

Bandar Seri Begawan: An Inclusive Masterplan for Brunei's City by 2035

by Abdul Malik Omar, MSc and BSc

Bandar Seri Begawan, the capital of Brunei Darussalam, has a powerful role to play when it comes to taking Brunei Darussalam beyond the next economic frontier. As a city, its role as an engine of economic growth should not be understated. When one considers that 80% of economic growth is generated by cities around the world, coupled with the growing global urbanisation rate that is set to reach over 70% by 2050, cities such as BSB should become a policy focus to unlock Brunei's economic future and development. There are so many areas that the city can develop so that it can prepare to meet the challenges of the 21st century. One such area is to recalibrate policies turn to BSB into a global city. Challenges posed by the city in this regard must also be studied and be met with vigour in order to unlock the dynamism needed to develop economic growth. As to why economic growth is important, it is one of the key benchmarks of how an economy performs. Consequently, the more economic growth a nation produces, in GDP terms, the more jobs, the better the standards of living, and more tax revenues there is for the country.

The site of Bandar Seri Begawan, first and foremost, has and always will play a deep role in shaping Brunei's history. The historical legacy began as far back as the 14th century when Brunei was known to be a powerful trading hub, serving as an axel that facilitated traders from all over the region and beyond. People from Arabia, India, Siam, China and Java flocked to the centre of Kampong Ayer to trade goods. These goods included exotic spices from the Maluku islands that may as well have travelled all the way to Venice and then across the different parts of Europe. International trade occurred during those times and Brunei became a key player in the game. This then added to the prestige and power of the then Bruneian empire. The nerve trading centre was located on the waters of Kampong Ayer. One can imagine hundreds of ships and vessels from all over the region and beyond concentrated in that water port for trade. Bruneian artisans, farmers, and traders also maximised the opportunity to sell their goods and wares, which included cannons, vases, porcelain, sago, rice, and more. Historically, it was an important site and this is still true today. Building awareness of this history marks the first step in turning BSB into a truly global city.

From its origins as a water village, the site was gradually and officially made into a town settlement and then into a city in the 20th century. It was made at

the behest of the British when Brunei was made into a protectorate. Under the stewardship of Malcolm McArthur and subsequent British and Bruneian leaders, the first school, hospital, road, bridge, police station, and government buildings were set up inland, just off Kampong Ayer. With the strengthening of property right protections and the redistribution of the lands, enterprising individuals purchased lands at bargain prices and began setting up shophouses. This was done to capitalise on the growing trade thanks to the modernisation that Brunei underwent during those times. Ambitious and prudent entrepreneurs took large loans to purchase massive plots of lands within and around the town centres. Those properties are worth millions today. Additionally, under the administration system too, Bruneians, who for centuries have lived in the water villages, were gradually given incentives to move inland. Lands were distributed and given to the people on the condition that they have to grow vegetables and other agricultural produce. The move from living on waters stilts to land may have strained the traditional way of life then but such change was a necessity. Today, the majority of Bruneians live inland. In spite of the rapidity of the change, Brunei's Kampong Ayer is still considered the largest settlement on stilts in the world, according to CNN.

The government agency responsible for the management of the city is the Bandar Seri Begawan Municipal Department. It is responsible for the maintenance of the health and cleanliness of the city, as well as possessing the ability to redesign and to build new developments in the city. It is also responsible for managing some key buildings in the city centre. In 2008, with the help of international consulting agencies such as Hong Kong's HOK, it introduced the BSB Masterplan, a city master plan that seeks to transform Brunei into a "City in the Garden". The concept was formulated with the idea to capitalise on Brunei's development by amplifying its pristine forests through smart and green designs. The master plan is set to be completed in 2035 according to government sources.

There is more to be done to fasten the city development process. The city faces a situation in which it calls for a full review on how the city should be managed so that BSB can truly punch above its weight. If done properly, the growth potential can be maximised. Therefore, it is suggested that BSB should take a more active approach to city development. The reforms have to be managed effectively and efficiently enough so that the fruits of the labour can enrich the entirety of the society, both in terms of the elevation of the standard of living of the people as well as the added prosperity of those investing in the growth of the city. As much as the traders of the 14th century

and the businessmen from the 20th century have profited from the growth of the capital, so too Brunei has to continue to create a conducive pro-business and pro-economic condition for the entrepreneurs of today and tomorrow to operate successfully at the city centre. A move towards economic openness will invariably add to the strength of Brunei-based entrepreneurs and investors. These economic actors can then play their role in building jobs and city development.

Here are three suggestions BSB can take to develop itself into an economic powerhouse

A. Relaxing the City Borders

This aspect of city development may necessitate the need to reform the immigration policies, particularly to create a more conducive policy for economic migrants to easily work and live in Brunei. The current policy may have produced wonders in protecting infant industries and businesses from intense foreign competition. Locals are also, to a certain extent, protected from any downward wage pressure that accompanies immigration, especially for unskilled work. To do better, the city has to think beyond frontiers. The absence of much competition and a tiny domestic market as evidenced by the small population of Brunei requires the nation to bolster the dynamism of the economy by adding to the population base through more immigration inflow, potentially. There should be also be a new population target for Brunei by a certain year to make BSB a truly global city. To bolster its population, Brunei could, therefore, tap into attracting more immigrants to expand the population base into, say, 500,000-750,000 people by 2035. If it is implemented effectively Brunei will have a huge chance of succeeding in creating the right conditions to bolster city development.

One has to take into consideration the policy of Dubai in regards to how to manage immigration effectively. Dubai currently has the highest ratio of migrant-to-locals population. Close to 10% of the population are local. That is 300,000 locals against a population of 2.7 million non-locals. Dubai has executed its immigration policy so well that it has generated many wonders when it comes to developing Dubai. Various industries such as petrochemicals, real estate, construction and hospitality were built up thanks to the active government policy to bolster the domestic market with the talent pool secured

from all over the world to enhance general competitiveness and productivity. Dubbed as the Dubai model, the state continually enhances its capacity to

absorb much labour supply from the world market to meet the growing demands of industry. They do this by providing favourable visas for expats, skilled and unskilled immigrants to work in Dubai. This has been a cornerstone policy that enabled Dubai to successfully diversify itself away from Oil and Gas. Today, Dubai's Oil and Gas industry generate only 5% of GDP. Having good immigration policy could be a path that Brunei could take in its efforts to diversify its economy away from Oil and Gas sector.

Certainly, an open migration policy is a debatable issue, but it has generated more good to society according to a recent World Bank report. There is no one-size-fits-all approach nor is there an automatic success for policy-makers in this regard, however. The Dubai model cannot easily be replicated in Brunei. It is a complex issue with a wide array of variables and risks that have to be deeply analysed and considered. Certainly, finding the right results will require us to think and act beyond the status quo. Evidence by the World Bank and World Economic report, however, suggests that more immigration policy, in general, has been a powerful factor in bolster economic development for a lot of countries. Brunei is a beneficiary of the benefits of immigration itself. The infrastructures in this country were built by immigrants; most of the low-skilled services are being done by them too. The question now is not whether immigration is good or bad, as Paul Collier stated in his remarkable book *Exodus*, but rather how can immigration be managed effectively and who will ultimately benefit from it. Dubai answered this question well. It has put in place a strong emphasis on the right migration policies so that economic migrants can easily be recruited into the labour market to meet the growing industrial growth. In addition, it introduced favourable visa policies to hasten the development process that ultimately benefits both Dubai and the people who choose to work and live in the city.

One of the first ideas that come to mind whenever people think of immigration, in general, is how it may affect negatively on local labour employment. Indeed such a case does certainly happen not just in Brunei but even in different parts of the developed world. However, there has to be the right balance that needs to be established. Jobs for locals should be indeed prioritised and created, but at the same time, the local labour market needs to be continually exposed to added competition in order to truly create successful and resilient professionals and entrepreneurs. One way on how this can be done it by channelling more foreign talents from around the region to build the industries in the country. If the right approach is done, then BSB can indeed go a long way into becoming a truly global city by virtue of having resilient citizens who are open to competing in the changing global order. The

added cosmopolitanism created by an open environment that will also sharpen the competitive edge of the local labour market, enhance the city's progress and country's overall economic growth. The rising unemployment rates can pose policy-makers issues to pursuing the said policy. With the unemployment rate reaching sixteen thousand people in Brunei, according to recent data by JobCentreBrunei, such a worry by society can slow down policy implementation. To fix this, society and communities must press the importance of continually upgrade the education and skills of the citizens of Brunei. In that, they should all have to strive to become the white-collar professional workers of tomorrow, i.e. lawyers, accountants, engineers, software developers and more.

For the unemployed, it demands from them to think differently about how they can market themselves in the local labour market. Given that the education investment in Brunei per capita is arguably one of the highest in the world, it would bade well for young people to strive to study more. Their objective from the get-go should be geared towards attaining a

white collar position. Parents must be drilled in the importance of this idea. Parents must also guide them so the students should have the culture of lifelong learning, in that students should never stop studying even right after they finish their education. A need to continually upgrade their skills should be made into a habit of our society as well if Brunei is going to compete well in an ever competitive and open market. At the same time, society has to be prudent in investing the right kind of education we need to take our society beyond the next level. But overall, a mindset of being open to competition is needed among the people. The people have to be comfortable in constantly benchmarking and competing against the best to become the best. If the city borders are relaxed, then Bruneians will have the right foundation to take on intense competition in the open market. Doing so will overall enhance their skills and expertise. Overall, immigration does not only enhance a city's development, but it will strengthen the human capital in Brunei.

B. Boosting the Infrastructural Development

Elevating BSB into a top-tier city requires a further upgrade and re-engineering of the city's infrastructural development. The new infrastructural and commercial landmarks are admirable, and a growing migrant population would mean that BSB has to undertake new projects to fill in the growing demand for housing, commerce, and recreation. These demands have to be met with increased supply provided by both the public and the private sector.

The call to build a bigger base for people to live - be it for low-, medium-, and high- income workers - is needed. The intensification of more commercial spaces is also needed to capitalise the growing purchasing power of the new immigrant population. The more supply there is in the market the less it would cost for people to find a place to stay. The lower cost of doing business thereby incentivises enterprises to expand and employ more people, and finally giving ample entertainment fitting for a high-performing economy, where work could be relentless. Capitalising to meet these demands could be the local businesses, which try their hands in constructing new malls, apartment blocks, housing, and more.

The greater abundance of housing within the city centre may strain the existing designs of the local architectural landscape and the real estate space, resulting in potentially a need to go vertical when it comes to constructing buildings. More tall apartment blocks would have to be set up. If Brunei succeeded in building apartments during the 1990s Brunei SEA games to accommodate regional players and regional tourists, then there is potential in transforming the housing and, hence, design landscape of Brunei. Hong Kong, Singapore, Taiwan and New York have tall buildings to accommodate the needs of their population's accommodation. It then helps drive up market growth while driving down cost - especially land cost. An extreme example of how cities utilised vertical apartments in Hong Kong. The demand is too heated that landlords are now offering nano-flats, small- sized no bigger than two parking spaces priced higher than any normal average housing in Brunei. Those living in those flats, which include young people, are willing to rent them because their livelihoods are linked to their work in the city. The competitive mentality is ever sharpened with the heavy inflow of mainland Chinese migration, and this only serves to make the people more creative and competitive in the market-place. Though others may fall off the career ladder, life must go on. Yet, with more people coming to work in HK, HK has retained that sense of dynamism it needs to grow. The unbelievable market success is reflected by the numerous skyscrapers and apartment blocks, all tall and ready to meet the challenges that the world may bring to bear. Brunei will not see such an extreme form of housing as that of Hong Kong, given its abundance of land, but one cannot say the same

in the next three to five decades. Thus, the growing need to go vertical in the city will be more pressing in the coming years ahead.

The concentration and growing population base in the city must accompany the greater level of demand for local consumption. For BSB to grow then, it

has to open its economy so that both the locals and immigrants, to a certain extent, can compete on a level playing field. In terms of market competition, it would be preferable that non-locals and immigrants can participate in doing honest work or projects, without having much legislation that could constrain open market competition. Building an equal playing field will eventually bolster economic competitiveness. More businesses will be built, new innovation will follow, and new developments can be forthcoming in so many various sectors if immigrants and expats are able to own businesses and property. This will make it attractive for international and regional MNEs to set up its operations in the city. The expansion of business and economic activity will mean that there will be greater growth, greater job opportunities and greater tax income to be collected by the government. Once the city is able to align the interest of the populace towards advancing the general good of society, then the city will be able to compete against other cities in this region. Such matters will condition the society into becoming more robust and resilient in the face of great change.

Accompanying the economic growth would require reforms to the land laws. Brunei has an abundance of untapped and under-utilised lands across the city and beyond to build up new apartments, commercial centres, and parks. To change this, Brunei has to continue its momentum to release public lands for private-public use. The process must also be made easier to enable the market transactions of property. This is how BSB can move forward. Brunei must not lose the golden opportunity to maximise its growth when growth is needed to jumpstart and develop our economy. If properly done, Brunei could not only reduce the level of prices in housing and commercial rents but could create a situation where Brunei is open for business and other MNEs can take part in investing in the country's growth. In any case, Brunei could create a place or an economic zone where MNEs can acquire a freehold or leasehold property to operate a business in. BSB could take a huge step in undergoing a massive land reform process, perhaps not seen since the days of McArthur who released lands to be utilised for economic and residential purposes. With continued land reforms, infrastructural development can be enhanced.

Finally, there may also be the need to create a new CBD (central business district) to capitalise the growth opportunities that the future may bring. Though the zoning of BSB has been enlarged it has to be restudied and reexamined with great interest by policy-makers in Brunei with the help of urban experts in the region. Their input would enable us to think of new creative solutions to maximise every square inch of the city's space. A new

CBD zone must be created in a way that it will produce an enabling environment where commercial and residential infrastructural opportunities can be created and be developed. As a new zone, it could perhaps have additional prerogatives to bypass certain legislation to bolster economic activity, much like the Special Economic Zone in Pulau Muara Besar. Another idea from the economist Paul Romer is the potential introduction of a new city charter, a charter outlining the rules of the game can be created and serve as a legitimate document to operate and run the city. This can only be done if there is a strong will to spearhead change. Otherwise, the changes in migration and infrastructural development and expansion would suffice for now.

C. An Inclusive BSB

An inclusive framework may have to be created to build a sustainable governance model for the city. The inclusive framework involves creating an environment where there is a top-down and bottom-up governance set in place. The need to create this will enhance the feedback mechanism to drive up change from those who are affected by the policies set in place. The city development process has become complex and intricate that every decision has to be taken into consideration as how it should be shaped. The success of the government in learning from and implementing the people's feedback to develop the new Gadong and Kianggeh Night Market reflects the positive benefits that can be reaped for society if an inclusive model can be pursued. In addition, the two cases also showcased the shift of the city's governance into becoming more inclusive. Similar incidents can be dealt with similarly. By giving the people the chance and opportunity to voice out their concerns or even to work alongside the government in shaping policy-making decisions, it will bolster societal development. Not only will such a process enable people to have their voices heard, but such process can reap creative solutions that can maximise effective economic development.

With the growing population base and increased investment in infrastructures, BSB will have to solve so many complex social issues that will be forthcoming as a result, i.e. rising poverty and inequality rates in the country. It must also be noted that the market-based society also creates so much wealth to lift the tide of society toward a better direction, so long as strong social safety nets are in place. A market-based society is also a wealth creator that could transform the city into a truly top-tier one. Nonetheless, a market-based society in a city such as BSB has to be prepared to meet the said challenges. The best way to solve this issue is by creating pockets of jurisdictions in the

city, much like those in the village, where people are appointed to suggest changes and work on behalf to improve the conditions of society. These people could not only be composed of locals but migrants as well. When these representatives do appear then it has to be their utmost duty to represent the interest of their constituencies and work with the government agencies, so that problems can be easily identified and solved. Having representatives in the city will be a positive step towards building an inclusive city society. The process will be complicated, but it can be done if BSB is serious in spearheading economic growth in this fast-paced globalised era.

A move towards promoting an open multi-cultural and multi-ethnic society is another component in creating an inclusive society. The increased cosmopolitanism that BSB will experience will have to be set in an ecosystem where the cultures, ethnicity, language, and a host of other social identities can operate. The move towards positive change in this direction can enhance Brunei's reputation as an open and tolerant society, as it has always been over the past few decades. The continued need to build the image of openness and tolerance will be needed to build BSB into a global city. London is a good case on how it has reaped manifold benefits as an open city. Every month there are events hosted in the public squares that range from Bollywood performances, Malaysian festivals, Indonesian days, and Japanese open events. Hundreds, if not thousands of similar events happen more in the city every year. The fireworks of distinct cultures, ethnicities and other factors add to the internationalisation of London. Such is the power of a global city that embraces international cultures that it exhibits vibrancy even long after Brexit was voted for. In the long-run, it will retain its prominence in the changing global order. Brunei should also look at a time when it became a truly open society in the 14th century, where people from all over the region literally flocked to the city centre to do trade. Such inclusiveness has been done before, it is being done now, but it should also be intensified further as BSB sets itself into high-gear towards growth.

Inclusive economies are known to be higher performers and have strong innovative capacities, according to Bloomberg Innovative Index. Countries such as Norway and Singapore come to mind. The ability then for BSB is how it can identify various key policy mechanisms to make itself inclusive not only towards the local people - in terms of where job creation is concerned - but also towards expats and immigrants. The appointment of young legislative council members is seen as a positive sign as a proper evolution for the Bruneian government to make a change, and more needs to be done. Though it is still early to tell, strong economic growth for the city is still

forthcoming. It might take a person or a new ministry, placed with a strong mandate, to be appointed or elected as a mayor of the city of BSB. This option can be one placed on the table to make so long as such persons are committed to building an inclusive society. Such person selected to helm the city should be smart and intelligent enough to make the right decisions along the lines of economic openness and inclusive development.

Nonetheless, there is still a strong case for why inclusive societies may be a difficult challenge for BSB to emulate. The local population may feel the stress of the growing migrant population. These sorts of things could affect the inclusive policy needed to make BSB a vibrant city. The concerns have to, therefore, dealt with positively by raising awareness on the importance of inclusive development as a source of economic prosperity. Singapore's Prime Minister Lee Hsien Loong did this well. In his conference speech in 2015, he said that Singapore is committing and pursuing social policies towards creating a condition where everyone, not just a few, can profit from the abundance of wealth created by an open economy. Awareness campaigns and the accompanying policy interventions to creating an inclusive economy must, therefore, be necessary so that people do not feel as if they "are getting left out" from the growth process. Concerns must be met and dealt with for the case of BSB too, as it charges forward into becoming an international city.

Conclusion

The dynamism of BSB has to be unleashed to intensify economic growth. Suggestions that can be made include the need to take a new approach to things so the city can grow well beyond its current scope. The city may have seen its share of challenges as evidenced by the low economic growth rates over the past few years, but 2018 serves as a year where we can initiate positive change. With policy prescriptions that involve a stronger open economy receptive of migration inflows, the upscaling of infrastructures, and the commitment of building an inclusive society, BSB will move into the right direction in not only turning itself into a successful regional city but a global one. Ideas outlined in this work could be a source of inspiration for the future leaders out there who want to build Brunei's prosperity and prestige in this changing region. The success of adopting these ideas would mean that Brunei will have a higher chance of continuing its path towards economic prosperity and sustainable development.