

# The Political Economy of Urban Redevelopment in Southeast Asia: Kampong Bharu, Malaysia



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## Abbreviations

Kampong Bharu Development corporation (KBDC)

Kuala Lumpur City Center (KLCC)

Kuala Lumpur City Hall (DBKL)

Malay Agricultural Settlement (MAS)

## Chapter 1: Introduction

“How can they say they will use laws to grab our land. Wait till their heads get chopped off,” Zainal Ibrahim, a 70-year-old resident of Kampung Bharu is quoted as saying.<sup>1</sup> Ibrahim’s statement comes in response to government efforts to redevelop the land on which he resides. Kampung Bharu has been one of the most desirable sites for redevelopment in Malaysia for the last 50 years. However, in spite of the interest, a comprehensive redevelopment of the enclave has never taken place. Since the 1980’s efforts at redevelopment have centered on private, individual developments. Later efforts sought to catalyze comprehensive redevelopment efforts through standalone development projects in infrastructure, commercial and residential properties. In 2011 the Kuala Lumpur City Hall (DBKL) attempted a new strategy for development, creating the Kampung Bharu Development corporation (KBDC) to attempt to convince landowners to sell their land. Having noted that all previous efforts had resulted in standalone projects, their strategy involved securing a significant amount of land within Kampung Bharu before handing over projects to developers.

A *kampung*, or *kampung* refers to a traditional form of Malay village, however, in more recent years it has come to represent urban slums, and poorer neighborhoods within cities. Connotations of the *kampung* represent both positive notions of traditional life, and a negative cultural backwardness. Whilst referred to as Kampung Bharu, the area is actually made up of 7 individual sub kampungs amounting to 301 hectares of land area. The site was first established in 1899 as a protected Malay Agricultural Settlement (MAS) in order to ensure Malays had land within the developing city of Kuala Lumpur. Geographically it is made up of high and low-lying areas which are prone to flooding. The area is referred to interchangeably

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<sup>1</sup> CoconutsKL, ‘Spotlight’.

in Malaysia as Kampong Bharu and Kampung Baru with the latter corresponding to the modern Malay spelling for the enclave.<sup>2</sup>

The redevelopment of Kampong Bharu is part of the on-going redevelopment of cities across Southeast Asia. Urban villages may develop as a consequence of urban expansion engulfing villages surrounding the city, alternatively squatter settlements may develop. The case of Kampong Bharu differs slightly from the former, due to its central location from its origin. The urban village has been argued to be a fixture of the Southeast Asian City by Terry McGee.<sup>3</sup> Assessing the political economy of redevelopment is important for understanding the development trajectory and politics of urbanization in Southeast Asia. This case study of Kampong Bharu considers the dynamics between local residents and developers, in order to assess the factors driving redevelopment efforts, and those which hinder its realization. An overemphasis on community resistance and a framing of redevelopment efforts as small local communities against the modernizing state potentially misses the dynamics of racial politics, and the potentials of an interactive deal-making process between residents and developers. Residents have an understandable unwillingness to move due to inconvenience and the potentials of attaining satisfactory compensation through cohesive community organization.

In order to test this hypothesis, this thesis utilizes a case study research method focusing upon Kampong Bharu in Kuala Lumpur. The case study is utilized to probe the political economy of urban change in Malaysia. The case study is comparable to several other instances of redevelopment in Southeast Asia in spite of differences between different ethnic groups and state motivations. Case studies of community efforts to resist redevelopment from Kuala

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<sup>2</sup> Fujita, 'Forays into Building Identity', 15.

<sup>3</sup> McGee, 'Reconstructing The Southeast Asian City in an Era of Volatile Globalization', 12.

Lumpur and Penang are considered as Malaysian examples. By contrasting other examples within the same city targeting different ethnic groups, insights into the Malaysian Government's intentions and considerations in redevelopment can be observed. To put this case in its regional context, it is contrasted with the redevelopment of a small enclave in Thailand. Whilst there are a limited number of case studies to explore, these provide the context to understand and situate the actions of the government in their redevelopment efforts.

With regards to sources this paper utilizes peer-reviewed academia for theoretical insights and history into attempts at redevelopment of Kampong Bharu. Fortunately, due to its high-profile nature and long-standing redevelopment efforts, much has been written about Kampong Bharu specifically. This was not the case for alternate case studies, for which there are rarely more than one or two academic works focusing on a particular case study. Where possible, government primary sources in the form of policy papers and websites are used. However, due to the ongoing developments regarding Kampong Bharu, academia does not sufficiently account for recent developments in the case so it was necessary to utilize different Malaysian news sources. The case is characterized by reoccurring twists and turns, and was particularly impacted by the change of, and latter partial restoration of government in the time period studied. These changes in government provided valuable insights into which statements were exaggerated in the redevelopment effort. These included popular English-speaking and Malay-Speaking publications including *The Star*, *The Malay Mail*, and *New Straits Times*. With regards to video sources, these came from both news sources and academic sources, the MIT Malaysia Sustainable Cities program provided useful video essays which included interviews with residents. Fortunately, in the Malaysian context it is regular for news sites to provide video content of Town Hall Sessions and conferences. These provided a useful site for assessing resident motivations.

This thesis assesses the role and interaction of different actors in the redevelopment process for Kampong Bharu. The paper probes which factors have contributed to Kampong Bharu's ability to withstand redevelopment efforts. In particular, it questions whether the area's resilience to redevelopment can be attributed to community efforts to preserve heritage and resist the modernizing state, or whether these processes are better understood as those of inadequate compensation being offered in a market exchange?

To address this research question, the paper engages literature addressing comparable case studies and considers the urban village in the contemporary Southeast Asian City in the following chapter. The third chapter addresses private attempts at redevelopment in Kampong Bharu prior to the establishment of the KBDC. Within this chapter economic costs, legal constraints and landowners' attitudes are identified as three factors contributing to the area's resilience. In the following chapter, the KBDC is addressed as a government sanctioned effort towards comprehensive redevelopment, engaging residents in a collective manner which was not previously possible. The final chapter assesses the relation between different factors contributing to the area's resilience to redevelopment.

Ultimately, this paper argues that in spite of resident's rhetoric, the process of redevelopment is not adequately explained as the local community challenging the power of the Malay state to preserve heritage over embracing modernity. Rather, it is better understood as a market exchange between group of individual residents who have not sold their land as they continue to seek a price which adequately compensates them for the inconvenience of moving, and for the likelihood that they will not be able to return. For comprehensive government redevelopment to go forward, it is necessary for residents to engage in a high degree of

collective organization in agreeing to sell. That same collective action is necessary for residents to receive a satisfactory individual price for land. Interactions between the KBDC and residents indicate that the question of heritage and resisting modernity to preserve tradition is overcome at a certain price.

## Chapter 2: Literature Review

Multiple issues of development in Malaysia are manifested in Kampong Bharu. The area represents Malay legal protections from the colonial era, the question of sustaining Malay heritage, a hindrance to government aims for development and the production of, and a case study in community collective organization. As with any other case study, Kampong Bharu's story holds a degree of specificity to Malaysia, however, its redevelopment should be situated within the broader context of the Southeast Asian City. To understand the broader context of Southeast Asian cities, this chapter begins with an assessment of the discussion between Terry McGee and Dick and Rimmer on the Southeast Asian City. The debate centers on how to understand urbanization processes in Southeast Asia, in particular on whether these processes fit within urban change under globalization, or whether the urban villages described by McGee maintain their relevance today. Secondly, this chapter provides an overview on literature surrounding similar redevelopment projects in Malaysia and the Southeast Asian region. Studies on alternate sites within Kuala Lumpur are taken alongside those in Penang, Malaysia and Bangkok, Thailand. These alternate cases indicate that attempts at redevelopment occur in spite of community resistance to developer's efforts, indicating that resistance efforts based upon the question of heritage may hinder the redevelopment process but cannot prevent it. The literature highlights several factors which influence community's abilities to remain resilient against redevelopment effort.

### **The Southeast Asian City**

The discussion on the Southeast Asian City was first initiated by Terry McGee having observed what he titled a process of pseudo-urbanization occurring in many cities in the 1960s. With the movement of rural migrants to cities, urbanization was labelled as “pseudo” since urban infrastructure was inadequate in “providing the basic needs of these low income populations” and they would be forced into poorly-serviced squatter settlements including agriculture.<sup>4</sup> Further reasons Southeast Asian cities were considered unique was due to their bazaar-like economy, squatters and limited rural-urban divide. The term consists of *desa*, referring to village, and *kota*, referring to urban. The debate on the Southeast Asian City queries whether a specific lens of analysis should be taken, or whether the same processes of urban change are applicable to those cities. McGee’s notion of *desakota* village-city processes have also been utilized to study urban regions outside of Southeast Asia in studies on Taiwan and Shenzhen, China.<sup>5</sup>

On urbanization, McGee contends that increasing urbanization is a key component of structural change, and that global processes are contributing to the growth of mega-urban regions. Concurrently, state investment occurs in the telecommunication networks, airports, hotels and ports and other assets that are attractive to the modernizing state. These processes take place to ensure urban efficiency such that the city is a productive site for the economy. However, this process takes place upon cities which consist of “series of layers of the built environment” in which colonial incorporation created cities which consisted of a mosaic of socially divided quarters that were the “spatial consequence of the plural societies which emerged”.<sup>6</sup> McGee argues that this process was reproduced in the social structure of cities which divided a small elite with a mass of low-income people struggling for survival, with a miniscule middle class.

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<sup>4</sup> McGee, 12.

<sup>5</sup> Sui and Zeng, ‘Modeling the Dynamics of Landscape Structure in Asia’s Emerging Desakota Regions’; Shih and Chi, ‘Contesting Urban and Rural Space in Desakota Regions of Taiwan—A Case Study of I-Lan County’.

<sup>6</sup> McGee, ‘Jalan, Jalan; Invading, Destroying and Reconstructing the Southeast Asian City’, 640.

It is with economic growth and globalization that McGee argues cities have seen “rapid industrialization, increase in the producer service sector and a rapid growth of middle-class populations” which has altered the mosaic of urban ecology that characterized the colonial and early post-colonial city.<sup>7</sup> McGee argues for a city which reflects the pluralist societies upon which it is built, where disparities in wealth and occupational opportunity segregate groups.

On the question of the Southeast Asian City, Dick and Rimmer have argued for a single urban discourse, counter to McGee. They argue that the period following decolonization gave rise to the perspective that Southeast-Asian cities are Third World cities that have unique national characteristics. However, since the 1980s and globalization, Southeast Asian cities have become more like Western cities.<sup>8</sup> Alongside the rapid growth in the economies of Malaysia, Indonesia and Thailand among other countries, the patterns of urbanization closely resemble those in the United States. Some factors which Dick and Rimmer mention are the “high-rise offices, gated residential communities, giant shopping malls and freeways” which have taken root in Southeast Asia since the 1980s.<sup>9</sup> Dick and Rimmer contend that McGee’s notion of *Desakota* is inward looking because it implies a different path for urbanization in Southeast Asia than that experienced in the Western World. They contend that rather than focusing on specific distinguishing points, the debate should consider the long term trajectory of urbanization.<sup>10</sup> Whilst in the long run, the process of urbanization may better correspond to that experienced in the Western world, urban villages continue to impact the operations of capital within the Southeast Asian city.

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<sup>7</sup> McGee, 642.

<sup>8</sup> Dick and Rimmer, ‘Beyond the Third World City’, 2309.

<sup>9</sup> Dick and Rimmer, 2309.

<sup>10</sup> Dick and Rimmer, 2305.

Both authors agree that processes of globalization are a driving factor for urbanization in the current period. However, with the redevelopment of Kampong Bharu, Kuala Lumpur would arguably pass from the era of the *desakota* into that of the globalized city. Though Kampong Bharu is the most famous, Kuala Lumpur is still a city which contains multiple *kampungs* which continue to impact urbanization processes. Furthermore, those *kampungs* continue to impact the operations of the city, existing as low-density, non-modernized sites, which are viewed for the backwardness of lifestyle of their residents.

### **Alternate Case Studies of Redevelopment Efforts**

Considering cases from outside Malaysia provides a regional insight in Malaysian governance. Michael Herzfeld's study *Siege of the Spirits* considers the case study of Pom Mahakan, a small community of three hundred inhabitants in Bangkok living beside a small fortress for which it is named. Whilst Pom Mahakan was significantly smaller than Kampong Bharu in both size and population, the case study offers another example of resistance to the state redevelopment in the city. Herzfeld views the site to be a microcosm of Thailand's broader polity and describes that for residents, "it is bureaucratic, mechanized modernity that threatens them".<sup>11</sup> To Herzfeld, their resistance is a spirited effort against overwhelming national and civic power. The authorities have repeatedly attempted to remove residents utilizing bureaucratic and legalistic methods but have been thwarted in their efforts to showcase the old city center as a monument to the greater glory of the nation and its monarchy. Herzfeld argues that residents rhetorically posit themselves as a bastion of true Thai-ness which is manifested in the spirits of the shrines, meaning any moves against the community would be an affront to Thai-ness itself. Herzfeld places great emphasis on the "community" of residents and through acting in

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<sup>11</sup> Herzfeld, *Siege of the Spirits*. No page number available.

cooperation, residents are able to stand up to the Bangkok Metropolitan Administration. Hence, in Herzfeld's argument, a cohesive small community have utilized the heritage of the site upon which they live to effectively rally against the will of developers and the government.

Following the period outlined in Herzfeld's case study, the community lost its battle against developers, with residents conceding defeat. In May 2018, the community were evicted as part of wider efforts to modernize Bangkok.<sup>12</sup> One explanation might posit that the community were unable to effectively deploy rhetoric any longer and had been worn down by government efforts. However, the notion of the heritage of the land was not disputed and the site was deemed as valuable in and of itself based upon a series of opinion pieces following the eviction process.<sup>13</sup> Rather, the eviction of residents demonstrates that whilst discussions of heritage might influence the redevelopment process, they are overcome with the sufficient will of the government and developers. In this instance it appears as though redevelopment was stalled on the basis of the potential negative perception of government action. However, even if the site was successfully labelled for its heritage, this notion of heritage failed to prevent its redevelopment. As residents had been labelled as illegal as squatters, the government were not acting outside of the rule of law and could remove the community. The question of heritage is one which plays an active role in hindering the redevelopment process but is not sufficient to prevent redevelopment.

Moving away from the regional example, Beng-Lan Goh has written on the negotiation of cultural conflicts as a driver for urban change in the Malaysian context. Beng-Lan Goh provides an analysis of the redevelopment of an "urban kampung" in Pulau Tikus, Penang.<sup>14</sup> Goh's

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<sup>12</sup> Chandran, 'Ancient Fort Community in Bangkok Loses 25-Year Battle against Bulldozers'.

<sup>13</sup> Chandran; Yiamyut, 'Farewell Pom Mahakan'.

<sup>14</sup> Goh, *Modern Dreams*, 11.

study is significant as it considers the removal of a Kampung from the city under the modernist aims of the government. Goh argues that the cultural politics underlying spatial transformations can only be understood in reference to the dynamics of nation, ethnicity, and class accompanying Malaysia's drive to become fully industrialized by 2020. Kampung Serani's redevelopment commenced in 1980 but was halted in the mid-1980s only recommencing in 1992, resulting in a fashionable site for condominiums and modern commercial centers.<sup>15</sup> In Goh's view, the cultural politics accompanying the spatial transformations in Kampung Serani can only be understood in the context of the larger "processes of modernity in Malaysia".<sup>16</sup> The conflict surrounding Kampung Serani should be understood in terms of collective struggles conducted by citizens and "rooted in the social and cultural dynamics that constrain as well as enable them to derive power, class and cultural status from their positions within the nation-state's modernizing practices.

Faced with the threat of redevelopment, Kampung Serani residents drew on the history of the Kampung in order to assert their rights via their descentance from the pioneer Portuguese-Eurasian settlers in Penang to demand compensatory low-cost housing. This was utilized to further the Penang Eurasian Associations agenda of promoting Portuguese-Eurasian identity in Penang. Goh argues that individual groups had differing motivations on the basis of their backgrounds.<sup>17</sup> Goh posits that these interactions demonstrate the possibility for local political contentions to reshape "the foundational material and cultural conditions of contemporary Malaysian Society".<sup>18</sup> Important to note in this case study is that the community were unable to prevent the redevelopment of their neighborhood, and instead utilized the redevelopment as a vessel to pursue recognition of the Portuguese-Eurasian identity. For Goh, that the city acts

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<sup>15</sup> Goh, 11.

<sup>16</sup> Goh, 12.

<sup>17</sup> Goh, 202.

<sup>18</sup> Goh, 202.

as a locus upon which emerging identity discourses and “various cultural visions of modernity” reconstitute urban space. Goh argues that in spite of the State’s power, a top-down vision/meaning of modernity cannot be implemented.<sup>19</sup> This perspective of urban change argues for a local specificity to urban change, but not one which varies in any significant manner from processes elsewhere.

Writing on Kuala Lumpur’s Chinatown, an area within a kilometer of Kampong Bharu, Yat-Ming Loo outlines the struggle of the Malaysian Chinese community against the “state-sponsored representation and creation of ‘Chinatown’ in Kuala Lumpur in the 1990s”.<sup>20</sup> The study provides an example of redevelopment within Kuala Lumpur, but considers the Chinese rather than Malay population. The study provides an insight into the politics of race in redevelopment within Kuala Lumpur and the lack of protections against redevelopment for non-Malay ethnic groups. Loo argues that resistance to state-sponsored representations of Kuala Lumpur’s Chinese old quarter has a long history, dating from independence in 1957 and with particular intensity in the 1980’s in response to state cultural policies emphasizing Malay and Islamic dominance in the urban area.<sup>21</sup> In 1992, following the launching of the Petronas Twin Towers project, then Prime Minister, Mahathir Mohamad initiated an “urban project to turn the most representative Chinese thoroughfare in Kuala Lumpur, Petaling Street, into a ‘pedestrianized shopping mall’”.<sup>22</sup> The project entailed pedestrianizing the street and constructing a roofed arcade.

Loo’s argument highlights community resistance to the designation of the neighborhood as a “Chinatown”. Locals condemned the designation of their neighborhood as Chinatown by the

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<sup>19</sup> Goh, ‘State, Ethnicity and Class in the Forging of a Modern Urban Malaysia’, 185.

<sup>20</sup> Loo, “‘No Chinatown, Please!’”, 847.

<sup>21</sup> Loo, 847.

<sup>22</sup> Loo, 855.

Malaysian Tourism Board on the basis that ‘Chinatown’ symbolized a minority Chinese immigrant society. Malaysia’s Chinese community contested their status as a migrant community and as a marginal, minority race. Chinese newspaper publications espoused views that the construction of a Chinatown would be “ignorant and ridiculous”.<sup>23</sup> Community resistance in 1992 resulted in the withdrawal of the name “Chinatown”, however the state proposed the formal renaming again upon the completion of the redevelopment of Chinatown in 2003. In Loo’s case study, community resistance, coupled with a wider ethnic community resistance hindered the redevelopment process but could not prevent the redevelopment of the neighborhood. On the question of heritage, Chinese community resistance could not prevent the neighborhood’s designation as a Chinatown alongside the renaming of multiple streets in the area.

An incident outlined in Richard Baxstrom’s text on Brickfields, an Indian neighborhood in Kuala Lumpur illustrates that whilst the government holds respect for the rule of law, this is not necessarily the case for the city’s independent land developers. In early 2002, Jalan Chan Ah Tong field, a popular and historically important public space in Brickfields was paved over overnight to become a carpark. Furious residents converged on the Kuala Lumpur City Hall to protest this and demand to know who had approved the redevelopment. Efforts garnered popular support from Malaysian football legends who had grown up at the field. Community outrage prompted the developers to not return to the site, and DBKL later returned the field to its previous state, as well as providing upkeep.<sup>24</sup> Baxstrom’s case provides a brief illustration of the operations of developers in the city, and the potentials of community collective pressure on the DBKL.

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<sup>23</sup> Loo, 859.

<sup>24</sup> Baxstrom, *Houses in Motion*, 2.

## Conclusion

In justifying a study of Kampong Bharu, this thesis argues that urban villages continue to impact the economic and spatial organization of the Southeast Asian city. Whilst the city is facing other transitions which resemble those in Western cities, these are hindered by the existence of urban villages, which house infrastructure incapable of suiting the demands of the modernized city. Taking these case studies in tandem, several factors are apparent in influencing the outcomes of redevelopment efforts. Firstly, beyond market factors to do with cost and potential profits, communities acting collectively and effectively utilizing rhetoric appears to hinder efforts at redevelopment by shifting public perception. Secondly, the government's and developer's regard for the rule of law appear to influence redevelopment efforts. Finally, the racial groups involved in redevelopment appear to impact the governments' willingness to engage in redevelopment processes. In both cases of non-Malay populations, the government were not deterred by collective community action. However, to suggest that the fact the residents are Malay insulates them from government efforts would be untrue. The case of Kampung Sungai Penchala presents a case study of Malay Reserve Land in Kuala Lumpur developed with little consideration towards its residents. In October 2018, residents blamed a high-rise development project approved by Kuala Lumpur City Hall (DBKL) for flashfloods occurring in the village. The Chairman of the Kampung Sungai Penchala Residents Association, Shohaimy Saad described issues with drainage, water and electricity supply and transport infrastructure plaguing the village.<sup>25</sup> The case demonstrates that ethnicity and legal protection are insufficient in deterring redevelopment.

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<sup>25</sup> Nair, 'High-Rise Project in Kampung Sungai Penchala Brings Misery | The Star'.

## Chapter 3: Previous Attempts to Redevelop Kampong Bharu

This chapter assesses attempts at redevelopment in Kampong Bharu prior to the establishment of the KBDC with the Kampong Bharu Development Corporation Act in 2011.<sup>26</sup> Between 1975 and 2008, at least four separate versions of the Kampong Bharu development plan were launched with the intention of consolidating small lots in the settlement.<sup>27</sup> Due to economic costs, legal constraints and the attitudes of landowners, none of these attempts proved successful. This chapter probes the question, which reasons explain the Kampong's resilience to redevelopment efforts? To answer this question, this section begins with a summary of redevelopment efforts. Following this the economic costs associated with redevelopment, including land amalgamation and constrained demand are considered. Connected to this issue, legal constraints to sale and ownership are then considered. Finally, the attitudes of landowners are explored to understand underlying issues behind an unwillingness to sell land. This chapter argues that in the face of sustained government interest in redevelopment and despite a 50-year period, the issues hindering redevelopment have remained unchanged.

Since 1975, the Malaysian government have taken an explicit interest in the redevelopment of Kampong Bharu. In 1975, DBKL proposed a plan for land amalgamation with the goal of comprehensive redevelopment which would not be implemented. In 1984, the government singled out Kampong Bharu as a site for redevelopment with the Kampong Bharu Local Plan. The plan outlined Malay reservation development, specifically focusing on Kampong Bharu and stipulated that the land was considered to have the "highest potential for development" due

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<sup>26</sup> Parliament of Malaysia, Kampong Bharu Development Corporation Act 2011, 18.

<sup>27</sup> Priyandes, 'Strategies for Engaging Landowners in Redeveloping Kampong Bharu, Kuala Lumpur', 7.

to its proximity to the City Centre.<sup>28</sup> The plan identified the low potentials for Kampong Bharu and its residents to transform from their rural way of life to modern urban norms due to legal and socio-psychological constraints. The plan in 1984 promoted the idea of forming a dedicated corporation to facilitate the redevelopment of all Malay Reservation areas.<sup>29</sup> However, the redevelopment of Kampong Bharu did not occur at that time as the government sponsored group of architects and planners were disbanded as the DBKL could not overcome the landownership challenge.<sup>30</sup>

The following year, DBKL proposed a strategy of individual plot developments, providing a 5 million RM rolling fund. Again, the move was unsuccessful.<sup>31</sup> The 1990s saw great pressure placed upon Kampong Bharu to modernize. A massive land acquisition of Kampong Baru indigenous land areas for redevelopment was proposed in early 1991 but this was cancelled in 1992 due to institutional constraints.<sup>32</sup> The period also saw the demolition of a bridge which connected Kampong Bharu to the city center, and the construction of a wall bordering the Ampang-Kuala Lumpur elevated Highway. Additionally, a Light Rail Transit (LRT) station was built in 1999 next to the wall in Kampong Bharu.<sup>33</sup>

In 2008, Kuala Lumpur City Hall (DBKL) released a draft of the Kuala Lumpur Structure Plan which outlined their vision to transform Kuala Lumpur into a world-class city by 2020. Included in the plan was the goal with transforming the “Kuala Lumpur City Centre (KLCC) into a modern downtown area with new high-quality commercial and residential

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<sup>28</sup> Sarayed, Zainol, and Ahmad, ‘Exploring Informality In A Global South City’, 68.

<sup>29</sup> Sarayed, Zainol, and Ahmad, 68.

<sup>30</sup> Priyandes, ‘Strategies for Engaging Landowners in Redeveloping Kampong Bharu, Kuala Lumpur’, 20.

<sup>31</sup> Hashim et al., ‘Urban Revitalisation for a City’s Soul’, 127.

<sup>32</sup> Omar and Yusof, ‘Indigenous Land Rights and Dynamics of the Land Market in Kuala Lumpur, Malaysia’, 511,517.

<sup>33</sup> Sarayed, Zainol, and Ahmad, ‘Exploring Informality In A Global South City’, 68.

development”.<sup>34</sup> The plan included four potential redevelopment scenarios for the enclave, including: (1) “Following the Trend”, (2) “Developing Selected Lands”, (3) “Re-integrating the area to the surroundings”, (4) “Comprehensive Development”.<sup>35</sup> The plan designates the role of Kampong Bharu’s redevelopment as acting as a catalyst for creating a cultural corridor in the city.<sup>36</sup> Kampong Bharu is identified within the Kuala Lumpur Structure Plan 2020 as a *Special Area* with the issues of substandard living conditions and substandard infrastructure and inadequate community facilities listed as prevalent.<sup>37</sup> Under the premiership of Datuk Seri Abdullah Ahmad Badawi, the Ninth Malaysia Plan included the allocation of the equivalent of thirty-three million dollars to upgrade infrastructure and facilities in Kampong Bharu. This budget included amounts for signature projects such as the redevelopment of Pasar Minggu, a popular Market taking place every Saturday evening, and additionally the improvement and beautification of major streets in the village.<sup>38</sup> Mari Fujita argued in 2010 that “although Kampung Baru is a special site with special rules, Kuala Lumpur City Hall is not treating it as a site of heritage—either museumified or lived. Instead, Kampung Baru is being envisioned as a developer’s playground”.<sup>39</sup> The redevelopment project for Pasar Minggu was entitled Puncak Baru, a mixed development project comprising of a sixty story condominium, a forty story commercial tower built atop a podium integrated into the LRT Station.<sup>40</sup>

Attempts to redevelopment of Kampong Bharu comprehensively have recurrently failed due to lost momentum, occurring for reasons of lack of political will, financial crises, and an inability to overcome landownership issues. Despite these failures there has been an unrelenting drive

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<sup>34</sup> Priyandes, ‘Strategies for Engaging Landowners in Redeveloping Kampong Bharu, Kuala Lumpur’, 1.

<sup>35</sup> Sarayed, Zainol, and Ahmad, ‘Exploring Informality In A Global South City’, 68.

<sup>36</sup> DBKL, ‘Kuala Lumpur Structure Plan 2020 : Strategic Zone’.

<sup>37</sup> Shaw et al., ‘Conceptualizing Urban Eco-Village in Kampong Bahru’, 284.

<sup>38</sup> Fujita, ‘Forays into Building Identity’, 14.

<sup>39</sup> Fujita, 15.

<sup>40</sup> Fujita, 15.

to redevelop the enclave. In the following sections, this paper argues that the following three factors explain the Kampong's resilience: economic variables affecting land prices, multiple legal custodians to Kampong Bharu and stakeholder attitudes.

### **Economic Variables Affecting Land Prices**

In order to explore the economic costs associated with redevelopment, this paper considers previous market exchanges of land in Kampong Bharu. The conditions which underpin the sale and purchase of Malay Agricultural Settlement (MAS) land constrain the demand and hence lower market prices in Kampong Bharu. The issue of subdivided plots of varying sizes, varying proximities to the center, differing land conditions and with multiple generational ownership, further complicates the matter of purchase and sale of land.

The first issue which affects the purchase value of land in Kampong Bharu is the fact that land in Kampong Bharu can only be purchased by Malays. In a 2009 study conducted by Omar et al., the authors found that ownership restrictions and valuation in practice dissuaded land purchase in the past. Under the conditions surrounding Malay reserve land, ownership is restricted to only Malays resulting in a limited number of potential buyers for the land. This stems from the origins of the designation of Kampong Bharu as a Malay Agricultural Settlement, in which land was designated to ensure the presence of Malays in the city center by preventing the possibility of selling their land to non-Malays. Lower potential demand for the land is argued to lower land prices and is often referenced by officials involved in the redevelopment process. In earlier attempts at redevelopment, the authors found that no standardized output was given to lands with typical characteristics, resulting in uncertainty for

buyers and sellers.<sup>41</sup> Whilst this results in the lower valuation of land on property markets, it does not prevent residents from referencing land prices from neighboring areas when engaging in price discussions.<sup>42</sup> The issue of constrained demand is that it creates a mismatch in expectations on land valuation between officials and residents, whilst this is likely to occur in any negotiation, it is exacerbated by the legal conditions surrounding MAS land.

Asides from the matter of constrained demand, the abundance of small plots owned by a large number of individuals, and in varying locations results in differences in land valuation on the free market. In 2013, there were 1344 lots of land in the Kampong, to which 5300 landowners were registered.<sup>43</sup> Due to the small size of many plots of land in Kampong Bharu, plot amalgamation is necessary to engage in redevelopment projects. In 2013, the smallest lot was 80.04 square feet.<sup>44</sup> Before a sale can be secured, it is necessary to contact and make agreements with all landowners. The greatest number of landowners to one lot was 208 people.<sup>45</sup>

Omar and Yusof describe that in 1984, land along Jalan Raja Abdullah in Kampong Bharu was sold for RM915 per square meter of vacant land.<sup>46</sup> This amounts to RM85 per square foot, which is approximately RM200 per square foot adjusted for inflation.<sup>47</sup> Between 1990 and 1992, 16 transactions took place in part due to the proposals for redevelopment. Following 1992's postponement, the property market in the MAS area was dominated by transactions from single and multiple owners to Malay Corporations, amounting to 39 transactions in total.

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<sup>41</sup> Omar, Durjani, and Prijono, 'Transaction Cost Analysis in Redeveloping Indigenous Lands in Malaysia', 36.

<sup>42</sup> Babulal and Sabri, 'Daim Turns up for Briefing on Redevelopment of Kampung Baru'.

<sup>43</sup> Kampong Bharu Development Corporation and AJM Planning and Urban Design Group Sdn Bhd, 'Draf Pelan Induk Pembangunan KAMPONG BHARU', 14.

<sup>44</sup> Kampong Bharu Development Corporation and AJM Planning and Urban Design Group Sdn Bhd, 14.

<sup>45</sup> Kampong Bharu Development Corporation and AJM Planning and Urban Design Group Sdn Bhd, 14.

<sup>46</sup> Sarayed, Zainol, and Ahmad, 'Exploring Informality In A Global South City', 68.

<sup>47</sup> Department of Statistics Malaysia, 'Malaysia CPI Inflation Calculator'.

Market valuations of the land in the early 1990s was between RM1076-2152 per square meter. When converted to a value per square foot, this amounts to RM96.84-RM193.68. Adjusted for inflation from December 1992 to January 2020, this amounts to RM187.55-RM375.10.<sup>48</sup> At the point of the proposed government redevelopment, the government were willing to acquire land at rates between RM1883 and RM 2152 per Square meter. This amounts to RM 169.47-193.68. Considering inflation, this amounts to RM328.21-RM375.10.<sup>49</sup> Valuation at this time depended on factors including location, ownership, physical conditions of the land.<sup>50</sup> However, these values are prior to the completion of Kuala Lumpur City Centre (KLCC), which significantly increased the value of surrounding land. Further redevelopment projects in the surrounding area of Kampong Bharu have only contributed to this increase in land value.

Attempts at redevelopment prior to the 2000's concentrated on low-cost and low-density housing with "a few commercial and office buildings along major roads". Development was undertaken by individual landowners or business corporations to fulfil individual requirements. This resulted in inferior locations and the MAS area as a whole remaining under-utilised.<sup>51</sup> In the case of open market purchase of land within Kampong Bharu in which land values would depend on the interaction between landowners and individual developers, land values would vary according to the location and size of the plot of land. To elaborate, a larger plot of land, which does not require plot amalgamation for redevelopment, is likely to be more valuable than a small plot of land. Additionally, a plot further from a main road or from the city center is likely to be worth less than one which is near to either location. With these considerations in mind, the legal protections to MAS land result in lower land valuations and contribute to a

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<sup>48</sup> Department of Statistics Malaysia.

<sup>49</sup> Department of Statistics Malaysia.

<sup>50</sup> Omar and Yusof, 'Indigenous Land Rights and Dynamics of the Land Market in Kuala Lumpur, Malaysia', 513.

<sup>51</sup> Omar and Yusof, 517,518.

mismatch in expectations between residents and developers. Due to the large number of small plots in Kampong Bharu for which there are multiple landowners registered, the process of redevelopment requires contacting all landowners, and the amalgamation of plots.

## **Multiple Legal Custodians to Kampong Bharu**

The following section outlines the issue of legal jurisdiction over the land in Kampong Bharu. There are three legal custodians with a stake in Kampong Bharu, derived in separate statutory instruments. Breaking these down individually aids in understanding the overlapping ownership claims and complication in redeveloping the area. These three legal custodians are the (1) Management Board of the MAS, (2) City Hall of Kuala Lumpur, and (3) Kampong Bharu Development Corporation. The Selangor State government had initially controlled Kampong Bharu but ceded power after overseeing the transfer of land titles from MAS to individual landowners. Hence one issue in redevelopment has been negotiating the jurisdiction of Kampong Bharu.

The first actor to consider is the *Malay Agricultural Settlement (MAS)*, for which the MAS Board on Management handles its operations. MAS area comprises 220 of the 301 hectares of land in Kampong Bharu.<sup>52</sup> The board initially dealt in the distribution of residential lots below 0.8 hectares in size to applicants and controlled how that land could be developed. The registration of settlers and transfers are recorded by the MAS board detailing transactions and transfers according to Syariah law. In 1951, the Malay Agricultural Settlement (Kuala Lumpur) Rules were gazetted, detailing the rules for occupation and management of the settlement under the MAS Board. The 1951 detail replaced the power of the British Resident with the Selangor

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<sup>52</sup> Priyandes, 'Strategies for Engaging Landowners in Redeveloping Kampong Bharu, Kuala Lumpur', 6.

Menteri Besar.<sup>53</sup> With the 1974 designation of Kuala Lumpur as the Federal Capitol the post of Chairman was given to the Kuala Lumpur Mayor.<sup>54</sup> Whilst the Kuala Lumpur Mayor is the head of MAS, the DBKL states that the mayor was never appointed as the head of MAS due to a miscommunication and has not attended any MAS meetings.<sup>55</sup>

The MAS board of Management maintains a register detailing the list of approved applicants. Only Malays are allowed to occupy an allotment within Kampong Bharu, with the notion of Malay outlined as a person who habitually speaks the Malay Language, practices Islam and Malay customs and has been approved as such by the board. The board additionally has the power to order a registered occupant to vacate an allotment with three months' notice if they consider the behavior of the occupant detrimental to the well-being of the Settlement and its occupants. Under Rule 4 of the Rules for the Occupation and Management of the Malay Agricultural Settlement Kampong Bharu, Kuala Lumpur (Gazette No.66), the establishment of the board and its functions is formalized, providing measures to address their roles. Additionally, the Gazette stipulates 7% of the annual rental should be paid to the board.<sup>56</sup> Allegedly, MAS were collecting fees for renovations of houses in Kampong Bharu in 2019.<sup>57</sup>

Prior to 1964, landowners of MAS lands had difficulty with land ownership as the MAS areas were designated to be indigenous reserved areas without proper legal titles.<sup>58</sup> MAS maintained ownership of the land in Kampong Bharu until 1968, at which point the Selangor Government undertook the first attempts at redevelopment. Under this program, "qualified titles" were

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<sup>53</sup> Hashim et al., 'Urban Revitalisation for a City's Soul', 129.

<sup>54</sup> Shaw et al., 'Conceptualizing Urban Eco-Village in Kampong Bahru', 283.

<sup>55</sup> Wahab and Vijenthi, 'Delving into Kg Baru's Roots'.

<sup>56</sup> Hashim et al., 'Urban Revitalisation for a City's Soul', 129,130.

<sup>57</sup> 'FT Ministry to Resolve MAS' Claim over Kampung Baru'.

<sup>58</sup> Omar, 'The Supply Constraints on Indigenous Lands in Kuala Lumpur', 150.

issued to settlers in Kampong Bharu.<sup>59</sup> In an interview with *The Star* in November 2009, MAS honorary secretary Shamsuri Suradi described that “The settlers were given a grant for the land and ownership was transferred from MAS to individual qualified title holders”.<sup>60</sup> Whilst the majority of land was transferred to settlers, Shamsuri states that 32 plots are still owned by MAS as the owners could not be traced and settlers did not claim their titles.<sup>61</sup> The Kuala Lumpur Federal Territories Minister Khalid Abdul Samad claims that the Selangor Menteri Besar selected MAS board members up until 1974 at which point this was no longer practiced.<sup>62</sup> Having facilitated the transfer of lands from MAS to individuals, the Selangor Government is no longer involved in Kampong Bharu. However, MAS continues to hold onto the titles for some plots of land for which the owners have not been found. Additionally, the KBDC cooperate with MAS in tracing landowners and land and social management.<sup>63</sup> MAS is an entity which according to other members no longer holds claim to the land in Kampong Bharu. However, the board continues to assert their role in the legislation of Kampong Bharu’s land and have yet to be dismissed from discussions on Kampong Bharu’s redevelopment.

The second actor to consider is the DBKL, who preside over all land within Kuala Lumpur, and hence Kampong Bharu. Kuala Lumpur was allocated as the Federal Capital by law in 1960 under the Federal Capital Act 1960 and the City of Kuala Lumpur Act 1971 renamed the Municipality of the Federal Capital of Kuala Lumpur as the City of Kuala Lumpur. The City was excised from Selangor following an amendment to the constitution in 1973. The local government for the territory is the Dewan Bandaraya Kuala Lumpur (DBKL). The 1982 Federal Territory (Planning Act) empowers DBKL to implement development plans in the

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<sup>59</sup> Wahab and Vijenthi, ‘Delving into Kg Baru’s Roots’.

<sup>60</sup> Wahab and Vijenthi.

<sup>61</sup> Wahab and Vijenthi.

<sup>62</sup> ‘FT Ministry to Resolve MAS’ Claim over Kampung Baru’.

<sup>63</sup> Priyandes, ‘Strategies for Engaging Landowners in Redeveloping Kampong Bharu, Kuala Lumpur’, 10.

capital, this includes building, in, on, over and under land in the Capital. As such, Kampong Bharu falls under two differing jurisdictions, that of MAS and DBKL.<sup>64</sup> The Kuala Lumpur Federal Territories Minister Khalid Abdul Samad argues that Kampong Bharu falls under the authority of DBKL.<sup>65</sup> The Federal Territories Land Rules of 1975 included a special provision's for MAS on the issue of rent collection.<sup>66</sup> Since the 1980's DBKL have spearheaded efforts to redevelop Kampong Bharu.

The final actor to consider is the Kampung Bharu Development Corporation (KBDC), established under the Kampung Bharu Development Corporation Act 2011. The KBDC were given powers to make provisions related to the redevelopment of Kampong Bharu. The KBDC is discussed as the focus of the following chapter so it's role will only be briefly mentioned at this stage.

## **Stakeholder Attitudes**

To understand the drive for redevelopment, and the unwillingness of landowners to sell their land, it is necessary to consider the attitudes of both groups. A consideration of the attitudes of landowners is followed by an assessment of the reasoning of actors seeking redevelopment.

In their 2002 study, Omar and Yusuf assessed the attitudes of landowners in undeveloped sites and developed sites in Kampong Bharu. For the landowners of undeveloped sites, they found that resident's responses stated they were either unwilling to sell or willing to sell with conditions attached, whilst others unwilling to develop the land Some of the main reasons

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<sup>64</sup> Hashim et al., 'Urban Revitalisation for a City's Soul', 131.

<sup>65</sup> 'FT Ministry to Resolve MAS' Claim over Kampung Baru'. No page number.

<sup>66</sup> Hashim et al., 'Urban Revitalisation for a City's Soul', 131.

influencing their decision included occupation, inheritance, willingness to preserve traditional house, type of development, enthusiasm tied to age or illness, education levels, fear of being cheated and a lack of urgency.<sup>67</sup> For the landowners of developed sites, attitudes included an unwillingness to sell, however more were willing to sell with conditions attached or were willing to develop the land further. Their reasoning included realizing the potential value of the land, rental growth, and type of development proposed.<sup>68</sup> These attitudes appear recurrently in contemporary news stories and video interviews with residents as is outlined in the following chapter.

To suggest the only reason behind the drive for the redevelopment of Kampong Bharu is economic gain would not sufficiently explain its significance within the context of Kuala Lumpur. By assessing the motivations of those seeking redevelopment, it is evident there are alternate factors of heritage and culture involved in the process. Kampong Bharu can be viewed as a symbolic failure for the Malaysian government in attempts at redevelopment. The Wawasan 2020 (Vision 2020) vision was promoted and popularized by Mahathir following a speech in 1991.<sup>69</sup> Whilst the 2020 vision does not comprehensively outline any plans for redevelopment, under the 2020 vision, Malaysia is to have achieved functioning as a fully developed nation by 2020. Beyond economic functioning, Malaysia's Deputy Prime Minister at the time, Tun Abdul Ghafar Baba, argued that economic development must be accompanied by development in politics, psychology and culture.<sup>70</sup>

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<sup>67</sup> Omar and Yusof, 'Indigenous Land Rights and Dynamics of the Land Market in Kuala Lumpur, Malaysia', 519.

<sup>68</sup> Omar and Yusof, 519.

<sup>69</sup> Bunnell, 'Views From Above and Below', 4.

<sup>70</sup> Islam, 'Critical Success Factors of the Nine Challenges in Malaysia's Vision 2020', 2.

Writing of squatter Kampung, Tim Bunnell argues that those sites signify and propagate inappropriate Malay conduct. In Bunnell's argument, the notion of the *kampung* is understood in two ways: as a physical space, but additionally as a code of conduct. Additionally, Bunnell has elaborated upon the vision of Kuala Lumpur throughout the premiership of Mahathir Mohamad. Highly visible, national industrialization projects such as the 1998 North-South Highway have been highlighted as part of the reputation of Mahathir. Bunnell argues that Economic Recovery after 1998 appeared to vindicate Mahathir and resulted in the establishment of a series of monumental Public works. One such example was the unveiling of KLCC in 1992 which set the trend for high profile infrastructure projects. In his 1970 book, *The Malay Dilemma*, Mahathir posited that Malay social customs and geography could explain the Malay people's inability to achieve economic successes. Summarized by Fujita, "Dr. Mahathir writes that Malays have not only been disassociated from the economic opportunities afforded by the city, but also held back by their rural lifestyle".<sup>71</sup> Bunnell's analysis posits that the Kampung was "singled out as the locus for "primitive social practices and values".<sup>72</sup> Furthermore, the urban is imagined to be an incubator of modern Malayness, one which may serve as a remedy to that backwardness.<sup>73</sup>

## Conclusion

Considering efforts to redevelop Kampong Bharu, this chapter argues that economic variables affecting land prices, multiple legal custodians and stakeholder attitudes are the main factors which have contributed to the resilience of the area to redevelopment. Laws limiting the sale of MAS land to Malays contribute to a mismatch in expectations between landowners and

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<sup>71</sup> Fujita, 'Forays into Building Identity', 11.

<sup>72</sup> Bunnell, 'Kampung Rules', 1689.

<sup>73</sup> Bunnell, 1689.

potential developers over the value of land. Small plot sizes which require amalgamation and multiple landowners have contributed to the high economic costs associated with redevelopment. Due to these high costs, it is no easy task to provide funding for redevelopment efforts for the government. With regards to legal custodians, three different actors operate in the management of Kampong Bharu and without removing the powers of the MAS Board of Directors, their claims remain valid in part.

On the issue of stakeholder attitudes, landowners resist sale for reasons ranging from a distrust towards government to the general inconvenience of moving. In contrast to landowners, potential developers stand to profit from redevelopment. However, the Kampong also represents a Malay backwardness to them which can be overcome by urbanization. Whilst these explanations are not exhaustive, they express three varying factors which have contributed to the resilience of Kampong Bharu to redevelopment. Finally, it is important to note that since the onset of redevelopment efforts these same factors have remained unchanged for the most part. Land plot sizes have not changed, the number of registered landowners has increased with inheritance, laws have not been amended to change the issue of Malay ownership. The issue of the MAS board of Developers claiming jurisdiction has also not been resolved in the period.

## Chapter 4: An Alternate Course for Development (2012-2020): Residents, developers and the Kampong Bharu Development Corporation

2012 saw the establishment of the Kampong Bharu Development Corporation (KBDC), the first successful attempt at setting up an independent corporation tasked with securing the land in Kampong Bharu for redevelopment. The KBDC is taken as significant in the process of urban redevelopment as it goes beyond the legally required public participation in the planning of urban development stipulated in the Federal Territory (planning) Act 1982 (Act 267).<sup>74</sup> Whilst the law requires public participation in City Plans, the KBDC represents an issue of community level engagement.<sup>75</sup> Before assessing the role of the corporation, it is necessary to consider the estimated values surrounding the purchase and redevelopment of the land. Under the 2019 attempts at redevelopment, estimates suggest it would cost RM7 Billion to purchase all the land in Kampong Bharu at a rate of 1000RM per square foot.<sup>76</sup> Should they agree, they would be paid a 10 percent deposit upfront, with the rest paid out at the point their land is developed, with the possibility of residing there up until then.<sup>77</sup> The gross development value of the land amounts to RM30 Billion according to estimates. Whilst the returns for developers depends on the sites of the land, and the cost of the redevelopment projects the return for developers appears lucrative. Due to the highly politicized and publicized redevelopment process, an abundance of secondary interviews from media outlets are available. As a result, insights into the reasoning of residents for not wanting to sell may be analyzed. In order to

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<sup>74</sup> Parliament of Malaysia, Kampong Bharu Development Corporation Act 2011, 18.

<sup>75</sup> Omar and Leh, 'Malaysian Development Planning System', 31.

<sup>76</sup> Babulal and Solhi, 'Govt's Final Offer for Kg Baru Land'.

<sup>77</sup> Syed Jaymal, 'Putrajaya Offers RM6m Cash Average for Each Plot of Kampung Baru Land'.

probe the relation between the variables hindering redevelopment and the actions of residents and developers, this chapter assesses the interaction between those actors and the corporation set up to mediate their interactions.

This section begins by outlining the purpose, procedures and powers of the KBDC in order to understand the role of the corporation in facilitating the purchase of land from residents. Following this, the interaction between residents and the corporation between 2012 and 2020 are considered. The chapter questions which ways the redevelopment process was altered with the establishment of the independent corporation. The release of the 2014 Development Master Plan for Kampong Bharu and 2019's drive for redevelopment are taken as the two most significant periods. This chapter argues that the response to the 2014 plan saw the end of the government's catalyst-based approach to redevelopment, and the recognition of the need to purchase land on a broad scale from residents. However, whilst the underlying rhetoric opposing redevelopment was similar to previous periods, the corporation's efforts between 2014 and 2020 saw the most comprehensive effort at purchasing land in Kampong Bharu. The biggest change in economic costs was the realization of a single price per square foot and the collective organization of residents via town hall sessions.

### **Operations and Purpose of the Corporation**

The Kampong Bharu Development Corporation Act 2011 led to the formation of the Kampong Bharu Development Corporation (KBDC) who were given powers to make provisions related to the redevelopment of Kampong Bharu. Under the Act, the corporation is awarded "the power to do all things necessary or expedient for or in connection with the performance of its

function”.<sup>78</sup> This includes the possibility to require any relevant government departments to submit required information, to “cooperate with any corporate body or government agency.”<sup>79</sup> The KBDC is a corporate body which may enter into contracts, acquire, purchase and take property and interest, and “hold, enjoy, convey, yield up, charge, mortgage, demise, reassign, transfer or otherwise dispose of, or deal with, such property and interest vested in the corporation”.<sup>80</sup> Under the Act, an Advisory Council is also to be maintained “for the purpose of advising the corporation in carrying out its functions and powers”.<sup>81</sup> The corporation’s powers are broad, enabling it to operate in multiple dimensions of the redevelopment process.

The corporation consists of the following members: Chairman, deputy chairman, two representatives of the federal government, the secretary general of the ministry of Federal territories and urban wellbeing or his representative, the commissioner of the city of Kuala Lumpur, a person representing the state government of Selangor, five persons nominated from amongst the owners of the land and heirs to land in Kampong Bharu, not more than three other persons appointed by the minister who should have experience, knowledge and professionalism in matters relating to development.<sup>82</sup> The chairman is currently Tan Sri Dato’ Setia Haji Ambrin bin Buang, who had served as Malaysia’s Auditor General between 2006 and 2017.<sup>83</sup> Several other notable members include Dato’ Haji Ahmad Zaharin bin Mohd Saad, Director General of Lands and Mines under the Ministry of Energy and Natural Resources.<sup>84</sup>

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<sup>78</sup> Parliament of Malaysia, Kampong Bharu Development Corporation Act 2011, 18.

<sup>79</sup> Parliament of Malaysia, 18.

<sup>80</sup> Parliament of Malaysia, 8.

<sup>81</sup> Parliament of Malaysia, 19.

<sup>82</sup> Parliament of Malaysia, 10.

<sup>83</sup> LITRAK, ‘LITRAK Board of Directors’.

<sup>84</sup> ‘Department of Director General of Lands and Mines - Director General’.

The Advisory council includes a chairman and not more than fourteen persons being representatives of the Kampong Bharu Community. These persons must be owners of, or heirs to land in Kampong Bharu and may include those involved in non-governmental organizations interested in redevelopment projects, or engaged in commercial activity in Kampong Bharu. Members serve for a period not exceeding two years and may be reappointed for a second two-year term. The Advisory council is currently chaired by Dato' Mohd Khay Bin Ibrahim, a director of the Zikay Group Berhad, a large integrated "Bumiputera developer [...] involved in property, construction, financial services, education, hospitality and leisure".<sup>85</sup> Zikay group's office is situated in Kampong Bharu.<sup>86</sup> Another notable member of the board is Dato Azizan Bin Mohd Sidin, vice-chancellor of Universiti Teknologi Malaysia and deputy secretary-general for development and the Rural Development Ministry.<sup>87</sup> The Corporation is financed by the "Kampong Bharu Development Corporation Fund" which is stipulated to consist of sums provided from time to time by Parliament, any funds related to the sale of land, profits, consultancy and contributions.<sup>88</sup>

At the time of its establishment, the KBDC was bound by DBKL development plans from 2008. Two years later, the KBDC launched the 2014 Comprehensive Development Master Plan which highlighted Malay Culture and the Economic prospects for Kampong Bharu. The document also stressed the importance of the landowners, particularly on not leaving them behind.<sup>89</sup> The package proposes "innovative solutions" for intensive mixed-use redevelopment aimed at vertical growth which would increase the density of residents from 18,372 to 70,000

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<sup>85</sup> Zikay Group, 'Zikay Group - About Us'; Kampong Bharu Development Corporation, 'List of Advisory Council PKB Members'.

<sup>86</sup> Zikay Group, 'Zikay Group - About Us'.

<sup>87</sup> Amtec UTM, 'OFFICIAL VISIT OF CHIEF SECRETARY TO GOVERNMENT TO AMTEC UTM | AMTEC'; Radhi, 'Rina Clocks in for the First Time as Rural Development Minister'.

<sup>88</sup> Parliament of Malaysia, Kampong Bharu Development Corporation Act 2011, 26.

<sup>89</sup> Sarayed, Zainol, and Ahmad, 'Exploring Informality In A Global South City', 69; Kampong Bharu Development Corporation and AJM Planning and Urban Design Group Sdn Bhd, 'Draf Pelan Induk Pembangunan KAMPONG BHARU', 33.

by 2035.<sup>90</sup> At the time, the aim was to attract a variety of businesses to enhance land value and usage, and to establish Kampong Bharu as a profitable business area oriented towards international trade to raise the value of land.

Whilst the organization of the corporation can be gleaned from policy documents, what is less clearly defined is the function of the KBDC itself. The corporation has taken on multiple roles since its inception in 2012, which vary according to the broader redevelopment strategy being implemented by DBKL. In 2014, its role was limited to checking that the redevelopment plans of private developers were acceptable compared to the Development Master Plan. Independent developers were to go to DBKL to secure rights which residents had transferred their rights to an independent third-party corporation, rather than the KBDC.<sup>91</sup> At the time Kuala Lumpur mayor Datuk Seri Ahmad Phesal Talib, stated DBKL were seeking a corporation to facilitate the transfer of resident's land rights under a trust. This was the first time this model had been attempted in Malaysia. DBKL were in charge of approving any operations in Kampong Bharu at the time according to the mayor.<sup>92</sup> At the time, the mayor initiated a guided walk through the Kampong with the intention of showing KL's "living heritage" and attracting investors to the enclave.<sup>93</sup>

By 2017, these plans had been scrapped, ushering in a new role for the KBDC. *The Malaysian Reserve* reported that the redevelopment would occur via the direct purchase of land by prospective private developers, rather than obtaining rights via a trust. The KBDC chairman Datuk Affendi Zahari suggested this represented a more "realistic and doable" approach on the

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<sup>90</sup> Sarayed, Zainol, and Ahmad, 'Exploring Informality In A Global South City', 69.

<sup>91</sup> Choong, 'Making Kuala Lumpur's Kg Baru "Fit In"'.

<sup>92</sup> Choong.

<sup>93</sup> Choong.

basis of failing to sell the idea to landowners.<sup>94</sup> In spite of the powers invested in the KBDC at its inception, its role did not initially involve any purchase or transfer of lands. In 2019, the Kampong Bharu Development Corporation took on the role of facilitating the purchase of land in Kampong Bharu. As part of the Pakatan Harapan Government plan for the redevelopment of Kampong Bharu, the redevelopment would become a government issue. The KBDC would facilitate the purchase and transfer of land to DBKL who would then purchase the lands via a non-tax funded purchase option. DBKL would select developers for the redevelopment of Kampong Bharu.<sup>95</sup>

### **Residents and the Corporation 2012-2020**

Having considered the three different roles for the KBDC, this section assesses the interactions between residents and the KBDC representing DBKL. The Kampong Bharu Development corporation was developed in part as a response to including landowners who continued to protect their land ownership rights. As Ujang describes, “The landowners strongly felt that the original residents of Kampong Bharu should be part of the power structure in the development process and implementation of the future development”<sup>96</sup>. Expanding on the reported community concerns about redevelopment, Ujang explains that the goal of these negotiations was to develop trust between the authorities and the landowners in order to encourage skeptical landowners to agree on a deal. KBDC’s aim was to garner enough support to engage in a pilot project, which would catalyze local support for redevelopment.<sup>97</sup> By assessing the resident’s statements and actions, this paper posits that resident’s rejection of plans resulted in alternate

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<sup>94</sup> Malaysian Reserve, ‘Outright Sales Move on Kampung Baru Land’.

<sup>95</sup> Nuradzimmah, ‘RM6bil to RM10bil Needed for Kg Baru Land Acquisition [NSTTV]’.

<sup>96</sup> Ujang, ‘Planning for a Redevelopment of a Traditional Urban Village of Kampong Bharu, Kuala Lumpur’, 166.

<sup>97</sup> Ujang, 166.

strategies for redevelopment. These changes are due to the government recognition of the impossibility to overcome the residents demands without assessing their conditions for sale. To consider this, the paper assesses the difference in objectives between developers and residents for the period between 2012 and 2017, and for the period after the election of the Pakatan Harapan Government.

The release of the 2014 redevelopment plan was met with enthusiasm by developers but scrutiny from residents. The period saw a boom in redevelopment interest, with much of this centered around the idea of establishing the Kampung Baru City Center. The plan was to develop a 40-acre site alongside multiple developers to catalyze interest in redevelopment, and to convince residents of the benefits of selling their land.<sup>98</sup> The comprehensive redevelopment scenario in the plan points towards “90 million sq ft of total gross floor area, 30 million sq ft of gross floor space, 17,500 residential units, 1,780 hotel rooms, 12% blue & green networks” at completion.<sup>99</sup> This plan proposed maintaining heritage through the construction of a single zone in which traditional houses could be relocated to. The proposed area was the Kelab Sultan Sulaiman, and advocated using the houses as “retail store(s), F&B area(s) as well as boutique hotel(s)”.<sup>100</sup> The plan promoted a redevelopment effort in which the enclave will bear no resemblance to its former self.

Considering the redevelopment projects undertaken in the period, in 2015, then Prime Minister Najib Razak launched *Legasi Kampung Baru*, which involved the construction of a condominium, an office towers and shop lots. The project was developed by UDA Holdings

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<sup>98</sup> Kaur, ‘Kg Baru Redevelopment’.

<sup>99</sup> Kampong Bharu Development Corporation and AJM Planning and Urban Design Group Sdn Bhd, ‘Draf Pelan Induk Pembangunan KAMPONG BHARU’, 52.

<sup>100</sup> Kampong Bharu Development Corporation and AJM Planning and Urban Design Group Sdn Bhd, 52.

Bhd and had a gross development value of RM529 Million.<sup>101</sup> Whilst the project was intended to be part of catalyzing redevelopment, it failed to do so.<sup>102</sup> A 2016 article in *The Star* summarizes the plan as including “twelve iconic buildings with four signature towers with a collective gross development value in the billions of ringgit will also be built here” and “another ambitious project is a 70-storey tower with a ferris wheel built on the rooftop.”<sup>103</sup> Then chairman of the KBDC, Datuk Affendi Zahari described that “Things are in motion already, ever since the government launched the Kampung Baru Detailed Development Master Plan early last year.”<sup>104</sup> In the period, developers had grandiose plans for the enclave to become a highly valuable, highly modernized section of the city.

At the same time, the developers and the Prime Minister disagreed the architectural inspirations for Kampong Bharu. Then KBDC chairman described the design of their proposed Kampong Bharu as “modern contemporary with traditional motifs”.<sup>105</sup> Whilst the designs made use of Arabic themes in architecture, the Prime Minister demanded the use of Malay themes instead. Plans were then altered to reflect a Malay Songket theme. Plans and paperwork were then forwarded by the KBDC to DBKL, who suggested that the plans could be undertaken within the year 2016. At the time, Affendi described that “It’s going to be more than iconic, we want Kampung Baru folk to see something is moving here before the big guns come in,”.<sup>106</sup> Evidently, there was enthusiasm around redevelopment projects, and the expectation that residents would be inspired by these efforts to sell their land.

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<sup>101</sup> Abdullah, ‘Politics and Policy’.

<sup>102</sup> Abdullah.

<sup>103</sup> Bavani, ‘Towering Plans for Kampung Baru’.

<sup>104</sup> Bavani.

<sup>105</sup> Bavani.

<sup>106</sup> Bavani.

In spite of this enthusiasm, residents did not agree with the government's positive sentiment for redevelopment. From interviews conducted at the time, Ujang describes "there is a sense of uncertainty on how the new redevelopment will sustain the Malay cultural and religious tradition which defines the identity of the Malays as a social group and as Muslims".<sup>107</sup> In response to this worry, the development plan includes guidelines on the image and character of Kampong Bharu contingent on the concept of Malay Islamic Architecture. To gain insight into resident's views on redevelopment, a video report from the MIT Malaysia Sustainable Cities Program from Spring 2016 includes a series of interview segments with unnamed Village heads. An unnamed village head states "we never rejected development, but we want it to be in line with the political, social and religious requirement. It should be for a future that is not detrimental to the Malay race".<sup>108</sup> The same individual continues, "if we build high-rises, beautiful towers like KLCC, but if the Malays are not in it. If the Malays are displaced, if the Malays are extinct from the city, what is the meaning".<sup>109</sup> Most community leaders and residents were reported to embrace the notion that change and redevelopment are needed to a certain extent. Any such changes should reflect the needs of the Malays, and redevelopment cannot occur without Malay rights and political, social and religious needs supported. Many residents were reported to be skeptical that the redevelopment would benefit them, with the chairman of the secretariat of Traders and Businesses in Kampong Bharu reporting that the redevelopment is a threat to the Malays, undermining their social, economic and cultural sustainability.<sup>110</sup>

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<sup>107</sup> Ujang, 'Planning for a Redevelopment of a Traditional Urban Village of Kampong Bharu, Kuala Lumpur', 165.

<sup>108</sup> MIT-UTM, *A Road Map of Urban Village Transformation in Kuala Lumpur, Malaysia*.

<sup>109</sup> MIT-UTM.

<sup>110</sup> MIT-UTM.

In an interview with the web platform *Coconuts*, Zainal Ibrahim, a 70 year old resident of Kampung Bharu responded to suggestions by the Deputy PM Muhyiddin Yassin suggesting that the government will acquire land if necessary as follows. “How can they say they will use laws to grab our land. Wait till their heads get chopped off.” Zainal Ibrahim continues “What if they change the plans later to build a multistorey building, and the value of that property goes up, they will profit. Can they share the profits from each unit with the landowners?”<sup>111</sup> Another resident, Bakri expressed a similar sentiment, “You (referring to developers) shift people, then how much compensation can you pay. Then you sell the condo for so much money, is that fair? Only those people with money can buy [lah], what about us”.<sup>112</sup> What is apparent from these exchanges is that the government development plans were not in line with the resident’s desires for their own enclave.

Without attempting to explore the motivations of actors involved, there is an apparent broad disagreement between residents and developers. Whilst developers envisioned that residents would become enthusiastic as individual development efforts took hold; this was not the case. Without those resident’s approval, development of the enclave would not be possible. The move from land sales being mediated by the KBDC in 2014 and the interaction between developers and individual landowners in 2017 reflects this inability to get residents to sell. Across this period, it is appearing as though the majority of offers made to residents for their land were insufficient in convincing them to sell.

### **Pakatan Harapan’s Attempt at Redevelopment, 2018-2020**

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<sup>111</sup> CoconutsKL, ‘Spotlight’.

<sup>112</sup> CoconutsKL.

2018 saw the ascendance of a new ruling party for the first time since Malaysia's independence. The 2018 general election saw the defeat of incumbent Prime Minister Najib Razak to Pakatan Harapan leader Mahathir Mohamad. Pakatan Harapan obtained 47.9 percent of the votes, Barisan Nasional 33.8 percent and PAS achieved 17 percent. Barisan Nasional's parliamentary majority fell from 131 to 79 seats.<sup>113</sup> Mahathir had previously served as Malaysia's fourth Prime Minister from 1981 to 2003.<sup>114</sup> Pakatan Harapan's strategy for redevelopment involves the KBDC first purchasing land in Kampong Bharu, before it is then transferred to developers. This paper argues that this strategy is a response to the previous attempts failing to garner any traction for broader redevelopment. Across this period, government officials were vocal regarding Kampong Bharu's development. Within this period' the KBDC was tasked with utilizing its institutionalized powers. These efforts yielded the most prospective returns in securing the purchase of a majority of land in Kampong Bharu. Additionally, the collective organization of residents secured the dismissal of the Kampong Bharu City Centre plan and a return to the drawing board on development plans for the enclave.

Redevelopment plans for the Kampong Bharu City Center in the 2014 plan were dropped in May 2019 in response to residents not backing the proposal. The KBDC additionally undertook the project of developing a new Master Plan which better reflected the demands of residents. Zulkurnain Hassan, then CEO of the KBDC described "KBCC was supposed to be developed over 40 acres (16.19ha) of land which is owned by 150 to 160 individuals. Out of this number, we managed to talk to 90 per cent of the owners".<sup>115</sup> Further, he describes that "Out of the 90 per cent, not many people agreed to KBCC. About five per cent rejected the development as they wanted the land for their own use. Half of those whom we spoke to agreed to the

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<sup>113</sup> Hutchinson, 'MALAYSIA'S 14<sup>TH</sup> GENERAL ELECTIONS', 597.

<sup>114</sup> Hutchinson, 583.

<sup>115</sup> Kaur, 'Kg Baru Redevelopment'.

development if the right price was offered.”<sup>116</sup> What is significant to note is that if statistics are taken to be true, a significant number of residents were willing to withdraw their concerns at the right price.

Engaging in this new strategy, the KBDC initiated a series of Town Hall sessions with residents in order to allow concerns to be aired and discussed. Through these discussions residents secured an offer of RM850 per square foot of land by September, which had been upped to include RM150 per square foot in shares in a Special purpose vehicle facilitating redevelopment. The government had suggested RM850 per square foot was its final offer, residents took to public protest to challenge this assessment. In late September 2019, a group of residents gathered at Dewan Perdana Felda in Kuala Lumpur to demand the price would be raised to RM1000 per square foot.<sup>117</sup> The beginning of October 2019 saw a protest march by residents at a Solidarity forum aimed at similar goals. Residents disagreed with the price assessment for the land in Kampong Bharu, arguing that the government offer should reflect a higher value.<sup>118</sup> Across 2019, resident collective action included holding out for a higher price, and additionally protesting offers which had been already made.

The period also saw significant politicians discussing the issue publicly. Around the same time as the resident protests, Mahathir commented on the Kampong Bharu issue at the Malay Dignity Conference held in early October describing, “We can see old houses with rusty zinc roofs there, it is an eyesore in the middle of rapidly developing Kuala Lumpur which is full of skyscrapers”. He continued to state, “this does not reflect on the position of the Malays, who are actually as successful as other people”.<sup>119</sup> On November 25<sup>th</sup> 2019, shortly prior to the

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<sup>116</sup> Kaur.

<sup>117</sup> Ying and Babulal, ‘Price Offered Is Too Low, Say Kampung Baru Residents’.

<sup>118</sup> Malaysia Gazette TV, *TERKINI*.

<sup>119</sup> Muthiah, ‘Dr M: It Is up to the Malays’.

November 30<sup>th</sup> Deadline set for landowners to give their decision on selling, Tun Daim Zainuddin, Malaysia's former finance member and chairman of the Council of Eminent Persons included himself in the discussion on Kampong Bharu.<sup>120</sup> Daim had previously urged "landowners in Kampung Baru to unite and reach a decision or risk being adversely affected," alongside a pledge to support the residents by attending any congress organized by them on the future of land in Kampong Bharu.<sup>121</sup> Around this time, significant political figures involved themselves in the discussion surrounding the redevelopment process in an effort to influence residents.

The ousting of Mahathir's government in February 2020 provided insight into the legitimacy of government claims regarding the redevelopment of Kampong Bharu. Whilst official rhetoric on redevelopment from Khalid appeared to indicate a consensus had been reached with the majority of residents, in April 2020, Federal Territories Minister Tan Sri Annuar Musa indicated otherwise. Khalid lost his post following Muhyiddin Yassin's seizure of power as Prime Minister in February 2020.<sup>122</sup> The Malay Mail reported Musa stating in a Facebook Live session that "The problem is, who is actually going to develop Kampung Baru? Because until today, there is no allocation or funding to acquire all land plots (agreed sellers), almost RM7 billion is needed."<sup>123</sup> Additionally, "for now, there is no decision on this, because many things need to be laid out in detail and I need to listen to more feedback."<sup>124</sup> Annuar Musa additionally varied from Khalid in suggesting that only 60 percent of residents, rather than 97%, had agreed to sell their lots in accordance with the Kampong Bharu Development Plan. As a result of this limited redevelopment procedure, Annuar Musa had set up "a special committee made up of

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<sup>120</sup> Babulal and Sabri, 'Daim Turns up for Briefing on Redevelopment of Kampung Baru'.

<sup>121</sup> Babulal and Sabri.

<sup>122</sup> Head, 'How Malaysia's Government Collapsed in Two Years'.

<sup>123</sup> Soo, 'No Funds or Developer for Kampung Baru yet, Says FT Minister'.

<sup>124</sup> Soo.

professionals who are experts in planning, law, building and other related areas”.<sup>125</sup> However, no further information could be sourced on this committee. Nonetheless, it appears uncontroversial to suggest that estimates in the time frame proposed by Khalid were exaggerated.

Nonetheless, the sentiment that a large proportion of residents were ready to sell has been reported in the Malaysian press. An article from the New Straits time highlights the anxiety faced by residents of Kampung Baru following the change in government. Zulkurnain Hassan, chairman of the Kampung Baru Development Corp reports that he received 15 phone calls, text messages and phone calls from worried landowners a day following the political takeover, with the most common question being, whether the redevelopment would still occur.<sup>126</sup> Landowner Shahrom Mohd Harun, 74 is quoted, “Everybody is stressed. We want to know what’s happening now. [...] Someone with authority should announce what the government is going to do. They (the authorities) have been silent for the past two to three weeks”.<sup>127</sup> In the same article, Shahrom confirms that Khalid had set June as the deadline for the ministry to gain a referendum from landowners to decide whether the project will go ahead. As a result of the change in government, insights into the redevelopment process were made public which suggest that whilst a deal had not been finalized, many residents were interested in taking the government’s offer.

Under Pakatan Harapan’s leadership the KBDC were tasked with securing land in Kampong Bharu to make comprehensive redevelopment possible. Resident’s protested across the period in order to secure a higher land offer, which they eventually received in spite of the government’s earlier suggestion they had given their final offer. Resident collective action

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<sup>125</sup> Soo.

<sup>126</sup> Babulal and Solhi, ‘Kg Baru Folk Anxious about Offer after Change in Government’.

<sup>127</sup> Babulal and Solhi.

additionally succeeded in having the Kampong Bharu City Centre plan rescinded as it did not correspond with the resident's view for the future of the enclave.

## **Conclusion**

Having first considered the role of the KBDC in the redevelopment process, this chapter finds that the KBDC was initially a mediator between developer and residents, without playing any role itself beyond assessing that plans were acceptable in line with the development plan from 2008, and then the plan from 2014. Without any prior experience, the government planned to involve a third-party corporation in securing the transfer of land rights. By 2017, the idea of residents transferring their land rights had been abandoned, and developers were to negotiate directly with residents. This only yielded one large scale redevelopment effort across the time period, the Legasi Kampung Baru project, and failed to catalyze further efforts. If the land surrounding them remains undeveloped, the shortcomings of standalone redevelopment projects is clear: their value remains a fraction of what it would be in a more developed area. 2019 saw the KBDC take on a new role under the Pakatan Harapan Government. The corporation would secure the purchase of all land in Kampong Bharu itself by engaging in an inclusive redevelopment process with the residents of Kampong Bharu.

With standalone projects failing to catalyze redevelopment, and those projects failing to achieve their potential value, the strategy of individual land purchases is not feasible for developers. This section argues residents are seeking a price for the land which sufficiently compensates them for the inconvenience of needing to move. Whilst the question of maintaining the heritage of the land comes up in negotiations, the demand for a higher price through protest ultimately suggests that those concerns of heritage are overcome at a certain price. Whilst a mismatch in demands between residents and landowners is nothing new, the

attempts at securing a deal across 2019 and 2020 suggest that the mismatch is based primarily on adequate compensation. However, whilst there is a negotiation taking place, it is not one which is on an equal playing field. Usually, it would be expected that the residents would set the price for their land, however, they are in this case being made to accept a deal from the potential buyer.

## Chapter 5: Conclusion

This thesis argues that the political economy of redevelopment in Kampong Bharu is best understood in the interaction between landowners, developers and the development corporation. By first assessing the concept of the *desakota* in the Southeast Asian city, this paper argues an analysis of urban villages is essential in understanding the operations of capital within any reading of the Southeast Asian city. The sustained efforts to redevelop Kampong Bharu, and the ongoing influence it has on Kuala Lumpur's urban planning, and the interaction these processes have with the operations of the proposed globalized city. Considering literature on redevelopment efforts across Malaysia and Southeast Asia, this thesis argues that whilst community collective action efforts have in certain cases hindered the redevelopment process, none have effectively prevented it. In cases in Penang, and Brickfields, Kuala Lumpur, the process was utilized to publicly further community heritage and identity claims. In the case of Chinatown, community efforts against redevelopment had little impact on government efforts, ultimately seeing the redevelopment and subsequent transformation of the community area into an open-air shopping market. In Pom Mahakan, residents used claims of Thai-ness to challenge government redevelopment efforts, and whilst these efforts sustained the enclave for a significant period, eventually redevelopment took place.

Considering these cases yields three observations on the outcomes of redevelopment efforts in Southeast Asia. Firstly, community collective action can operate to hinder the redevelopment process, particularly in those cases where the communities are deemed illegal and a market interaction cannot occur between residents and the city authorities. Secondly, respect for the rule of law impacts the redevelopment strategy which developers will engage in. Malaysia's legal protections surrounding Malay agricultural land significantly hinder efforts. Whilst

developers do not appear to engage in the same level of practice, as evident in the Brickfields case study, legal protections do effectively protect against illegal encroachment on land in the city. Finally, the Malaysian government takes greater precautions when undertaking redevelopment efforts for Malay sites over non-Malay sites. The question of redevelopment is tied in with Malaysia's racial politics and the government's usual proclivity when engaging in Malay Matters is no different. These factors contribute to an environment in which the Malay government is cautious in their interaction with residents in Kampong Bharu. They additionally suggest that whilst community collective action is effective to a degree, it is unlikely to halt the redevelopment process in the enclave.

In the third chapter, this paper assesses the factors which have historically hindered redevelopment efforts in Kampong Bharu. These factors are categorized as economic variables affecting land prices, multiple legal custodians and stakeholder attitudes. Legally, only Malay individuals or corporations are allowed to own land in Kampong Bharu, leading to a constrained demand for those plots. This contributes to a significant variation in valuation of land between that in Kampong Bharu and surrounding areas which results in a mismatch in expectations over land prices for residents and developers involved. A further issue surrounds the physical layout of ownership in Kampong Bharu. Land is subdivided into significantly small lots, each of which has a multitude of cross-generational owners. For any redevelopment efforts to take place, developers must amalgamate a series of plots to undertake any significant project in the area. Additionally, this requires the step of tracking down all landowners to each plot, which can be up to 208 individuals, and then negotiating with each owner on a price which effectively compensates them. In tandem, these high costs associated with redevelopment have hindered efforts.

The second factor is the issue of multiple legal custodians overseeing the land in Kampong Bharu. Three different authorities currently have different jurisdictions over the land in the enclave. These are: the MAS Board of Directors, who have historically been involved in overseeing operations within the enclave, the DBKL, who oversee any operations within Kuala Lumpur, and the KBDC, a corporation tasked with overseeing redevelopment and entrusted with powers pertaining to land transfer and control in Kampong Bharu. The MAS Board of Directors continue to stake their legal claim to overseeing Kampong Bharu, in spite of the government claim their powers were removed in 1974. Failure to resolve this issue has continually hindered redevelopment processes, though the MAS Board of Directors have facilitated land transfers for standalone development efforts in the past. The final issue pertains to the stakeholder attitudes in the redevelopment process. Landowners and those who wish to redevelop the enclave have broadly differing views for the future of Kampong Bharu. Landowners are against the sale of their land for reasons varying from worries regarding inheritance, a willingness to preserve traditional houses, disagreements over the plans for redevelopment, and insufficient compensation. For those engaged in the redevelopment process, this paper argues that reasoning for redevelopment goes beyond the potential economic gains for those involved. The kampung represents a Malay backwardness which can be overcome through urbanization and modern living. The government vision for the city, as a modern site, does not fit with the traditional way of life seen within Kampong Bharu. In the analysis, these three factors have contributed to prior difficulty in redeveloping Kampong Bharu.

The fourth chapter turns its focus to the period following the KBDC, a corporation created to oversee the redevelopment of the enclave. In first considering the KBDC's function over time, it is apparent that the KBDC does not have a defined purpose. Instead, it has had two significant

roles since its inception. Up to 2018, the corporation served to assess redevelopment plans of individual developers to ensure they are in line with the 2008 and 2014 Master Plan for Development, and to assist developers in their interaction with residents. Under the Pakatan Harapan government, their alternate redevelopment strategy saw the KBDC utilize its powers as it became responsible for securing the purchase of land in Kampong Bharu directly from residents. The role of the KBDC has altered in accordance with the resident's unwillingness to sell, hence preventing any redevelopment from taking place. When assessing the relations between residents and landowners, the chapter argues that adequate compensation is the most important matter to residents. Whilst questions of heritage preservation come up in discussions, ultimately the debate centers around finding a sufficient price. The question of protecting Malay heritage is one which appears to be overcome at the right price.

Taking these findings in tandem, this thesis argues that the case study is best understood as a group of individual residents who are seeking to be adequately compensated for the inconvenience of moving, and the likelihood they will not be able to return. Resident collective organization is in part due to the structure of the redevelopment process, in which a corporation has been tasked with securing the majority of land in Kampong Bharu, and in part due to bargaining power through that collective action. Whilst the protection of heritage is often discussed in negotiation, at a certain price, it ceases to be relevant. Further research should test this hypothesis through conducting interviews with residents on their reasoning for selling or retaining their land. Additionally, their own perception of their relative bargaining power in relation to the state would shed light on their motivations.

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