

# PERSPECTIVE

RESEARCHERS AT ISEAS – YUSOF ISHAK INSTITUTE ANALYSE CURRENT EVENTS

**Singapore** | 22 June 2017

---

## **The Socio-Cultural Impacts of Forest City**

*Serina Rahman\**

### **EXECUTIVE SUMMARY**

- The huge Forest City project in the Tebrau Straits, still in the early stages of development, is having a major impact on its neighbouring community, Mukim Tanjung Kupang.
- Negative effects include reduced fishing income, increased navigational dangers, more shallow and polluted waterways, noise and dust pollution, and dangers from speeding contractors' and construction heavy vehicles.
- The developer and the project's proponents' compensation and local employment efforts have not always reached those who need them most as opportunities are often reserved for the well-connected or appointed village representatives. Other local applicants often lack relevant work experience and face language and cultural barriers.
- Villagers, local civil society groups, the developer and a local university are developing coping and mitigating strategies to address these concerns.

*\* Serina Rahman is Visiting Fellow under the Malaysia Programme at the ISEAS – Yusof Ishak Institute. This is her second publication on Forest City, with the first in the Trends in Southeast Asia series. These publications are the outcome of extended fieldwork and total immersion in the villages around the Forest City development between 2008 and 2017.*

## INTRODUCTION

Forest City is a multi-million dollar mixed development project by Country Garden PacificView (CGPV), a joint venture between Country Garden Group (based in Guangzhou, China) and Iskandar Esplanade Danga 88 Sdn Bhd. Built on four artificial islands in the Tebrau Straits, the project has been lauded as one of the catalysts that will drive the state of Johor out of sleepy backwater status to developed metropolis.

However, the project has been plagued with controversy since its inception. From allegations of transboundary environmental damage to overcrowding of the property market to being the gateway of future People's Republic of China (PRC) immigrants to Malaysia, the project's developers and proponents have battled all manner of bad press. An extensive analysis has already been done of the environmental and economic sustainability of the Forest City development<sup>1</sup>. This article looks at the socio-cultural impact on those directly affected by its rise, as well as their efforts to overcome those predicaments.

## UPDATES ON THE DEVELOPMENT

The Forest City plan is to build four artificial islands off Mukim Tanjung Kupang in the southwestern tip of Johor. Development of the first island is moving at speed and the second phase of reclamation work has just begun (as shown in Figure 1 below). This part of the first island will border the shipping channel of the Port of Tanjung Pelepas (PTP). Of the area that is already built and fully functional, Forest City's show gallery continues to welcome potential buyers; its artificial beach and shopping mall are often crowded on the weekends; and the Phoenix Hotel has been accepting guests since its first tower was ready. CGPV has recently handed over the keys to 120 units of the Kylin Apartments above the hotel premises with much fanfare about their international ownership.<sup>2</sup>

All of this hype occurs as construction takes place on all sides and large trucks deliver sand across the sand bridge (also referred to as the CG Causeway) that cuts across the Tanjung Kupang seagrass meadow. The CG Causeway, meant to have been removed in 2016, is still in use as it is the most efficient method of transporting sand dumped by barges from Teluk Ramunia (off the east coast of Johor). At any one time there are at least 13 sand barges<sup>3</sup> in the shallow waters that constitute the fishing grounds of the surrounding local communities. A new piping system to transport sand cuts across the water further south (illustrated with dashes in Figure 1 below), linking a newly formed sand dumping location with Phase 2 of the reclamation works on the first island.

---

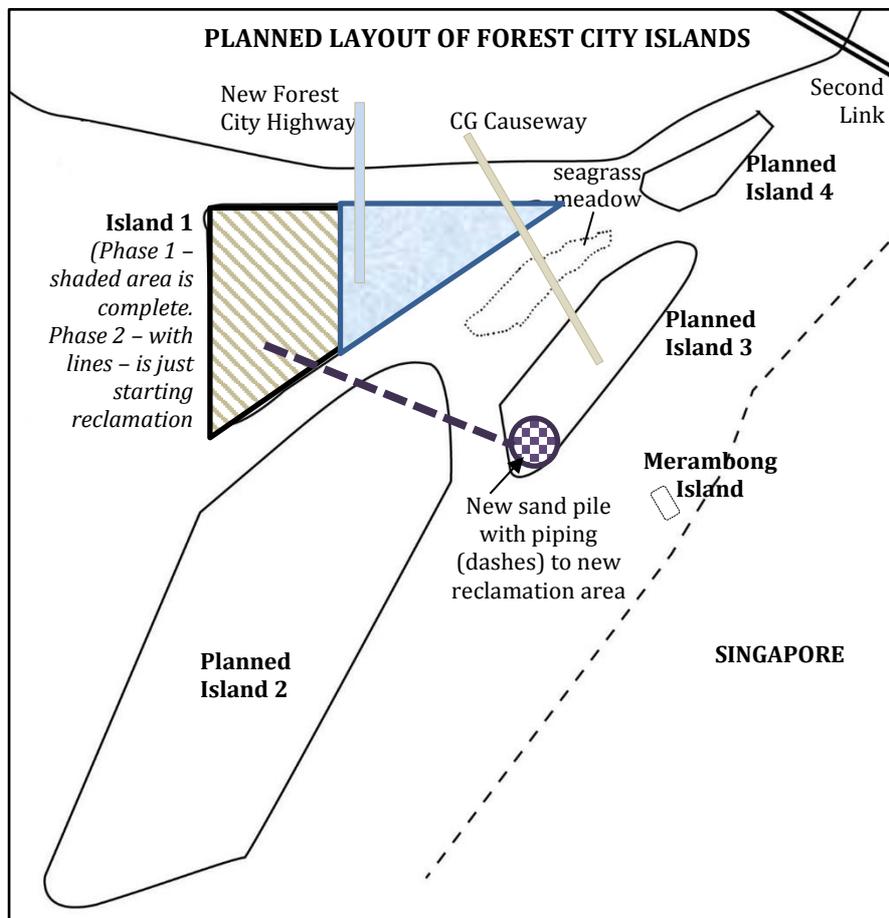
<sup>1</sup> Rahman, S. Johor's Forest City Faces Critical Challenges. Trends in Southeast Asia, 0219-3213; TRS 3/17. ISEAS – Yusof Ishak Institute, Singapore.

<sup>2</sup> "Handover of Forest City Kylin Apartments", iProperty.com, 2 May 2017.

<<http://focus.iproperty.com.my/news/2481/handover-of-forest-city-kylin-apartments>>

<sup>3</sup> Personal observation: fieldwork 2008-2017.

**Figure 1:** The plan for Forest City’s four reclaimed islands, indicating the areas already reclaimed and Phase 2 of the first island, which is just being reclaimed at time of writing.



Source: Reproduced with kind permission of Benjamin Cheh Ming Hann.

Forest City recently announced its Industrialised Building System (IBS) facility, the world’s largest of its kind. This is already partially built in what was about 400 acres of healthy mangroves in the Shahbandar area of Mukim Tanjung Kupang. This facility is said to reduce the developer’s dependency on foreign labour.<sup>4</sup> The IBS factory is actively sourcing for locals to work on its premises.<sup>5</sup> Adjacent to this location is a plot of 2,000 acres of former

<sup>4</sup> “Country Garden set to build world’s largest IBS factory in Forest City”, *The Edge Markets*, 15 May 2017. <<http://www.theedgemarkets.com/article/country-garden-set-build-worlds-largest-ibs-factory-forest-city?from=singlemessage&isappinstalled=0>>

<sup>5</sup> Personal communication with Suria Mohd Sidin, Corporate Communications Senior Executive, 26 April 2017.

Ramsar mangroves<sup>6</sup> that will be converted into three golf courses designed by Jack Nicklaus and an accompanying resort complex.<sup>7</sup>

## MUKIM TANJUNG KUPANG

Mukim Tg. Kupang is a sub-district (*mukim*) of Gelang Patah, Johor Bahru in the south-west of Johor state. It is the smallest sub-district with a population of 10,972 (2010 Census).<sup>8</sup> The area comprises nine villages;<sup>9</sup> most inhabitants are fishermen who share the 10km coastline between the Pendas and Pulai Rivers. There are about 250 registered fishermen in this area; all of whom are artisanal nearshore fishermen who use small outboard engine boats<sup>10</sup>. There are however, many more unregistered fishermen who either fish for supplementary incomes or are unable to get fishing licences. Many others in the community depend on gleaning in the mangroves, mudflats and intertidal seagrass for their daily meals. These are the fishermen (and women) who are greatly dependent on the natural habitats for their subsistence and survival.<sup>11</sup> However, with fishing licences no longer being issued,<sup>12</sup> this group of fisherfolk are not eligible for compensation, assistance or subsidised petrol.

All the fishermen in this area fall under the South Johor Fishermen's Association, but on the ground, they group themselves according to the jetties that they use.<sup>13</sup> Most of the fishermen here are Malays, while a few are ethnic Chinese fishermen who have been in the community for generations. Fishermen from villages across the Pulai River and the Orang Seletar indigenous people who live either upstream in the Pulai River or around Danga Bay in Johor Bahru, also fish in this part of the West Tebrau Straits. The fishermen in Mukim Tg Kupang are largely dependent on the nearby mangrove and seagrass-related inshore

---

<sup>6</sup> Ramsar areas are recognised as wetland areas of international importance. This area is part of the 9,126 hectare Sg Pulai Ramsar site gazetted on 31 January 2003 and recognised as the largest riverine mangrove system in Johor.

<sup>7</sup> "Jack Nicklaus to design a CGH golf course in Johor", *The Star*, 21 April 2017.

<<http://www.thestar.com.my/business/business-news/2017/04/21/jack-nicklaus-to-design-a-cgh-gold-course-in-johor/>>

<sup>8</sup> Forest City Detailed Environmental Impact Assessment report, p. 11-7

<sup>9</sup> Kampung Tiram Duku, Kampung Pekajang, Tanjung Adang, Kampung Pok, Tanjung Kupang, Kampung Ladang, Kampung Pendas Laut, Kampung Pendas Baru and Taman Desa Paya Mengkuang.

<sup>10</sup> "Of reclamation, sand and the royal company", *Malaysiakini*, 18/7/2014

<<http://malaysiakini.com/news/268962>>

<sup>11</sup> Personal observation/ interviews from fieldwork, 2008-2017.

<sup>12</sup> There is an active Department of Fisheries policy to reduce the number of inshore fishermen due to declining catch on the west coast of Johor (Forestry Department/ DANCED, 1999. Management Plan for the Mangroves of Johor 2000-2009. Johor, Malaysia: Forestry Department Peninsular Malaysia/ DANCED.)

<sup>13</sup> Locally referred to as *pengkalan*. There are five of such groups, each with its own appointed leader: Kampung Ladang, Kampung Pendas, Kampung Pok, Kampung Tiram Duku and an amalgamation of fishermen from Tanjung Adang and the former Tanjung Pelepas who use the jetty at the Che Manan River (locally referred to as *Jeti Pak Ngah*).

waters for their daily catch. The DEIA Report states that there is a low average household income figure of RM1,626.<sup>14</sup>

Not everyone in Mukim Tg Kupang is a fisherman. Some former fishermen take on other work to supplement reduced catch and increasing petrol costs, heading back to sea only when there is a guaranteed harvest. Most young men work in the port or in the private sector as lorry drivers, Rubber-Tyre Gantry (RTG) operators, factory workers, security guards, cleaners and other technical jobs. Local women are often housewives or tend to village food stalls, work as cooks, cleaners and in the nearby factories. Several women supplement family incomes with online sales of cosmetics, baked goods and other items. Some in the community commute to Singapore for work in factories or as cleaners but usually for only short periods of time. This is a largely conservative community, with government jobs as teachers, policemen, customs and immigrations officers, or as homemakers, being deemed highly respectable career goals.<sup>15</sup> This caricature of the local community illustrates the difficulties that might be faced should drastic changes occur in its immediate neighbourhood.

## **DEVELOPMENT IMPACTS AND THE MIDDLEMEN**

One of the biggest issues that has arisen from the development of the Forest City project is the habitat damage and how it affects the livelihoods of local fishermen. During the Public Dialogue in Kampung Pok that took place in September 2014 as part of the Detailed Environmental Impact Assessment (DEIA) process, fisherman Anuar Musa of Tg Kupang noted that his income would be affected for the 30-year duration of the project, and that no amount of money could compensate him for the shrinking catch that he was seeing ever since reclamation began. Other fishermen also reported mass fish deaths in the area.<sup>16</sup>

During the meeting, the community disputed the claim that interviews were held with 10% of the population and that focus group meetings with village representatives about the development had taken place. However, interviews with a number of people involved in those meetings revealed that they had indeed occurred in June 2013, before any sand was dumped in the Tebrau Straits. The wider community were simply not made aware of their proceedings.<sup>17</sup> RM3 million had also been handed over from the developer to a group of community and fishermen's representatives in the presence of Johor's Sultan Iskandar Sultan Ismail.<sup>18</sup> Information on this contribution was only announced during the Public Dialogue.

---

<sup>14</sup> Forest City Detailed Environmental Impact Assessment report, p. 11-12 and 11-13.

<sup>15</sup> Personal observation from fieldwork: 2008-2017

<sup>16</sup> "Johor villagers vent anger at mega reclamation project", *Malaysian Insider*, 21 September 2014 <<http://www.themalaysianinsider.com/malaysia/article/johore-villagers-vent-anger-at-mega-reclamation-project#sthash.wyw9iVaY.dpuf.f>>

<sup>17</sup> The writer was shown a photo of a focus group session at a meeting with CGPV representatives in August 2014.

<sup>18</sup> Information on the handing over of this contribution from CGPV was reported by 3 different individuals who either attended the event or were advising the project at the time. This information was corroborated by K. Shanmugapathy, CGPV's Manager of Planning & Development.

After the DEIA report was released, fishermen began to receive compensation. Myriad conversations with both registered and unregistered fishermen revealed however that there were irregularities in the way the compensation lists were decided,<sup>19</sup> but the amounts disbursed seemed consistent between the fishing bases. The first tranche disbursed was RM3,000 (S\$960) per fisherman, with an additional RM1,000 (S\$320) given to those who owned boats. Since that first tranche (paid soon after the Public Dialogue), there were two other disbursements of between RM1,000 – RM3,000 each. The fishermen who were deemed eligible to receive these funds have been given about RM10,000 (S\$3,200) each since the project began. Some of those without licenses but depended on fishing for their livelihoods were deemed ineligible for compensation.

At times, extra compensation is sought from the developer by village and fishermen's representatives, such as in the event of accidents or for loss of land due to the Forest City dispersal link from the Port of Tanjung Pelepas highway. CGPV has provided this compensation on a case-by-case basis, but not all of the monies have necessarily reached the community members concerned.<sup>20</sup> Prior to constructing the dispersal link, many models of the highway were plotted before a final route was decided upon, all apparently in constant consultation with the community concerned.<sup>21</sup>

Aeron Munajat, CGPV's Head of Corporate Communications revealed that CGPV spent more than RM1 million in 2016 alone supporting school programmes, workshops and courses, as well as contributing to the South Johor Fishermen's Association, among others.<sup>22</sup> Since the stop-work order, there has been visible effort by CGPV staff to engage with the community. Several have proactively asked how else they might be able to support the villagers and meet their needs.<sup>23</sup>

Forest City is said to provide employment opportunities that will compensate for livelihoods lost. The DEIA Report recommends that a ratio of at least 30% be set aside for locally sourced employees.<sup>24</sup> However, many villagers do not seem to be aware of the opportunities available. Those who proactively asked for jobs were reportedly discouraged by middlemen and agents. Several have complained that opportunities to sell goods to construction workers (within and just outside their quarters) have gone to vendors from outside the community.

---

<sup>19</sup> The fishermen said that those awarded compensation were decided upon by the South Johor Fishermen's Association and the head of each jetty.

<sup>20</sup> One villager who declined to be named related an incident where her father and cousin almost died in an accident in turbulent waters at the entrance to the Pok River (due to the CG Causeway). Their complaint was sent to CGPV and they were awarded RM20,000 (S\$6,400) to replace their damaged boat, lost personal items and medical fees. But they only actually received RM14,000 (S\$4,480).

<sup>21</sup> Personal observation, fieldwork 2008-2017.

<sup>22</sup> Interview with Aeron Munajat, CGPV's Head of Corporate Communications 14 September 2016. The list of expenses and recipients of these disbursements was shown to the writer.

<sup>23</sup> Personal observation, fieldwork 2008-2017. One of these booths was set up during the annual Pesta Laut (Sea Festival) sponsored by CGPV, held in Kampung Pendas.

<sup>24</sup> Forest City Detailed Environmental Assessment report p. 14-3

Others comment that they cannot afford to pay the ‘rental’ rates imposed on those who take up stall spaces.

A recent survey of unemployed residents who have no political or family connections revealed that many were keen to find work in Forest City.<sup>25</sup> Language barriers are often the primary obstacle for the villagers, with many being unable to speak English and even fewer able to speak Mandarin. Even local Chinese villagers have commented that while their children are able to get jobs in the project because of their ability to speak Mandarin, they do experience a great difference in language, work styles and attitudes between mainland and local Chinese.

Positive feedback on the development does exist, with some shopkeepers reporting better business given increased numbers of people (whether workers, contractors or visitors) to the area. This is corroborated by the number of small businesses that has been set up around the contractors’ quarters’ entrance in Tanjung Kupang. These range from makeshift food and drinks stalls to grocery shops and suppliers of services. There are also a few new hardware supply stores in the vicinity.<sup>26</sup>

## **OTHER IMPACTS**

Apart from environmental impacts at sea, there are a number of other consequences of the development that were not fully taken into account by the DEIA Report.

### *Hazards at Sea*

Since development began, fishermen have reported that the silt curtains put in place to prevent reclaimed sand from washing out to surrounding seagrass habitats and Singapore often lose their moorings in storms and float away. With a lack of markers, reflectors or lights, the silt curtains – whether moored or floating free - pose a hazard to fishermen at night or during storms when visibility is low.<sup>27</sup> Contractors for the developer such as the sand barges have been seen dumping metal and other wastes overboard. This is dangerous in shallow areas; boats have hit these items, resulting in propeller damage and in one case severe boat hull damage. Increased ship traffic within the fishermen’s fishing grounds has added to their troubles. On several occasions, the sand barges have cut through nets resulting in losses of RM1,500-2,000 (S\$450-640) per net. This does not take into account fish catch lost at the time and income lost while trying to find a replacement net.

---

<sup>25</sup> Unpublished survey, December 2016 by Kelab Alami – a local community organisation that works to capacity-build the community for participation in the surrounding development.

<sup>26</sup> Personal observation/interviews during fieldwork 2008-2013.

<sup>27</sup> The most recent problem reported is of accidents that fishermen have with the stakes that the silt curtains are usually tied to. When the subcontractors remove or replace the silt curtains, the stakes are left behind unmarked, and rest just level with the water at mid-tide. These are not visible to boats and several have already rammed into them resulting in severe vessel damage. The villagers are not convinced that they will be able to receive compensation. (Conversations with local fishermen, 4/6/2017.)

There is also the ever-present risk of accidents, with one accident between a sand barge and a local transport vessel occurring in 2015. Apart from potential loss of life is the risk of oil spills and resultant habitat damage with little to no mitigation avenues available. While fishermen have complained of mass fish deaths since the beginning of reclamation work, scientists have not been able to pinpoint the source of the algal bloom. While it may have been attributed to dredging in the area, it could also have been the result of annual climatic cycles, increased rainfall and development from several other parts of the Tebrau Straits and the Pulai River.<sup>28</sup>

### *Hazards on Land*

There are two construction entrances to the Forest City development; the first for heavy vehicle and other access to the CG Causeway (through Kampung Pok Kecil) and the second leads to the workers' quarters which also leads to the CG Causeway (through Tanjung Kupang). The latter access road was initially the only access to the CG Causeway. Given that the development entails land clearing, dredging and reclamation, a multitude of trucks carrying loads of sand as well as other vehicles tracking sand through the village is inevitable. The clearing of mangroves and secondary forest and the building of the dispersal link also generate dust and noise pollution.

With access to these roads immediately in front of local villagers' homes and shops, complaints about the dust have been rife. Houses are reportedly full of dust even when windows and doors are shut, and freshly laundered clothes hung out to dry come back covered in dust. Villagers on motorbikes and bicycles suffer from dust inhalation and particles in their eyes as they ride past these access areas. There have not been any studies or monitoring of local residents' health issues as a result of the development. A few restaurants and food stalls close to the new dispersal link have shut down because of the pollution.

There has been a marked increase in heavy vehicle and other traffic since development began. These travel at pace, even at night, and have led to much tension in the village. With most villagers traveling by motorbike and many children cycling to school on these narrow village roads, this influx of heavy vehicles has greatly increased the dangers of their daily commute. Added to that is the resultant damage to the roads done by these heavy vehicles. CGPV has recently made extensive repairs to some of the roads leading to their development, and have also put in large speed bumps to slow down heavy vehicles.<sup>29</sup>

### *Influx of Foreign Workers*

The Forest City development has brought with it an influx of foreign workers, notably Mainland Chinese and Bangladeshis. The workers' quarters in Tg Kupang also house those working at the CGPV Danga Bay development. Villagers have complained about the workers' freedom to roam about the village, perceiving it as a threat to their children's safety. Some have reported theft of fruit from their front yards. While the workers were initially able to wander freely, CGPV has recently set up guard posts at the entrance and

---

<sup>28</sup> Interview with Dr Leena Wong, University Putra Malaysia, 13 March 2016

<sup>29</sup> Interview with Aeron Munajat, CGPV's Head of Corporate Communications 14 September 2016, corroborated by personal observation during fieldwork 2008-2017.

exit to the workers' quarters and the workers no longer seem able to move beyond their immediate vicinity after a certain time of night. Recent media coverage has revealed that many of these workers are victims of recruitment scams resulting in their being illegal; many have not received salaries<sup>30</sup>. This explains why they have been competing with the villagers at local gleaning sites and raiding nearby Merambong Island for food.<sup>31</sup>

## LOCAL ADAPTATION STRATEGIES

Faced with inevitable and unavoidable change, members of the local community have begun to step up to ease their burdens. Some individuals have attempted to help the fishermen diversify their target species so as to stabilise their incomes (considerations of future stocks notwithstanding). Members of the Orang Seletar indigenous community have set up mussel breeding ropes along the coast and several local fishermen are keen to follow suit. University Putra Malaysia (UPM) is currently planning to set up an oyster and mussel breeding programme in collaboration with Kelab Alami; training and enabling members of the local community to participate in relatively simple and affordable aquaculture endeavours. CGPV has also expressed interest in replenishing local fisheries stocks through the release of juvenile crabs or other species and has proactively approached UPM and Kelab Alami to make this a reality. This initiative is among others started to develop alternative and supplementary sources of income for all members of the community through ecotourism and entrepreneurship development.

Driven by one individual's attempt to garner better prices for the fishermen by becoming a 'middle-man' himself and paying higher prices, others who come to the village to buy seafood have also been forced to increase their prices, thereby improving earnings for the fishermen. In collaboration with the Iskandar Regional Development Authority's Friends of Iskandar (IRDA-KIM) programme, this initiative will soon become part of a registered cooperative to solidify benefits for the wider community.

## CONCLUSION

The Forest City project is set to improve Johor's economic standing. The environmental ramifications of the four reclaimed islands will be long-standing and profound; and there is no denying the extensive habitat damage and other losses to the community.

However, steps can be taken to mitigate and reduce the negative impacts as well as enable communities to participate and benefit from development. The key to this are capable and credible expertise providing accurate information and the right advice, and the involvement of all levels of the community in deciding what they need and want, as well as ensuring that compensation offered and provided reaches those who need it the most.

---

<sup>30</sup> "Broken dreams - the plight of Forest City's migrant workers", Malaysiakini, 8 May 2017. <<http://www.malaysiakini.com/news/381555>>

<sup>31</sup> Rahman, S. Johor's Forest City Faces Critical Challenges. Trends in Southeast Asia, 0219-3213; TRS 3/17. ISEAS – Yusof Ishak Institute, Singapore, p. 32.

<p><b>ISEAS Perspective</b> is published electronically by:</p> <p>ISEAS - Yusof Ishak Institute 30 Heng Mui Keng Terrace Singapore 119614</p> <p>Main Tel: (65) 6778 0955 Main Fax: (65) 6778 1735</p>	<p>ISEAS - Yusof Ishak Institute accepts no responsibility for facts presented and views expressed. Responsibility rests exclusively with the individual author or authors. No part of this publication may be reproduced in any form without permission.</p> <p>Comments are welcome and may be sent to the author(s).</p> <p>© Copyright is held by the author or authors of each article.</p>	<p>Editorial Chairman: Tan Chin Tiong</p> <p>Managing Editor: Ooi Kee Beng</p> <p>Editors: Malcolm Cook, Lee Poh Onn and Benjamin Loh</p> <p>Assistant Editors: Vandana Prakash Nair, and Veena Nair</p>
---	--	--