

# Local Government and Smart City Development in Malaysia

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### Abstract

The chapter unravels the challenges around issues of decentralisation, elections, trust, transparency, accountability, open government data, and streamlining quality of services within the local government and technology landscapes in Malaysia, especially on the newly framed Malaysia smart city framework as currently implemented notably in Putrajaya, the administrative capital of Malaysia and in several other cities which are still lagging behind. While navigating these challenges, the government strives to meet the desires and demands of the citizens in further enhancing public service delivery and public urban green spaces for better liveability and sustainability as well as public trust and accountability in the ecosystem. Strong collaboration and engagement between various stakeholders are required to create a conducive environment for different stakeholders to work collectively to agree on the priorities and solutions that are more inclusive and open. This involves strengthening the key enablers for further development and sustainability of the nation with regards to the issues of trust and governance that would serve ultimately the outcomes of innovation, digital transformation, and competitiveness in both citizenry and governmental entities of federal, state, and local governments.

### A. Introduction

This chapter unravels the challenges around issues of decentralisation, elections, trust, transparency, accountability, open government data, and streamlining quality of services within the local government and technology landscapes, especially on the newly framed Malaysia smart city framework in its current implementation notably in Putrajaya, the administrative capital of Malaysia and in several other cities where implementation is still lagging behind. While navigating these challenges, the government strives to meet the desires and demands of the citizens in further enhancing public service delivery and public urban green spaces for better liveability and sustainability as well as public trust and accountability in the ecosystem.

With the acceleration of urbanization, the sustainability of local government projects has become pivotal to social development. Administrative reforms have been consistently undertaken and changes appear to be a constant factor in the desire to reform the social, political, and economic systems. Reform initiatives have always been regarded as necessary in order to adapt to the changing environment as well as to be able to expand and cope with increasing activities and global challenges. Nonetheless, reforms can differ between sectors and nations given the various nuances and levels of economic development. As such, the process of reform may usually involve a particular sector or administration of government or an entire level within the country such as federal, state, or local government.

It is a common characteristic of reform, at least envisaged by citizens, rather than by some quarters of the government, that attempts at reform initiatives be targeted in the decentralization of power and autonomy to lower levels of government. This is commonly desired in many of the developing countries where the shift of power to local government has created hierarchical units of administration at the lower levels of government. These initiatives exist within the dynamics of decentralisation and shifting of power between levels of government especially to local government.

In relation to the Malaysia's context and the theme of this book volume, there are related theories of institutional trust namely theories of government performance, cultural theories and institutional theories, which will be briefly described here. Cultural theories emphasize the role of deep-rooted cultural norms and individual's socialization experiences (Inglehart 1997; Putnam, 1993). Individuals learn to (dis)trust other people by interacting with family members, friends, and formal social networks and this socialization process results in a collective sense of interpersonal trust in a given society and hence, high levels of interpersonal trust are strongly associated with high levels of institutional trust (Mishler & Rose, 2001; Norris, 1999). This is applicable given that Malaysia is a multi-cultural country with diverse ethnic groups living together in harmony. In association, theories of government performance focus on the effects of either public evaluation of government performance or objective indicators of economic performance on institutional trust (Anderson and Guillory, 1997; Hetherington, 1998). The high quality of policy outcomes and improvement in economic evaluations tend to lead ordinary citizens to perceive government to be working effectively. These positive outcomes will contribute to increased institutional trust. Furthermore, in addition to economic outcomes, political outcomes such as providing increasing freedoms (removing Internal Security Act and more liberation activities allowed under the Universities and Colleges Act) as well as steps in reducing corruption are some of the important aspects in contributing to higher levels of institutional trust and particularly so, in emerging economies. Notwithstanding, other scholars (e.g. Cho and Bratton, 2006; Criado and Herreros, 2007) emphasize the influence of political institutions on levels of public trust in institutions. However, the discrepancies in empirical results suggest that the issues of the effects of institutions on institutional confidence remain understudied, which is not the focus of this chapter but rather as a preamble to the next section wherein the Malaysian context of local governments and their governance revolves around these issues.

## **B. The Malaysian Context**

As a background on the regional and international level, the local governments in Malaysia have (in)directly received cooperation and support from The Council of Local Authorities for International Relations (CLAIR) which was created in July 1988 as a joint organization of local authorities to promote and provide support for local internationalisation with offices in major cities around the world. Among them, in Singapore where the office was set up in 1990 to support activities of local authorities in Brunei, Malaysia, Indonesia, Laos, Myanmar, Philippines, Thailand, Vietnam, Cambodia and Singapore. In order to deepen understanding of international cooperation and to develop personnel

work effectively with such matters, workshops, series of seminars, and international exchange activities were held for employees of local governments and central Malaysia.

In Malaysia, the local government represents the third tier of government and is closely associated with the local community under its jurisdiction of authority. At the local level, the local government is non-elective and is provided for in Paragraphs 4 and 5 of the Ninth Schedule of the Federal Constitution. Despite the federal government having powers over local governments, it is the state governments that ultimately have general responsibilities for local authorities within their jurisdiction.

The local governments in Malaysia have undergone many political and administrative reforms as well as changes that enable them to manage the multi-faceted expectations of various communities in their areas. Various forms of changes have been undertaken to demonstrate and improve their effectiveness and efficiency in tandem with the nation's pursuit of better governance. The local government operates within a centralised system where the federal or central government has the final authority over local governments. As such, if the local government were able to perform its functions effectively and efficiently, it has to be given some degree of autonomy. Such reinforces the idea of decentralisation. Therein the necessity to transform and strengthen local government into an institution that is capable to address rising urbanisation, unprecedented growth of cities and increasing demands from a continuously growing population who are still grappling with economic disparity and trans-boundary activities, and to a certain extent poverty and associated petty crimes. Initiatives to transform local government into a dynamic level of governance in confronting challenges and providing services are always continuous. It has always been recognized globally that local government is best placed to help tackle problems of the community as this will have an impact at the national level. Hence, the constant reforming of local government as an autonomous level of government to function as an effective third tier of government is synonymous to the philosophy of democracy.

### **C. Decentralisation and Participation**

Community participation in the process of decision-making at the local level symbolizes the existence of decentralisation. It forms part of the country's initiatives in administrative and economic reform agenda as the quest is always on the desire for economic liberalisation even though the central government still retains considerable influence. This continuous process is basically about improving service delivery performance by the government and inadvertently some forms of decentralisation is evident in order to achieve outreach to community delivery of products and services as well as to demonstrate local democracy principles that go hand in hand with good governance.

Decentralisation involves not only the transfer of powers to local government but also the sharing of finances and devolution of functions appropriate for local government to carry out. This means that decentralisation in politics and administration occurs to the local tier governments with locally elected or appointed representatives/

councillors as well as that of tax-raising by the local governments. Notwithstanding, there is delegation of federal government powers and responsibilities to the state and local governments that could create some form of tension between federal-state-local governments as the federal government would always want to maintain over-riding control.

Local government in Malaysia can be categorized into four types. Namely: city hall, city council, municipal council and district council. At present, there are 155 local authorities across the states with 19 city councils, 39 municipalities and the remaining are district councils.

The local government in Malaysia is based on an appointed basis of party representation led by the chief minister respectively in each state rather than local elections ever since the abolition of local elections in mid 1970s. This means that the process of nomination and appointment at the local government level has the tendency of partiality towards members of the component parties of the ruling political party in control at the state level.

Malaysia established its local government based upon traditional concepts of governance that is faced with managing and governing its cities via locally elected representatives. It demonstrates a typical 'top down' approach in local governance and centralised administration. With demands of better governance, the government at different tiers are constantly challenged to respond for less bureaucracy and community empowerment, much so at the local community level. This hinges on the concept of decentralisation especially devolution of powers to sustain local autonomy and confronting the issue of recentralisation at times. Nonetheless, the administrative decentralisation is indeed promoted with delegation of powers from higher federal level to the lower states and local governments. Such transfer of powers seeks to improve service delivery and governance whereby delays and bureaucratic processes can be reduced, if not eliminated, at different tiers of governments. Such delegation of power decentralisation to representative government and citizens further accentuate the relevance of political decentralisation.

## **D. Elections and Trust**

To maintain power, the ruling party for the federal government needs to gain public trust which comes along through national election every five years. In this respect, the government had taken a cue from several general elections to initiate reforms on a broad spectrum of governance including the economy as seen in many of the transformation programs. As Malaysia is still making its way to become a developed nation, the aspect of nation building should not just be about making the country economically and political strong. It also needs to include the creation of a nation that is united and resilient. In Malaysia, diversity shapes the very essence of the country's social structure and historical aspects. Good leaders will be able to manage these diversities and leverage upon the cultural and ethnic plurality to become pillars of strength in building a

better nation.

Given the politics of policy changes of the government, there is relationship in the development of trust in the legislature and government. The problems of governance that arise are the repercussions of poor management of public resources and failure in policy implementation by leaders who lack commitment, integrity and the relevant knowledge. Hence, it is important that leaders be knowledgeable and capable of demonstrating high competencies and appropriate attitudes aligned with citizenry expectations. When discussing the elements of leadership and policy changes, taking into cognizance that trust is included, one must realise that leaders are the prime movers in the nation-building agenda.

Citizens have the abilities to acknowledge improvements and positive changes that have taken place and currently being carried out by our leaders. For leaders to make policy changes, they must possess great responsibilities that need to be shouldered with integrity, enthusiasm and dignity, which may seem absent at times. Leaders must learn to become agents of change and learn to accept the reality that the country and its populace have evolved rapidly with the challenges put forward by the demands of good governance and best practices. Given the essence of power vested in the leaders, they need to ensure that they do not perceive leadership as a position of authority to further their personal interests. Rather, policy changes have evolved with some leaning towards the positive while some tend to be on the reverse with much political considerations during planning and execution. Prior to the 2013 general election, the government struggled much to seek control and consolidate its position where class dimension transcends ethnic divide whereby the expectations are different among people within the same community when compared across geographical areas such as urban, sub-urban and rural.

During election campaigns, the candidates of the respective parties were more inclined to secure personal votes and seek out regular contact with individual voters. Thus, this shows that voters feel that they have the ability to reward or punish elected officials in elections which then seems to shape the positive attitudes toward the legislature as these individual potential candidates of state and parliamentary seats are expected to represent their constituents' interests. After all, elections are instruments of citizen influence, rather than any direct control. They work as an instrument to choose representatives who can bargain for voters' interests in post-election policymaking. Furthermore, citizens seem more likely to see elections as a periodic opportunity to change unsatisfactory policymakers. Competitive elections, to a certain extent as witnessed in this election, create pressure on all incumbents to worry about the next elections and to make policy with voters' stakes in mind. Hence, this explains the victory and loss of some of these state and parliamentary seats which were traditionally won and non-competitive in nature by the ruling party members. This is especially so after the 1MDB scandal which has plagued the country. Under the accountability model (Powell, 2000), citizens appear to be more suspicious of the autonomy of the elected representatives

and are more likely to trust elected officials who are accountable to voters, especially when such phenomenon is much demonstrated in urban areas rather than semi-rural or rural areas. This is so given the level of higher education and availability of internet and alternative media in urban areas, compared to reliance on mainstream media in rural communities.

As witnessed in the results of many general elections, the more urbanised and educated voters exhibit lower levels of trust in the legislature as they are more likely to have more information on the government decision-making process and being more critical of how the political system works in the country. For example, people who deemed that their own ethnic group is treated unfairly by the government are more likely to show lower levels of trust given the marginalisation perspective which may contradict the role of legislature in representing the interests of various societies as a whole.

It is imperative to understand that many complexities exist and the success of any form of political leadership depends among others, on the ability of the leaders to govern ethically. Most voters today have become more politically aware about the dynamics in democracy and would be more likely to scrutinize every action of the leaders who have been elected into office. Nevertheless, recognizing these social realities is of utmost importance to the government in command, and seek favorable position in the sovereign ratings especially more so with the recent scandal of 1MDB.

## **E. Accountability of Public Sectors**

The role of the government is to promote public interest. To gain public trust, rules and regulations have been enacted as guidelines for the public administrators to ensure that those exercising public power will not use it for narrow partisan or purely private gain (Rosenbloom et al., 2009). Yet, the public still find that criticism against the government and its sizable public projects that have encountered huge failures and financial losses, has been alarming.

The Malaysian Public Service has often been criticised for such persisting failures and issues where integrity and accountability of its public officers have always been questioned. The annual audit reports have revealed cases of non-compliance with relevant rules and regulations, improper monitoring and delay of projects, resulting in embezzlement of public funds by many public officials from various levels of administration at the federal, state, and local governments.

Malaysia is a federation in which the state governments have their separate and distinctive powers. This means that the system allows the preservation of each state's identity and distribution of legislative powers and responsibilities between the federal and state governments which is laid out in the Ninth Schedule of the Federal Constitution. However, the power favors the federal level. For example, the minor role of states is shown by the restricted control over the amendments of the constitution which can

only be made by the parliament, not less than two-third majority. Among the critiques on allocation of powers between the federal and state level is that distribution of powers is limited to the state governments who have less autonomy which could trigger public distrust and conflicts (Milne & Mauzy, 1978; Harding, 1996). Such sentiments are still valid today.

Malaysia's federal supremacy is more apparent in terms of revenue distribution where the federal government has jurisdiction and discretion over the disbursement of all development funds, and borrowings. Conflicts are bound to arise between the states and the local government officers who are technically employed by the federal government especially for high-level officers in the administrative and diplomatic services. In practice, the states have to accept federal officials and policies, e.g. state secretary and finance officer are appointed among the federal judicial and legal service officers. Hence the autonomy of the states can be limited in that sense. On the other hand, the state governments prioritize their political party's interest rather than the constitutional rights. This is evident in the denial of grants, budget cuts and revenue limitation by the federal government to the state governments, especially to those which are opposition-led.

## **F. Public trust towards the local government**

As a third tier in the government, the local government serves as a field government who is always faced with the dilemma in pursuing its responsibility as a service provider to its community. Some of these dilemmas may be in terms of administrative or public service delivery. Being infra-sovereign and subject to the authority of the higher government, such position may bring limitation to the capacity of local governments in carrying out their responsibilities. Some of these issues faced can be highlighted as follows:

### **1. *Councillor***

Section 10 of the Local Government Act 1976 (Act 171) mentions that local authority councillors shall be appointed by the state authority, meaning that full power is given to state governments. The nomination of councillors is done either by the state government or by the chief minister of the particular state. Almost all of the councillors are appointed from candidates nominated by political parties that form the state government. Usually, the number of councillors are between 8 and 24 persons. They are responsible in representing local interests in their interaction with local authorities, such as in service delivery, taxation, licenses, complaints, etc. Councillors are selected based on their political party affiliation who have won their seats in the general election. Given that the numbers required are less than those who have won, many are selected on several criteria other than their party affiliation such as their outstanding achievements in the community, states, or nation; others. There have been issues such as allegations of cronyism, qualification of candidates and conflicts of interest despite the above criteria. Hence to some, their appointment lacks the accountability factor.

Misuse of power by council members has also become publicly known with written letters of support and misuse of state committee member's official letterhead in obtaining contracts for one's family members and friends. There have also been cases where council members manipulated racial issues and in turn tarnished the council's reputation to a certain extent.

Rules and regulations regarding renovations of buildings and residential homes apply to all citizens regardless of position one holds; however, there have been instances where accountability of the councillors was not demonstrated ( e.g., they did not apply for the renovation permit), hence, investigations became public scrutiny.

## ***2. Local Government Election***

We have witnessed over the years that people demonstrate their level of trust in their government through elections, as aforementioned in earlier section above. Election is a mechanism that gives authorisation to the representative to act on behalf of local citizens. Most countries in the world practice local government election for better representation and as an act of devolution of responsibility to local level governance and accomplishments.

In Malaysia, the first election for the local government was in 1965 and thereafter suspended and discontinued after the confrontation with Indonesia and communist insurgents in the same year. Despite demands from citizens and non-governmental organizations to revive the local government elections, it has not been heeded. Citizens view that their roles in local government could be better experienced if they could vote their representatives directly rather than via political party nomination and appointment. Being an infra-sovereign body, local government follows instructions from the state and federal government, thus citizens may not be able to participate in governance processes, .e.g., giving feedback, directly.

Historically, the first partial election was held at the Straits Settlements of Singapore, Penang and Melaka in 1857 but was short-lived and abolished in 1913. After the Local Authorities Election Ordinance of 1950 was enacted, the local government elections were allowed with the participation of political parties until 1960. Due to the ethnic rivalry incidences in 1965 and 1969, the local government was disbanded following two emergency regulations notably the Emergency (Suspension of Local Government Elections) Regulations 1965 and the Emergency (Suspension of Local Government Elections) Amendment Regulations 1969. During this period of suspension, several local authorities were taken over by the state government due to several problems with administrative issues. These issues revolved around maladministration and malpractices in local authorities of Negeri Sembilan and Georgetown (Penang). Furthermore, some local authorities were unable to function and discharge their duties due to financial woes such as the case of Johor Bahru Town Council and Batu Pahat Town Council. Ever since the suspension, efforts to revive local elections have not been fruitful till today despite all the positive changes and restructuring processes which have been enhanced over time.

The growth of media and freedom of expressions that have grown over decades might have pose more challenges for the government to provide better services today as demands are continuously growing for both quantity and quality of services. This in turn creates a situation from the citizens whereby there is a public distrust of the government of different tiers in dissemination of information as well as in meeting demands of citizens from the pressure of development and urbanisation.

### ***3. Financial Constraint and Burden***

Local Government Act 1976 (Act 171) of Malaysia has detailed the variety of local government functions. The responsibilities include and not limited to matters on maintenance, control, and supervision of public spaces to ensure no violation, oversees the pollution control of rivers, markets, food, sanitation, fire services, burial sites and related issues of crematorium and exhumation. The local authority also has the power to make by-laws as provided for in Sect.102 Local Government Act 1976 (Act 171). In addition to the powers of making by-laws expressly or impliedly conferred upon, every local authority may from time to time amend and/or revoke by-laws with respect to all related matters of health, safety, and well-being of inhabitants or for the good order.

Any programs run by local government are subject to approval by state or federal level and without denial, every stakeholder plays a significant role in increasing public participation as participation is integral in enhancing public's understanding of issues through attention and involvement. As much as this is desired in public financing matters, yet the reality and enthusiasm set in. With a huge coverage of facilities provision, local governments have been overburdened in delivering quality services, thus, privatisation and contracting out services had been put in place. For instance, solid waste management is one of the services privatised which also has its teething problems.

Prior to 1998, solid waste management in Malaysia was managed by the local authorities of each state, however these local authorities could not cope with the demands due to massive development. Thus, the federal government offered interim contracts to private companies namely Alam Flora Sdn Bhd in Kuala Lumpur, Selangor, Putrajaya, and Pahang while Environment Idaman in Kedah and Perlis and SWM Environment Sdn Bhd in Johor, Melaka, and Negeri Sembilan.

The continuous issues in solid waste management have affected local authorities. Given that local authorities are subject to state government, any decision by the state government is of high importance. This means that local authorities' reputation is and can be affected by decisions made by the state and federal levels. It goes further to show that in order to secure public trust and in improving the image of local authorities, the government who is the policy maker needs to be citizen centric. Unsatisfactory service delivery should be remedied effectively as such issues are continuous and management of public complaints should be addressed as immediately as possible.

#### **4. Quality of Services By Local Authorities**

It is without denial that local authorities do have institutional frameworks and policies that support the development of local areas and its citizens, but the operationalisation of each local authority can be different from one another due to different administrative levels of efficiency and effectiveness from city to district councils. Despite being progressive and in promoting good governance, such realisation can be experienced differently across different councils depending on the urban or rural settings. Comparatively, in urban settings, there are more demands from citizens which are more population-dense due to migration and rapid urbanisation. This could also result in the shortage of required skills of managing urban governance and overburden of services required while the rural/semi-rural areas may have less of such pressing issues despite bigger land space.

The theory and practice of decentralisation as experienced in most countries is done to increase the efficiency and quality of services (Rosenbaum, 2013). Nevertheless, deteriorating service delivery could also cause deterioration of public trust. In relation, accountability of public servants is also an important principle that can contribute to public trust.

#### **G. Public Trust, Transparency, Accountability, and Public Participation**

Malaysia's Local Government Act 1976 (Act 171) detailed the roles and responsibilities of the local governments. These could be equated with the definition of *governance* (UNDP, 1999:5), which is understood as *the exercise of political, economic and administrative authority in the management of the country's affairs at all levels. Governance comprises the complex mechanisms, processes and institutions through which citizens and groups articulate their interests and mediate their differences.*

As such, the process of governance involves all actors in the country. Local government's functions in managing, accommodating and reconciling the diverse interests of all actors while maintaining control and compliance within all aspects of administration (UNDP 2011; 1997) acknowledged that the demand for good governance is crucial in enhancing citizen participation and government awareness on social responsibility. Good governance is described as *participatory, transparent, and accountable. It is also effective and equitable, and it promotes the rule of law. Good governance ensures that social, political and economic priorities are based on broad consensus in the society and the voices of the poorest and the most vulnerable are heard in decision-making over the allocation of the development of resources.* (UNDP, 1997:12).

Associated with the above description are the nine characteristics of good governance namely participation, rule of law, transparency, responsiveness, consensus orientation, equity, effectiveness and efficiency, accountability, and strategic vision (UNDP, 1997). In line with good governance, public participation is important as it requires individual and collective involvement in government decisions in the sense that public must be aware of the process development and able to contribute constructively in the ad-

ministration and decision making process. The caveat to public participation is that whether citizens have the capacity and capability of understanding and possessing sufficient information in the total decision-making process in all manifestations wherein the authorities do not share similar views of the citizenry given that it is hierarchically unequal.

Naturally, the motivating factors for participation lie in many aspects and common to all, is the desire to improve communication between the local authorities and the citizens so that the authorities are more sensitive to the needs of the people in the community involvement and community development. It means that participation can help the local council ensure that services are best delivered where they are crucially needed and tailored to local needs. Naturally citizens preferred collaboration with the government instead of imbalance power and dominance. Participation is therefore a core element of local government as an effective tool to facilitate decision-making and a strategic tool of political communication to make the community feels satisfied and their inputs considered. It is important that government recognise the importance of inclusivity and in implementing effective strategies to engage citizens meaningfully in the process of governance (Stephens et al., 2024).

Accordingly, transparency is built on “*the free flow of information, processes, and institutions and information are directly accessible to those concerned with them, and enough information is provided to understand and monitor them*” (UNDP, 1997:14).

Thus, transparency will increase the level of trust among its citizenry and put government into scrutiny and public accountability. This will pressure the government to execute policies more effectively, be more responsive to find corrective measures, provide better solutions that will position the government in a better light and be more attentive to public demands for acknowledging the needs of the society as well as ensuring a more efficient and effective management of public resources. When government becomes more responsive, this will translate to high performance which in turn will achieve public trust. The emphasis on quality performance without focusing on accountability will be short-lived.

Accountability has been defined by many scholars as “answerability to higher authority in a bureaucratic or inter-organizational chain of command” (Dubnick and Fredrickson, 2009). The latter defines it as a “form of governance that depends on the dynamic social interaction and mechanisms created within a moral community”. Boven (2006) defines accountability as “a relationship between an actor and a forum, in which the actor has an obligation to explain and to justify his or her conduct, the forum can pose questions and pass judgement and the actor may face consequences”.

On the other hand, Erkkilä (2007) presents four traditional accountabilities - *bureaucratic, political, personal, and professional*. *Bureaucratic accountability* means the accountability related to rules and regulations in hierarchical relation in bureaucracy

while *personal accountability* refers to accountability that follows norms and ethics which are constructed in interaction within organization. *Professional accountability* means that bureaucracy conducts their tasks with expertise while *political accountability* refers to responsiveness to constituent's needs. Hence, I find the suitability of definitions by Erkkilä (2007) as he further argues that *traditional accountability* should be supplemented by alternative accountability such as performance and *deliberation accountability* because traditional accountability does not work effectively due to the change in role and power of government and structural changes in governance. Furthermore, *performance accountability* highlights policy outcomes rather than policy process wherein the achievement of the outcomes is considered as the measurement of accountability while *deliberation accountability* focuses more on process than outcome. Hence, through *deliberation* between government and citizens, citizens can therefore participate in policy process and with limited access to public documents that will at least lead the citizens to hold the bureaucracy accountable. Other definitions include '*procedure-oriented accountability*' which concentrates on civic engagement, consensus from *deliberation* between government and citizens and procedure as civic engagement in public administration.

In the perspective of New Public Management (NPM), we can infer that NPM is also concerned with procedure as civic engagement, even though the perspective focuses more on performance in public services and goods delivery. NPM is created for managing public organizations efficiently and increasing productivity with contracting out through privatization for alternative service delivery at a lower cost (Behn, 1998). However, it focuses on ways to increase productivity at the least cost to satisfy citizens as customers. In this context, NPM proposes the integration of citizen participation in public administration process to help establish goals of the public organization. On the other hand, scholars such as Behn (2001) and Yang (2012) argue that democratic value can impede the achievement of performance accountability and that emphasis on one accountability over the other can cause dilemma as public engagement does not always ensure to hold public administrators accountable because the public participation process can influence negatively on productivity of public institutions. In this sense, public participation causes accountability dilemma because public participation demands resources and efforts of public institutions which may impede attainment of performance at the minimum cost and time. However, again, this contrasts with Denhardt (2011) who argues that public participation helps administrators to make better policies, reduces the gap between citizen and bureaucracy, and as a deliberate process that facilitates administrators to understand citizens' interests, needs, and concerns as well as provides citizens with the lens to recognize public administration process and community affairs in the long term.

The relationship between public service and citizens are always hierarchical in nature, hence often times, the public may not be consulted or engaged actively in terms of services to be delivered. Furthermore, the government's common assumption is that the public lacks knowledge in the complexity of service delivery and thus this task is

better left to the elected representatives and the knowledgeable technocrats, private sector and bureaucrats.

Nonetheless, with more pronounced increase in corruption cases recently in the country, comes question of ethics and accountability and to what extent the public trust is high or on the other end of continuum where citizens are left with no choice but to accept the reality as a “usual” occurrence. Such compromises the trust of the citizenry on government, particularly in fulfilling public interests.

Needless, the government has taken many steps and efforts to counter the issue of accountability in order to increase public trust. For example, the following were set up: a) the Institute of Integrity Malaysia; b) Malaysian Anti-Corruption Commission; and c) other related agencies, though much is still desirable after more than two decades. It is pertinent for local government to ensure efficient and effective performance in implementing its roles and duties. In doing so, it will increase public confidence and trust. With the absence of local elections for councillors, the best alternative for the government to gain public trust is through efficient service delivery and its continuous efforts to tackle mismanagement and malpractices within the institutions.

As Thomas (1998) mentioned, social trust is a form of social capital embedded within institutions that could promote active cooperation. In the principal agent theory, the interaction between the principal and agent implies that the principal entrusted the agent to perform a particular task and such obligation is related to the duties of local government in delivering the services. Local government staff are agents while the public is the principal. Nonetheless, in practice, there are challenges faced by local governments in trying to gain public trust with the notion of ethical accountability expected by citizens wherein citizens do find these to be meaningless at times. Citizens expect ethical behaviors that could hold and influence the forms of accountability norms and practices that would lead to public trust, rather than it remaining as aspirational.

The level of participation among local citizens in local governments in Malaysia could be seen today as relatively more in urban councils. This indicates citizens make use of personal, group, and community associations to give feedback and identify problems and solutions which have relative impact on empowering citizens in designing processes of local government services. Today, citizens could also respond via all local authorities' websites as their rights to submit issues, complaints, and recommendations to the local government and with prompt responses from the affected authorities. This demonstrates that successful public participation depends on more than just granting the right to participate and setting out procedures but also creating opportunities for impactful resolutions. Often desired is that the public be involved in reviewing proposals and give a representation/objection to consider before the local council makes the final decision and this has been implemented across all local authorities in Malaysia. Where the urban local councils are, it can be said that they have thus far demonstrated the ability to deal with various issues and provide feedback as quickly and effectively

as possible to the needs and services to the community. In addition, both citizen representatives and public officials positively perceive the effect of civic engagement on performance and procedure accountability, thus further implying that building consensus on local issues between citizens and public officials through public engagement can reduce conflict between efficiency and democratic principles.

## **H. Smart City Development in Malaysia**

With the abovementioned elements of participation, good governance, trust, and accountability, let us discuss the realm of smart city development in Malaysia, which will be the future formation of city development with top-notch maintenance of public amenities, mobility, security and better liveability. This section will also discuss the open government data concept, digitalisation of local government's digital platforms, and public urban green spaces and their respective limitation, despite implementation.

A smart city is essentially the redevelopment of an area or city using information and communications technology (ICT) to increase performance and quality of urban services such as energy, transportation, utilities and connectivity, which will improve the quality of life of citizens. The term 'smart city' has become more than a buzzword in recent years with the advances of the Internet of Things (IoT) and connected devices. To what extent the government has plans or policies in place to improve the liveability of local cities? Most cities in Malaysia have their own local plans, which detail the actions, policies and strategies for a time frame of 20 years. The plans were prepared under the provisions of the Town and Country Planning Act 1976. Hence, all local plans are legislated plans.

The Malaysian Government's Ministry of Housing and Local Government introduced the Malaysian Smart City Framework in 2018 with a target roadmap of Phase 1 (Foundation Stage) from 2019-2020, Phase 2 (Development Stage, 2021-2022), and Phase 3 (Advanced Development and Monitoring Stage, 2023-2025). There are seven smart city domains and components in the framework as shown in Figure 1.

The framework identifies 6 pilot smart cities namely Putrajaya, Kuala Lumpur, Kulim, Johor Baharu, Kota Kinabalu and Kuching. However, only Putrajaya is considered to be at an advanced stage (past Phase 2) while others are in the early level of Phase 1. The domains and components are similar to the international perspective of smart city developments.

In Malaysia Smart City Framework (MSCF), the importance of public participation in smart city development is more prominent as the government seeks a more holistic development where the citizens' humane and social aspects are the focal point. In this framework, continuous public participation by citizens in smart city building in Putrajaya has been propagated in addressing stakeholder divergence as found in multifaceted smart city challenges through the local authority's website, social media such as Facebook for only Putrajaya residents, and mobile applications since its beginning plan-



**Figure 1:** Smart City Domains and Components

Source: Malaysian Smart City Framework (2018)

ning stage. Hence, this collaboration involving public officials to work with key actors from private sector, civil society, and citizens have created value creation in the identification of key urban challenges and opportunities for further improvement of quality of life and urban management under the local government's jurisdiction, assessment of smart city readiness level, shortlisting and implementation of priority smart initiatives. With aspiration of becoming a competitive global city, Putrajaya is gearing towards a global city model referencing Esposito et al. (2021), which points to more that can be done in orientating Putrajaya smart city development holistically for long term sustainability. From the researcher's viewpoint, while Putrajaya has no obsession with technology-led strategy, though it is leaning towards technology-based initiatives wherein 80.8% is in the Services and Applications and Digital Infrastructure categories.

Local government plays a key role in smart city development as indicated in MSCF wherein despite the framework developed at the national level by PLANMalaysia, a federal agency of Town and Country Planning Department, the implementation needs to be driven at the local/city level (Ministry of Urban Well Being, Housing and Local Government, 2016). The importance of local government is highlighted in the magnitude

of activities in the creation of action plan based on assessment and identification of key challenges and improvement initiatives. MSCF success criteria No. 11 on empowering local communities requires local government to provide community capabilities to reach mutual agreement in decision-making, i.e. a public participation empowerment.

Local governments are tasked to enhance the use of digital platforms to create a two-way interaction between the community and the local government. Digital platforms such as websites and mobile applications are developed by local government to provide online services to citizens and businesses. Each of the 155 local authorities has their individual websites as a landing point for online services (Ministry of Local Government Development, 2023a, 2023b) while a small number of these local governments have mobile applications developed as an alternative access point for online services. Based on the researcher's observations, the interface and types of functionalities on digital platforms are unique to each local government. In a related study (Yap et al., 2019) on e-government portals used by senior citizens mainly, despite difficulties, these older citizens express intention to continue to use e-government portal due to its convenience, accuracy, and cost effectiveness.

In the formulation of the Putrajaya smart city blueprint, citizens and private companies were involved in providing their feedback on what was required in a smart city. The blueprint and plans were formulated after engaging with the community, government agencies and the private sector. This was carried out in focus group discussions during the blueprint creation stage. This demonstrates the outcome of a combined top-down and bottom-up approach in the creation of the blueprint that was a commendable strategic framework where there showed the role of enabler of societal engagement and participatory process.

They highlight the making of cities liveable - the actions to be taken, the various agencies involved and the estimated costs. The biggest challenge that needs to be overcome is the absence of the people factor when designing spaces in cities and the most apparent issues are proximity and accessibility to basic facilities such as grocers, clinics and bank, and recreational spaces for urban dwellers from all income groups especially in Kuala Lumpur. Individual standalone developments will never have sufficient recreational spaces and the responsibility to create more such spaces rests with the public authorities. Older neighbourhoods that consist of small shop lots and playground parks that were a common sight are disappearing due to rapid urbanisation.

This is despite some private entities and citizens who have voiced their intention or aspiration to have or create more recreational spaces but there must be commitment on the part of developers and government as open spaces are very expensive as they have to either buy the land or commit the land for recreational usage and therefore forego a big capital opportunity. A park within the distance of residential enclaves should be the motivation moving forward as this is what the public needs now, even with a little pocket park that is accessible easily via a sidewalk within the neighbour-

hood without having to drive or take a public transport. At least, now there are plans for green ecological corridors in the draft Kuala Lumpur Structure Plan 2040 which sets the direction for Kuala Lumpur's development. It aims to find a balance in urban planning and address the challenges faced by the capital city. It will also integrate long-term land use with infrastructure and transport planning, provision of affordable housing, future employment, public amenities and recreation to meet the needs of the population as well as improve the quality of the environment and urban spaces. The vision for 2020-2040 is to make Kuala Lumpur a city for all. It is based on the aspirations of city folks to be a city that will continue to develop dynamically and is based on the principles of equitable, resilient, sustainable and stimulating growth. This vision will be achieved by focusing on six goals - innovative and productive, inclusive and equitable, healthy and vibrant, climate smart and low carbon, efficient and environmentally friendly mobility, integrated and sustainable development - encompassing the social, economic, living environment, natural environment and physical aspects.

While drafting the Kuala Lumpur Structure Plan 2040, some of the suggestions of the citizens in to improve the liveability of cities include: a) improve road infrastructure, b) add more green spaces, c) increase security, d) improve public transport system, e) increase cleanliness, f) control development, g) improve maintenance of public amenities, h) adopt more bicycle-friendly policies, i) create a conducive walking environment with covered walkways, j) reduce carbon footprint, k) invest in cultural spaces and activities such as theatres and art exhibitions, and l) improve facilities for the disabled. When posed questions on what are the three main issues that need to be addressed in our cities, their responses include a) traffic congestion, b) inadequate public transport system, c) security, d) others such as cleanliness, maintenance of public amenities.

Further, based on the researcher's study results carried out in Kuala Lumpur, the city is not meeting the requirements of urban green spaces of  $20m^2$  per citizen due to local conditions pivoting on development. Rather, the current public green spaces provision of  $9.13m^2$  per citizen is showing only a marginal increment from  $8.5m^2$  in 2014. However, this is still lower than the WHO's recommendation of  $10m^2$  per citizen as well as below the National Urbanisation Policy and Kuala Lumpur Structure Plan 2040's target of  $20m^2$  per citizen. In addition, in terms of proximity, the study shows that only 12% of Kuala Lumpur citizens live within 5 minutes of walking distance from their residences to the nearest public urban green spaces which is approximately 300m from their residential area, while more than 37% takes more than 15 minutes to walk to the nearest public urban green spaces for public recreation activities. Comparing with WHO's recommendation which requires a minimum of  $10m^2$  per inhabitant and within walking distance of 5 minutes from their residence, only 1.23% of Kuala Lumpur citizens meet both the area provision and proximity requirements as expressed by the respondents/citizens.

Historically, data collected and maintained by government is used for internal purpose including running government services, evaluation and planning, and not meant

for sharing with citizens which is still largely practiced today. Progressively, we have seen open government data (OGD) as the latest form of data sharing where government publishes datasets online for public access for free. According to Sieber and Johnson (2015), while e-government and open data share the notion of bringing transparency and openness to citizens, OGD differs from e-government in that OGD is expected to enable a variety of usage, in comparison to e-government which delivers specific information or services for citizens' access. OGD is produced with public money and is made available to the public without any restrictions and its benefits include enabling more transparency, extracting economic value, unlocking social value, participatory governance that generates public value, as well as enhance efficiency and effectiveness (Janssen et.al., 2012). The Public Sector Open Data Portal, *data.gov.my* was developed in-house in 2014 and serves as an online one-service-center to access and download open government data. Its implementation has the objectives to encourage sharing of data between public sector, private sector and citizens to improve quality and transparency of public service delivery through citizen-centric online open data sharing and encourage digital economy through creation of new industry and innovation with involvement of private sector and citizens. Ten principles were laid down in the circular based on global best practices. These include complete data, primary source, timely, accessible, machine readable, non-discriminatory, use of open standards, data permanence, licensing and usage costs. Subsequently, the portal has gone through several revamp of the portal interface along with controlled release of data to maintain its quality. Despite the move, progress and development of these initiatives are still not that evident from the citizens' viewpoints.

From the research and observation of the researcher conducted from late 2023 until mid 2024, the capabilities being made available in the local government's digital platform should be beyond the binary lens whereby the contents should be updated frequently and content quality improved to increase information credibility to strengthen further the quality of platforms. Further, more transparent feedback loop for outcomes of interaction to be considered such as publishing the list of problems solved through requests/problems raised via the websites or open data channel. In addition, they could also provide clear announcements of public opinion polling and promote usage of virtual discussion and online surveys to collect more public opinion. This will enhance further the capability of online participation to provide a clear and reliable channel for citizens to voice out their needs and ideas to solve issues in their localities. This capability is a powerful avenue to allow citizens to participate and co-create smart city development for their residential areas.

The apparent success of smart city development to-date is the Putrajaya smart city development. The status in other cities, despite the ready blueprints for pilot and implementation, is very much a work-in-progress, comparatively. Further limitations could be seen in the local government's digital platform capabilities (both official websites and mobile applications) for content analysis, and local government's social media such as Facebook and Instagram, where it is unclear to what extent it is used for two-

way communication and/or other functionalities and how it is used as an official channel of service delivery. Given the prevalence of social media usage today, it would be interesting to know and understand how social media plays a role in providing the local government's digital capabilities. Currently, the study found that unified platforms and e-democracy capabilities on these platforms are still weak. Secondly, a large proportion of citizens (77.2%) exhibited adoption lag in usage of local government's digital platforms where only 22.8% of citizens have utilised them fully. Thirdly, this study found that higher awareness of smart government and higher innovativeness among the citizens reduce adoption lag. These findings are in line with diffusion theory which postulates that awareness is important to kick start diffusion of innovation and the inclination of citizens to adopt and accept innovation.

The study also found that the inclusive adoption of OGD should be the aspiration where risk of value destruction and ignorance ought to be mitigated as factors of relative advantage, compatibility, less complexity and observability contribute to adoption of OGD among Malaysian citizens. Nonetheless, the state of participation in OGD at the current stage should not be seen as a terminal point but rather it should be further propagated by addressing the challenges to its further adoption.

## I. Conclusion

All in all, based on the researcher's study on Putrajaya smart city development via interviews with public officials who were involved directly in its development and Kuala Lumpur Structure Plan 2040, these local authorities have assumed multiple roles in implementing the top-down influence and supporting the bottom-up efforts to achieve a better-balanced top-down and bottom-up approach of public participation. Further, Putrajaya as an exemplary smart city for the country has shown that it acted as a facilitator in actively seeking ways to communicate with the citizens from design or blueprint creation to the current ongoing state of development. The community-driven effort, however, is still far lower compared to government intervention and coordination with various other agencies in supporting the dynamics between agencies and non-agencies.

In cementing the solid function of participation, accountability, and trust, the politics of policy change is pertinent in ensuring its continuing rule with budget allocations for national programs between the federal and local levels of government. Against this backdrop, many policies have been introduced and changed in view of increasing vulnerability of the end of rule of the government, as witnessed by the sensation of 1MDB scandal that brought down the reigns and premiership of Najib Razak and the National Front Coalition that affected the trust in and accountability for the citizens of the government. Without doubt, much publicity is continuously communicated to citizens in countering the impact of corruption by demonstrating the positivity, the success of policies and continuity of transformation programs in supporting not only economic growth, and social progress but also encompassing a more integral and cohesive relationship between the public and the government. The changing face of government can be better fostered and enhanced towards a more matured social, economic and political environ-

ment which can nurture a higher level of trust and capacity in civic engagement and relationship.

Ongoing efforts to cement the lead in politics is not without the risks in the development of strategic sectors of innovative public administration given the emerging and increasing urban and educated group of citizens who recognise the politics of policy change and maintaining its voice. Strong collaboration and engagement between various stakeholders are required to create a conducive environment for different stakeholders to work collectively to agree on the priorities and solutions that are more inclusive and open. This involves strengthening the key enablers for further development and sustainability of the nation with regards to the issues of trust and governance that would ultimately serve the outcomes of innovation, digital transformation, and competitiveness in both citizenry and governmental entities of federal, state, and local governments.

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