

A DESCRIPTIVE ANALYSIS OF THE ORGANIZATION
AND ADMINISTRATIVE PROCESS FOR COMPREHENSIVE DEVELOPMENT
PLANNING AND PROGRAM COORDINATION FOR
THE STATE OF KELANTAN, MALAYSIA

by

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I. INTRODUCTION

A. Establishment of Planning Organization in Developing Countries:

Planning agencies were among the first of the new organizations for development to be set up in most newly independent countries. It is now a rare country which does not have a planning organization and process incorporated in the public bureaucracy.¹

The movement to establish organization for planning started after World War II, when so many countries, particularly in Asia and Africa, achieved their political independence and started their search for improved well-being. These countries were compelled to be concerned with socio-economic needs as the aspirations of the leaders and expectations of the people intensified. Their desire for a better standard of living continues to be hopeful even though conditions for improvements are not favourable because of limited availability of natural resources and inadequacy of infrastructure to support vigorous agriculture and industrial growth. With their new independence, the colonial economic systems were disrupted and the resultant private enterprise supported by an inadequate supply of indigenous trained and

¹George F. Gant, Development Administration (Wisconsin: The University of Wisconsin Press, 1979), p. 132.

experienced population, was not strong enough to carry the whole burden of development, and capital was scarce.

Given the multitude and complexity of economic demands on one hand and the incapability and incapacity to meet these demands on the other, a logical step for newly independent nation was to set up a planning agency to help decide:

- (i) goals, objectives and the priorities of national needs; and
- (ii) the relationship, sequence and scheduling of plans for the realization of these imposing and seemingly unsurmountable needs.

This step was supported by multilateral and bilateral donors of foreign aid who stressed the desirability of institutionalized planning as a mean of choosing priorities and of giving some order to the complex associations encountered in economic and technical assistance. Perhaps more critical for the long-run was the need for organizational capability and stability to plan and implement development projects financed through the aid programs.

B. Brief History of Institutionalized Planning in Malaysia:

Institutionalized planning in Malaysia started in 1922 when the first government Town Planner was appointed to the colonial office in Kuala Lumpur.² The main function of the office was to prepare development plans for Kuala Lumpur and

²T.A.L. Concannon, "Town Planning in Malaysia," Journal of the Town Planning Institute, XLIV (1958) p. 241.

other urban centers which were colonial centers for business and administration.

When the British returned to Malaysia after World War II, special emergency regulations were enforced throughout the Federation for the purpose of meeting the communist terrorist's threat. The government mobilized military, civil administrative, and economic forces on a countrywide basis. And this had a strong centralizing effect on the organizational structure of the country, which still remains to a significant degree. The office of the Government Town Planner was playing increasingly important role during this period to prepare layout plans for the "new villages." At least 480 "new villages" were created to resettle Chinese squatters on the outskirts of the existing settlements for the purpose of cutting off support to the communist insurgent. Nearly 10 percent of the country's population was thus moved or otherwise affected and in the process 70 new towns with population exceeding 2,000 were created.³

Development planning in Malaysia, on a coordinated basis and related to specific period of time, began in 1945 when the United Kingdom Colonial Development and Welfare Act of that year was passed. This provided £120 million for development and welfare schemes in colonial and dependent

³James Osborn, Area, Development Policy, and the Middle City in Malaysia (Chicago: University of Chicago Dept. Geography, 1974), p.46.

territories for a ten-year period.⁴ Despite the organized approach thus set out, this was not development planning in the modern sense; it was fragmented and incoherent even at the conceptualization level, and did not set wide economic or social goals.

Local leaders were dissatisfied with the way the colonial government handled economic development. Various indigenous councillors rose to request new forms of planning and coordinating agencies.

In 1950 the colonial government created an office of the Economic Advisor to the High Commissioner. Technically under the High Commissioner, this office was actually subordinated to the Financial Secretary. The primary concern of the office was trade; and economic development was added almost as an afterthought. Thus the first Malayan Economic Development Plan, 1949-1950 was very unsatisfactory. It was no more than a hurried compilation of departmental projects, which even included some major projects for which firm estimates were not then completed.⁵ The latter was included in the 1952 revision.

When Malaysia achieved its independence on August 31, 1957, a new Economic Advisory Committee to the Cabinet was formed with a secretariat headed by the former Economic Adviser,

⁴Ibid. p.51

⁵Gayl D. Ness, Bureaucracy and Rural Development in Malaysia (Los Angeles: University of California Press, 1967) p. 104.

Mr. Spender. This specialized organization was asked to draw up the First Five-Year Plan for scheduled talks with the government of the United Kingdom on financing development in Malaya.⁶

Thus the Economic Secretariat and the Office of Government Town Planner were the direct forerunner of the current Economic Planning Unit in the Prime Minister's Department and the Town and Country Planning Department in the Ministry of Local Government and Housing, respectively. These two organizations were responsible for economic and physical planning of the country. In 1971, the third unit called the Implementation, Coordination and Development Administration Unit (ICDAU) was established. As the name suggest, it is the organization responsible for implementation, coordination and monitoring progress of development projects.

The establishment of planning organizations at the state level was in response to the felt need to decentralise the management of development and in recognition that, the central agencies could not handle everything. The first of these organizations to be established in Kelantan was the State Development Office (SDO). Originally, the SDO were responsible to the old Ministry of National and Rural Development; and SDO and the Operation Room System came into being in the State of

⁶Federation of Malaya, Report on Economic Planning in the Federation of Malaya, 1956 (Kuala Lumpur: Government Printer, 1957).

Kelantan in 1959. Two years later the State Town and Country Planning Department was set up. In 1973 the SDO created a wing called the Economic Planning Unit for the purpose of evaluating socio-economic projects. Early 1975, the unit was transferred to the State Secretariat and given new functions as described in Chapter II.

C. Profile of the State of Kelantan, Malaysia:

Kelantan, one of the thirteen states in Malaysia exhibits the dire social and economic conditions found in a newly independent nation. The State of Kelantan is situated on the north eastern extremity of the Malaysian Peninsular. (Fig.1) It covers an area of 5,765 square miles out of which about 75% is still under forest. The topography is dominated by mountain ranges in the southern and western parts and the only relatively large flat areas are situated in the northern part of the state. The northern part of the state covers only 20% of the total land area, most of which is intensively cultivated.

Population

The population of Kelantan in 1978 was estimated at 840,000. The population has been growing at an average of 2.4% per annum compared to the national average of 2.6%. The lower population growth rate compared to the rest of Peninsular Malaysia is principally due to the high net outmigration from the state. It has been estimated that between 1957 to 1970, about 55,700 people had left the state to seek employment elsewhere.

Socio-economic conditions

Agriculture is the dominant economic activity in Kelantan. About 62% of the labor force are employed in agricultural sector while the services and manufacturing sector employed 28% and 10% of the working population respectively.

In 1978, Kelantan's GDP per capita amounting to \$630 was only 38% of the national average. The incidence of poverty was highest in the State of Kelantan with 76% of total households living in poverty compared to the national average of 49%.

Public amenities and social services, are also more poorly developed compared to other states in Peninsular Malaysia. In 1973, of the total number of living quarters in the State of Kelantan, only 18.5% had electricity while 13.9% had piped water compared to the national averages of 44% and 49% respectively. Although Kelantan has 7.8% of the population of Malaysia, it has only 4.7% of the hospital beds, with 1.07 hospital beds for every 1,000 persons. The doctor to population ratio in 1978 was 1:10,000 compared to the Malaysian average of 1:5,000.

Communication facilities are also poor in the State of Kelantan. In 1973, it was estimated that there was only 0.09 mile of major road for every one square mile in Kelantan compared to 0.22 mile in Peninsular Malaysia as a whole. Every 100,000 persons had access to 7.5 miles of road compared to 12.4 miles for the whole of Malaysia. The poor communications,

both from the west coast and within the State, have also acted as an effective barrier to the development of the State.

D. The Imperative for Planning Organization in Kelantan:

The magic word in the State of Kelantan now is "development." This term implies growth as well as change with unprecedented challenges and opportunities to achieve a higher standard and quality in both the environment and the personal mode of living.

Demands for development are being made throughout the State. Demands for adequate education, health and social services are becoming more and more apparent. The need for transportation facilities is becoming more acute as the population pattern changes and the needs of business and industry to meet new technological and marketing requirements are identified.

Since the launching of the New Economic Policy, the Federal Government has been concerned with the development of poor states. The regional development strategy under the New Economic Policy seeks to bring about closer integration among the states. This is to be achieved through redressing economic and structural imbalances among the regions within the country. The Federal Government has decided to give the highest priority to accelerate the development of the State of Kelantan to a level commensurate with the rate of development in other states of Peninsular Malaysia.⁷ Toward this end the Federal Government

⁷Government of Malaysia, Kelantan An Economic Survey and Implementation Program (Kuala Lumpur: Govt. Printers, 1979) p.6.

had allocated \$1,744.07 million⁸ under the Third Malaysia Plan (1976-80) to finance development in the State of Kelantan.

The success of the plan depends greatly on the capabilities of the state administrative machinery to plan and implement the development program. Existing and traditional concepts and operations of the state government will perhaps no longer suffice if the State of Kelantan is to overcome major problems inherent in today's rapidly changing society and if Kelantan is to take maximum advantage of the opportunities associated with growth and development.

There is an immediate and growing need for improvement in planning organization and administrative process in the State of Kelantan. Among the pressures generating demands for improved planning and programming are:

- (i) Need to develop policies and execute actions that will serve the current and future interests of Kelantan,
- (ii) Need to coordinate the state's development activities with those of private interests and to maximize the efforts of federal programs in priority areas that best serve Kelantan,
- (iii) Broader and more flexible requirements for comprehensive planning in order to qualify for federal assistance in several areas,

⁸Ibid, p. (iii).

- (iv) Need for policy guidelines and technical assistance to local governments to prepare development plans and to shape their programs in line with future state activities; and
- (v) The growing interdependence of programs among the various agencies of the Kelantan State Government. (More is being asked of the state government by more people than ever before, and the complexities of interdependent program formulation and execution are increasing rapidly).

Today's challenges and opportunities call for new methods and approaches to determine comprehensively what has to be done to: (a) satisfy current and future needs and opportunities, (b) allocate the state's resources in a system of priorities which will achieve desired long - and short-term objectives, and to assess the progress in achieving these objectives.

In its recent report, "Kelantan an Economic Survey and Implementation Program, 1979,"⁹ the state government calls for reorganization and strengthening of the administrative capabilities of the organizations responsible for planning and implementation of development programs.

"There are three major areas which require special attention by the government namely in the area of planning, implementation and reorganization of the administrative structure and processes. The implementation of the development plan as envisaged is only possible to the extent that certain major changes are made in the present administrative system." ¹⁰

⁹Ibid

¹⁰Ibid. p. 54.

E. The Purpose and Objective:

In the light of the above, this paper attempts to:

(i) analyse the structure of the existing organization and administrative process for comprehensive development planning and program coordination in the State of Kelantan, and (ii) identify critical areas of organization (structure, purpose, relationship) and function (process, decision, coordination) of planning which need improvement and modification. The objective is to set up a stronger planning and implementation network within the state to meet the present and anticipated demands and challenges as stated above.

F. Methodology:

The study is based on secondary data obtained from library research, reports, documents and memograph supplied by the State Government and Department of Town and Country Planning, State Economic Planning Unit and the State Development Office. This data research will be amplified with the personal observations and experience of the author who has worked in the State Planning Office for the past eight years in Kelantan.

A descriptive analysis will be made on the existing organization structure and the planning process in Malaysia in general and in Kelantan, particularly. It will attempt to identify some of the more important constraints on planning and implementation in terms of:

- (a) The structure, organization, management staffing of planning and implementation units.

(b) The relationship between:

- (i) The planning organization at the State and Federal levels,
- (ii) project planning and project implementation,
- (iii) physical and socio-economic planning, and
- (iv) vertical and horizontal planning.

(c) Planning through committees.

Based on these findings, a proposal will be made for a conceptual organization model of comprehensive development planning and program coordination in the State of Kelantan.

II. DESCRIPTION OF EXISTING PLANNING ORGANIZATION AND ADMINISTRATIVE PROCESS

A. Relationship of Government at Federal, State and Local Levels:

Malaysia is a federation of thirteen states and practices parliamentary democracy. The Parliament is modelled on the British Parliament. However, it differs from the British Parliament in one important respect: the British Parliament is 'supreme' and its action cannot be challenged by a court or by any other body; the Malaysian Parliament is not supreme, but is bound by the Constitution.¹ The Constitution of Malaysia is the supreme and overriding law of the country. It sets out a broad framework for the governance of the country, laying down the rights of individual and the extend to which and in what circumstances the Executive may limit these rights. The Constitution does not legislate in detail but confers and distributes the power of governance in the manner required in a parliamentary democracy of free people.

The Constitution does not divide the power to legislate between the federal government and the states in the same way as does the United States Constitution, which lists a number of federal powers with the residual powers

¹R.S. Milne and D.K. Mauzy, Politics and Government in Malaysia (Vancouver: University of British Columbia Press, 1978), p. 230.

remaining in the states.² The Constitution of Malaysia, follows the pattern of Indian Constitution in having three list: federal, state and concurrent.³ Any residual powers are given to the states,⁴ but the three lists are so comprehensive that this provision is of no practical consequences. A glance at the lists is sufficient to show that the federal government has more substantial powers by far than the states. The main powers retained by the states are over the development of natural resources, namely land (including mining), agriculture, forestry, and local government.

Planning is on the concurrent list. It should be noted that the federal government enjoys 'preference' in the concurrent list. If there is any clash between a federal law and a state law on an item in the concurrent list, the federal law overrides the state law. Furthermore, the planning process and planning agency cannot exist without systematic working relationship with the agencies which control budget, monetary and fiscal policy.⁵ The federal government indirectly controls the state governments through centralized financial

²R.S. Milne, Government and Politics in Malaysia (Boston: Houghton Mifflin Company, 1967), p. 77.

³Malaysian Constitution. Ninth Schedule.

⁴Malaysian Constitution. Article 77.

⁵Gant, Op. Cit., p. 136.

arrangement and budget allocation. The federal government collects most of the revenues and reallocates them to the states in the form of grants, loans and development expenditures. The total states' expenditure is only about a fifth of current federal expenditure, and not all the items of expenditure from the state budget are paid for out of revenues raised by the states themselves. On the average, about a quarter of current state revenue comes from federal grants.⁶ For poorer states, such as Kelantan, the figure is half the average.⁷ On development expenditure, states also rely heavily on federal loans and reimbursement.

Federal Government

The administration of government in the country is in the hand of the Prime Minister and his Cabinet. Members of the Cabinet are appointed by the Yang Di-Pertuan Agong (Supreme King) on the advise of the Prime Minister, who is the leader of the majority party in Parliament.

The government policy is executed through ministries, departments and statutory bodies. Many federal departments also operate at state level, and the rural development and security organizations reach right down to district level. Moreover, there has been a rapid increase in the number of statutory

⁶Milne, Op. Cit., p.106.

⁷Negeri Kelantan, Anggaran Hasil dan Perbelanjaan Bagi Tahun 1980 (Kuala Trengganu: Govt. Printers, 1980)

governmental bodies, difficult enough to coordinate at the federal level, which also function in the states.⁸

The continual increase in the governmental agencies, departments and regulatory bodies has tended, as one might anticipate, to induce some inertia and incoherence in the management of planning and in the coordination of plan implementation. As a consequence, the government established intra/inter-governmental committees which presumably would facilitate the process of development planning. (see Fig. 2)

A planned way of improving coordination at the official level has been through the Federal and State Governments Coordination Committee, which meets regularly in different states and comprises the secretaries-general of federal ministries and the state secretaries.⁹

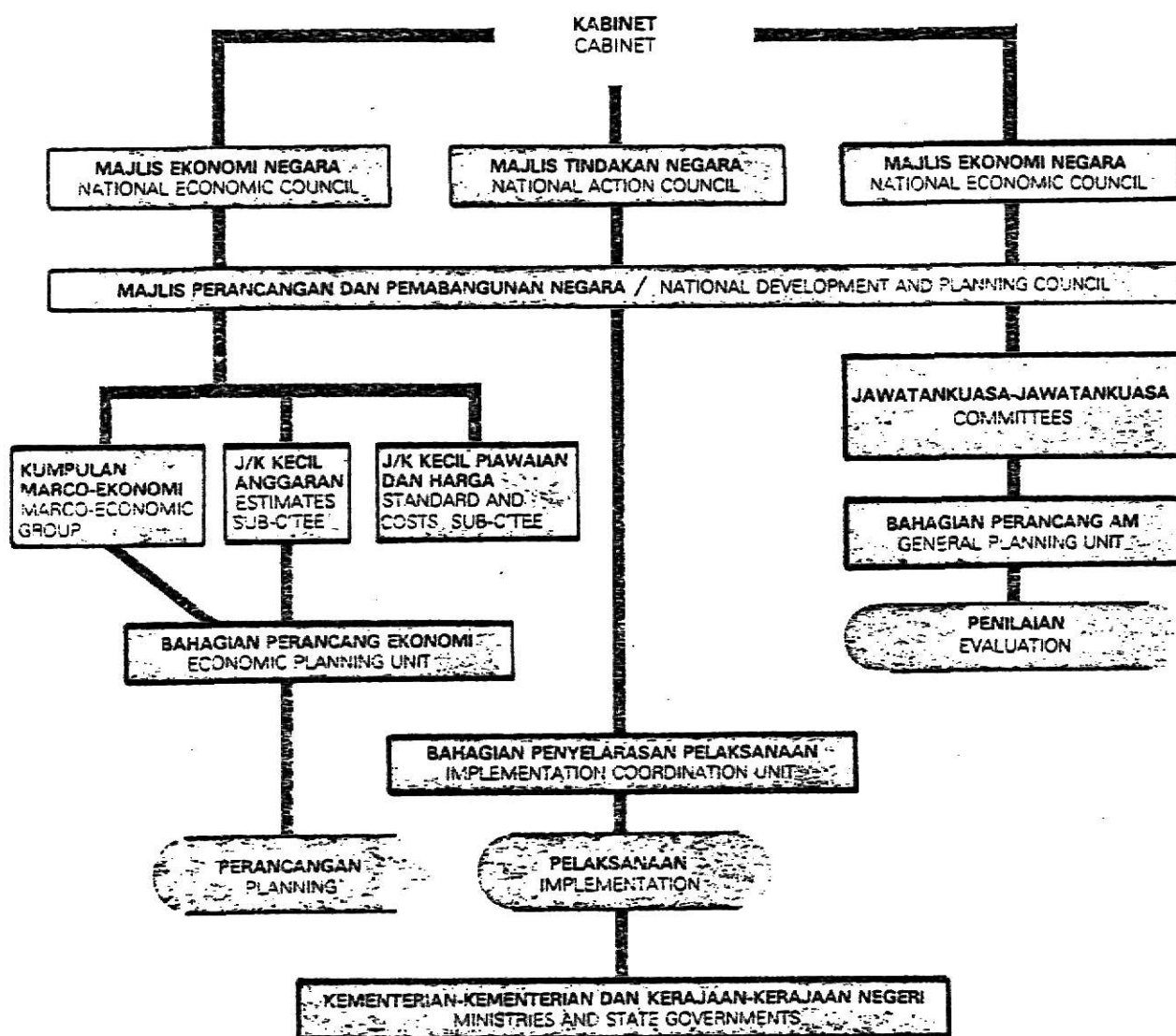
The central planning agency is the Economic Planning Unit (EPU) located in the Prime Minister's Department. EPU coordinates and evaluates development plans of government agencies and makes recommendations for consideration of economic development priorities and budget allocation by the National Development and Planning Committee (NDPC) and the National Economic Council (NEC).¹⁰ The recommendations of these

⁸Milne, op.cit., p.121.

⁹New Straits Times, 18 April and 17 October 1975.

¹⁰These committees are somewhat similar to the Office of Management and Budget (OMB) and the Council of Economic Advisors in the U.S., respectively.

FIG.2 NATIONAL PLANNING AND IMPLEMENTATION MACHINERY.



SOURCE:

Department of Information, Malaysia, National Operation Room -
Malaysian Nerve Center for Development (Kuala Lumpur, 1978).

committees are normally endorsed by the Cabinet.

The National Action Council (NAC) is the highest authority for the purpose of coordination and monitoring progress on the implementation of development programs. The members of NAC comprise of the Prime Minister, the Cabinet ministers and heads of important ministries and departments. The Secretariat of the committee is the Implementation Coordinating Unit (ICU) of the Prime Minister's Department.

The State Government of Kelantan

As in other state governments, except Sabah and Serawak, the Government of Kelantan consists of the State Legislative Assembly and the State Executive Council (EXCO). Members of the Assembly are elected by the people once in every five years. The Assembly legislates state laws, authorizes state budget and public expenditure and also supervises the running of the executive and administrative arms of the government.

The EXCO is made up of the Menteri Besar (MB) who is the leader of the ruling party in the Assembly, eight members nominated by MB from the Assembly and three official members appointed by the Sultan.¹¹

The EXCO is a general administrative council with executive functions appertaining to the state's responsibilities under the Federal Constitution of Malaysia, the State

¹¹Article XVI, Kelantan State Constitution

Constitution and the laws passed by the Legislative Assembly. EXCO considers important planning and implementation matters and formulates state policy to be executed by the government departments and committees.

The State of Kelantan is divided into nine administrative districts, each under a District Officer. The administrative unit below the district (JAJAHAN) is the sub-district (DAERAH), and below the subdistrict is the Mukim. The Mukim is the lowest administrative unit, headed by a Penghulu, who is appointed by the state government and is under the head of the subdistrict, the Penggawa.

Local Government

Within the above administrative framework there is another level of government called local government. There are two types of local government: the Municipal and the District Councils. The Municipal Council governs large metropolitan areas of more than 50,000 population while the District Council governs a group of smaller urban and incorporated places. There are nine District Councils and one Municipal Council in the State of Kelantan. The members of the council are appointed by EXCO from local community leaders, professionals and political leaders.

The District and Municipal Councils are body corporate and financially autonomous. They carry out the basic local government function of maintaining public health and sanitation;

parks and recreation; transportation and road maintenance and public protection. Early 1979, the local governments were restructured and given new functions under the Local Government Act and the Town and Country Planning Act of 1976. They are now the planning and implementing authority for their respective areas. They are to regulate, control and plan the development and use of lands and buildings within their jurisdiction.

However, due to the financial constraints and the lack of technical personnel, none of the nine districts in Kelantan has developed the planning capabilities within its administration. The council depends on the planning capabilities of the state departments and consulting firms.

B. Organization of State Planning:

Organization is defined as the complex pattern of communications and other relations in a group of human beings.¹² In most developing countries the task of preparing a state development plan is undertaken by a Central Planning Office.¹³ In the State of Kelantan, this central planning office function is shared by a number of departments, namely: the State Economic Planning Unit, the Town and Country Planning

¹²H.A. Simon, Administrative Behavior, 2nd. ed. (New York: Free Press Paperback, 1957), pp.XVI.

¹³Administrative Aspects of Planning, Sales No. E 69 11G. 2 (New York: United Nation, 1968) p.67.

Department, the State Development Office and the Federal Ministries and Departments such as the Ministry of Health, Ministry of Education and the Highway Planning Unit.¹⁴

Of the above the major role is held by:-

- a) State Economic Planning Unit for socio-economic planning,
- b) Town and Country Planning Department for physical and land use planning, and
- c) State Development Office for small projects and project implementation.

State Economic Planning Unit (SEPU)

The State Economic Planning Unit is a division of the State Secretariat. Its responsibilities are to:-

- (i) prepare detailed economic, financial and technical analysis for implementation of projects in the state,
- (ii) assist in the preparation of plans for new projects by carrying out feasibility studies,
- (iii) co-ordinate the obtaining of financial and technical assistance for the state,
- (iv) review annual, short-term and long term plans in the context of National development,
- (v) evaluate projects requiring provision of funds

¹⁴Consult and AKB, Kelantan Urban Development and Industrial Priority Study (Govt. of Malaysia, 1977), p.144.

- from the state or Federal governments,
- (vi) advise generally on planning, development, socio-economic progress and on alternative proposals for consideration,
 - (vii) monitor developments in the private sector to be consistent with government policies to achieve the objectives of National Economic Policy,
 - (viii) determine the priority of planning studies and projects for allocation of funds,
 - (ix) provide co-ordination and supervision of the planning process and implementation of development projects at the state level; and
 - (x) provide secretariat service to the State Economic Planning Committee.

Town and Country Planning Department (TCP)

The Town and Country Planning Department is under the overall supervision of the Federal Department of Town and Country Planning under the Ministry of Local Government and Housing. The Department is directly responsible to the state government for all matters concerning town and country planning within the state. It is responsible for:

- (i) controlling of development within the state, including approval and supervision of plans for land development,
- (ii) determining land use and zoning,
- (iii) preparing town plans,

- (iv) preparing land use surveys and research,
- (v) advising on regional and land development schemes,
- (vi) advising the state government on all aspects of land use and development,
- (vii) advising local government authorities on town planning and land development,
- (viii) monitoring and setting land development schemes, studies and research; and
- (ix) performing secretariat functioning for State Planning Committee under the Town and Country Planning Act, 1976.

State Development Office (SDO)

When State Development Office was first established in 1959 it was responsible to the old Ministry of National and Rural Development. Now, it is essentially a federal government function for development administration and has a direct relationship with the responsibilities of Implementation Coordination Unit of the Prime Minister's Department. The functions of SDO are to:-

- (i) accelerate the implementation of projects through monitoring its progress at state and district level,
- (ii) identify bottlenecks to progress and to find ways and means for removing or circumventing these impediments;

- (iii) evaluate and allocate federal funds to minor rural development projects; and
- (iv) provide secretariat to the State Action Committee and State Development Committee.

Federal Ministry and Department

There are federal departments operating at state and district level with their respective planning responsibilities. The departments and their functions are as follows:-

- (i) Education Department
 - Education policy and school planning
- (ii) Health Department
 - Public health, hospitals and clinics
- (iii) Highway Planning Unit
 - Highways and roads
- (iv) Telecom Department
 - Telecommunication
- (v) National Electric Board
 - Power and electricity; and
- (vi) Public Works Department
 - Water supply, roads and airports.

The Committee System for Development Planning in Kelantan

In order to coordinate the planning and implementation of development projects of the above agencies, the state government established a number of committees as shown in Fig. 3.

The functions of the important committees are as follows:

(a) State Economic Planning Committee (SEPC): The SEPC is an advisory/coordinating committee for economic and social planning. The chairman of the committee is the Chief Minister (MB) with the Director of SEPU as the Secretary. Other members of the committee includes 3 members of EXCO, the State Secretary, State Development Officer, Director of Town and Country Planning and other heads of the operating departments. The committee has no specific legal basis in any act but it is assigned specific responsibilities under the administrative authority of MB which are to:-

- (i) determine the distribution of physical and financial development resources and make long and short term plans for the development of the state to obtain maximum benefits from these resources in the context of the New Economic Policy,
- (ii) consider opportunities for the economic and social development of the state,
- (iii) review new plans, programs and projects prepared by other government departments and make recommendation to the State Action Committee and the State EXCO,
- (iv) determine the annual development expenditure to be made available for these programs and projects; and

- (v) amend the development plans if required by changes in the economic position of the state and of funds available to the state government.

(b) State Planning Committee (SPC): This is the highest physical planning authority in the state created under the provisions of the Town and Country Planning Act, 1976. The membership is similar to that of SEPC membership except the post of secretary is held by the State Director of Town and Country Planning. The functions of the committee are to:-

- (i) formulate the general policy in respect of the planning of development and use of all lands and buildings within the local authority area of the state,
- (ii) promote the conservation, use and development of land in the state,
- (iii) advise the state government on the above matters either on its own initiative or in response to a request by the state government,
- (iv) undertake, assist in the collection, maintenance and publication of statistics and other materials pertaining to town and country planning; and
- (v) approve, reject or modify development plans submitted by local authorities.

(c) State Action Committee (SAC): This committee is similar to the National Action Council at the federal

level. It is chaired by the MB and the Secretariat is provided by the SDO. It has very large membership comprising of the State EXCO and heads of government departments and statutory bodies.

The main functions of the committee are to:-

- (i) supervise and coordinate the implementation of development programs by the line agencies,
- (ii) identify "bottlenecks" and resolve their solutions,
- (iii) monitor progress and evaluate feedbacks to achieve the goals and objectives of the national and state plan/policy,
- (iv) set priorities and targets of development; and
- (v) recommend authorization for the transfer or additional allocation of development funds.

In addition to the above committees, the State Security Committee has some development responsibilities in security areas. This report assumes that the Security Committee System will continue to exist and does not analyse or comment on its functions within the state planning machinery, except to remark that any new organizational framework will have to take account of security consideration.

C. The Administrative Process:

Taking the complex state organizations responsible for planning as a whole, it is possible to identify the operative and non-operative components. The non-operative component is the

central staff agency which has no line function but it decides on policy and has power and influence to see the job is done by the operative components. The operative components is a line-agency designated with the task of carrying out actual implementation of the operation/programs.¹⁴ The operative component is composed of principal and support operative department. The principal operative has the major and initial responsibility to design and direct the project/planning process while the support operative is the auxiliary department which plays the minor role in the process, such as supplying information or carry out a section of the study.

Apparently, there are different administrative planning processes in the development of urban and rural areas. Urban areas for this purpose are defined as those areas with more than 1000 population and incorporated as a local authority area, under the Local Government Act 1976. The basic difference is the route the respective process has to follow through the complex committee system in Fig. 3, as shown on page 26. However, the non-operative components are common to both processes. They comprise of the state EXCO, State Planning Committee (SPC), State Economic Planning Committee (SEPC) and the State Action Committee (SAC). These committees make policy decision, approve plan and allocate resources.

¹⁴Douglas M. Fox, The Politic of City and State Bureaucracy (California: Goodyear Publishing Co. Inc., 1974), p. 3; see also Simon, op. cit., p. 2.

Urban Development Administrative Planning Process

As example of the administrative process described below is the process in the present system for the purpose of preparing a Master Plan in a local authority area as part of the state comprehensive plan.

The principal operative components of the system consists of the Town and Country Planning Department and the State Economic Planning Unit; while the support operative departments consists of a host of government departments including Highway Planning Unit, Public Works Department, Drainage and Irrigation, Health, Education, Central Electricity Board, Telecoms, Land and Mines, and, etc.

The actual methods and techniques employed in the preparation of the Master Plan will not be discussed in length. It is suffice to say that the following sequence of events is followed in the process of the plan preparation:-

- (i) Assessment of resources,
- (ii) Setting of goals and objectives,
- (iii) Formulation of measures to achieve the objectives,
- (iv) Carrying out the measures; and
- (v) Evaluation of the extent to which the objectives are being met.

There are three stages in the process, namely, the pre-plan preparation, plan preparation and plan approval. It

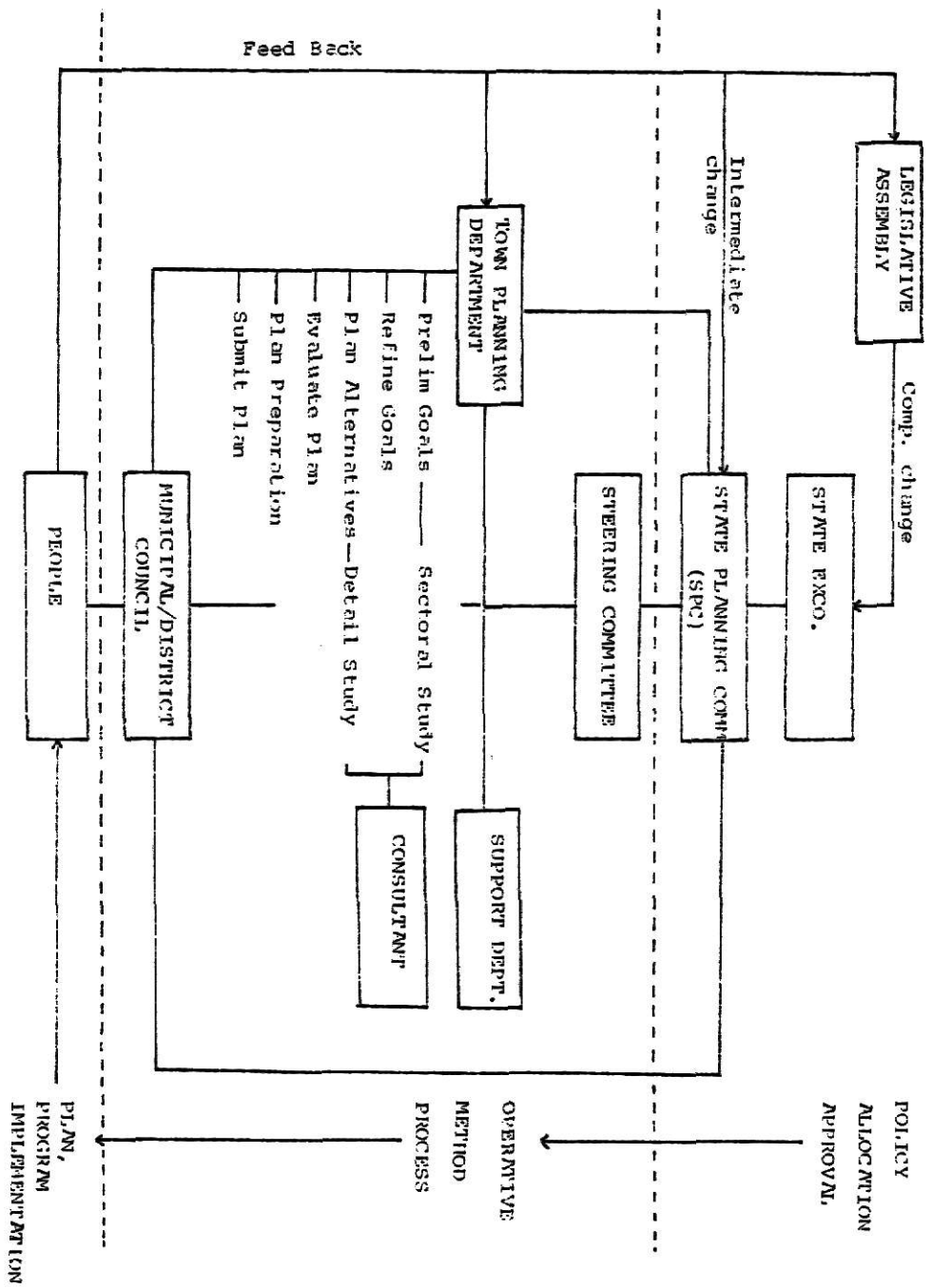
may be argued that plan preparation is part of the implementation process. However, it is regarded here as part of the administrative process to get the plan approved and off the ground for implementation. This would be so if planning is defined as the formulation and selection of a set of systematic and interrelated measures with a view to the achievement over a definite time-span of clearly defined goals.¹⁶

The process described here as found in Kelantan is shown to be cyclic and is summarized to outline the major areas of activity and responsibility assigned to and performed by the non-operative, principal operative, and support operative components of the planning machinery. For want of simplicity the complex committee system is redrawn as shown in Fig. 4 showing only the relevant committees/agencies in this process. The matrix in Fig. 5 outlines the events, the people involve and their responsibilities by the following level:

- * Approval - the person(s) or group(s) responsible for making the decision necessary in the event,
- o Major Responsibility - the person(s) or group(s) responsible for accomplishment of an event; and
- + Minor Responsibility - the person(s) or group(s) who have an active part in an event by providing information, consulting or carrying out a part of the event.

¹⁶ Administrative Aspects of Planning (New York: United Nation, Sale No. E69 11G.2, 1968), p.157.

FIG. 4 ORGANIZATION AND ADMINISTRATIVE PROCESS FOR THE PREPARATION OF COMPREHENSIVE PLAN FOR A DISTRICT IN KELANTAN.



(i) Pre-Plan Preparation: A District Council may resolve a Master Plan to be prepared and requests the Director of Town and Country Planning (TCP) at the state level to provide assistance in the preparation of the plan. The same requisition may come from the SPC but more in the form of directive. The TCP discusses with the President of the Council and/or with SPC the policy and goals of the plan to be prepared.

TCP determines the study area to be covered and draws the terms of reference for the study spelling out the objective of the study, the specific areas of planning to be covered, the duration of the study, the man-month by type of personnel and budget. He also determines if private consultant service is required, which is normally done in consultation with the SEPU and the President of the Council.

The terms of reference is submitted to the council for approval and budget authorization. If the council is unable to finance the study, it requests the required financial assistance from the state through SEPU. If this is a major study involving larger amounts of funding which exceeds the state power and purse and which has substantial federal interest in that locality, SPC would direct SEPU to make the request to the National Government.

On budget authorization, the decision would have also been made whether the study is to be done departmentally or through private consulting services.

A steering committee is set up consisting of heads of departments whose functions and responsibilities are relevant

to the study. If the project is to be done by private consultant the committee calls in tender and appoints the consultant. The committee then monitors the study until the final plan is produced.

If the study is to be done departmentally the TCP mobilises a study team within the department and assign function, task and time schedule to each member of the team. He requests other heads of department through the steering committee to give specialist inputs that are not available in the planning department and supply information to the study team. A consultant may be brought in if the required expertise is not available within the government departments.

(ii) Plan Preparation: The study team or the consultant would proceed with plan preparation. After reviewing the data base they will submit an inception report setting out study methodology and the detailed work program, to the steering committee for information.

The next stage of the study is the sectoral study or assessment of resources. This involves an intensive analysis of recent trends in the whole economy and its major sectors and in the government's finances. It also involves a close study of the natural resources of the district in order to determine the potential for the development of the district and the pattern which the development might assume.

The other factors to be considered are:-

- (a) Population composition, structure, distribution, growth and migration pattern;
- (b) Economic, employment structure, unemployment rate;

- (c) Size, location, function and hierarchy of settlements and their relations;
- (d) Farming pattern and size of holding;
- (e) Linkage pattern, communication network including road networks and accessibility to and inside the region;
- (f) Level and location of social, economic and administrative services and related government policies;
- (g) Housing and other basic amenities; and
- (h) Physical constraints such as topography, swamps, rivers, land availability and suitability.

This involves a lot of cooperation from the relevant departments for supply of information and specialist input to the study team. The specialist input and the departments involved are as follows:-

Public Work Department

Transportation study

Road and Highway program

Water supply

Sewerage treatment

Economic Planning Unit

Socio economic study

Manpower planning

On-going projects

Central Electricity Board

Power supply and Electricity

Drainage and Irrigation Department

Town drainage

Education Department

Education policy, enrollment, classroom and
school requirement

Health Department

Health requirements, hospital, rural clinic
and midwifery

Lands and Mines Department

Land policy, ownership, tanure availability
of state land.

This is the most difficult and crucial part of the process because its success depends in large part on the cooperation and interdepartmental relation of the respective departments. It is quite often that the information, reports and various specialist inputs are not completed as scheduled which causes delay in a subsequent activity of the process. Under this system it is only the steering committee that keeps the team together. As the chairman, the State Secretary has the power to report on the officers in their annual confidential report which is constantly reviewed for promotion purpose.

The study team, then, develops the plan of goals and strategy for the town based on the above assessments. This plan has to receive concurrent approval from the steering committee and the District Council.

(iii) Plan Approval: The draft of the plan is prepared and agreed to by the steering committee, the Director of Town and Country Planning (TCP) tables the plan at the District Council for adoption. The adopted plan is called the Draft Master Plan. The council puts the plan on public exhibition over a three months period for public scrutiny, comments and objections.

The council must offer public hearing to any aggrieved party after which the council may resolve to amend the plan or adopt the plan. If the plan were to be amended the council refers the plan to the TCP for necessary amendments. The amended plan has to be displayed for public objection and hearing as above.

The draft plan, the public objection and the council report on public hearing is submitted to the SPC for approval. The TCP will make reports on the plan for SPC deliberation. SPC may reject, approve or direct the plan to be amended. If the plan is rejected or directed to be amended, the same process as above has to be followed.

The plan approved by SPC is designated the Approved Plan and shall be gazetted and permanently exhibited to the public at the council office.

The plan would identify short-term and long-term projects and their possible sources of funding. All projects to be funded from the state sources have to be submitted to SEPC through SEPU for evaluation, priority ranking and allocation of funds. If funds are needed from the federal sources, the

SEPU endorses and recommends the projects to be included in the National Plan. The latter projects are submitted to NDPC for approval and allocation of funds through the respective ministries or EPU. Once approved these projects are reflected in the National Five-Year Development Plan and the State Development Expenditure, which is authorized by the Parliament and the State Legislative Assembly, respectively.

Rural Development Administrative Planning Process

The present process has its origin in the rural economic development plan known as the Red Book Plan introduced in 1960. The purpose of the Red Book process was to accelerate the development of the rural areas. The Government argued that the majority of the people live in rural areas and that it is the responsibility of any democratic government to serve the majority. Economically, Malaysia was viewed as an agricultural country. National development depended on agricultural development, hence the rural producers must be given pride of place in government's development programs. In addition, the rural areas had in the past been neglected and had not received amenities equal to those of the towns. The development of a stable national state required that this imbalance be redressed. Finally, the Communist insurgency had been put down, but the poverty on which Communism feeds has not been eliminated. Therefore the struggle against Communism now had to be carried on a new front. Poverty was to be attacked with all the military precision and sense of urgency

that had produced a successful struggle against the Communist insurgents.

In view of the above, the federal government provides special funds for implementing rural projects at the state and local levels.

The principal operative components of the process are the State Development Officer, the District Officer and the Village Development and Security Committee (VDSC) while the support operative components consist of a host of other government departments operating at the local level.

Based on the request of the rural people the VDSC would identify projects such as road, school, rural clinic and other improvements to be included in the Plan. The list is submitted to the District Officer for evaluation and consideration by the District Action Committee. Requests considered practical were to be included in the Plan. Requests that were not practical must be rejected and the applicants were to be informed of the reasons for rejection. Criteria for acceptance and rejection were left to the District Action Committee. In addition, all proposals from existing government departments were to be considered and integrated with the people's requests into a single plan.

All these proposals were to be included in one of the twelve sections of the plan, each with a map overlay:

- (i) Basic District Map,
- (ii) Land Map,

- (iii) Road Map,
- (iv) Rural Water Supplies,
- (v) Minor Irrigation Works,
- (vi) River Clearing Proposals,
- (vii) Schools, Health Centers, and Playing Fields,
- (viii) Rural Processing and Marketing Facilities,
- (ix) Rural Industries,
- (x) Cooperative Development,
- (xi) Telecommunication Facilities; and
- (xii) Rural Electricity Supplies.

Each section contained a page of detailed instructions for preparing the map, giving standard symbols and colors to be used, and an overlay on which the existing and proposed facilities were to be located. A fold-out map of the district on the inside of the back cover could be placed under the overlays. Proposed facilities or projects were listed in order of priority on a separate form, giving reference number, name, location, justification (number of people to be served, etc), and an estimate of cost.

The district plans were submitted to the SDO who would evaluate and compile them into the state plan for consideration and approval by the SDC and SAC.

The adopted State Plan is submitted to the NDPC and NAC through respective ministries or ICU. On approval the plan is incorporated into the National, State and local plan.

This Red Book System appeared to work well for a

number of years. But now it is slowly becoming obsolete apparently due to the complexity of committee system and agencies involved the Plan for the system is deficient and outdated.

It is apparent from this description of the planning administration and implementation process in the State of Kelantan and more broadly in the inter-governmental relations with federal and local governments, that the various channels of decision and overlapping authority, (i.e. span of control, the size and number of appointed ad-hoc committees, etc.) may debilitate the exigency for meeting the immediate socio-economic demands. If these shortcomings of the present planning organization and its administrative process are, indeed, a fact, it is incumbent upon the federal and state planning authority to begin a self-evaluation which isolates and identifies these impediments to a clearer and more conscious plan for improving the system of comprehensive development planning. Some of the shortcomings of the present planning structure and machinery will be discussed in the next chapter.

III. ANALYSIS OF SHORTCOMINGS OF THE EXISTING PLANNING ORGANIZATION AND ADMINISTRATIVE PROCESS

This chapter attempts to analyse some of the more pronounced inadequacies of and impediments to the present planning system and its administrative process in the State of Kelantan. There are a number of factors which contributed to these inadequacies and impediments. Generally, they can be classified into external influences and internal constraints.

External influences defined here are those factors which are outside of the regulation and control of the state planning machinery and are largely concerned with inter-governmental relations in: (a) The division of functions and responsibilities between the state and the federal government, (b) The coordination (continuity, coherence and compatibility) between the vertical planning functions of the line department of federal agencies and the horizontal and cross-sectoral planning function of the state agencies; (c) The constitutional imbalance between the states' responsibilities (e.g., what the states are required to accomplish) and the fiscal resources made available to them.

The internal constraints which were apparent from the description in Chapter II as causing the most disruption in the planning system and administrative process of the state are: (a) The overlapping authority and operations of committee system, (b) The relationship between horizontal and vertical

specialization in the process of planning, (c) The relationship between physical and socio-economic planning, where the tendency is to view their development as separate, (d) the relationship between program planning and project implementation; and (e) The resulting structure of the existing planning organization with a built in inertia which diminishes its effectiveness and efficiency in its performance goals and objectives.

A. Factors of External Influence:

The Division of functions and responsibilities between The State and the Federal Government

The nature of the Malaysian Federal Constitution poses some real problems with respect to the relationships between national and regional (state/district/mukim and kampong) levels of planning and implementation. As seen in Chapter II, the powers and responsibilities for public sector development activities are divided in the Ninth Schedule of the Constitution of Malaysia between federal (List I), state (List II) and concurrent (List III) ones. These lists cut right across both federal and state agency functions and results in dual reporting, responsibilities and divided loyalties. This is no where better illustrated than with respect to agriculture in Malaysia Peninsular: Like land, agriculture, forestry and in-land fisheries are state responsibilities; marine and estuarine, fisheries, cooperatives, credit extension, crop protection and soil surveys are federal functions; while drainage and irrigation, animal

husbandry and veterinary services are concurrent responsibilities. When it is also considered that at the federal level there are three ministries - Agriculture, Primary Industries and Land and Regional Development, together with them several divisions and statutory agencies - with major responsibilities for agriculture (used in its broadest sense), it is not at all surprising that coordination and integration of planning and development at the state level is not easy to manage. And this is compounded by the large number of federal and state agencies the average farmer has to deal with.

Coordination of functions between Federal and State Agencies

The difficulty, flowing in part from the above, is interfacing the vertical planning functions of the line departments of federal agencies operating at the state/district/mukim level with the horizontal, cross-sectoral planning functions of the state (TCP, SEPU and SDO). There is less of a problem, of course, with purely state projects because there is no dual reporting and divided loyalty in the line agencies. Further the state can control the project through budget allocation process. The problem arises with federal projects, particularly those which are national in scope, that is, designed for implementation in all or several states, and generally by the headquarters staff of the responsible federal agencies. The local staff at the state, district and mukim level carry out the planning and implementation of

these projects giving usually precedence to the federal policy guidelines and procedures rather than the state's policy, and which invariably causes at the least, the inefficient use of resources and discontinuity in the implementation of projects.

At the moment, there are Federal Treasury and EPU circular which specify administrative procedures designed to ensure the enhancement of coordination during and between the process of plan preparation, plan review and budget preparation, but the federal operating agencies tend to be perfunctory or underutilize these administrative instructions, as for example during the recent Mid-Term Review of the Third Malaysia Plan.

Relationship between the responsibilities and the financial resources of the State Government

One of the major external constraints is the constitutional imbalance between the delegated authority and jurisdictional responsibilities of the state and the level of fiscal resources they are appropriated which enable them to carry out the required statutory responsibilities. The deficit in the state's fiscal budget which are a consequence of this imbalance is met partly from statutory grants from the federal government under the constitution, partly by loan from the federal government and partly, in the case of the economically depressed state like Kelantan, by the Federal Treasury covering the deficits. This fiscal imbalance creates, as one would expect, the subordination of the state's planning policy which considerably impedes the progress of the state in establishing strong and efficient planning and implementation organization.

The above mentioned constraints are all ones outside, so to speak, of the planning and implementation machinery of the state government itself. The next section describes, reviews and analyses the development machinery itself and in so doing brings to light other constraints and resultant weakness, for which feasible remedies are sought in Chapter IV.

B. Internal Constraints

The Committee System in Kelantan Planning Organization

The organization chart in Fig. 3 shows the structure purpose, authority and interface in the system of committees for decision and action in Kelantan planning organization. And this in itself is significant because it represents a widespread belief that one can plan and implement projects through coordinating committees. No doubt also the absence of a ministerial system in the state of Kelantan or any other effective means for integrating planning and implementation activities across sectors, sub-sectors and agencies contributed to the development of the committee structure in Fig. 3. But, it is important to understand the purpose and function of committees, and not thrust upon them those activities which should be done only by operating departments and their monitoring units. Essentially committees are or should be a decentralized tool of management. Thus, they can guide, coordinate and regulate the activities of a number of units and agencies whose activities need to be unified and integrated into, say, a regional plan or a multi-sectoral rural development project.

Committees are, more specifically, decision mechanism for coordinating, interpreting and guiding comprehensive policy and interim changes in planning through selection of project and program needs and priorities. The design, development and implementation of planning projects and programs are strictly the matter for the technical skill at the operational level. A committee system for decision planning is essential in Kelantan. However, at this point in time, its reorganization becomes paramount as the formulation of consensus is somewhat debilitated due to the excessive membership, inadequate secretariat assistance and the need to more sharply define the function and responsibility of committee decisions.

The precise functions of the SEPC, SPC and SAC are not clearly defined and in practice their functions tend to overlap.¹ In Kelantan, SAC is typically a very large committee³ having a membership of the State EXCO and heads of operating departments and chaired by the MB. Mainly, because of its size, it is difficult to deliberate and develop consensus for planning needs, project priority and program coordination in an efficient manner.

There is also the State Development Committee (SDC) at the state level. On cursory inspection it appears that

¹As the Director of State Town and Country Planning Department the author was a participating member of these committees.

²More than 50 members.

the functions performed by SDC may be redundant to those of SEPC and SAC.

In the contemplation of a reorganization plan for the committee system of decision planning its agenda should in the least consider the overall size and the perceived redundancy of the SDC, SEPC, SPC and SAC decision conduit.

Relationship between Vertical and Horizontal Planning

Successful planning involves a two-way process: from the "bottom-up" as well as the "top-down." The decision authority in planning organization of Kelantan is, as is the case in most public planning systems, more centralized and pyramidal.

Because the assignment of decision for planning is not clearly defined at various interfaces of units the system of communication or the line-of-authority between the various components of the organization become, overtime obliterated which produce some dysfunction. Each department is an independent department with its own function and responsibility. To rely solely on interpersonal relationship and/or inter-departmental data collection and exchange in the development of planning studies is not always satisfactory, and usually results in the delay of the final planning document. It is desirable to promote such cooperation but this process of data

exchange is inevitably enhanced when the system of appropriate decision is maintained.

A good organization should have both vertical and horizontal specialization, that is the division of task. The present planning organization in Kelantan has horizontal specialization but lacks clear hierarchy of powers. Vertical hierarchy of powers is absolutely essential to achieve co-ordination among the operative components. Secondly, just as horizontal specialization permits greater skill and expertise to be developed by the operative groups in the performance of their tasks, so vertical hierarchy permits clear cut authority in decision making. Thirdly, vertical specialization permits the operative personnel to be held accountable for their decision.

There is no single agency in the present set up that can be held responsible for any delays or failure in the development program as one can always blame or "pass the buck" to another agency for not doing a certain activity. Coordination and integrated approach is essential to the success of any development plan. This is lacking in the state planning organization of Kelantan. The steering committee manages to bring the heads of departments together but the coordination among the line personnel is extremely difficult as an officer of one agency cannot pull up another officer

from another agency for slack or non-performance and etc. without going through the proper channel/head of department. The head of department would normally defend his subordinate for the sake of departmental integrity.

It is a prevalent characteristic of human behavior that members of an organized group tend to identify with that group. In making decisions their organizational loyalty leads them to evaluate alternative courses of action in terms of the consequences of their action for the group. An engineer would identify himself with the Public Works Department, agriculture man with Department of Agriculture, drainage specialist with the Drainage and Irrigation Department and etc. Each of these organizations has its own value and priority toward a particular project. Thus a master plan study may not be the priority project to PWD or DID and the personnel assigned to give specialist input to the study team may likewise treat the study as of lower priority compared to the regular departmental work as his organizational loyalty is not with the study team. This may result in delays or unsatisfactory output.

Relationship between Physical and Socio-Economic Planning

One of the curious phenomena about planning, in developed as well as less developed countries, is that physical

planning and socio-economic planning are usually carried out in separate "water-tight" compartments. Malaysia is no exception, both at the national and state levels. In the State of Kelantan, physical planning and socio-economic planning are the responsibilities of the Town and Country Planning Department (TCP) and the State Economic Planning (SEPU), respectively. The SEPU has no physical planning capabilities in its present set-up and likewise the TCP has no or little socio-economic planning expertise. The contact and coordination between the two departments are minimal and occurs primarily on a study-by-study and project-by-project basis. The coordination also depends on the personal relationship between the two heads of department.

This is unfortunate as the two aspects of planning need to be integrated or at least coordinated more frequently and effectively in order to achieve several objectives. The most important is coordination of activities, to see that plans become projects and the projects are implemented. The second is to effectively utilize the scarce resources of funds and manpower. Lastly there is the matter of establishing credibility, especially with the important federal agencies for project approval and allocation of funds and the implementing departments at the local level. This can best be done if the planning agencies "speak with one voice."

Relationship between Project Planning and Project Implementation

Under the existing system of project planning and

implementation that has evolved, the management of project implementation through monitoring and evaluation is completely separated from project identification, preparation and appraisal, and there are no institutional and procedural means for:

- (a) exposing the people who are involved in project formulation in SEPU to the practical problems involved in implementing the projects they have helped to design and/or appraised; or
- (b) feeding back to the project planners the lessons of experience.

Thus, monitoring and evaluation - in practice it is almost entirely monitoring - and 'trouble-shooting' are the responsibility of SDO not the SEPU. And in the system of state/district level committees, there are different ones for project formulation (Development Committee) and implementation (Action Committee). The SEPU is not even responsible for all project planning, in that it is seldom consulted by the federal line department about federal projects in the identification and preparation of the small rural infrastructure type of projects financed out of federal funds supplied to the SDO for distribution amongst districts. There is need to bring project planning and the management of project implementation closer together, the one to reinforce the other.

Structure of Existing Planning Organizations

A good state planning system should have planning organizations capable of carrying out at least the following basic functions:

- (a) to propose state land-use and socio-economic development plans, strategies and policies, both to fit in with the national perspective and five-year planning exercises and to provide the framework for state and federal project planning,
- (b) to identify, prepare, appraise, monitor and evaluate state projects, and to review federal projects; and
- (c) to provide planning advice to the state government on a regular and ad-hoc basis.

Independently, none of the existing organizations (SEPU, TCP and SDO) is able to carry out the above functions comprehensively. Fig. 6 shows some key staff statistics of the SEPU, TCP and SDO. It is evident that the size of the professional staffs in these organizations is insufficient to perform even the restricted functions as outlined in Chapter II, let alone undertake the other functions set forth above.

The SEPU has virtually little technical capability to prepare state socio-economic plans.⁴ Much of the time of SEPU

⁴Up to date Kelantan has no formal socio-economic plans.

Fig. 6: SOME KEY STAFF STATISTICS OF THE ORGANIZATIONS RESPONSIBLE FOR PLANNING AND IMPLEMENTATION IN THE STATE OF KELANTAN, 1979.

	<u>TCP</u>	<u>SEPU*</u>	<u>SDO</u>
NUMBER OF STAFF			
Professional	4	6	3
Sub-professional	7	-	-
Support	25	14	19
EDUCATION OF PROF. STAFF			
Masters and above	-	1	1
Professional	4	-	-
Ordinary degree	-	5	2
TYPE OF SERVICE OF PROF STAFF			
Seconded from Federal Service	4	1	3
State Civil Service	-	5	-
GRADING OF HEAD OF DEPT.			
Post grading	G	G	F
Personal grading	G	G	G
LENGTH OF SERVICE OF HEAD OF DEPT. (YEARS)			
In government	10	8	10
In the department	8	4	7

* Does not include (4) UNDP Advisors

Source: Negeri Kelantan Anggaran Hasil dan Perbelanjaan Bagi Tahun 1980, and Departmental Records.

staff is in fact taken up in responding to numerous requests for advice and assistance from the Menteri Besar and the State Secretary; and attending meetings. The project planning activities are limited to the larger state projects, which are very few because of the financial constraints of the state.

The SDO is able to carry out monitoring of project implementation and secretarial duties to the SAC and SDC. It has no capacity to carry out in depth evaluation of the impact of projects on project beneficiaries.

Except TCP, both SEPU and SDO are organized on sectoral lines of responsibility. This has the advantage that officers work with a limited number of operating agencies. But it has the disadvantage that each officer has to be a 'jack-of-all-trades' and probably a 'master-of-none.' For example, different type of training and experience are needed for regional planning, physical planning, sectoral strategies and policies, project identification and preparation, monitoring and evaluation. To provide each sectoral unit with such specialized capabilities would necessitate for larger organization than be afforded. Consideration should be given, therefore, to reorganize the existing organizations on functional rather than sectoral lines.

C. Observation and Conclusion

The external influences and internal constraints on the administrative system and implementation process of

of planning in the State of Kelantan is typical of the evolution of planning in developed as well as less developed countries. In the U.S. for example, similar situations were evident before the passage of the Intergovernmental Cooperation Act of 1968, and its A-95 process.

According to the Council of State Government's Report in 1976,⁵ there are few spheres of state government activity in which there is no federal involvement. The Congress depends on state and local governments for program design and management. Health care, crime control, housing, economic development, land use, and recreation are just some of the major areas in which state and local governments have been asked to implement national planning and program objectives. Each federal program makes its unique and often conflicting demands on state government in its prescriptions for eligibility, planning, organization, fund matching and procedure.

While the states applaud federal efforts to improve the design and management of intergovernmental programs, they complain that the commitment and follow through execution have been inconsistent and, in some instance, non-existent. As regards to the decentralization concept of the US Federal Government, the states consider that in the implementation process states have too often been asked to assume responsibilities

⁵Council of State Governments, A summary for Governors, State Planning: New Roles in Hard Times (Lexington Kentucky: The Council of State Governments, 1976) p.10.

without being provided the necessary resources.

State governments are functionally fragmented with departments, agencies, and programs. Because of financial support and operational guidelines these agencies derive from federal sponsors, their direction and administration may be even more removed from the influence of general state management and articulated state objectives. Prescribed dependence on regional or local government bodies, and sometimes nongovernmental entities, to do planning and to carry out the projects further complicate the picture.

The complex problems of coordination that arise in the management of federally mandated and funded programs often involve not only state and federal agencies, but sub-state districts and municipal governments. They have tended to increase fragmentation and conflict across state governments and between state and local governments. Until recently, the states' authority to coordinate federal programs has been severely limited. These situations had led the 1975 National Governors' Conference to adopt a policy position to appeal to the federal government to "correct the confusing, contradictory, duplicative, and overlapping mass of requirements and definitions in planning and program guidelines."⁶

Shinwala (1977)⁷ described quite similar characteristics

⁶Ibid

⁷Nikubuka N.P. Shinwala "Organization for Planning in Tanzania," Occasional Paper, Centre for Development, University of Wisconsin: Madison, Oct. 1977.

found in the evolution of the planning system and the administrative process of Tanzania. Since its independence in 1961 the planning organization had been under constant review and reorganization. The Advisory Development Committee of colonial time was replaced in 1963 by the Ministry of Development in the President's office. The organization was modelled on a French System with a French economist heading the organization. The Revolution of 1964 abolished the Ministry of Development Planning and created the Directorate of Development and Planning in its stead. The President himself took full responsibility for development planning but due to pressure of more important work he delegated the responsibility to three cabinet ministers to whom the director was made severely answerable. The arrangement proved unworkable due mainly to divided reporting and loyalty and there was no formal machinery for plan coordination with other ministries.

Following the general election of October 1965, the directorate was reorganized into an independent Ministry of Economic Affairs and Development Planning. Its staff strength was consolidated by seconding to it experienced officer from the institution and by recruiting others from both inside and outside the country. The former ministerial committee was revived and revitalized under a new name, the Economic Committee of the Cabinet (ECC). The new ministry, popularly known as DEUPLAN was given the responsibility to provide

secretariat service to it. Any economic proposals to or from the ECC had to be processed by DEUPLAN, making it the sole coordinator of all planning and other economic matters between all ministries on the one hand and the ECC on the other.

This model has worked well for Tanzania and by 1969 it had become organizationally strong enough to require no external assistance in preparing the Second Five-Year Plan for 1969-74 - the most comprehensive plan ever prepared in Tanzania.

The above observations tend to point that it is to the advantage of the Planning System in Malaysia in general and Kelantan in particular, to continually and critically analyse its structure and changing needs in planning and implementation in order to devise policies and procedures which encourage improvement in efficiency and effectiveness.

IV. A PROPOSED MODIFICATION TOWARDS STRENGTHENING STATE PLANNING ORGANIZATION AND ADMINISTRATIVE PROCESS

A. A Generalized Concept

One of the most notable characteristics of modern government is the sharp increase in the number and complexity of activities it has had to assume. As living patterns have changed with the shift from a rural to an urban-industrial economy and as new techniques for meeting human needs have emerged, related governmental activities have multiplied. As these responsibilities have expanded the exigency of more effective allocation of resources, coordination of programs and services, and provision of guidelines for action, all make planning and its organization essential.¹

The old method of planning by meeting those needs which were most evident and critical first and then if there were any financial resources remained, other innovative programs were initiated, is no longer satisfactory in the modern government. As the public service programs increased in size and complexity and the important of the inter-dependencies among these programs was recognized, it became

¹Alan Walter Steiss, A Framework for Planning in State Government. (Chicago, Illinois: The Council of State Government, 1968). p.2

evident that a more systematic approach was required to avoid the 'hit-and-miss' results which characterized many of the earlier efforts.

Faced with the imperative of doing more with less, the state governments recognize the need to improve their management capability, to operate programs more effectively, and to assure that the activities of government are directed to the accomplishment of priority objectives.² There is a growing awareness that maximum returns from public action and investments could not be achieved through a project-by-project or year-by-year approach.³ What was required was both cooperative effort and rational forethought before action. This would require:

- (a) a process to assist the government in defining and articulating state goals; and
- (b) a mechanism for the coordination of the plans, policies, and programs that proliferate within the state governments in addition to those imposed by the federal government.

The Function of State Comprehensive Planning

There are many definitions of the functions of state planning in the literature. Some see it as the

²The Council of State Government, op.cit., p.1.

³Steiss, op.cit., p.2.

policy planning of development that encompasses the entire range of concerns of the state, while others concentrated on land use or economic development policy formulation.⁴ For the purpose of this paper I subscribe to the views of Wise and Oblinger Smith (1967). These views have parallel in Steiss (1968), Slavin (1970) and Gant (1979), as describe hereinder.

Comprehensive state planning and programming is a continuing process designed to serve as a logical guide for future growth and development and to identify and suggest solutions for current problems which will affect future development. The purpose of the process is to provide responsible officials with adequate information upon which they can make logical decisions about future courses of action. Comprehensive planning is broadly based, embracing physical, social, economic, cultural and other concerns of public policy.

The major functions performed by a process of comprehensive planning and programming are:-

- (i) To articulate the goals and objectives for the development of the state and to define the established policies for the achievement of those goals.

The development of goals and objectives, and the policies to achieve them, as an integral part of the political process. Comprehensive

⁴The Council of State Government, State Planning: Intergovernmental Policy Coordination (Washington D.C. U.S. Government Printing Office, 1976), p.12.

planning and programming provides the basic linkage between technical planning and political decision making in that program requirements to carry out policies, and the probable future implications of undertaking such programs, are identified in the process of formulating such objectives. The identification and articulation of these objectives thus provide a composite picture for decision makers as to where the state is going and how it is going to get there and thus provide a base for further decision making.

- (ii) To identify and analyze significant development problems and opportunities now confronting the State and those which will be anticipated for the State.

Identification of current and forecasted problems and opportunities is basic in the formulation of policies. A firm knowledge of these factors will enable policy decision makers to establish priorities for the allocation of resources, to resolve problems and to capitalize on known and anticipated opportunities.

- (iii) To propose alternative course of action designed to solve problems and realize opportunities of development

Again, a linkage is provided between the policy decision making process and technical expertise. Alternative course of action and their implications

in term of required resources, their effect on other activities of the public and private sector, and on other functional areas together with anticipated results must be articulated so that policy makers may have an adequate basis for deciding upon a selected course of action.

- (iv) To prepare land-use and socio-economic, regional development plans, strategies and policies, both to provide the framework for central, state and local government project planning
- (v) To coordinate functional planning carried out by departments and agencies of the government and to insure that all planning is consistent with stated goals and objectives

The coordination of functional planning makes it possible to identify conflicting objectives of programs and activities, to take action to resolve such conflicts, to eliminate identified duplications and to create an awareness among agencies of other agency resources and capabilities. Coordination of functional planning also enables overall professional planning advise to be provided to functional units to assist them in their formulation of plans consistent with overall plans and objectives.

- (vi) To identify and relate programs and activities of the federal government, local governments, and the private sector to state plans, programs and policies.

Comprehensive planning and programming can be effective only if it coordinates the diverse

activities that are concerned with development. Guiding and developing is not exclusively a state activity. The process calls for many participants in carrying out a great variety of activities all working in harmony to achieve the realization of a better environment. A knowledge of the plans and programs of other governments and of the private sector and the interrelating of their activities are a necessary ingredient to the comprehensive planning and programming process; and

- (vii) To review progress of project implementation and "policies-in-action" in achieving goals and in coping with identified problems for the purpose of recommending necessary modifications of new policies or course of action.

Audit of accomplishment is a necessary function of a comprehensive planning and programming process. As a continuing process, it is necessary to know whether appropriate decision have been made and where modifications are necessary. This function enables decision makers to assess the effectiveness of their decision on a continuing basis and to take remedial action where required.

Criteria for Effective State Planning

Literature in this field suggest a number of criteria for effective state planning. Generally, they relate to

the following:-

(a) Organization and Structure: Comprehensive planning and programming can be carried out only if certain structural mechanism are available. Adequate machinery is necessary to insure that this composite decision process will, in fact, assist policy-makers in exercising sensitive and relevant leadership and that they will have the means for effectively formulating and executing appropriate development policies.⁵

There requires at least a central planning agency which is an integral part of or in close proximity to the executive legislative authority (i.e. Menteri Besar/Executive Council). This strategic location has the advantage of liaison, communication and sources of influence. Presumably comprehensive planning and programming can be most effectively carried out, if it is performed by an agency having a staff and overview function within the executive authority rather than by an agency concerned primarily with line operation. Planners in the usually perceived subordinate line position often find themselves at a disadvantage in this relationship with the executive office simply because of less frequent contact.⁶

As seen in Chapter Two, plans and planning are not the exclusive province of the central planning agency. They involve the coordinated participation of the central ministries

⁵Wise and Oblinger Smith, op.cit., p.7.

⁶See Carl Heinze, "Two Keys to Effective State Planning," Practicing Planners (June 1978): 18-20.

and their divisions and of the state, local and regional governments and their administrations. The major functions of the central planning agency are to orchestrate the participation of these agencies, and with some delegated executive authority provide leadership and guidance in their planning activities.⁷ Experience has shown that the efforts of a planning agency or group, at this level and with this implied influence, can be facilitated in its function of coordination with respect to other agencies which have considerable discretion in the structure of the state government. A 'super agency' acting on behalf of the chief executive would be able to carry out these functions more effectively.

The agency should be recognized by the federal government for assigning the responsibility for comprehensive planning, vertical and horizontal planning and policy coordination within the state.

To be effective, state planning must meet the organizational as well as the functional needs of the state government.⁸ Such a structure should have the following components:

- (i) Adequate means for systematically and comprehensively formulating plans and policies to deal with rapidly changing development situations,
- (ii) Methods for planning and scheduling programs and resources for the maximum effective implementation of development policies,

⁷Gant, op.cit., p.138.

⁸Steiss, op.cit., p.34.

- (iii) Appropriate machinery for evaluating the effectiveness of development policies and their implementing programs once these programs and policies are in action; and
- (iv) Methods for adequate coordination among agencies responsible for carrying out development policies and the ability to identify the need for remedial action when policies are not being accomplished through program in action.

(b) Confidence: State planning has at least three distinct "clienteles," i.e., the elected official, particularly the chief executive; the operating agencies of state and federal government; and the general public. To be successful in its efforts to lend guidance to growth and development, the state planning agency must have the support of each of these "clienteles."⁹

The key word here is confidence. The chief executive must have confidence to rely on his planners for reliable and valid information and for objective and cogent advice on matters relating to the instrumentation and coordination of policy. This suggests that the staff of the state planning agency must carry out any assignment made by the chief executive, quickly, efficiently and to the best of their professional ability and integrity. It also suggests that the planners must perform with continual and consistent technical and

⁹Steiss, op.cit., p.8. See also U.N: Administrative Aspect of Planning, op.cit., p.10.

and administrative management to establish and maintain the confidence at the lesser level of planning. The planner must also remain neutral (in policy decision i.e, deriving and presenting to the decision-maker the most optimistic and feasible set of alternatives for policy objectives) and adhere to professionalism.¹⁰

B. Application of Generalized Model and Proposed Modification to the Planning System in Kelantan

Each of the above criteria suggests that the State of Kelantan should have appropriate and up-to-date planning and programming mechanisms: effective communication within state government and between state and federal government, political subdivision of the state, the private interests and the public at large. These criteria also suggests that comprehensive planning and programming should be so designed and so structured that the process channels upwards through the administration and directs itself towards the policy formulation needs of MB and his EXCO.

In order to meet today's responsibilities for overall state development, current efforts at comprehensive planning and programming within the state organization should be reviewed in terms of these functions and criteria. Any measures taken to strengthen existing efforts must be evaluated within this frame of reference.

(1) Streamlining the Committee System

As indicated in Chapters II and III, the expectation of

¹⁰Heinze, C. op.cit., p. 18.

the present committee system perhaps exceeded its ability to facilitate decision and expedite the precise and proficient needs of the planning apparatus in Kelantan. There are too many committees with overlapping functions; they are too large and unwieldy and they are inadequately serviced with technical support personnel. The frequency and length of committee deliberations create diseconomies of time and effort required in the preparation and implementation of planning programs and projects.

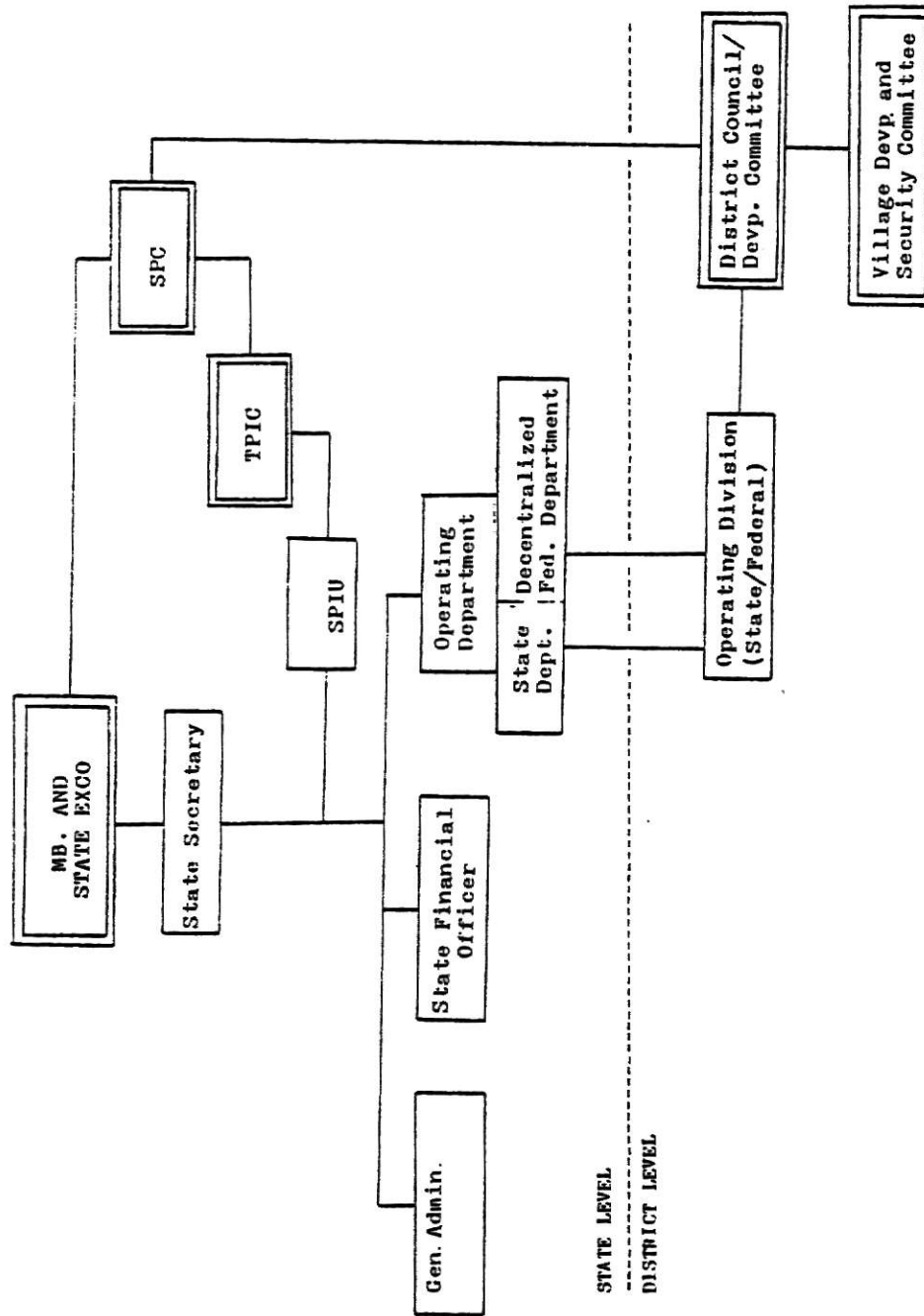
"Government by committee is characterized by stalemates, delays, and unworkable compromise, which are the inevitable results of getting all committee members to pull together They are not cut out for day-to-day supervision and coordination, and the compromises they must often make to function at all lose sight of key goals and objectives."¹¹

There is a need, therefore, to streamline the system, to cut down the time spent sitting on committees and to put greater emphasis on strengthening the organizations which do or should do the project planning and implementation.

It is proposed that the present committee system and administrative structure be modified as shown in Fig.7. The State Action Committee, State Economic Planning Committee and the State Planning Committee be consolidated and modified into a single committee called the State Planning Committee (SPC) under the chairmanship of the MB. This reconstructed committee

¹⁰ Douglas M. Fox, Managing the Public's Interest A Results-oriented Approach (New York: Holt, Rinehart & Winston, 1979), p.51.

FIG. 7 A PROPOSED STATE PLANNING ORGANIZATION FOR KELANTAN.



and its function at the state corresponds to NDPC at the national level. The committee would function not only to meet the requirement of Town and Country Act 1976 but the overall state planning requirement. Additional functions may be assigned to SPC by the State Authority under Sec. 3 and Sec.6 of the said Act.

The objectives of creating the committee under the present Act is to: (1) give it statutory authority, (2) require and sustain support from the local and federal government as the Act is a piece of federal legislation receiving concurrent agreement by the state and local authorities; and perhaps most important, (3) integrate the physical and socio-economic planning in the State of Kelantan.

Because of its proximity to and implied influence from the State Authority, the committee should be composed of members who have the confidence of the State Authority. The committee would consist of the following members appointed by the State Authority:

- (i) Menteri Besar as chairman,
- (ii) Timbalan Menteri Besar as deputy chairman,
- (iii) State Secretary,
- (iv) State Financial Officer,
- (v) Director of Lands and Mines,
- (vi) Director of Public Works,
- (vii) State Legal Advisor,
- (viii) Director of Town and Country Planning (Physical Planning),
- (ix) Director of Economic and Project Planning,
- (x) Director of Implementation and Coordination; and
- (xi) Not more than four other members to be appointed

by the State Authority.

This membership of 14 is considerably less than the existing 50 member committee. The secretariat functions of the committee would be provided by the proposed 'super agency' called the State Planning and Implementation Unit with the Deputy State Secretary for development as the secretary. He may delegate the secretary job to any division head depending on the agenda before the committee. For example, if the agenda concerns the relevant function of Physical Planning Division such as town and country planning, regional policies, local planning assistance, and etc, then the Director of Physical Planning would be delegated the job of the secretary to SPC.

The functions of SPC would encompass all the functions of the former SPC, SEPC, SAC and the conceptual functions discussed earlier on pages 62-66.

SPC would be advised and serviced by a Technical Planning and Implementation Committee (TPIC). The coordination and implementation monitoring functions of the former SAC and SDC would be transferred to this committee. TPIC would provide a forum where inter-departmental/agency viewpoints and interests would be deliberated and coordinated before technical matters are put up to the SPC for consideration and decision.

Some of the functions of TPIC are to:

- (a) advise on fiscal needs and projection,
- (b) recommend development plans and programs,
- (c) assist SPIU to provide technical assistance for project implementation,
- (d) devise evaluation methods,
- (e) coordinate inter and intra governmental process,

- (f) interpret policy for implementation,
- (g) prescribe implementation process,
- (h) validate and certify the development and completion stage of the the implemantation process,
- (i) monitor progress; and
- (j) submit interim and final budget and management reports on the states of preplanned milestones for program or project development.

Members of the TPIC committee consist of those directors of operating departments considered necessary for the work in-hand, with the head of SPIU as the chairman. Thus the composition of the TPIC would vary according to the agenda. In this way the TPIC would be kept small and managable. TPIC would have powers to coopt additional members, such as District Officers or subject matter specialist, as and when considered necessary. TPIC would liaise with State Security Committee to ensure that security considerations are taken into account.

TPIC would be serviced by each of the three functional divisions of SPIU. The directors of these divisions would provide the secretariat support for the TPIC depending upon the agenda under consideration.

At the District level, the District Action and Development committees should be amalgamated into a new District Development Committee (DDC); and District Council (DC) for already restructured local authority areas in the district. These committees would be given local planning and implementation functions. The chairman of the committee is the District Officer of the respective district and the members

should not exceed 24 appointed by the State Authority from the local leaders, professionals and important heads of local government department.

It is envisioned that in the initial period, the districts are not able to develop their own planning capabilities due mainly to the shortage of technical personnel and financial constraints. The reorganized SPIU which will have local planning sections in each division can augment technical and administrative assistance support to the local authorities. The sections would, among their responsibilities, assist the District Officers and the district offices of the operating department to identify and prepare, for submission to the DDC/DC, the relatively small but important rural infrastructural type of project, which play an important part in the everyday lives of rural households. In this way, not only would technical, but particularly economic assistance will be made available for such rural infrastructure projects. In the course of the plan preparation these projects, if not already, will be integrated into area/regional plans for consistency and compliance with the State Comprehensive Plan.

At the village level the present Village Development and Security Committee should be maintain and incorporated into the planning process.

(2) Establishment of 'Super-Agency' for planning

The analysis of the existing organization responsible for planning (Chapter III) indicates a need to bring the planning and monitoring of implementation closer together and

also the need to integrate the physical and socio-economic planning. The purpose of such integration is to expose those who plan projects to the problems of implementation and to provide the institutional framework for feeding the lessons of experience gained from monitoring and evaluation back to the project planners so as to improve the selection and design of new projects. The cross-fertilization of disciplines, ideas and experience would strengthen both the planning and implementation/monitoring/evaluation of projects. Physical planning prepared in isolation of the socio-economic planning, vice-versa, is contradictory to and in conflict with the ultimate objective of the national and state planning system, i.e., improving the quality of life for the people of Malaysia with a more comprehensive and balanced planning.

As there are, presently, three separate departments, SDO, SEPU and TCP dealing with monitoring of implementation, economic planning and physical planning, respectively, some interdepartmental reorganization will have to be carried out to bring about the integration.

There are many ways in dealing with interdepartmental reorganization. The approach adopted is "the flexible management approach with a constant concern for results rather than for stylish symmetrical organization charts."¹¹ Under this approach, the SEPU, TCP and SDO would work together within an integrated unit called the State Planning and Implementation Unit (SPIU). For purposes of administrative authority and proximity to chief executive of the government,

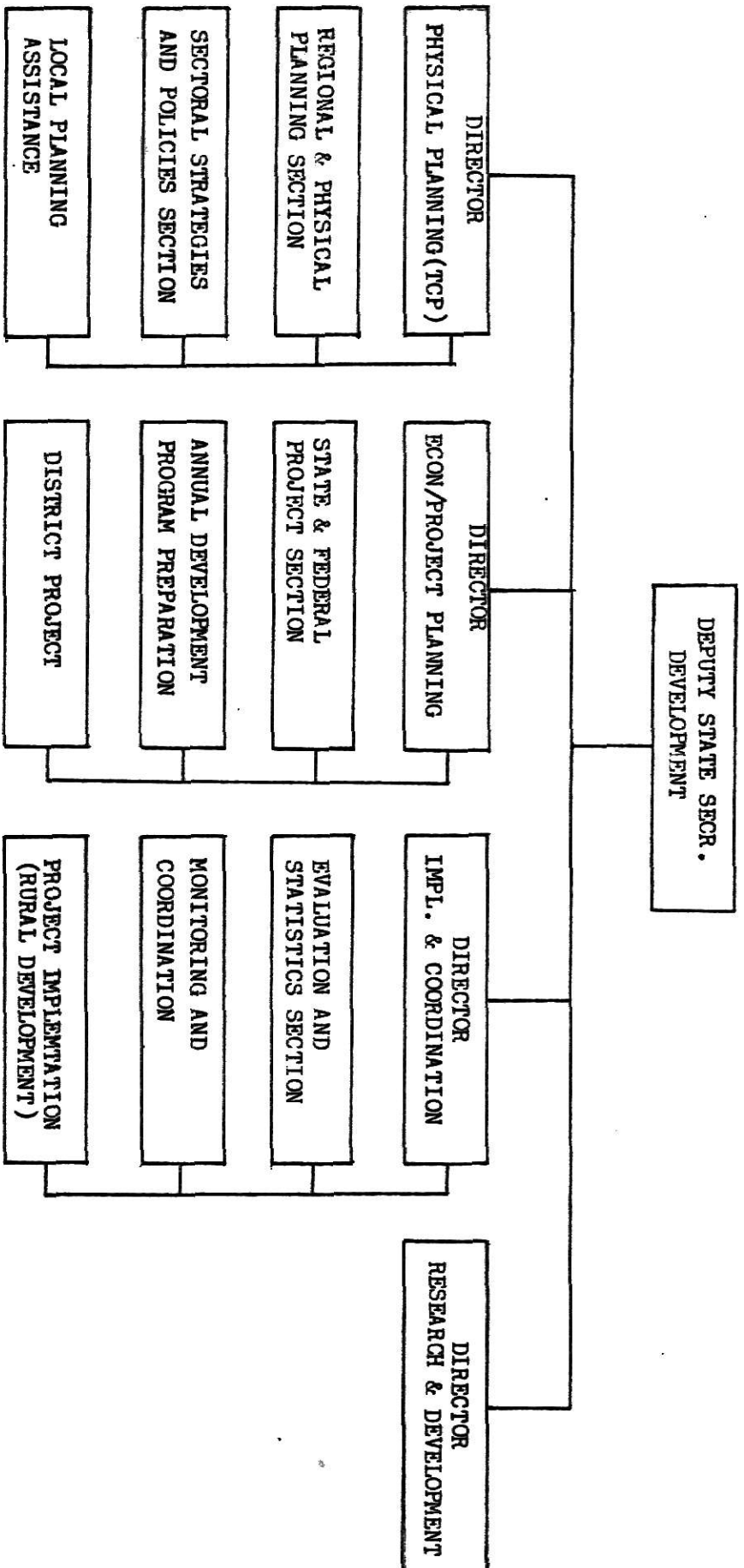
¹¹Ibid. p.52.

the unit would be created as a wing of the State Secretariat under the directorship of the Deputy State Secretary for development. SPIU would act on behalf of the chief executive.

It would not be easy to completely integrate the three departments initially. To avoid any administrative and legal complication pertaining to existing laws, rule and regulations the three department would be allowed to retain their identity, at least during the interim period, but they would operate as divisions of SPIU and act collectively as one unit. They would be reorganised along functional line as shown in Fig. 8. The functions of each divisions are as follows:-

- (i) Physical Planning Division: This division would replace the Town and Country Planning Department and the director of TCP would head the proposed division. It would be responsible for coordinating the state participation in national planning, e.g., preparation of the Five-Year Development Plan; regional planning (including physical/land use planning) and its integration with socio-economic planning; for preparing state sector development strategies and policies; administer Town and Country Planning Act; and assist local authorities in establishing comprehensive planning and programming operation and would carry out the administration of planning assistance programs

FIG. 8 PROPOSED ORGANIZATION OF THE STATE PLANNING AND IMPLEMENTATION UNIT (SPIU)



for localities. In addition the local assistance activities would serve as a mechanism for co-ordinating local plans and programs as they were developed with the Comprehensive State Development policies and Plan and the Annual Development Programs.

- (ii) Economic and Project Planning: The division would assume the functions of the former SEPU. It would be responsible for the identification, preparation and appraisal of projects. This apply to both state and federal-type projects. It also provides technical assistance in project preparation, and for the screening of district, "mukim" and village-level projects. It would also responsible for all types of economic and population analyses and the formulation and evaluation of plans and programs that relate to the economic growth of the state. It would provide technical advise on economic matters to the MB and to other state agencies; and prepare the Annual State Economic Report.
- (iii) Implementation and Coordination: The unit replaces the former SDO and have the primary function of preparing and executing the Annual Development programs. It would establish and maintain a reporting system to identify and describe throughout

the year the accomplishments of the various agencies in meeting the specific goals for accomplishment set forth in the Annual Development programs. It would serve as a basis for modifying the next years' program and to indicate where policies might be taken with respect to program. It monitors the financial and physical progress of projects and programs in both the development and operational budgets. It analyses the effect of existing and proposed federal program on the State Comprehensive Development Policies Plan and the Annual Development Program. The former important function of coordinating and implementation of multi-sectoral rural development projects are retained with the division. The division would also be responsible for reviewing plans and application by agencies in the state to secure federal grants/loans or other assistance prior to their filling. The review would serve to find out whether such proposal were compatible and in-line with the state policy.

- (iv) Research and Development: This new division is responsible for: (a) coordination and analysis of programs informations produced by various department and agencies and of data concerning current and anticipated development problems and

opportunities; (b) maintain data information system; and (c) conduct special research not regularly performed by other division, e.g., administrative organization development.

Effective administration for development in the State of Kelantan depends upon the establishment of the 'super-agency' as stated above. However, if the work habits and methods of the new agencies are no different from those of their predecessors, not much improvement in capability will be made. The reconstituted agency will be unified harmoniously and productively with other agencies and with public clients. Its impact will only be felt in an environment of competence, cooperation and consensus.

(3) Intergovernmental Relationship

In order to help coordinate the vertical and horizontal planning functions, all departments and units of state and federal agencies operating at the state level should be required to submit project and program proposals to SPC through SPIU for review, comments and approval in case of state projects; and for review and comments, in case of federal projects, before submitting proposals to their headquarters. When federal projects are submitted they should be accompanied by any SPIU comments. In addition, where national projects and programs are prepared by the central offices of federal agencies, they should be submitted for review to the SPC, particularly where state operational departments would be involved in implementation.

It was argued in Chapter III that the constitutional fiscal/financial relationships between the state and the federal governments is perceived as a major impediment to development in the state. However, it is beyond the scope of this paper to address the issue and it is recommended that a special study be taken to identify and review the inferred shortcomings in this system of intergovernmental relations.

(4) Instrument of Policy, Communication and Coordination

The execution of a system for comprehensive state planning would require certain instruments of policy, communication and coordination to be developed and adopted. They are essential in order that development policies may be better formulated, articulated, and considered so that agencies responsible for executing policies can undertake actions within a clear context of policy direction and that progress toward the achievement of goals can be readily measured. Also, any necessary and appropriate alternative actions or policies can be readily undertaken.

Some of the instruments of policy, communications and coordination to meet the requirements of comprehensive planning system would include:-

- (a) A Comprehensive Development Policies Plan which would identify long term developmental goals, lay out the general strategy and policies for development, and articulate the broad strategy for achieving those goals,
- (b) Functional Plan of an intermediate time scale

which would layout more precise objectives for each functional area of activity with which the state is concerned, such as infrastructure, natural resources development, and etc. The functional plan would indicate general cost, project locations and service requirements,

- (c) Annual Development Program which would serve to allocate resources and activities for each year and would relate the application of resources and activities to the accomplishment of policy goals. This instrument would also serve as the mechanism for assessing accomplishment in meeting policy goals,
- (d) Program Plan which would describe in detail the methods and resources to be applied within each program to meet policy objectives,
- (d) Local Plan which would work through local interests to identify the regional/town/village interest in terms of statewide policy objectives; and
- (f) A Reporting System which would regularly provide information on program accomplishment to assist program administrators in evaluating program effectiveness.

The process and methods of preparing the above plans, while have some relevance to effective state planning system, would require another detailed study. Together with other

considerations, such as financial policy and plans, the number, skill, grading and training of staff and etc., required for the new organization would be further investigated. Nevertheless, the proposals made herein are in the least, the minimum factors for consideration and analysis to improve the present situation. If the analysis for reorganization of the committee system and for a "super-agency" confirms the feasibility of the proposals, their adoption and implementation will undoubtedly strengthen the State planning system in Kelantan, to plan for and react to the anticipated intensification of future human needs.

V. FINDINGS, OBSERVATIONS AND RECOMMENDATIONS

A. Findings

In the State of Kelantan, the planning function is divided among a number of agencies, departments and committees, chief of which are the State Economic Planning Unit, the Town and Country Planning Department and the State Development Office. Thus economic analysis and project identification is in one agency, physical planning in the second and monitoring of project development in a third. Decision planning for economic, physical and implementation and coordination is the responsibility of the State Economic Planning Committee, the State Planning Committee and the State Action Committee, respectively. It is apparent from the description of the planning administration and implementation process in the State of Kelantan and more broadly in the inter-governmental relations with federal and local governments, that the various channels of decision and overlapping authority, (i.e. span of control, the size and the number of appointed ad-hoc committees, etc.) may debilitate the exigency for meeting the immediate and future socio-economic demands.

Some of the shortcomings of the present planning structure and machinery were discussed in Chapter III. The

shortcomings are related to the inter and intra-governmental relations and coordination of functions, responsibility and programs; and were classified into external influences and internal constraints.

There are three important factors, external to the state's planning and implementation system, which constrain development. These are: (i) the division of functions and responsibilities between the state and federal governments which are given by the 9th Schedule to the Constitution of Malaysia; (ii) the difficulty, flowing in part from (i), in interfacing the vertical planning functions of the line departments of the federal agencies with the horizontal, cross-sectoral planning functions of the state; (iii) the constitutional imbalance between the responsibilities of the state and the fiscal resources it has available to execute these responsibilities, which makes for more difficult state-federal relationships and inhibits the state from providing strong and effective comprehensive planning and implementation machinery.

The internal constraints which were cited as causing the most disruption in the administrative system and implementation process of planning are: (i) the complex committee system; (ii) the relationship between horizontal and vertical planning; (iii) the relationship between physical and socio-economic planning; (iv) the relationship between

project planning and project implementation; and (v) the structure of the existing planning organization in the State of Kelantan.

B. Observations and Recommendations

If the above shortcomings of the present planning organization and its administrative process are, indeed a fact, it is incumbent upon the Federal and State Planning Authority to begin a self-evaluation which isolates and identifies these impediments to a clearer and more conscious plan for improving the system of development planning.

Social and economic indicators manifest that the State of Kelantan is lagging nationally in socio-economic development. Existing and traditional concepts and operations of state planning and implementation will no longer suffice if Kelantan is to overcome major problems inherent in today's rapidly changing society and if Kelantan is to take maximum advantage of the opportunities associated with growth and development of the country.

Today's challenges and opportunities call for new methods and approaches to determine comprehensively what has to be done to: (1) satisfy current and future needs and opportunities, (2) allocate the state resources in a system of priorities to achieve desired long - and short-term objectives, and (3) assess progress in achieving these objectives.

There is, therefore, an immediate and growing need for improvements in planning organization and administrative

process in the State of Kelantan. Among the pressures generating demands for improved planning are the need to:

- (i) develop policies and execute actions that will serve the current and future interests of Kelantan,
- (ii) prepare Comprehensive State Development Plan in order to qualify for federal assistance in several areas, and to provide the framework for central, state and local government project planning,
- (iii) coordinate the state development activities with those of private interests and to maximize the efforts of federal programs in priority areas that best serve the state,
- (iv) coordinate activities of all levels of government operating within the state toward the achievement of common objectives,
- (v) provide policy guidelines and technical assistance to local governments for the preparation of development plans and to shape their programs in line with future state's activities; and
- (vi) review progress of project implementation and "policies-in-action" in achieving goals and in coping with identified problems for the purpose of recommending necessary modifications or new policies or course of action.

An adequate state planning network is necessary to (a) meet the above requirements; (b) augment the decision-makers in exercising sensitive leadership; and (c) have the means of effective formulation and execution of appropriate development policies.

It is therefore proposed that:-

1. The state take steps to establish a 'central planning agency' (State Planning and Implementation Unit) within the office of the chief executive office by incorporating the Departments of Town and Country Planning, State Economic Planning Unit and State Development Office. To avoid legal and administrative complication TCP, SEPU and SDO should be allowed to retain their respective identity, initially, but their functions should be integrated and reorganized along functional line as shown in Fig. 8, see page 80.
2. SPIU should have the confidence of elected officials, the operating agencies of the state and federal governments, and the general public.
3. The plethora of existing committees be streamlined and replaced by SPC and TPIC at the state level and one development committee (DDC) in each district. These committees would be small, handle both planning and implementation and have strong secretariats. SPC is responsible for policy

and decision planning while TPIC provides technical, implementation and coordination planning advise to SPC. The task of management and execution would be carried out by the strengthened SPIU and operating departments.

4. All government agencies operating in the state should be required to submit project and program proposals to SPC through SPIU. For federal projects, the comments of SPC should be taken seriously by the National Planning Agency. This requirement needs to be formulated and issued to all government agencies as an instruction of NDPC or the Federal Cabinet itself since this would help the coordination of the vertical and horizontal planning functions.
5. The state should develop and adopt instruments of policy, communication and coordination such that development policies may be better formulated, articulated, and considered. Executing agencies would then have a clear context of policy guidelines and that progress toward the achievement of the goals can be readily measured.
6. Further studies should be made on: financial/fiscal relationship between the state and the federal government, financial implication, staff size, skill, grading and training requirement of the proposed new agency.

7. A joint state and federal committee should be set up to study and make recommendation on the implementation of the proposed reorganization and administrative process for comprehensive development planning and implementation co-ordination in the State of Kelantan.

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APPENDIX A - GLOSSARY

DC	- District Council, pg. 76
DDC	- District Development Committee, pg. 76
ECC	- Economic Committee of the Cabinet, pg. 60
EPU	- Economic Planning Unit, pg. 17
EXCO	- State Executive Council, pg. 19
ICDAU	- Implementation, Co-ordination and Development Administrative Unit, pg. 5
MB	- Menteri Besar (Chief Minister), pg. 19
NAC	- National Action Council, pg. 19
NDPC	- National Development and Planning Committee, pg. 17
NEC	- National Economic Council, pg. 17
OMB	- Office of Management and Budget, pg. 17
SAC	- State Action Committee, pg. 28
SDC	- State Development Committee, pg. 26, 49.
SDO	- State Development Office, pg. 5, 6, 24.
SEPC	- State Economic Planning Committee, pg. 27
SEPU	- State Economic Planning Unit, pg. 22
SPC	- State Planning Committee, pg. 28, 72
SPIU	- State Planning and Implementation Unit, pg. 75, 79
TCP	- Town and Country Planning, pg. 23
TPIC	- Technical Planning and Implementation Committee, pg. 75
VDSC	- Village Development and Security Committee, pg. 41

A DESCRIPTIVE ANALYSIS OF THE ORGANIZATION
AND ADMINISTRATIVE PROCESS FOR COMPREHENSIVE DEVELOPMENT
PLANNING AND PROGRAM COORDINATION FOR THE
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AN ABSTRACT OF A MASTER'S REPORT

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ABSTRACT

In a federal system of government, like Malaysia, planning is done at the national, state and local levels. The establishment of planning organization at the state and local levels was in response to the felt need to decentralize the management of development. In the State of Kelantan, planning functions are fragmented into departments, agencies and committees. Because of financial support and operational guidelines these agencies derived from federal sponsors, their direction and administration may be even more removed from the influence of general state management and articulated state objectives. Indeed, there is a complex problem of coordination and inter and intra-governmental relationship.

This report is a descriptive analysis of the existing organizational structure and administrative process for comprehensive development planning and program coordination in the State of Kelantan, Malaysia. In this analysis, it attempts to: (i) identify the critical areas of organization (purpose, structure, interfaces); and (ii) isolate some impediments in the functioning (decision, coordination, continuity) where improvement and modification may occur. The objective of the report is to propose a systems model which is evolutionary to the enhancement of the level of efficiency and degree of effectiveness in the planning administration and implementation network within the state.

There is an immediate and growing need for improvements in planning organization and administrative process in the State of Kelantan. Among the pressures generating demands for improved planning are the needs to:

- (i) develop policies and execute actions that
will serve the current and future interests

of Kelantan,

- (ii) coordinate the state development activities with those of private interest and to maximise the effort of federal programs in priority areas that best serve the state; and
- (iii) provide policy guidelines and technical assistance to local governments for the preparation of development plans and to shape their programs in line with future state activities.

Existing and traditional concepts and operation of planning in the state government will perhaps no longer suffice if the state is to overcome major problems inherent in today's rapidly changing society and if Kelantan is to take maximum advantage of the opportunities associated with growth and development.

An adequate state planning network is necessary to augment the decision makers in exercising sensitive leadership and that they will have the means of effective formulation and execution of appropriate development policies.

It is proposed that the plethora of existing committees be streamlined and replaced by two committees at the state level and one development committee in each district. These committees would be small, handle both planning and implementation and have strong secretariat. The decision planning would be guided by the proposed new committees, but the tasks of management and execution would be carried out by the strengthened "central planning agency" and operating departments. The "central planning agency" should be created as an integral part of the chief executive office and should have the confidence of the elected officials, the operating agencies of the state and federal governments, and the general public.