

AcE-Bs2014Seoul  
Asian Conference on Environment-Behaviour Studies  
Chung-Ang University, Seoul, S. Korea, 25-27 August 2014  
"Environmental Settings in the Era of Urban Regeneration"

# Local Residents' Perception on Socio-Economic impact of Iskandar Malaysia: an example of urban regeneration program in Malaysia

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## Abstract

One of the urban regeneration programme to promote for urbanization and economic growth in Malaysia is through the implementation of regional economic development policies and strategies. This paper discusses the strength and potential of Iskandar Malaysia development from the regional development perspectives, Iskandar Malaysia contribution towards the socio-economic development and analyse the local people's perceived socio-economic impacts of Iskandar Malaysia development. Review on secondary and data collection on primary data were done to achieve objectives in the study. The study found that more cooperation and attention from the local authorities, stakeholders and public is needed to ensure urban regeneration through programme can be successfully implemented in Malaysia.

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Peer-review under responsibility of Centre for Environment-Behaviour Studies (cE-Bs), Faculty of Architecture, Planning & Surveying, Universiti Teknologi MARA, Malaysia.

*Keywords:* Regional development; regional economic development; perceived impacts; Iskandar Malaysia

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## 1. Introduction

Regional development in Malaysia has been implemented since after the independence in 1950s. During that time, regional development through the urban regeneration measures and initiatives was targeted to reduce problems of land hunger, poverty and unemployment in a rural area (Mohd Yusuf Kasim, 1992). In Malaysia, the implementation of regional development policies and strategies resulted

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from the governments concern to regenerate rural deprivation. According to Muzafar, Dayang and Chin-Hong (2012), reducing regional disparities and underdevelopment through the implementation of five-year development plans are among the government serious concerned during the last forty years. In addition, urban regeneration and re-development of brownfields' areas are among the strategies underline in the National Urbanisation Policies.

Furthermore, urban regeneration strategies implemented through regional development policies becomes the major development strategy in Malaysia to speed up the economic and social development of its population. Consequently, all the states in Malaysia are divided into six regions namely Northern region, Central region, Eastern region, Southern region, Sabah and Sarawak (Cho, 1990). According to Eskandarian and Ghalehtimouri (2011), regional development strategy was targeted to rebuild the economic development. Among the strategies is including the establishment of regional economic development in Malaysia (Zainul Bahrin, 1989).

Nevertheless, the establishment of regional developments in Malaysia is consistent with the rapid economic growth (Lee Hwok Aun, 2004). There are three regional economic development formed in Peninsular Malaysia namely the Northern Corridor Economic Region (2007-2025) encompasses the states of Perlis, Kedah, Pulau Pinang and North Perak, the Iskandar Development Region (2006-2025) covering area of south Johor and last is the East Coast Economic Corridor (2007-2020) that covers for Kelantan, Terengganu, Pahang and the north of Mersing district Johor. There are also two regional economic corridors namely Sabah Development Corridor (SDC) and Sarawak Corridor of Renewable Energy (SCORE) in the East Malaysia. The development of Iskandar Malaysia is set to become Malaysia's latest and most exciting region offering diverse business opportunities to the potential investor.

The introduction of regional economic development in Malaysia was aimed to accelerate the economic change of a local population. Moreover, it was also one of the government's strategies to enhance the living standard of the population and to improve the economic convergence of the states in Malaysia (Ghani Salleh, 2000). However, the emergence of regional economic development specifically in Malaysia differs depending on various development objectives and goals. Thus, based on review on literatures, the study highlights the following research problems;

- *The uniqueness of the regional economic development concept of Iskandar Malaysia*

The idea to introduce regional economic development of Iskandar Malaysia is initially to complementing the development of Southern Growth Triangle between Johor, Malaysia with Singapore and Riau (Indonesia) that have been introduced since 1989 (Patmawati and Maimunah, 2014). In addition, due to the needs to enhance the social and economic growth in the southern Malaysia, a Special Projects Team (SPT) was formed under the monitoring of Khazanah Nasional Berhad to prepare for a Comprehensive Development Plan (CDP) (Savills Rahim and Co., 2011). After its official launched in November 2006, a statutory body for the region namely Iskandar Regional Development Authority (IRDA) is also appointed along with the establishment of Iskandar Regional Development Authority Act 2007 (Act 664) that oversees the development within Iskandar. Differ from the establishment of other regional economic development in Malaysia i.e., Sabah and Sarawak, Iskandar Malaysia development of five flagship zones within the jurisdiction area of Johor Bahru and part of Pontian district. Thus, this paper intends to study the establishment of Iskandar Malaysia from the local and regional development perspectives

- *Limitation of information and assessment on the potential and strength of Iskandar Malaysia*

Past researches indicate that there is a strong connection between economic growth and social well-being (Ülengin, Kabak, Önsel & Parker, 2011). As stated by Abdul Hadi (1992: 7), 'the regional economic development is the idea response to the failure of the growth programmes to uplift the well-being of people living in the region as in economically and socially and to the failure to increase the regional productivity.' In addition, in some cases of urban regeneration strategy was failed to promote for social well-being and caused social instability resulting from the possible increase in economic inequality (if economic growth benefits mainly people with high incomes) and effects on the environment are neglected

(Tafenau, 2002). Thus, the paper intends to discuss the potential and strength of Iskandar Malaysia development in regenerating the region within the Johor Bahru and part of Pontian district area.

- *Study on local people perceived impacts on Iskandar Malaysia is rare and limited*

There are two main objectives of regional development establish in Malaysia that are to enhance the economic growth of the regional development and to resolve centralisation of production and commercial activities from the core region. The establishment of regional economic development in Malaysia also aimed strategies to enhance the living standard of the population and to reduce social and economic imbalances problems (Mohd Yusuf Kasim, 1992). One of the regional economic developments promoted in southern peninsular Malaysia is the development of Iskandar Malaysia. The development of Iskandar Malaysia is set to become Malaysia's latest and most exciting region offering diverse business opportunities to a potential investor. Moreover, Iskandar Malaysia development also targeted to bring benefits to stakeholders especially the local communities (Comprehensive Development Plan (CDP), 2006). For that, Iskandar Regional Development Authority (IRDA) was established along with the Comprehensive Development Plan (CDP) and Iskandar Regional Development Authority Act 2007 to control the planning system and provide guidelines to local authorities for Iskandar Malaysia. In fact, Johor Bahru is one of the major conurbation areas identified in the 10th Malaysia Plan to be developed as urban cities that will contribute to focus on building density, developing clusters and specialization in high value sectors (10th Malaysia Plan, 2011-2015). However, the study to assess the impact of Iskandar Malaysia development is limited. Thus, the study intends to explore the local people perceived impact towards Iskandar Malaysia development.

Based on the problem statement, this paper intends i) to study the development of Iskandar Malaysia from the regional development perspectives, ii) to investigate the potential and strength of Iskandar Malaysia development; and iii) to explore the local people' perceived impacts on Iskandar Malaysia development.

## 2. Literature Review

Generally, Roberts and Sykes (2000) defined urban regeneration as a comprehensive and integrated process of solving urban problems related to economic, social and environmental condition of the area. Meanwhile, urban regeneration also can be related to a creation of employment, improvement in facilities and amenities, investment in business and well-being of the society (Tsenkova, 2002). In Malaysia, urban regeneration is seen as the way of promoting the concept of "return to the city" by means it "revitalise the city centre, restore activity in a fiercely competitive international context, and implement initiatives to improve the quality of the environment" (Dahlia Rosly and Azmizam Abdul Rashid, 2013, p.1). These are applied on the planning process through the formulation of regional development plan.

Regional development has been a global phenomenon to the third world countries since the 1950s (Scott and Storper, 1990) and this is including Malaysia (Ghani Salleh, 2000). Regional development is recognized as an outcome from a complex exchanging and interaction process among regional governances (Coe, at. el., 2004). In traditional planning approach, regional development is described as the distribution of subsidies to firms, development of infrastructures and allocation for public sector activity controlled by the central government (Bachtler and Yuill, 2001). In contrast, Bachtler and Yuill (2001) stated that the regional development in contemporary planning is involved with the process of decentralized intervention of partnerships or local actors through the implementation of regional development plans and strategies. One of the regional development strategies to boost economic growth and lift-up the social well-being of the population is through the implementation of regional economic development Under inter and intraregional categories, regions are made up based on similarity in resources, economic activities, large physical size, location and different socioeconomic activities. One of the regions made up under this type is the Southern regional economic development. The regional economic development plays a significant role in accelerating development growth in Malaysia. Through

the introduction of regional economic development, effort to increase competitiveness in the economic growth can be attained (Bendis, Seline and Byler, 2008). Nevertheless, there are also regional economic integration or known as the growth triangle between Malaysia and other countries.

The establishment of Iskandar Malaysia in Johor is targeted to be the player of catalytic investment role that will bring direct and indirect investment to Johor. For that, various development projects as well as infrastructure development are highlighted in Iskandar Malaysia development. Among others are the Johor State New Administrative Center (JSNAC), Southern Johor Industrial Logistic Cluster, Waterfront City, Medical Hub, Edu-city, and proposed international destination resort (CDP, 2006). Thus, the geographical advantage of Johor to Singapore will be a key benefit to exploit the demand for labour as well as to complement each other's economic cooperation.

Nevertheless, in ensuring the economic development and growth, sometimes lack attention given to the other impacts. This is including impacts towards the socio-economic development and well-being of the local people. According to Higgs (2002), socio-economic is defined as an individual's resources, wealth, education level and degree of urbanization. Socio-economic also refers to a population, jobs and incomes, distribution of job opportunities, resource-based recreation activities, and other aspects of wellbeing (British Columbia Ministry of Agriculture and Lands, 2007). Assessing the impact of development can be done through the measure of socio-economic development i.e., employment and living condition (Edwards, 2011). In this paper, a discussion on socio-economic perceived impacts is included as one of the methods to explore the impacts of Iskandar Malaysia development towards the local people.

### **3. Methodology**

In 2010, census indicates there are 3.2 million populations in Johor comprising of 1.05 million of Malaysian Citizens. However, the study only focuses on local citizen consisting of the head of households or spouse. During the survey conducted on the local people within Iskandar Malaysia development, 1018 questionnaires are collected. However, after the data cleaning process, only 916 questionnaires are valid to be used in the analysis. Based on the literature review, socio-economic perceived impacts are identified and included in the questionnaire survey. Generally, there are three major perceived impacts included in the study, i) the economic, ii) social and iii) environmental perceived impacts. The questionnaire design for this study is based on the positive scalling rate, in which respondents are likely to answer the lowest rate as 0 and the highest is 5.

### **4. Findings**

#### *4.1. Local and International Regional perspective of Iskandar Malaysia*

Iskandar Malaysia was formerly known as South Johor Economic Region (SJER) covering an area of south Johor, Malaysia. SJER was originally initiated after a feasibility study was conducted by Khazanah Malaysia. Iskandar Malaysia was aimed to be the important development approach of special economic zone or referred then as the Southern Belt Economic Zone (SBEZ).

A Conceptual Outline Plan for the proposed South Johor Economic Region (SJER) report concluded "there was a strong economic, social and developmental rationale for the proposed development of SJER" (CDP, 2006; p.1-2). The development idea of SJER was then included in the launched of Ninth Malaysia Plan as on one of the main catalysts and high-impact development to boost economic and social development in south Johor. SJER later came to be known as the Iskandar Development Region and subsequently Iskandar Malaysia.

From the local regional context, Johor Bahru was identified as one of the main conurbation for Southern Peninsular Malaysia and as one of the second tier conurbations (along with the Penang and Kuantan Conurbations) after the Kuala Lumpur Conurbation in the overall hierarchy of urban centres (CDP, 2006). According to NPP (2020), these conurbations are targeted to be the prime centres for international and local investments. In addition, in the Ninth Malaysia Plan, Iskandar Malaysia was identified as the focus area for the southern region in Iskandar Malaysia plays an important role as a major catalyst and high-impact developments. Furthermore, the proposed flagship zones within Iskandar Malaysia are in line with Johor's development vision to be developed, sustainable and glorious in 2020. In addition, Aniza (2013) mentioned that the 'strategic location and attractive fiscal incentives aside, discerning investors may also be drawn to Iskandar's many other advantages and high-growth potential' (Aniza, 2013; p.4). With the development in Iskandar Malaysia, an excellent supply of infrastructure and utilities as well as transportation networks and services would be provided (Savills Rahim and Co., 2011) and this indirectly would improve the well-being of society in economic and social development.

Nevertheless, Iskandar Malaysia plays an important role in complementing the integration of Malaysia regional economic with the other countries. Malaysia has involved in several international regional economic integration or growth triangles including i) Indonesia-Malaysia-Singapore Growth Triangle (IMS-GT) also called SIJORI or JSR-GT or the Southern Growth Triangle (Chia, 1997; Fauza, 2000), ii) Indonesia-Malaysia-Thailand Growth Triangle (IMT-GT) or Northern Growth Triangle, and the iii) Brunei-Indonesia-Malaysia-Philippines East ASEAN Growth Area (BIMP-EAGA) or also called the Eastern Growth Triangle (Chia, 1997).

As discussed by Patmawati and Maimunah. (2014), Iskandar Malaysia is one of the regional strategic ideas to develop the SIJORI growth triangles by focusing on enhancing the attractiveness of the region to attract foreign investment. Despite the failure of the partnership, Iskandar Malaysia is introduced with more ambitious and comprehensive project compared to SIJORI (Patmawati and Maimunah, 2014). Moreover, with the establishment of Iskandar Malaysia in Johor, more trade, investment and other economic activities from various sectors will take place in Johor. This will be the main initiatives to complement the ASEAN mutual interest in bringing the economic development to its fullest (CDP, 2006).

With the development of Senai Industrial area accessible from both North-South Highway and the Second-Link Highway, the Southern Logistics Industrial Cluster (SiLC), Tebrau Industrial area and Pasir Gudang Industrial area, the total transaction value of all industrial properties has picked up again in 2009 onwards after the decreased in 2008 (Savills Rahim and Co., 2011). As the state of Johor is a part of SIJORI growth triangles, the developments in Iskandar Malaysia would bring the regional economic development towards a positive and higher rate of economic growth. Taking examples from the Pearl Delta Economic Zone (2008-2020) in China, Iskandar Malaysia is aiming to be the economic hub development for Singapore (Savills Rahim and Co., 2011). In fact, before the establishment of Iskandar Malaysia, development projects implemented are "undertaken and not correlated with each other due to the absence of proper monitoring authority" that leads to low impact of development fruits and uncover the potential of Johor Bahru (Savills Rahim and Co., 2011; p.4). The development of Iskandar Malaysia would indirectly intensify the urban size and fabric in the southern peninsular Malaysia. Nevertheless, Iskandar Malaysia development would help to decrease one of the urban regeneration problems of underdevelopment in Johor.

#### *4.2. Analysis on Contribution of Iskandar Malaysia towards socio-economic development of the Local People*

In line with the nation's vision of 2020 to achieve efficient, balanced and sustainable development, Iskandar Malaysia is planned to be a regional economic development in the southern Peninsular Malaysia. In addition, as stated by the Prime Minister of Malaysia (2012), "Iskandar Malaysia's development is also exemplary in the way it focuses on talent management, business and employment opportunities, and

social inclusiveness to ensure fair and equitable wealth distribution among the Rakyat” (IRDA Annual Report, 2012). Up to December 2013, Iskandar Malaysia has secured the total cumulative committed investment approximately RM131.64 billion with 23.83 percent increased as compared with RM106.31 billion for the period of 2006 to December 2012 (IRDA Annual Report, 2014). 36 percent of the total cumulative committed investment is contributed from the investment on manufacturing sector, followed with residential properties with 25 percent and 10 percent of investment in utilities sector.

In terms of property value, RM225 million was invested on the development of public housing under the Rumah Rakyat Iskandar Malaysia programme. According to Savills Rahim and Co. (2011), properties’ value in Johor Bahru was depreciated to some extent prices of single storey terrace houses in some parts of the city area dropped between 2 to 13 percent while prices in suburban areas declined between 10 to 18 percent during 2005 to 2008. In addition, due to the lack of demand in Johor Bahru City Centre and the need to maintain and attract the commercial properties, rental rate was drop about 11 to 12 percent in between 2000 to 2006. However, with the implementation of Iskandar Malaysia development, selling prices for residential, commercial and industrial industries are increased about 45 to 160 percent in compared to the prices registered years before (Savills Rahim and Co. (2011).

Moreover, during the period of 2007 until 2012, 554, 796 employment opportunities are created in Iskandar Malaysia (IRDA Annual Report, 2012). Nearly 10, 000 jobs are created through electrical and electronics sectors, 6, 094 jobs in leisure and tourism sectors, as well as 5, 910 jobs in education sectors in September 2011 (Iskandar Malaysia Five Year Progress Report, 2011). In addition, 30, 000 employment opportunities are created within 2011 to 2012 (IRDA Annual Report, 2011).

In terms of social development and well-being, 10, 000 people or 3, 500 families from “dilapidated low cost flats” are relocated into better living environment under Iskandar Malaysia housing programme. Moreover, about 2, 720 units of houses are provided for squatters from Sg. Tebrau area in which 75 percent of the development are almost completed (IRDA Annual Report, 2011). Among the aims of Iskandar Malaysia is to be developed as a smart city for its residents. Among the projects listed under the educational programme is the development of EduCity that targeted to accommodate about 16, 000 student population located within the Nusajaya area. Nevertheless, the development of Iskandar Malaysia also incorporated the safety and security aspects for its population. After the implementation of Iskandar Malaysia blueprint, about 47 percent crime rate has decreased in 2010 (Iskandar Malaysia Five Year Progress Report, 2011). This shows that Iskandar Malaysia managed to enhance the social development within its objectives to boost the economic growth within the region.

#### 4.3. Local people perceived impacts towards Iskandar Malaysia

Table 1 Pearson test between Local People Perception towards Iskandar Malaysia and age

Local People Perception towards Iskandar Malaysia	Age	
	Correlation Coefficient	Sig. (2-tailed)
<b>Perceived Economic impact</b>		
The development of Iskandar Malaysia provide more job opportunities to the local people	-0.123**	0.000
The development of Iskandar Malaysia encourage more establishment of local business	-0.123**	0.000
The development of Iskandar Malaysia increase local business productivity and profitability	-0.087**	0.008
The development of Iskandar Malaysia increase income of the local people	-0.094**	0.004
The development of Iskandar Malaysia open the job opportunities for local people in rural area	-0.123**	0.000
The development of Iskandar Malaysia attract more investors from abroad	-0.046	0.167
<b>Perceived Social impact</b>		
The development of Iskandar Malaysia improves the social well-being of local people in	-0.104**	0.002

Iskandar Malaysia		
The development of Iskandar Malaysia improve access to public facilities and amenities	-0.078	0.018
The development of Iskandar Malaysia increase the development of infrastructure in the local area	-0.083*	0.012
The development of Iskandar Malaysia increase the provision of housing for local people	-0.127**	0.000
The development of Iskandar Malaysia reduce poverty problem of the local people	-0.088**	0.007
The development of Iskandar Malaysia reduce social and crime problem in the local area	-0.066*	0.044
Perceived Environmental impact		
The development project and economic activity proposed changes the physical environment in Iskandar Malaysia	-0.101**	0.002
The development of Iskandar Malaysia affects the minorities or indigenous people	-0.053	0.112
The development of Iskandar Malaysia affects on the local climate	-0.064	0.051
The development of Iskandar Malaysia increase the noise emissions	-0.098**	0.003s

Note: \* and \*\*. Correlation is significant at the 0.01 level (2-tailed).

Table 2 Spearman rho test between Local People Perception towards Iskandar Malaysia and Education level

Local People Perception towards Iskandar Malaysia	Education	
	Correlation Coefficient	Sig. (2-tailed)
Perceived Economic impact		
The development of Iskandar Malaysia provide more job opportunities to the local people	0.110**	0.001
The development of Iskandar Malaysia encourage more establishment of local business	0.138**	0.000
The development of Iskandar Malaysia increase local business productivity and profitability	0.106**	0.001
The development of Iskandar Malaysia increase income of the local people	0.074*	0.024
The development of Iskandar Malaysia open the job opportunities for local people in rural area	0.120**	0.000
The development of Iskandar Malaysia attract more investors from abroad	0.118**	0.000
Perceived Social impact		
The development of Iskandar Malaysia improves the social well-being of local people in Iskandar Malaysia	0.070*	0.033
The development of Iskandar Malaysia improve access to public facilities and amenities	0.093**	0.005
The development of Iskandar Malaysia increase the development of infrastructure in the local area	0.097**	0.003
The development of Iskandar Malaysia increase the provision of housing for local people	0.108**	0.001
The development of Iskandar Malaysia reduce poverty problem of the local people	0.072*	0.028
The development of Iskandar Malaysia reduce social and crime problem in the local area	0.047	0.151
Perceived Environmental impact		
The development project and economic activity proposed changes the physical environment in Iskandar Malaysia	0.140**	0.000
The development of Iskandar Malaysia affects the minorities or indigenous people	0.090**	0.006
The development of Iskandar Malaysia affects on the local climate	0.094**	0.004
The development of Iskandar Malaysia increase the noise emissions	0.156**	0.000

Note: \* and \*\*. Correlation is significant at the 0.01 level (2-tailed).

Based on the analysis, approximately 40.2 percent of respondents were aged between 31 to 40 years old, 33.7 percent aged between 21 to 30 years old and 17.6 percent were aged between 41 to 50 years old (Table 4). In addition, 60.8 percent of the total respondents were female and 74.2 percent of them were Malay respondents. Moreover, approximately 59.7 percent of the respondents have tertiary educational background and majority of 83 percent of them earned income below RM3, 000 before 2006. In addition, 59.3 percent of the total respondents have increased in their monthly between RM 1, 001 to RM 4, 000

during the period of 2006 to 2009. Nevertheless, there is an increase in the number of respondents with 28.2 percent who earned monthly income more than RM 3, 000 in after 2009 as compared with 17.5 percent during 2006 to 2009.

The analysis on local people perceived impacts are analysed against three main socio-economic indicators namely the age, education level and households monthly income. The Pearson test was used to analyse data on local people perceived impacts with the socio-economic indicators. As shown in Table 1 above, there are negative and a relationship between ages of respondents with their perceived impacts of Iskandar Malaysia development.

Since the significant value of each test is less than the critical values of 0.05, therefore it shows that there is a relationship between the variables (refer Table 1 above). The age of respondents does influence their perceived impacts on Iskandar Malaysia. The negative relationship indicates as decrease in respondents' age, the higher tendency of respondents to perceived economic and social impacts of Iskandar Malaysia development positively. In the other words, the young respondents are more likely to agree with the economic and social development impacts of Iskandar Malaysia.

In contrast, the negative relationships between respondents' age and perceived environmental impacts shows that as the increase in respondents' age, it decreases in respondents' perceived impacts score. This shows that younger respondents agree with environmental impacts of noise and changes in physical environment have happened in the study area. In addition, the result of Spearman rho test between local people perceived impacts with education level also shows there is a positive and a relationship between the variables (refer Table 2 below).

Since the significant values of the test are less than the critical values of 0.05, therefore, the null hypothesis can be rejected. The positive relationship shows that respondents with higher educational background are perceived economic and social impact of Iskandar Malaysia more positively as compared with those from lower education group (see Table 2 above). In addition, the positive relationship between respondents' educational and perceived impacts shows that as the increase in respondents' education, it increases their tendency to give the higher score in perceived environmental impacts. In the other words, respondents with the educated background agree that Iskandar Malaysia have affected environment in the study area.

Furthermore, a Pearson test is made to test local people perceived impacts with their monthly income. Based on the result of the survey in Table 3 below, the null hypothesis cannot be rejected for test between variable local perceived impacts with households' monthly income before 2006 since the significant values are more than 0.05

However, as shown in Table 3 below, there are a positive and relationship between several perceived impacts and households' monthly income during 2006 to 2009 and since 2009. The positive relationship indicates that the increase in respondents' income, the more they give the positive score to the social and economic impacts. In the other words, respondents with higher income are perceived economic and social impacts towards Iskandar Malaysia more positively. In contrast, the positive relationship between the households monthly income with perceived environmental impacts shows that respondents from higher income group are more agreed that Iskandar Malaysia has affected the minorities or indigenous people, brings changes to the physical environment, affects on the local climate and increase noise pollution in the study area. However, as shown in Table 3 below, respondents have agreed that these problems had also happened before 2006, since before the implementation of Iskandar Malaysia development in the study area.



Table 3 Pearson test between Local People Perception towards Iskandar Malaysia and Households Monthly Income

Local People Perception towards Iskandar Malaysia	Households Monthly Income					
	Before 2006		2006-2009		Since 2009	
	Correlation Coefficient	Sig. (2-tailed)	Correlation Coefficient	Sig. (2-tailed)	Correlation Coefficient	Sig. (2-tailed)
<b>Perceived Economic impact</b>						
The development of Iskandar Malaysia provide more job opportunities to the local people	0.046	0.183	0.077*	0.025	0.085*	0.010
The development of Iskandar Malaysia encourage more establishment of local business	0.045	0.186	0.087*	0.011	0.103**	0.002
The development of Iskandar Malaysia increase local business productivity and profitability	-0.020	0.569	0.007	0.840	0.021	0.538
The development of Iskandar Malaysia increase income of the local people	-0.004	0.910	0.021	0.539	0.057	0.088
The development of Iskandar Malaysia open the job opportunities for local people in rural area	0.044	0.205	0.060	0.078	0.082*	0.014
The development of Iskandar Malaysia attract more investors from abroad	0.063	0.066	0.101**	0.003	0.136**	0.000
<b>Perceived Social impact</b>						
The development of Iskandar Malaysia improves the social well-being of local people in Iskandar Malaysia	0.016	0.649	0.038	0.272	0.063	0.058
The development of Iskandar Malaysia improve access to public facilities and amenities	0.028	0.414	0.073*	0.034	0.107**	0.001
The development of Iskandar Malaysia increase the development of infrastructure in the local area	0.047	0.171	0.097**	0.005	0.126**	0.000
The development of Iskandar Malaysia increase the provision of housing for local people	0.000	1.000	0.010	0.770	0.037	0.268
The development of Iskandar Malaysia reduce poverty problem of the local people	-0.022	0.525	0.010	0.763	0.040	0.227
The development of Iskandar Malaysia reduce social and crime problem in the local area	0.023	0.497	0.047	0.170	0.053	0.115
<b>Perceived Environmental impact</b>						
The development project and economic activity proposed changes the physical environment in Iskandar Malaysia	0.060	0.082	0.093**	0.007	0.103**	0.002
The development of Iskandar Malaysia affects the minorities or indigenous people	0.134**	0.000	0.135**	0.000	0.098**	0.003
The development of Iskandar Malaysia affects on the local climate	0.083*	0.015	0.092**	0.007	0.080*	0.016
The development of Iskandar Malaysia increase the noise emissions	0.081*	0.019	0.105**	0.002	0.109**	0.001

Note: \* and \*\*. Correlation is significant at the 0.01 level (2-tailed).

## 5. Discussions

In the Findings and Analysis section, the discussions highlighted are based on a review on secondary and analysis on primary data collected from the sample population in Iskandar Malaysia. The secondary data review provided a discussion on the local and international, regional perspective of Iskandar Malaysia development. In addition, discussion on secondary data on the potential and strength of Iskandar Malaysia also included in the section. Based on the discussion, the two objectives set in the paper are achieved. Nevertheless, discussion on local people perceived economic, social and environmental impacts are also provided in the analysis and findings section to attain the last objective in the paper. In this regard, the major findings of the research are:

- • Johor Bahru was identified as one of the main conurbation for Southern Peninsular Malaysia and as one of the second tier conurbations after the Kuala Lumpur Conurbation in the overall hierarchy of urban centres
- The proposed flagship zones within Iskandar Malaysia are in line with Johor’s development vision to be developed, sustainable and glorious in 2020
- Iskandar Malaysia is one of the regional strategic ideas to develop the SIJORI growth triangles by focusing on enhancing the attractiveness of the region to attract foreign investment
- Iskandar Malaysia development is targeted to complement the ASEAN mutual interest in bringing the economic development to its fullest.
- Taking example from the Pearl Delta Economic Zone (2008-2020) in China, Iskandar Malaysia is aiming to be the economic hub development for Singapore
- The development of Senai Industrial area accessible from both North-South Highway, the Second-Link Highway, the Southern Logistics Industrial Cluster (SiLC), Tebrau Industrial area and Pasir Gudang Industrial area have help to increase the total transaction value of all industrial properties after the decreased in 2008
- In December 2013, Iskandar Malaysia has secured the total cumulative committed investment approximately RM131.64 billion with 23.83 percent increased as compared with RM106.31 billion for the period of 2006 to December 2012
- The implementation of Iskandar Malaysia development helped an increase in selling prices for residential, commercial and industrial industries for about 45 to 160 percent in compared to the prices registered five years before
- Nearly 10, 000 jobs are created through electrical and electronics sectors, 6, 094 jobs in leisure and tourism sectors, as well as 5, 910 jobs in education sectors as in September 2011
- 30, 000 employment opportunities are created within the period of 2011 to 2012
- 10, 000 people or 3, 500 families from “dilapidated low cost flats” are relocated into better living environment under Iskandar Malaysia housing programme.
- About 2, 720 units of houses are provided for squatters from Sg. Tebrau area in which 75 percent of the development are almost completed
- With the implementation of Iskandar safety and security blueprint, 47 percent crime rate has decreased in 2010
- Young respondents are more likely to agree with the economic and social development impacts of Iskandar Malaysia
- Respondents with educated background are agreed that Iskandar Malaysia have affected environment in the study area
- Respondents with higher income are perceived economic and social impacts towards Iskandar Malaysia more positively

## 6. Conclusions

This paper presents the local people perceived impacts towards the development in Iskandar Malaysia. The paper also discusses the local and regional economic perspective on Iskandar Malaysia development and assesses the strength and potential of Iskandar Malaysia development. From the analysis, there are several potential and strength of Iskandar Malaysia can be highlighted. In addition, there are also several issues related to environmental impacts can be extracted from the analysis. Based on the discussion, there are still a lot more areas of concern that need to be improved in relation to the planning and development of Iskandar Malaysia. Concern with the opinion and impacts towards local people, more research should be conducted to improve the current development in Iskandar Malaysia. Nevertheless, more cooperation and attention from the local authorities, stakeholders and public is needed to ensure urban regeneration through the implementation of regional development strategies and policies can be successfully implemented in Malaysia.

## Acknowledgement

International Islamic University Malaysia (IIUM)

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