



Section A Framework for
Comprehensive Development

Part 1 Background and Objectives

CHAPTER 2
Vision and Objectives

2.1 Introduction

As discussed in Chapter 1, the CDP is mandated to address socio-economic development in a holistic and sustainable fashion. This chapter outlines the development framework for holistic development and thereafter defines the vision and objectives.

2.2 The Overall Development Framework – Holistic and Civilisational Development

For its overall development framework to achieve holistic development, the CDP has referred to the comprehensive and universal development framework principles outlined in Islam Hadhari (Civilisational Islam) as a guide. This framework, which is a universal set of values, emphasises development that focuses on, among others, faith in God, integrity, justice, and enhancing the quality of life through the mastery of knowledge and the development of the individual and the nation.

Attention is also given to the implementation of a dynamic economic, trading and financial system; and the promotion of integrated and balanced development. It is targeted in fostering knowledgeable and pious people who hold to noble values and are honest, trustworthy and are prepared to take on global challenges. These ten principles are:

1. Faith in and piety towards God
2. A just and trustworthy government
3. Free and liberated people
4. A rigorous pursuit and mastery of knowledge
5. Balanced and comprehensive economic development
6. A good quality of life for the people
7. Protection of the rights of minority groups and women

8. Cultural and moral integrity
9. Safeguarding of the environment
10. Strong defense capabilities

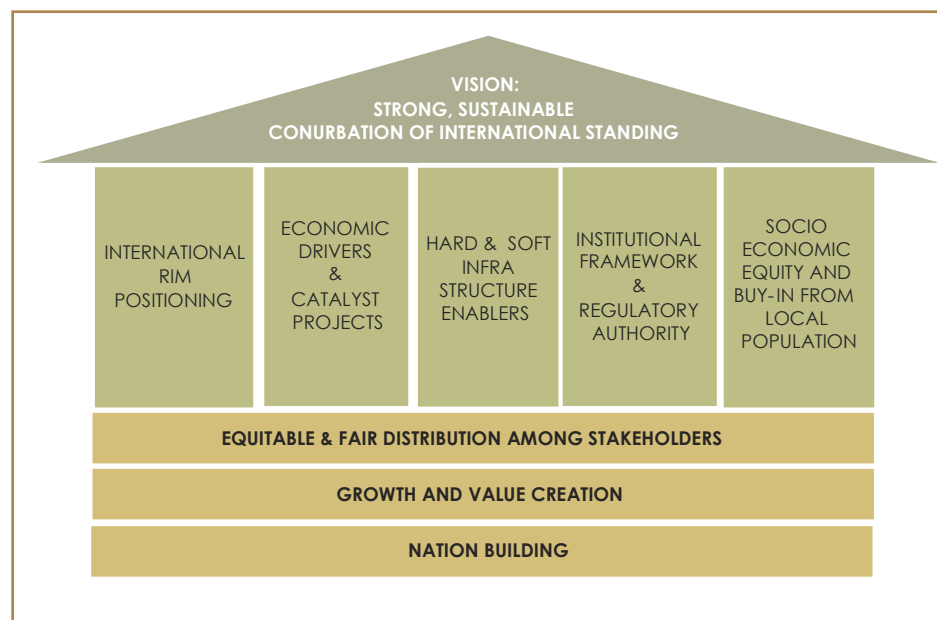
It encapsulates within its broad principles the concept of growth with distribution, physical and social sustainability, efficient government that is based on the principle of social responsibility, integrity and honesty; pursuit, mastery and application of knowledge for economic and social development.

These principles are also in-line with the State of Johor's approach towards holistic development. The concept of a holistic development stresses on a development with an identity that takes into account economic justification as well as the Islamic, universal, principles of a fair and efficient government, provisions of public amenities and good quality of life and the pursuit for a knowledgeable society.

2.3 The Strategic Framework - Vision and Objectives

The development of SJER offers a significant opportunity to be a test-bed to drive reforms and innovation in various fields including in delivery systems, local government, physical planning, infrastructure development, environmental protection and so on. Further to the overall development framework to achieve holistic development, the strategic framework to execute the plan is encapsulated in Figure 2.1

Figure 2.1 : Strategic Framework for SJER



Source: SJER CDP 2025

The **Vision of SJER** has been defined to be:

“A Strong, Sustainable Conurbation of International Standing”

Inherent and highlighted within the vision statement is the aspirations of strength, sustainability and international competitiveness.

Further, to achieve the Vision, we have identified **five strategic pillars** or drivers underpinned or anchored by **three foundations**. Crucially, these three foundations act as the overarching guiding principles in the development of SJER and it is hoped that these three principles or foundations will be useful in giving clarity in the ensuing implementation of the SJER initiatives in the months and years to come.

1. **Nation Building** – that the development of SJER is to be always consistent in spirit with valid national and state level plans and aspirations while aspiring to drive further innovation and reforms in the nation building process.
2. **Growth and value creation** – that the development of SJER needs to emphasise on the aspects of growth, productivity and value creation in line with the dominant trends of globalisation and increased competition

3. **Equitable and fair distribution among stakeholders** – consistent with the tenets of growth with equity, to ensure that the local and Bumiputera population in particular participate in the growth and value creation in a meaningful manner.

Getting these foundations right will be crucial before the execution of the five strategic pillars or drivers. The five pillars listed below are broadly in line with the strategies and initiatives outlined in Section B of the CDP, covering the regulatory, social, physical, infrastructure and commercialisation tracks.

1. **International Rim Positioning**

This includes creating a competitive SJER, bearing in mind current regional and international trends. This requires a change in the approach of positioning for competitiveness, from one that gradually moves from being mostly factor and investment driven to one that is also efficiency and innovation driven.

2. **Establishing hard and soft infrastructure enablers**

The Ninth Malaysia Plan ensures that required infrastructures are provided to allow development. This is not limited to physical infrastructures such as roads, airport and ports, and public utilities, but also covers matters such as security, river cleaning and proper sewerage. Fiscal and financial incentives, human capital, efficient and business friendly institutions, and a generally positive environment are soft infrastructures needed to effectively execute this plan.

3. **Investment in catalyst projects**

In order to spur development, SJER will see the development of a number of catalyst projects, which are planned in its commercialisation track. This will help spur further economic activities in the region. This will encompass projects in the logistic services sector, financial services, health and education services, agricultural, manufacturing and the leisure and tourism sectors.

4. **Establishing a strong institutional framework and the creation of a strong regulatory authority**

The CDP proposes the creation of the South Johor Authority (SJA) that will inter alia, plan, facilitate approvals through a one-stop

centre and address social development. It will represent a joint and coordinated approach between the Federal, State and local governments and co-chaired by the Prime Minister and the Chief Minister of Johor. In particular, the SJA will be tasked to ensure that approval times and government delivery systems especially in respect of investments are to be significantly improved in order to be internationally competitive.

5. Ensuring socio-economic equity and buy-in from the local population

As discussed, this initiative is not intended to create a development with no local participation. In particular, it is intended to ensure that the local population will benefit from the development in SJER, and will ride along the progress of the region. It will therefore address the issues of property and equity ownership, local and Bumiputera participation, business and income improvement, employment opportunities and the enhancement of skills.

2.4 Targeted benefits and associated risks of strategic intervention in the development of SJER

While the aspirations, vision and objectives of SJER are indeed high, it is anticipated that the success or otherwise of SJER will depend on the implementation. Every effort has been made to be sensitive to practical implementation considerations and to try and ensure that all the strategies and initiatives proposed are reasonable, practical and actionable. While we believe the measures contained in this report are indeed feasible, we have also consciously pitched the targets to be not just sufficiently aspirational but more importantly to be benchmarked to international competition. The targets proposed on delivery of approvals for example were arrived at after a detailed study of various other jurisdictions that can be considered as competitors in the global market place for investment.

A valid question at the outset of this endeavor is what exactly are the anticipated benefits of such strategic intervention through the development of SJER? Related to this would be the question of what are the risks of such intervention?

In the study undertaken in formulating the CDP, anticipated benefits of intervention have been identified to include factors, among others as highlighted in Table 2.1 and 2.2 below (all data for the 20 year horizon period from 2006 to 2025).

Table 2.1: Projected Growth Rates and Selected Economic Indicators With or Without SJER intervention

Indicator 2005-2025	Note	Johor State (%)	SJER (%)	Rest of Johor (%)
GDP Growth Rate	With SJER Without SJER	7.0 5.5	8.0 6.0	5.2 4.7
GDP Per Capita Growth Rate	With SJER Without SJER	4.6 3.4	3.8 3.0	4.7 3.5
Productivity Growth	With SJER Without SJER	4.0 3.0	3.3 1.7	4.2 2.8
Employment Growth	With SJER Without SJER	2.8 2.3	4.3 3.0	0.9 1.8
Unemployment Rate	With SJER Without SJER	(3.5)-3.0 (3.5)-6.2	(2.2)-2.1 (2.2)-5.2	(4.8)-4.6 (4.8)-6.7
Population Growth	With SJER Without SJER	2.3 2.1	4.1 2.9	0.5 1.4

Figures in bracket refer to unemployment rate in 2005
Source: Economic and Social Aspect Report, 2006

Table 2.2: Projected Impact on Selected Economic Indicators With or Without SJER Intervention

	With SJER	Without SJER
Population Size	3.0 million	2.3 million
GDP (PPP) in USD billion	93.3	64.1
GDP per capita (PPP) in USD	31,100	26,694
Labour Force	1.46 million	1.16 million
Employment	1.43 million	1.0 million
Unemployment	1.8%	5.2%
Employment Productivity in USD million (PPP)	30.5	25.1

Source: Economic and Social Aspect Report, 2006

Table 2.3: Projected Impact of SJER Intervention on Selected Economic Indicators

	2005	2025
Population Size	1.353 million	3.0 million
GDP (PPP) (in USD Million)	20.0	93.3
GDP per capita (PPP) in USD	14,790	31,100
Labour Force	0.624 million	1.46 million
Employment	0.610 million	1.428 million
Unemployment	3 - 4%	1.8%
Jobs Created	not applicable	817,500

Source: Economic and Social Aspect Report, 2006

- GDP growth of 8% p.a. in SJER against 6% p.a. without SJER intervention, or a difference of 2% annually. While the difference may not appear particularly large per se, over a 20 year period, this would translate into a GDP in nominal terms of USD93.3 billion in 2025 with SJER, against a corresponding GDP of USD64.1 billion without SJER, a very significant difference indeed.
- Correspondingly, we estimate GDP per capita growth of 3.8% with SJER intervention against a 3.0% growth without SJER. Again, over a 20 year period, this would spell a difference between a GDP per capita of USD31,100 (with SJER) against USD26,694 (without SJER).
- An estimated additional job creation of 817,500 with SJER intervention, totaling 1.43 million with SJER intervention and against 1.0 million without.
- Significant spillover effects to the rest of Johor in terms of GDP growth, GDP per capita and employment creation are as shown in the table above.
- If the CDP is to be successful in achieving holistic development for SJER, it will have to enable SJER to enjoy other qualitative benefits in terms of quality of life, environmental preservation, learning and knowledge, social cohesion, better income and wealth distribution, upgrading of standards and capabilities

and greater opportunities for future generations to advance themselves through better education, healthcare and a more just system for advancement.

Assuming that the generation of additional growth is more readily achievable, it is anticipated that the greatest risks of intervention would be in the failure to ensure that the growth and value creation is equitably distributed among all stakeholders of SJER. It can be expected that such a scenario will likely result in increased marginalisation, resentment and ultimately greater division in society. It is for this reason that various emphasis has been given to address specific social development initiatives and strategies in the CDP.

It should however be noted that given the trends of increased economic competition from globalisation, it can be reasonably expected that without SJER intervention, the imbalance on equity and distribution is likely to be even more pronounced. Notwithstanding this, it is anticipated that this challenge of achieving equitable distribution and cohesion among stakeholders, will be among the greatest challenge for SJER along with the challenge of achieving service delivery excellence and investment targets.