

Infrastructure Management and Urban Governance, *how the miracle is being sustained*

An analysis of Thailand, Malaysia and Singapore

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South East Asian nations: Singapore, Malaysia and Thailand have been in the forefront of the East-Asian economic miracle. Some of the common factors for this amazing growth and phenomenal turnaround has been the high level of public spending on education, health and social policy, an export-led growth and a conscious attempt to upgrade their economy by attracting foreign investment and involving the private sector to become globally competitive.

Economic and political analysts have referred to this development as the “wild geese” pattern of growth – the successive industrialization and economic boom in Japan and South Korea in the past followed by emerging economies of Singapore, Malaysia and Thailand, and later in China and partially in India. Geopolitical and macroeconomic factors notwithstanding. One compelling reason for the sustained success of these nations has been the presence of enlightened leaders who have emphasized the need to upgrade the creaking infrastructure to world standards and to systematize their archaic systems of governance. The solid basework done has been borne out by the fact that these emerging economies have completely shrugged off the memories of the Asian currency crises of 1996-97 and are once again fit and roaring.

There is at least one salient facet of each country that merits being highlighted: (1) Civic Governance in Thailand, (2) Physical Infrastructure in Malaysia, (3) Urban Management in Singapore.

Thailand: On the urban infrastructure front, has launched several initiatives. A new international airport is under construction and is officially scheduled for completion soon. A new administrative capital to relieve pressure on Bangkok has been planned.

Bangkok and its suburbs have been networked by intricate maize of elevated six land roads, designated “Expressways”. An Expressway and Rapid Transit Authority (ETA) of Thailand has been established to execute these highly capital-intensive projects under cost-sharing and revenue-sharing arrangement with the private partners. ETA has completed 171 km of expressways and another 27 km are under construction. They have planned another 300 km of expressways. A very detailed safety and service policy has been set in place. The expressways are extremely important corridors for traffic-mitigation.

The Don-Muong Tollway connecting the Bangkok International Airport to the heart of the city has alleviated much of the traffic concerns that an international traveler used to earlier apprehend when commuting to the Airport. A six-lane elevated expressway has been built under public private partnership. This is a 20 km cement-

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concrete marvel, with an elevated single-span of 25 meters width with heavy steel reinforcement and has cost about Rs.75 crore per km. Since it is a loss-making venture, due to the high price-elasticity of travellers (there is an existing highway which has become smooth for traffic with easement of additional traffic density), the Government is now considering alternatives to bail this company out.

Bangkok also has an elevated LRT (Light Rail Transport) built over an elevated 10m spanway running across the densely populated civic areas like Sukhumvit Road. Besides this, there is also a Mass Rapid Transit (MRT) which has been built underground and more than 22 km are under operation presently.

With the overall level of urban infrastructure improving in Bangkok, the Government has set its sights on other tourist resorts like Pattaya, Phuket, Chiang-Mai, etc. and is making strong efforts to make them friendly for tourists, environmentally-friendly and with better civic facilities. Not surprisingly, Thailand is set to get 15 million tourists this year, much ahead of all other countries in this region.

A drive through the new **Malaysian** government district of **Putrajaya** is enough to convince anyone about their determination to strive for excellence. Mahathir Mohammad, the man who was their Prime Minister for two decades, had aptly summed up his vision when he had addressed one of the first meetings of the World Economic Forum, that it was only romantic novelists who wrote of South-East Asia as the "Far-East, because with its efforts at infrastructure development and economic success, this region had become of interest not just to romantics, but to hard-nosed economic planners and political strategists.

The three most visible facets of Malaysian infrastructure development can be seen in Airport and Airport logistics, highway development, and urban infrastructure.

The new KL International Airport is rated as the best Airport in the world today. Earlier, the Chiangi Airport of Singapore had stood out as picture-perfect with escalators, carpets, flowers, plants and squeaking clean facilities, almost like a business-class lounge, but today the KL International Airport stands out as more futuristic.

With an area of 3.30 lakh sq. km and a population of 2.5 crores, Malaysia is smaller than many Indian States. However, it is rich in petroleum and has exports of over US \$ 100 billion, as compared to total Indian exports of US \$ 40 billion.

In the last five years, Malaysia has added about 10,000 km of new roads and substantially upgraded existing roads. Federal roads are funded directly by the Federal budget and built by the Federal PWD. Maintenance of State roads is the responsibility of the respective State Government, but significantly, this is funded by the Federal Government as an Annual State grant. This displays that the Government of Malaysia treats roads not just a matter of State concern, but as a matter of national economic importance.

A Highway Network Development Plan Review has been launched since 2003, so that the Highway Network Master Plan can last till 2020. For this, a reliable traffic information collection system has been initiated in which a bi-annual traffic census is carried out twice a year across 534 stations through district PWD offices. This data is used both by the Government agencies and private ones, and collated by the highway Planning Unit of the Federal Ministry of Works.

Involvement of the Private Sector is a major plank of the Government's highway infrastructure development strategy. While in the 80s there was virtually no involvement of the private sector, its share has been now almost half of total infrastructure investment today.

The Federal Roads (Private Management) Act 1984 allows the Government to grant private companies the right to collect toll on public roads. Private operators are allowed to construct, operate and maintain new roads and recover costs through collection of tolls. The privatization scheme also allows the government to hand over sectors of completed roads to private companies for upgrading and subsequent maintenance over a concession period.

The MHA (Malaysian Highway Authority) was established to design, construct, regulate, operate and maintain highways, to improve and to collect tolls, and to enter into contracts. Road transportation accounts for 96 per cent of the total passenger and goods transported in Malaysia and of the 74,000 km of roads, 79 per cent are paved. In the last decade, consistently, the roads sector has drawn the maximum government infrastructure investment: about Rs.4,000 crores annually, as compared to only about 1500 crores for the Railways. Unlike the case in India today, where the NHAI is virtually autonomous to plan and execute road projects, the Ministry of Works maintains overarching planning and coordination control over its wings: Malaysia Highway Authority, the Construction Industry Development Board (the promotional arm to help their companies' bag overseas projects), the PWD amongst others.

One important tool of the Ministry of Works is the HPU, the Highway Planning Unit, which reports directly to the Secretary General of the Department.. Apart from conducting national and regional highway transportation studies, it is also actively involved in urban transportation issues like traffic congestion, public transport, pedestrian walkways and bridges and road safety and environmental pollution. Intelligent Traffic Management System development is being given consideration with the setting up of an ITS Council with US assistance to focus on traffic and expressway management systems.

An Economic Planning Unit (EPU) has been set up directly under the Prime Minister for giving a fillip infrastructure development endeavours. The national plan budget allocates huge funds for development of roads. Urban transport management is also a priority area with emphasis on public transport, efficient feeder services, integrated transport terminals, pedestrianization to reduce car-traffic and street furniture for formation and coordination.

Privatization of infrastructure projects is a hallmark of government policy. Yet, it has been delineated from the route that would be adopted in case of existing public sector assets would be that of commercialization, followed by corporatization and then divestiture.

Surprisingly, proposals for new infrastructure projects can be initiated before the EPU either by a Government department or even the private sector along the principle of first-come-first served. The chief criterion for deciding the lead implementing agency is an assessment of uniqueness, innovativeness and creativity with intention to promote entrepreneurship. While the EPU undertakes centralized planning and processing, actual implementation is undertaken by specific line ministries and State Governments.

The KL International Airport is unique in its contemporary design – steel and glass and ceramic with every enclosure made of highly tensile cords stretched outwards from the peak. A vestibule shuttle service in various parts of the airport and one gets the impression of living inside a space-colony. Further, the airport is connected by a Shinkansen-style express-train to the central city so that checking-in can be done in the city itself. The train is itself so modern that the bathrooms look futuristic as it speeds past dazzling new buildings all the way to the Airport passing the brilliantly illuminated Putrajaya epitomized by the vivid international convention centre on a hillock.

Singapore, the island city and country with a mere area of about 680 sq. km is a model of continuous re-creation for sustenance in a global economy. About 4.35 million people of mixed racial stock reside and the literacy rate is 93 per cent. Its major traditional strengths have been the Port with a superb natural port, that handles more tonnage than any other port in the world. It has a highly disciplined and educated workforce, with a per capita income of about Rs.60,000 per month. Singapore's exports are about UT \$ 142 billion, or more than three times that of India.

The government has recognized the economic importance of infrastructure. Further it has, correctly, evaluated the prime value of land as a finite resource and has, therefore, integrated transport development and management with the function of land use planning and management so that the two are not at cross-purposes so that synergies can be tapped.

The Ministry of Transport has overall responsibility for policy in the transport sector with a aim to develop Singapore's land, sea and air-transport sectors so as to enhance competitiveness and quality of life for its knowledge based economy.

The traditional PWD (Public Works Department) has been privatized and so its entire functions are now executed by the CPG Corporation, an Australian Consultancy Company.

With more than 5 million trips made in buses, trains and taxis in Singapore each day, improving Public Transport Infrastructure and facilities to serve commuters is the chief aim of the land Transport Authority. Singapore prides itself in the fact that 85 per cent of all journeys undertaken in any direction in the city take less than 45 minutes to complete by public transport.

An Electronic Road Pricing System (ERP) is currently in place. Along expressways and arterial roads ERP operates from morning peak till 7 p.m. with no charge between 10 am and 12 noon. The tolling rates are flexible and constantly under review. Especially in peak holiday seasons. If motorists are observed to be moving slowly due to excessive traffic volumes, rates are increased. Conversely, if more traffic can be allowed to optimize road capacity the toll rates are often reduced.

Those who want to purchase new cars have to buy a Certificate of Entitlement through an open auction system that is designed to discourage people from adding new cars wantonly by imposing a tax on them.

A significant facet of Singapore's road and transport management policy is the integration of city's master planning and transport management. Thus, a conscious effort has been made to restrict the outward concentration of the city and to plan for effective transportation in dense corridors. The Urban Renewal Authority has

reclaimed land from the sea, but the effort is to leave as much land free as buffer for future development as possible, by allowing for higher FARs commensurate with the quality of transport infrastructure in place.