

The Challenges of Local Authorities: A Case Study in Malaysia

UNE ETUDE DE CAS EN MALAISIE : LES DEFIS DES COLLECTIVITES LOCALES

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Abstract

Rapid development in local authorities nowadays faced with several challenges in demands. Over the years, issues and problems due to poor management, malpractice, and poor finance makes local authorities in dilemmas. The ability to overcome current issues and the readiness to face future challenges are estimated differently due to size and boundary by itself. Local authorities whom are equipped with strong finance, visionary leadership, systematic strategic and action planning, and public support will definitely be more prepared to face those challenges. In other hand, weaker local authorities in financial and effective administration maybe faced problems in its area. Therefore, the objective of this study is to examine in what level of issues and challenges facing by the council in served to the public and what the an approach applied to this study. There are several main findings by using a set of questionnaire on the issues and challenges of local authorities in Malaysia, by referring to Seberang Perai Municipality Council as case study and some information in questionnaires hand

over to Ministry of Housing and Local Government (MHLG). Thus, a few recommendations were proposed to its council in designing better approach in servicing public. In future research, the local government should be firm in addressing the issues and challenges by having good instrument to be measured in their core business.

Key words: Local authority; Issues and challenges; Strategic planning; Urban planning

Résumé

Le développement rapide de nos jours, les autorités locales sont face à plusieurs défis dans la demande. Au fil des années, les enjeux et les problèmes dus à une mauvaise gestion, malversations, mauvaise et de la finance fait des autorités locales dans des dilemmes. La capacité à surmonter les problèmes actuels et les préparer aux défis futurs sont estimés différemment en raison de la taille et la limite en soi. Les autorités locales qui sont équipés de finances solides, un leadership visionnaire, systématique de la planification stratégique et d'action, et le soutien public sera certainement mieux préparée pour faire face à ces défis. En revanche, les autorités locales les plus faibles de l'administration financière et efficace peut être confronté à des problèmes dans sa zone. Par conséquent, l'objectif de cette étude est d'examiner à quel niveau des enjeux et des défis auxquels fait face par le Conseil en a servi au public et ce qui l'approche une appliquées à cette étude. Il ya plusieurs conclusions principales en utilisant un ensemble de questionnaire sur les enjeux et les défis des autorités locales en Malaisie, en se référant au Conseil Seberang Municipalité Perai comme étude de cas et de certaines informations dans la main des questionnaires plus au ministère du Logement et des Gouvernements locaux (MHLG). Ainsi, quelques recommandations ont été proposées à son conseil dans la conception de meilleure approche en public, entretien. Dans des recherches futures, le gouvernement local devrait être confirmée dans le traitement des problèmes et des défis en ayant bon

instrument à mesurer dans leur cœur de métier.

Mots clés: Autorités locales; Enjeux et défis; La planification stratégique; La planification urbaine

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INTRODUCTION

The function of the local government is to provide all societal facilities that are being charted according to Section 101 and 102 Local Government Act 1976, Act 171, and Section 5(1) and 6(1) Town and Country Planning Act 1976, Act 172. Traditionally, local authorities' role is to provide municipal and maintenance services, planning and control of land use, enforcement and supervision on development projects, besides manage and control financial budget and tax revenue in their administration areas. Issues and challenges faced by local authorities are mostly related the areas and effectiveness of such functions.

Nevertheless, in recent times, the local authorities faced with various issues and new environment that collectively forced them to be more efficiently and objectively. The issues on effectiveness and credibility of municipal services including 'e-government', good governance, clearer taxpayers' expectation, the need to put 'benchmarking' as organization's highest objective (including the use of KPI-Key Performance Indicator, restructuring of organization and administration area and other issues relevant to every local authorities. The objective of every local authorities is to provide excellent customer services and improve core business process which is a reflection to how far can the issues be handled in this decade. The study on MPSP is an attempt to table the problems and issues that will be faced, review back effective measurements taken and the preparation to face new challenges that sometimes could be hard to predict. The review on policy and role of government through the Ministry of Housing and Local Government will help to understand the issues and challenges more deeply, especially from the perspective of support and commitment of federal government. The process of urbanization had resulted in huge effects towards land use pattern and urban population. At the same time the huge economic growth and population growth had given to enormous impact towards urban environment. This phenomenon causes various new problems and issues. Traditional urban management is considered outdated and non-relevant. The new era of urban management needs

new approaches and practical strategies, and solutions that are more effective towards future issues.

1. LITERATURE REVIEW

There are five challenges, according to the ministry's perspective, faced by local authorities in the future; i) urban poverty, ii) relevance of function, iii) pollution of environment, iv) explosion of information system development, v) and human resource development. Urban poverty is seen as the main cause to other urban problems, especially crimes and social illness. In addition as an urban services provider, local authority needs to create programs/ activities to free the urban dwellers from poverty. In order to ensure the relevance of function in the country's developmental, local authority needs to have high level of competitiveness and is able to function as the force for local development and not merely as a department. The Ninth Malaysia Plan emphasis that local authorities must undertook various obligatory and discretionary activities in providing services to the urban population. These included the provision of solid waste management services as well as the construction and upgrading of public amenities such as community halls, markets, business premises and recreational facilities.

In order to handle the challenge of environmental pollution, local authority needs to create a provision for effective solid waste management system in the long term so to not create problems due to environmental pollution. At the same time, they hope that the people will cooperate to pay service charge. To ensure the integrated and sustainable solid waste management, the National Strategic Plan for Solid Waste Management (NSPSWM) was adopted in 2005 (9th Malaysia Plan, 2006-2010). The NSPSWM outlined various strategies including the adoption of sustainable solid waste management through reduction, reuse and recycling as well as the use of appropriate technologies, facilities, and equipment and service standards.

Information system or IT will be the main approach to increase the effectiveness of service delivery system. Any local authority that is incapable financially and technically will subsequently be left out. For the duration of the Ninth Malaysia Plan, the use of information and communication technology in administration and management of local authorities was further enhanced to increase their capacity and efficiency. In the implementation of the Smart Local Government Governance Agenda (SLGGA), efforts were undertaken to equip local authorities with computer equipment and relevant software. Websites for 52 local authorities were developed to enable the implementation of the e-Local authority application involving various systems such as the revenue, licensing, reporting, accounting, complaint and the e-submission system.

Local authority needs to focus on developing

Knowledge Workers, so that it can manage current issues that are getting more and more complex. To enhance the capacity and management capabilities of local authorities, measures will be undertaken through capacity building efforts and reviewing of systems and procedures. In this regard, efforts will be continue to enhance human capital development and increase awareness among employees on their role and responsibilities in serving the general public. To ensure that decisions made at the National Council of Local Government (Majlis Negara Kerajaan Tempatan) are implemented by state governments and local authorities, a monitoring mechanism will be developed by the Ministry of Housing and Local Government (9th Malaysia Plan, 2006-2010).

Among the steps taken by the ministry in an effort to handle the challenges is to increase the competitiveness of local authority, especially in the Ninth Malaysia Plan, by continuing the existing development and creating new programs.

2. RESEARCH METHODOLOGY

The gathering of information involves the distribution of a set of questionnaire designed to achieve the research objectives. The Mayor or Council's President with the assistance of senior officers are required to answer every question based on the facts, collective views, current action plans, observe management's strengths and weaknesses, recognize threats and other critical factors that influence organization's success, and identify issues on current and future strategy and challenges. The level of information clarification involves extended discussion with council's senior officers. On the level of Ministry of Housing and Local Government, the same approach is used, except that the clarification on information is made through electronic interview. Collective answer derived involves senior officers, by observation and providing relevant answers.

3. FUTURE CHALLENGES

This part will identify several challenges that faced by MPSP in the future. The economic issues are dominant, in addition to the quality of life, environment, and safety. The basic challenge is the re-demarcation of municipality's administrative areas that contribute huge implications on other issues. Three challenges are predicted to be faced by MPSP; i) The re-demarcation of administrative areas, ii) Destabilization and global economy crisis and iii) Local economy development (LED) and competitive economic.

One of the most talked about issue is the size of the administrative areas and huge population size (represents 55% from the overall population of Penang), and the efficiency of urban service that MPSP can provide to the people of Seberang Perai, currently and in future. The

intention of state's government of restructuring the local authority in Seberang Perai is seen as the main challenge that needs real justification and rationality for decision, and its implications on organization administration, geo-politics, infrastructure facilities, socio-economy and physical, cost benefit, and the impact on the income and expenditure of the council. The re-demarcation can be categorized into three possibilities; a) to create one Municipality Council and three District Councils, b) to create two Municipality Councils and one District Council, c) to maintain the existing structure.

The main challenge of MPSP is how to react to this situation, and what kind of preparation that needs to be taken as a precautionous step from making the situation even worse due to the moving of investment location. The question is will the vision of MPSP "to make Seberang Perai as a clean, beautiful and comfortable place to live, work and competitive investment" still sounds relevant, especially in convincing the investors?

The reliance on uncertain globalization economic caused a shifting focused to the development of local economy, including identifying new sources that can be exploited, support Small and Medium Enterprise (SME) and other fields including trade and agriculture. Seberang Perai has variety of sources and land uses, including investment, industrial and agriculture areas, with a huge potential to exploit as new form of resources for the growth of local economy. The increase in the quality of the among the urban and rural communities can be seen through the perspective of secured urban environment in terms of cleanliness, the management of continuous natural resources, consistent and effective and sensitive toward any forms of threats and disturbances. In this context, MPSP sees that the challenge to preserve and increase the quality of environment (living, work and other areas) as one of the main priority in policy making, implementation and monitoring of the council.

4. MATERIAL AND FINDINGS

The case study of MPSP had successfully showcased the real issues and challenges that provided real implication on the existing system, organization and process, as well as faced with various possibilities, especially from the aspect of human's quality of life. The effort to redraw the borders of MPSP's administration areas through the process of decentralization will contribute to huge effects toward the ability of administration, finance, and provide and maintain public facilities. The maintaining of status quo like the current condition will contribute positive impacts toward the handling of financial resources through cross subsidies, and provide the benefit of economic of scale to the development of Seberang Perai area. Whatever alternatives that are being suggested, the implication on for example the emolument payment, financial subsidiary, imbalanced among areas, and basic

issues such as personnel, positioning and jurisdiction need to be given undue attention.

Norris (1980) explained that the main problems of local government in this country is the provision of adequate finance, whether in the form of grants, assigned revenues or capital credit, at least sufficient to give meaning to the Local Government Act. Restructuring demands a rigorous relation of resources to new responsibilities. The process of transformation in the global economy has made the function of cities become complex. This was illustrated by Sassan and Patel (Sassan & Patel, 1996) ... "yet the dominant images of such a notion - the information revolution, the neutralization of distance through telemetric, the instantaneous transmission of money around the only part of the transformation process. As such, they are profoundly inadequate as images of what globalization and the growth of information economies really mean for cities ... it is the simultaneous combination of the global dispersal of economic activities and of global integration that has given major cities a strategic role and transformed them into global cities." In the perspective of space or urban system, the reliance between urban-edge areas does influence the distribution of all activities and pattern of the economy. The effect of local economic development happened in hierarchy of city and spread through the edge and all of the sequences of the process will influence the organization's socio-economy and welfare distribution (Friedmann & Wulff, 1986). In the context of Seberang Perai, the role of metropolitan such as Butterworth-Bukit Mertajam in influencing the housing distribution and trade through the impact of over flow is extremely obvious.

The focus of MPSP Strategic Plan on financial management is aimed at managing finance efficiently in order to set up strategies that are able to withstand challenges of economic development and global economic shock. In addition, wise expenditure plan and effort to increase yearly revenue, focus on innovative approach and optimal rewards, and optimize the usage of asset for generating income, and absorption accountability values to ensure the organization's durability. Efforts to upgrade the system of traffic management, provide public facilities and cooperation between agencies can cause implications toward commitment and effectiveness of municipal service system by the councils. The innovative and open attitude can contribute to new perspective to people in realizing the vision and mission of the councils. In the context of Norris (1980) one explained ... "Barriers of status and inter-agency rivalries, which have cripple local authorities in the past, and continue to belittle the work of their employees, need to be removed. Councilors should be seen to be men of quality, the nicety of political balance being at least irrelevant.

The enactment and implementation of MPSP Strategic Plan (2001-2010) redefines the focus and direction of the council based on the close cooperation between the

council and the people. The plan includes some aspects of administrative and services that have 10 focuses with goals and specific strategies; i) Human Resource performance and practice, ii) ICT plan, iii) Customer service, iv) Organization's efficiency, v) Ethics and management, vi) Communication, vii) Community participation, viii) Financial management, ix) Quality of life, x) Indigenous (Bumiputera) participation.

The focus of customer service for example aimed at providing effective feedback toward customer service by setting up strategies such as create the method on smart partnership for critical services, increase public awareness and societal leadership service, community development service, and provide the best and consistent municipal services. The focus on effectiveness and accuracy of organization outlined several strategies; one of them is equipped with the latest equipment, uphold best practice, division of best fitted man powers, focus on the process of producing good work, and restructuring all council's organization.

5. RECOMMENDATIONS

The challenge to increase the quality of life needs to be implemented in the Focus for Quality of Live in the MPSP's Strategic Planning, by the aim of increase the prosperity of Seberang Perai lives. Several strategies were recommended, among them are the increase the role of the council in an effort to develop development, management approach based on revenue, emphasis on public importance in operational structure, and creates an environment that contributes to the economic capability of a state.

This statement is supported by the Community Participation's Focus that instill aims such as collaborative and consortia with the community. In addition to setting up Smart Partnership Service between the council and private sectors, academic institutions and NGOs, the strategy to promote investment and productive tourism were also recognized to be able to help to achieve community participation which will influence the environment quality. In future research, the new approach is based on the smart partnership concept, through the Local Agenda 21 (LA21) method, which integrated the roles and commitments of all parties in community development projects, increase living quality and the importance of environmental conservation and safety issues should be more focused.

CONCLUSION

The ability to identify or estimate the possibilities of challenges that will be faced by the Local Authorities in this country needs high level of sensitivity and awareness among top management. In this context, MPSP had proved that this ability depends on the preparations that had been implemented earlier especially the adoption

of Strategic Plan and Corporate Action Council Plan. Through these methods future issues can be sensed and predicted earlier, and early warnings to overcome the issues can be presented in the Brainstorming Sessions that includes all focus groups. The findings of this research showed that MPSP is optimistic and prepare to face with these challenges. The preparations made and action plans implemented are predicted to act positively with the future of the council.

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