

Crime exacting toll on KL's economy, stress levels
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KUALA LUMPUR, Aug 13 — The Klang Valley's crime rates are causing the already high cost of living and doing business to go up even as the stress of constantly looking over their shoulders impacts the productivity of residents and their feelings of well-being.

From shopping malls to restaurants, from homes to offices, Malaysians living in and around the nation's capital are having to shoulder the burden of spending more on safety measures due to a general sense of insecurity that was made worse by a spate of shocking crime incidents in the past few months and a feeling that more people they personally know were becoming victims of crime.

File photo of cars for sale on display in a shopping mall in Putrajaya. Businesses, homes and offices are feeling the stress of the increasing crime rates. — Reuters pic
The diversion of money into security risks cutting into the amount available for re-investment into more productive areas of business could even deter investment altogether as well as reduce the consumption power of Malaysians just as the country is trying to rebalance its economy to depend more on domestic spending rather than external demand.

Ken Wong, 35, who operates several kopitiam-style cafes and lives in a gated community here, says he feels like crime has not only gone up but also increased the costs of living and doing business.

In addition to the over 20 CCTVs he installed, Wong recently signed up to spend over RM300 a month for a new panic button service for one of his cafes that will allow staff to call for help with a touch of a button in the event of a robbery. He also opted to increase his insurance against theft on the premises.

"I now pay more for my insurance premiums and the new panic button service which could be money saved if area security is better," he said.

His home in a hill-top gated community in KL also comes at a high price of a RM1,200 monthly fee.

The high charge is due to the fact that because the area is completely enclosed by motion sensitive perimeter fencing, the neighbourhood has to incur additional costs to take ownership of its roads and street lights and services such as landscaping and garbage collection as the local town council will no longer be responsible.

But the RM1,200 also buys peace of mind as neighbours can leave their gates open — a rare luxury in KL — without overwhelming fear of getting robbed by parang-armed gangs.

"If possible, I wouldn't want to have to pay so much," he said. "Paying RM1,200 is almost like paying instalments on a new mortgage."

Many others in KL are not so lucky as their neighbourhoods have so many entry points that it is too difficult to block access to outsiders even if they could afford the additional costs to buy extra security.

Wong says that his aunt, who lived in an ungated neighbourhood in northern KL before moving to Puchong, had her car stolen twice in one year about two years ago.

Shopping malls in the Klang Valley are apparently also having to overspend on security compared to their counterparts in developed countries.

Malaysian Association for Shopping and Highrise Complex Management president H.C. Chan said that on a recent visit to Australia, he was exchanging notes with executives of a shopping mall there and was surprised to discover that they only needed 15 security personnel for a shopping mall that is larger than KL's MidValley Megamall.

"A similar-size mall in Malaysia would have 10 times more security guards," he said. "This trend is quite common. In UK, it is also the same case as in Australia. We are spending more per capita on security than other countries."

Chan, who is also CEO of Sunway Shopping Malls, said he was worried the country could develop a reputation that would scare away tourists and impact the RM1 billion-a-week tourism industry, of which about a quarter goes to shopping.

He said he hasn't seen a significant impact on shopping malls yet but is concerned the stories on crime will be picked up overseas.

Datuk Akhbar Satar, the director of HELP University's Institute of Crime and Criminology, said the crime rates that contribute to a sense of insecurity could be related to the level of development of the country.

"It is important that integrity is part of a child's upbringing," he said.

Akhbar also said there was a lack of interest in crime research in the country.

"People like to study politics but not crime," he said.

Akhbar added that crime could have a dampening effect on productivity and investment.

"If people felt more secure, they would be more willing to stay late at the office," he noted. "If there is lack of security, who would want to invest?"

RAM Ratings chief economist Yeah Kim Leng said the most direct cost of crime on the economy was the toll on human resources.

"If people are directly hit by crime, there is a loss of productive capacity and there is also the psychological cost — the fear — and it may also result in the pullout or closure of business," he said.

Yeah said if insecurity became pervasive, it could lead to lower levels of investment as more feel deterred from starting a new business as well as a re-allocation of resources to safety matters.

"The increased cost of doing business will have a dampening effect," he said. "The worst-case scenario is that there is a total loss of confidence and then businesses and people will take flight."

Yeah noted however that official statistics point to a drop in crime rates despite the widespread public concern.

"What they need to do is redeploy resources to crime hotspots," he suggested. "And show a detailed breakdown of statistics to give people greater confidence in the figures."

Residents in the Klang Valley have long lived in fear of having their bags snatched or being attacked in their own homes by violent criminals, resulting in the sprouting of makeshift security posts barricading entry into various housing estates around the city and the increasing popularity of gated and guarded new housing developments.

The Najib administration vowed to reduced crime under the Government Transformation Programme (GTP) launched in 2009, but the spike in sensational crimes such as a series of attempted kidnappings at popular shopping malls in recent months brought the issue of public safety back into the fore

The government sought to allay fears over the apparent surge in crime rates by releasing statistics showing the country's crime index dropped by 10.1 per cent to 63,221 cases in the first five months of this year from 70,343 during the same period last year.

The new chairman of the GTP National Key Result Area Secretariat, Datuk Wira Ayub Yaakob, had said that the implementation of the crime reduction initiative will be reviewed and enhanced.

For people like café owner Wong, however, statistics showing a drop in crime have not been of much comfort.

"It is mentally distressing to have to worry about our safety every time we leave the house," he said.

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