Local Government Administration in Malaysia

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CHAPTER EIGHTEEN

LOCAL GOVERNMENT ADMINISTRATION IN MALAYSIA

BY

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Introduction
There is a global wide spread view and belief that Igal Government or local authority is the tier or level of government lowest and closest to the people. In federal systems of government, like in Nigeria, it is the lowest often referred to as government at a sub-state level but in a unitary system like in Great Britain, local government is regarded as a grass roots governmental structure at sub-national level. local government can be seen and regarded as management by the people within the locality of their own affairs (Orluwene, 2007). It should be noted, at this juncture, that it is about the most common meaning attached to the concept with emphasis on management.

In this sense, local government can be briefly seen as a political administrative structure for governing at the sub-state or sub-national level. To get a clearer understanding of this explanation, one must have in mind the concept of levels of government- the organization of government in terms of territorial distribution of governmental powers and functions.

For example, given the unitary type of government that exists in Britain, which specifies the distribution of governmental powers and functions territorially, local government in Britain is a political administrative structure at the sub-national level. There are just two levels of government  the national or central government and the local government. The local government system is subordinate to the central government. Infact, the local councils under this unitary arrangement, as is also peculiar to other unitary states, owe their existence to the central government.

However, in spite of the foregoing, local government tends to mean different things to different scholars depending on the ideological persuasion as well as the political settings in which they operate. It was perhaps in recognition of this that Ronald Wraith observed that the idea of local government is a different or logical product of a particular political environment and could mean different things to different scholars. According to the Federal Republic of Nigeria, Guidelines for Local Government Reform 1976, Local Government is:

Government at the local level exercised through representative councils established by law to exercise specific functions within defined areas. These
powers should give the council substantial control over local affairs as well as the staff and institutional and financial powers to initiate and direct the provision of services and to determine and implement projects so as to complement the activities of the State and Federal Governments in their areas (FGN, 1976:1).

Barber (1974:1) maintains that local government means an authority to determine and to execute matters within a restricted area inside and smaller than the whole state. Local government involves the administering of services on a local basis by local bodies.

Also, Appadori (1975:29/87) in a related study as to what local government actually means is of the patent view that:

Local government is government by popular elected bodies charged with administration and executive duties in matters concerning the inhabitants of a particular district or place.

The foregoing definitions notwithstanding, one of the most comprehensive and accepted definitions of local government as a level of government closest to the people is that provided by United Nations Office for Public Administration. Accordingly, it defines local government as cited in Ola (1984) as:

A political sub-division of a nation (Federal System) which is constituted by law and has substantial power to control local affairs, including powers to impose taxes, exact labour for prescribed purposes. The governing body of such entity is either elected or otherwise locally selected (appointed).

Local government is therefore vested with some power to exercise control over the affairs of the people of its domain.

In Malaysian federalism, local government occupies the third and lowest level after the federal and state governments. According to paragraphs 4 and 5 of the (Ninth Schedule) of the Malaysian Federal Constitution, local government is the responsibility of the states but the federal government also exercises some considerable power and influence over local government especially in Peninsular Malaysia (Garzia-Jansen cited in Phang, 2008).

The dynamics of Malaysian federalism is such that it has shifted the balance of power to the centre. It accounts for only 1% of Gross Domestic Product (GDP). There are 144 local authorities divided into cities (major administrative and commercial centres) and districts chiefly rural areas).
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Executive powers rest with the major (cities) or president supported and/or overseen by a system of committees. Currently, local councils in Malaysia are not elected, councilors are appointed by the state government for 3 years term (with the option of re-appointment) and in most cases come from ruling coalition (Gaventa, 2004).

The above notwithstanding, local government in Malaysia has power to collect taxes (in form of assessment tax), to make or create laws and rules (in form of bye-laws) and to grant licenses and permits for any trade in its area of jurisdiction. In addition to providing basic amenities, collecting and managing waste and garbage as well as planning and developing the area under its jurisdiction. The Malaysian local government is headed by a civil servant with the title Yang Di-Pertua (President).

Historical Background of Local Government System

Historically, local government system in Malaysia was a legacy of British colonialization with many of its laws derived from or modeled on British Laws (Noris, 1980). However, with passage of time, many local unique social and cultural characteristics have influenced the working of local government in Malaysia.

The British in 1801 established a Council of Assessors in Penang, charged with the role of planning and developing the municipality area, and was the basis of local government in the then Malaya (present-day Peninsula Malaysia). After Penang, local councils were established beginning with Malacca, followed by the Federated and the Unfederated Malay States, finally extending to Sarawak and North Borneo. Laws were promulgated to govern the establishment of local authorities and the organisation of local council elections. One of the important laws was the Local Government Election Ordinance 1950 that entrusted local councils to organise elections for the office of councilors-people that govern local areas. Another law was the Local Government Ordinance 1952 which empowered local residents to establish local councils in their areas wherever necessary. Prior to Malaya’s independence from the British in 1957, there was a total of 289 units of local councils in Malaya (Malaysia, 1972). The constitution of the new country after independence from Britain gave the power to control local governments to the states (Malaysia, 1957).

The 1960s was a challenging time for local authorities in Malaya. They faced many problems regarding internal politics and administration. In addition, the Indonesian confrontation against the formation of Malaysia in 1963 had forced the federal government to suspend local council elections in 1965. The suspension was made by means of emergency law namely the Emergency (Suspension of Local Government Elections) Regulations 1965 and its amendment of the same year. Since then, local governments in Malaysia have not been elected.
Problems faced during the early 1960s were further aggravated by a plethora of local government entities in the country at that time. To make matters worse, there were many laws governing local authorities since every state had its own laws. Until early 1970s, the proliferation of local councils reached staggering numbers374 in Peninsula Malaysia alone (Malaysia, 1957). Hence, the federal government saw the need to reform local governments in Malaysia in order to improve its working and standing. A Royal Commission of Inquiry to investigate the working of local governments in West Malaysia was established in June 1965 for this purpose. The commission was headed by Senator Athi Nahappan while its members were D. S. Ramanathan, Awang Hassan, Chan Keong Hon, Tan Peng Khoon and Haji Ismail Panjang Arisall were prominent politicians of the Alliance, the ruling party of the country (Saravananuttu, 2000). The commission organised many meetings and discussions as well as received many memoranda from various organisations and managed to finish a complete investigation four years later. The commission sent its report to the federal cabinet in December 1969 but its report was only released to the public two years later.

Although not all of its recommendations were followed by the cabinet, some of its findings became the basis for the restructuring exercise in the next two years. Ong Kee Hui, the Minister for Housing and Local Government at that time through a cabinet committee started the restructuring process by introducing the Local Government Act (Temporary Provision) 1973. This law empowered the federal government to review all existing laws relating to local governments, including state enactments and ordinances. Eventually, three main laws were passed which changed the system of local government in Malaysia. They were Drain, Road and Building Act 1974 (Act 133), Local Government Act 1976 (Act 171) and Town and Rural Planning Act 1976 (Act 172).

Some important changes were enforced under the Act 171 alone. One of them was, the restriction of the number of local governments in the peninsula. More importantly the abolishment of local government elections. Under this act, local councillors were no longer elected but appointed by the state government. Its role has rapidly changed as well. In early 1960s, local government was considered as another channel in exercising one’s democratic right - apart from electing representatives to the parliamentary and state assemblies. However, it has now taken up the role of speeding up and encouraging development projects.

The constitution of 1957 gave the exclusive power to govern local governments to the state except those in the federal territories (Malaysia 1957). However, a constitutional amendment was made in 1960 that provides for the establishment of a consultative committee called the National Council for Local Government (Malaysia, 1957). Membership of this council consist of a federal cabinet minister as the chair, a representative from each state government as well as no more than 10 representatives of the federal government. Although its role is to be consulted in the matters of law governing local authorities, this 1960 constitutional amendment also provided the chair a casting vote thus gave the federal government a big clout on local government.
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Constitutional provisions aside, there are many laws passed by the parliament to control the operation of local government in Malaysia. The most overreaching piece of law is the Local Government Act 1976 (Act 171). This act of parliament outlines the form, organisational structure, functions and responsibilities of a local authority. At the same time, the Town and Rural Planning Act 1976 (Act 172) was promulgated to overcome the weaknesses in the planning of land use in local areas. This act 172 puts the primary physical planning responsibility at local level to the local government (Singh, 1994). Additionally, the Drain, Road and Building Act 1974 (Act 133) explains several other roles of local authorities regarding drainage, maintenance of municipal roads as well as public buildings. In addition to the three main laws, several other laws and regulations including by-laws were created and enforced to help the running of local government.

Local Government Structure
Local government comprises two levels- district administration and local authorities. District administration is the prominent administrative bodies at the district level for both the state and federal governments. District officers head the District Council and are responsible for the development of the district as a whole. Coordination of the development activities is done through various committees, most of which are chaired by the District Officer. The state governments appoints the major Chief Administrative Officer and Councillors.

It is important to note that prior to the 1973 restructuring exercise, there were 6 types of local government. The total number of local councils then was 418. The types were:

- City Council
- Municipal Council
- Town Council
- Town Board
- Rural District Council
- Local Council

But the enforcement of Local Government Act 1976 established in essence only two (2) types of local councils. Municipality for large councils and district councils for small urban centres.

However, a city status can be conferred on a municipal council by the Yang Di-Pertua Agong with the consent of the Conference of Rulers once it reached/met the necessary criteria. Apart from those mentioned by the Act 171, there are many other agencies established and charged with the role of local councils. These so called modified local authorities were established under newly created, separate and special Act of parliament or state enactment or ordinances. In total there are currently, four (4) types of local governments in Malaysia, and they are:

- City- called City Hall or City Council (e.g. Kuala Lumpur City Hall).
- Municipality- called Municipal Council (e.g. Ampang Java Municipal Council).
Rural Areas called District Council.
Special and Modified Local Authority - called Corporation, Development Board, Development Authority or simply Pihak Berkuasa Tempatan.

Currently, there are a total of 151 local authorities in Malaysia and the breakdown is as follows:
- 12 City Halls
- 36 Municipal Councils
- 96 District Councils
- 7 Modified Local Authorities

Functions of Local Government
The main local government functions in Malaysia are:
- Planning and overseeing development, including the preparation of structural plan.
- Licensing and control over trade, hawkers and entertainment night spots, advertising and bill boards.
- City beautification.
- Providing health services, food quality control, cleanliness of food centres and control of contagious diseases.
- Constructing and regulating road systems.
- Managing traffic systems and public transportation.
- Regulating drainage systems and maintaining a clean environment, and
- Providing and maintaining public amenities such as wet markets, business centres, stalls, sports complexes, bus stops, halls and libraries.

In 2002, the Malaysian government launched a national agenda of 21 programmes. The programme is under the leadership of the Ministry of Housing and Local Government (MHLG) with the assistance of the United Nations Development Programme (UNDP). A local agenda 21 steering committee has recently been established to develop the programme which is chaired by the Economic Planning Unit of the Prime Ministers Office. The MHLG has a representative on the committee. The objectives of the National Local Agenda 21 Programme include:
- Promotion of community partnership in programme of environmental management.
- Increased awareness of environmental issues, and
- Achievement of sustainable and balanced development.

In spite of the launching since 2002, there has not been any National implementation of Local Agenda 21 activities to date but a small number of local governments have undertaken activities related to local agenda 21 processes.

In addition to the creation of National Programme for Local Agenda 21, sustainable development principles have been incorporated into Malaysia's five-year development
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planning process. The seventh plan (1996-2000) include aspects relating to environmental and natural resources management and aims to promote economic, social and cultural progress through environmentally sound and sustainable development.

Local Government Sources of Finance
The MHLG classifies the sources of income (finance) for local authorities into six groups (listed in descending order of total revenue percentage).

- Assessment rates
- Car parking charges, planning fees, compounds, fines and interests.
- Government grants.
- Licenses.
- Rentals, and
- Other tax revenue.

Problems and Prospects of Local Government
In considering the nature of the problems of local government in Malaysia, many factors which are endemic and demanding very serous surgical operation have served and are still serving as impediments to the attainment of the goal-value of service delivery in the local government system in Malaysia. One of such problems is that there is excessive central or federal bias in the division of powers between levels of government which is contrar

f government. It was conceived to strike a balance between the need for a strong central government at the federal level, the rights and powers of the states and the expectations and needs of the local level (Sheridan and Groves, 1987). However, the division of powers between levels of government reveals a central bias.

Marshall, N., Macmillan.

While each state is recognized as an independent tier of government exercising legislative and executive powers within constitutional limits, federal laws take precedence over those of the states, if for any reason there happens to be conflict or inconsistency. It has been observed that “in practice the states have little real autonomy. Although some federal functions have been decentralized, most decision making remains at national level” (Morrison, 1994).

Historically, state-local relations in Malaysia were problematic with intermittent federal interventions, whenever the occasion demanded, especially in political and financial matters (Norris, 1980) State governments seldomly offer financial assistance to their local authorities, which therefore came to rely extensively on federal funding. This further enabled central government to reinforce its control.

The 1970s extensive reform did not correct the situation. It however, gave the central government more powers. Thus, under the 1976 Local Government Act, the Federal Minister of Housing and Local Government (MHLG) is responsible for implementing laws
relating to local government policy in Peninsular, Malaysia. Federal influence is also exercised through the National Council of Local Government (NCLG). It was established since 1960 to ensure uniformity of local government laws and policies in Peninsular Malaysia. Section 95A of the Federal Constitution provides that after consultation with State governments, the NCLG can “formulate policies for the promotion, development, control of local government throughout the federation and fund the administration of any laws relating thereto”.

Moreso, in spite of the previous moves such as the 1976 Royal Commission of Enquiry to investigate into workings of Local Authorities in West Malaysia as to redistribute responsibilities between tiers of government and greater community participation, local government remains tightly controlled from the centre with limited revenues and only a minor role. Thus, state and local governments in Malaysia now operate within the framework of being politically, financially and economically subordinate to the federal government.

As a result, the local government system has serious difficulties meeting the challenges of a changing global environment and of a community that has become more aware of local government inability to deliver what it wants. As a consequence local government's perception of what is being delivered may often not match that of the community.

Local government autonomy and capacity has been further constrained by the delegation of burdensome service from the central government. Two recent examples are highlighted here. The first involves the central government objectives of reducing urban poverty in pursuit of which local government has been given a major role. Secondly, the need to address a rise in the nation's urban crime rate has also been linked to the role of local government which has therefore had to engage in crime prevention activities. These additional responsibilities have severely taxed local government's financial and human resources. As a consequence, its performance is considered poor and its relationship with the public is fragile. It therefore lacks better infrastructure, personnel and finance (Phang and Beh, 2006).

Local government system in Malaysia is faced with constant criticisms over delays, poor attitude, weak enforcement and displaying arrogance because it operates within a centralized political system that does little to encourage autonomy or public participation at the local level. While federal government exhorts application of the principles of good governance such as transparency, accountability and participation, local government's subordinates positions within the government hierarchy stymies or curtails its ability to engage freely with the community.

From the foregoing, there is a gap between “demand and supply” both in service delivery and in judgement of local governments performances. Increasingly, communities are focusing on the need for more efficient and effective provision of services by local government and for
more public participation. Indeed, there is an emerging neo-centralism; there is a growing tendency for central government under the pretext of providing better services to the public, to remove traditional functions of local government and practice them which means cutting back on local autonomy and strengthens an apparent trend towards re-centralization in the federal-local government relationship.

The continuous appointment of key officers of the local government- Mayor, Chief Administrative Officers and Councillors by the state makes the system of local government undemocratic because it is understood that the local system provides or acts as training grounds for future political leaders through political training and education for those who wish to aspire to the national legislature. Legislators and other officers who have served for at least three years at the local level would have had the experience necessary to make them succeed at the national level as competent and effective law makers and representative of their constituencies (Phang, 2008).

In spite of the foregoing analysis of the imperfections of local government system in Malaysia, the local government system still remains one of the best means of meeting the needs and aspirations of the grass-roots through effective service mechanisms. The following therefore deserve immediate attention in Malaysia.

The civil service has to re-examine its work manuals and try to reduce burdensome procedures. “Public organizations are identified as rigid bureaucratic cultures which are shaped by their own internal interest and are therefore not responsive to the needs and preferences of those who receive public services ordinary citizens” (Minogue, 1998). Clearly, cutting back complex bureaucratic procedures is one of the proclaimed objectives of the new public management philosophy to which Malaysia is committed.

There should be transparency in the method of public participation and consultation- the community wants to be involved in the decision making process of its local authority and hesitates to accept decisions which appears autocratic and are viewed as top-down directive, which can not engender trust, which is necessary for effective service delivery to the mass of the people.

The institution to be created; legal status and other structural arrangement should reflect the state needs. The institution to be sufficiently autonomous and multipurpose to make for stability and capability to be fully responsive.

Greater devolution and decentralization of power and resources from federal to the state and local governments as to attract decent, competent and experienced people to public and community service in local government administration.
A comprehensive constitutional review that would make local government creation, funding and supervision the responsibility of the state government. Federal government funds to local government should only be grant-in-aid or matching grant etc. This will address peculiar national problems and facilitate balanced growth and development. All the unhealthy rivalries and lack of complementarities in development policies and programmes would also be sanitized once local government is subsumed under the state.

**Conclusion**

The study has analyzed the local government system in Malaysia. It notes that the foundation of grass root development in Malaysia is often laid by the federal arrangement (Federal System) through institutional building as well as the provision of broad policy guidelines. The study looked at the concept of local government generally, historical background, structure and functions. Others are sources of finance, problems and prospects of local government system in Malaysia.

It was further discovered or revealed that non-performance of local government in Malaysia is due to a number of factors. Some of them include inadequate funding, corruption, lack of autonomy and misplaced priority and the imposition of superfluous function on the system.

On the basis of our findings, we conclude that for local government to discharge its statutory functions creditably, all the factors that constitute sloth and inertia to its capacity to act should be obliterated. When this is done local government would be energized to grapple with grassroot development.
REFERENCES


Evolution of New Zealand Local Government

Chapter 9

Introduction

The development of modern local government has been a complex process, shaped by a variety of factors including political, economic, and social changes. In New Zealand, local government has evolved over time, reflecting the country's unique historical and cultural context. This chapter will provide an overview of the development of local government in New Zealand, highlighting key events and milestones that have influenced its structure and function.


defined:{


Committees, Privileges, and Standing Orders of the New Zealand Parliament

New Zealand has a bicameral parliamentary system, with a unicameral lower house and a more limited upper house. The Lower House, known as the House of Representatives, is elected on the basis of one member per electorate, with seats allocated based on population. The Upper House, the Senate, consists of 42 members, with 10 members elected by each of the six provincial councils, and 14 members appointed by the Prime Minister. The Senate has a more ceremonial role compared to the House of Representatives, which is the primary legislative chamber.

Historically, New Zealand is known for its strong tradition of local government, with a system of elected councils that provide services such as waste management, water supply, and road maintenance. This chapter will explore the role of local government in New Zealand, including its responsibilities, funding, and the significance of elected representatives in the decision-making process.

New Zealand does not have a single written constitution but rather a constitution that developed over time through parliamentary and constitutional practices. The enactment of new laws and amendments is carried out by the Parliament, which is composed of the House of Representatives and the Senate. The judiciary system is independent of the government and plays a crucial role in interpreting and enforcing laws.

The Council of New Zealand's first ancestor, Prince of Wales (ascendant) in the

The title of the local government review in New Zealand is 'Local Government Reform'. It aims to enhance efficiency, reduce costs, and ensure fair representation. The review will protect the existing elected councils and their responsibilities, while also exploring ways to improve the delivery of local government services.

The review process will involve consultations with various stakeholders, including local councils, citizens, and experts. The findings of the review will be used to develop a comprehensive plan to modernize and streamline local government in New Zealand, ensuring that it remains responsive to the needs of its constituents.

In conclusion, the development of local government in New Zealand is a dynamic process, shaped by historical, social, and political factors. This chapter has provided an overview of the current structure and function of local government in New Zealand, highlighting the role of elected representatives and the importance of consultation in the decision-making process. As the review process continues, it is expected that the future of local government in New Zealand will be strengthened and more effective in serving the needs of its communities.

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