



organized by
Centre for Malaysian Chinese Studies



in collaboration with
Institute of China Studies University of Malaya

Seminar on Local Government in Malaysia: The Search for New Directions

Phang Siew Nooi



***Transforming local government:
the challenge to centralization***

22-5-2008

1st Floor, Selangor Chinese Assembly Hall,
No. 1, Jalan Maharajalela, 50150 Kuala Lumpur.

Seminar on Local Government in Malaysia: The Search for New Directions



Transforming Local Government – The Challenge to Centralization

Phang Siew Nooi
University of Malaya

Paper presented at Seminar on Local Government in Malaysia: The Search for New Directions, 22 May 2008.



- Local government operates within a framework where it is politically and economically subordinate to the State and Federal Governments. Given the challenges faced by local government and increasing community demands, local government has to consistently negotiate from a position of weakness.



To address this weakness, local government has to be transformed; but How and Can it?

- The Report of the Royal Commission delves into the issue of local government competence and its ability to deliver services. The Report explains that 3 channels may be used i.e. devolution, deconcentration & decentralization.

Seminar on Local Government in Malaysia: The Search for New Directions



- Devolution allows powers to be formally constituted to local government units, deconcentration operates by a delegation of authority and decentralization combines the elements of both devolution and deconcentration with discretionary and obligatory powers (Malaysia, 1962, p.32)



Local government in Malaysia is entrenched in Items 4 & 5 of the 9th Schedule of the Federal Constitution. But, it is the inability to be precise about the objectives of local government and recognize it as a level of decentralized government with a degree of autonomy & powers that has weakened local government today.



- For local government to be able to address national and global problems, it must be strengthened structurally and politically. "The incentive to participate in government processes is stronger locally than nationally because local governments are closest to citizens. Therefore a way to deepen democracy nationally is to deepen democracy locally"(Mkhatshwa & Otekat, 2005).

Seminar on Local Government in Malaysia: The Search for New Directions



- Not all central governments can accommodate the demands of the community, and there is recognition that local government is best placed to help tackle community and other national issues such as poverty, crime, urban and climate change, migration, quality of life, etc.



- For local government to be representative of the community and effective as a partner in supporting central government, it too needs to have some form of autonomy and powers to shape local policies, provide services efficiently and recognized as a tier of government. This involves loosening centralization and empowering local government via decentralization.



- Decentralization involves political & democratic devolution of decision-making powers & locally elected & accountable representatives. It also includes devolution of tax-raising & spending powers & administrative functions.
- Decentralization is important as it will help to strengthen local governance & give local government the flexibility in making critical decisions with regards to local issues (UNPF, 2007).

Seminar on Local Government in Malaysia: The Search for New Directions



- A number of national governments in developing countries e.g. Kenya, Tanzania, Cambodia and Honduras are devolving some powers to local governments and creating opportunities for their local councils to be more active in social and economic development (UNPF, 2007).



- Even the world's two largest countries of China and India have embraced decentralization. Indonesia, one of the most centralized until the end of the 1990s, has undertaken a far-reaching decentralization of powers and resources.
- A study states that strengthening local government is a prerequisite of social progress, political stability and economic development (Alam, 2006).



- Globally, decentralization is gaining momentum and strength, BUT in Malaysia?

Seminar on Local Government in Malaysia: The Search for New Directions



- In Malaysia, the changes that have taken place in local government to render it more responsive have been more administrative rather than political. Past reforms of local government had depoliticized local government & reinforced centralization.
- However, the recently concluded national elections have contributed to current sentiments and raised concerns about local autonomy and political decentralization.



- For change to occur in local government, much depends upon inter-governmental relationships or "ties that bind"; i.e. ties between federal and state governments that can significantly influence the outcome of change.



- The government's underlying philosophy provides little avenue for local government to be transformed to a totally decentralized tier; preferring administrative rather than political and democratic devolution; raising little challenge to centralization.
