several critical components to integrate environmental concern to sustainable development concept. One of the ways to cooperating environmental concerns in sustainable development is by a provision of clean water and sanitation system, reduce an exposure of pollution and environmental diseases to society. In addition, the effort to promote for sustainable environmental development can be realized through the process of plans making. By integrating a concept of development into environmental development such as promoting walking and less dependence on private transport, it can help to reduce air pollution problem. At the same time, integrating sustainable concept into environmental development can also promote for healthy environment. Thus, incorporating policies and strategies to promote sustainability and economic development in development is important as an effort to prevent worse scenario of environmental problems.
This can be relate to Malaysian development requirement to conduct impact assessment before implementing development on ground. One of the assessments incorporating environmental considerations into policies, plans, programmes and strategies is the Social impact assessment (SIA). The SIA is a process to incorporate sustainable concept into biophysical and human environment. Based on the assessment, any impact that has a potential to bring destruction on population and its surrounding environment can be mitigated through formulation of policies, plans and programs.

There are no specific definitions when it refers to regional sustainable development (Schnell and et. al, 2002). However, regional sustainable development can be understood as a steady maintenance of real asset values of ecological social and economic prerequisite of production and reproduction (Schnell and et. al, 2002; p.4). Regardless of the definition, effort to incorporate sustainable development into each of the development pillars is important in ensuring prosper and well-being of human society.

5. CONCLUSION

Regional economic development is one of the strategies that can be used to promote for economic growth and at the same time to bring prosper to human well-being and environmental health. Through the process of regional economic development, more opportunity and changes has been achieved to bring Malaysia closer to its Vision 2020. However, bringing economic development to the fullest with neglecting the effect of development in a long-term will cause short-term negative implications to well-being and welfare of society. By bringing together all the main pillars of development; economic, social and environmental aspect into consideration, the opportunity to achieved sustainable development can be realized. Therefore, in aiming for sustainable development, involvement of all professional and individuals are important.

REFERENCES


