

ULASAN BUKU/BOOK REVIEWS

Emerging Governance and Economic Issues in the Construction Industry in Malaysia by Omar Osman, Penang: Penerbit Universiti Sains Malaysia, 2008, 206 pp.

Energy and Ecology – A View of Malaysia Beyond 2020, by Hugh Byrd, Penang: Penerbit Universiti Sains Malaysia, 2008, 70 pp.

The School of Housing, Building and Planning at Universiti Sains Malaysia (USM) began in 1973 and during the following few years, there was a book that was widely circulated by the faculty among students called the *Manual of Tropical Housing and Building: Part 1 Climatic Design* written by O. H. Koenigsberger, T. G. Ingersoll, Alan Mayhew and S. V. Szokolay. The book was published in 1974, by Longmans, but one new copy can still be obtained for US USD 150 and two used ones at Amazon.com for USD 65.99 the last time I checked. The school must have ordered numerous copies (then hot off the press) – presumably the book was to be the *playbook* with which building design in Penang and Malaysia would be based. Instructions were given as to how factors such as temperature and heat flows, lighting and sunlight, as well as noise could be taken into account when a building was constructed right down to how much window awnings have to protrude to shade off the sun's rays. The book was teeming with formulae, charts and graphs and there was even a sun-path protractor that marked off solar angles for different hours of the day at different times of the year for different latitudes off the equator.

Alas, I am unsure if housing and building students that pass out from USM did indeed apply all these factors when they went off to build their own buildings in real life, but USM did teach the relevant principles to them within the curriculum. Three decades henceforth, Omar Osman has taken upon himself to write his own "manual" to serve as *platform*, as he puts it, upon which the construction industry could be analysed given the specifics of Malaysia. Having been on the faculty of the School of Housing, Building and Planning himself, presumably his intention would be to also widely circulate his book among students in the school as well. Professor Omar's book, *Emerging Governance and Economic*

Issues in the Construction Industry in Malaysia is about governance, the role of the state and international organisations, innovations and markets, suggesting that putting up buildings, and the way builders need to be instructed, has gone beyond mere structural design factors like those found in Koenigsberger et al., and into the more nebulous terrain of economics, regulatory regimes, business models and innovation technologies. In other words there is this shift that has taken place from having to know not only the hard science of building construction techniques but, increasingly, one has also to begin to grapple with the soft science of the evolving building industry. Housing, building and planning students need to be more sophisticatedly prepared these days not only for the science but also for the business of the industry.

One glaring omission, however, is the absence of financing models. Omar did acknowledge in his *preface*, that the book “is by no means a complete collection and analysis...” Nonetheless, the viability of any investment venture, including property development will depend much on the flow of funds – how much and at various pre and post construction phases of any project. No book that aims to address economic issues can neglect the financing aspects. The funds from which building properties have been financed over the past decade, that is the mortgage market, had grown into more than ten trillion dollars in the US alone – the subprime (loans given to less credit worthy borrowers) debt within this total mortgage is one to two trillion dollars. The property market of this magnitude means that a greater number of folks in the US have financial access to purchase properties and at the same time the building industry benefits by supplying homes to these folks. It is not as often mentioned, but this huge financing became possible only with the passing of the Gramm-Leach-Bliley, or *Modernization of Financial Services Act* of 1999 that allowed American banks to raise capital in ways they have been prohibited from doing since 1933 by the Glass-Steagall Act. Today, of course, the property market crash has caused the subprime market to fail and induced a financial meltdown across not only the American economy but also much of the world fueling fears of a global depression.

In the case of Malaysia, the Capital Market Master Plan (CPM) was launched in February 2001 to act as the preferred fund-raising centre for Malaysian companies through the creation of a domestic investment management industry comprised of competitive and efficient market

institutions and intermediation services operating in a liberalised regulatory regime. Part of the scheme was also to develop an international Islamic capital market centre. There are 24 strategic initiatives and 152 recommendations proposed involving market institutions, the stock-broking industry, the derivatives markets, investment management, the equity and bond markets, the Islamic capital market, technology and e-commerce, training and education, corporate governance as well as the regulatory framework.

Provisions for the issuance of *real estate investment trust* (REIT) were made in Malaysia under the 2006 public sector budget, even though Axis-REIT had already been listed by the *Kuala Lumpur Stock Exchange* in August 2005. In place of the broader scope of financing for the construction industry in Malaysia, Omar's book elected to focus instead in greater detail the issue of privatisation for which a variety of problems (political, institutional, economic, managerial, social) could be addressed and allow the building industry to grow. Privatisation could be achieved in a variety of ways and there will be pros and cons. Useful to readers, the prose that discuss issues and problems are summarised in many table listings throughout the book offering the convenience of making quick looks and reminders in check-list fashion. No need to look for the passage again when one is doing planning and making decisions.

The many table summaries make the book useful to practitioners who tend to have less time to gather information from what is a wide array of sources. Practitioners also have little time to philosophise about where the industry should be heading. There are fifteen pages of references – mostly reports and many obtainable from the Internet via the given hyperlinks. Readers are encouraged to pursue the necessary details that a book with a fairly wide scope cannot do. For students, it is useful as a class text but only to a limited extent. If the intention, in the classroom, is also to debate about the political, institutional, economic, managerial or social positions pertaining to the building industry or its developments in the country, then the book does not have sufficient depth. There are only a few scholarly references in the list since the intention was not to get into difficult arguments over fine points. For instance, sustainable development is among the main issues the book deems critically important, having dedicated two out of nine chapters on this subject. The book says sustainable development is defined in a number of ways and then lists a selection of five statements taken from

Gro Brundtland (1987), William Rees (1989), Robert Gilman (1990), Herman Daly and Kenneth Townsend (1993), and the US President's Council in 1996. Seeing this list, the academic reader would immediately brace himself or herself in anticipation for a hot debate about how strong or weak (the way mathematicians would distinguish between strong and weak conditions) should sustainable development be defined considering that the concept has undergone some evolution in the decade that followed the report made by the *United Nations Commission on Sustainable Development*. In sustainable development literature, there is consensus on the broad issues but the mechanics and approach towards achieving sustainability differ and thus make useful debate. The book, unfortunately, says no more and goes on to the next item on the writing agenda.

It is like that with books isn't it? Different readers have different expectations and often times the book titles that gets us interested often end up not to be what we hope. Meanwhile another reader would say this is exactly what he or she has long been searching for in terms of their referencing needs. For a publisher like Penerbit USM, it too has to make that difficult decision of publishing books to meet the needs between general and specific readers. This is likely why books in the stores can either cost only RM20 to RM30 or go up into the hundreds of ringgit depending on the scope that will appeal to either a large readership or only to a select few.

In this connection, Hugh Byrd's *Energy and Ecology – A View of Malaysia Beyond 2020* comes to mind. The book is a compilation of lectures that he gave at USM in 2006. Professor Byrd is a skillful orator and hence his essays are clear, concise and straight to the point. He has also dutifully completed each of the nine chapters with a list of references and listed another seven titles, at the back, as recommended readings that would provide the basic background knowledge to the topics covered in this series of lectures. The general reader would be well-informed by the time the book is read cover-to-cover having gone through 70 pages inclusive of the index pages – about an afternoon of quiet reading. Imagine then if the book is widely distributed in the country and if those who get copies take a brief respite from their regular chores to sit and read, think how effective will be the spread of awareness over energy and ecological issues in the country? Officers

from the Information Ministry might consider helping out with distribution.

On the other hand, the scholar who comes across the title, one that alludes to possible scenarios about Malaysia's energy and its ecological future with some degree of initial excitement, he or she would very soon be disappointed. Much of environmentally related writing adopts the format: Such are the current facts and projecting current scenarios into the future then the outcome to be expected would be as follows. Sort of if-then statements based on simplistic assumptions that actually makes passing on the intended message very effective. Only thing is, the scholar has much more ambitious objectives. The scholar posits that there will be scope for political, economic and social responses either as adaptive or as mitigating measures and therefore future outcomes might vary depending on options taken. But what are these measures? How will these be achieved? Are they privately driven or will collective public action be the only effective means? Will the solution ultimately lie with technological innovations or is the ecological problem actually a problem that concerns economics?

The challenge of approaching ecological problems is methodology. Volumes have been written and numerous models have been put forth both applied and theoretical and literature of this type is what scholars have been busy gathering. The current facts about the environment do not change, but applying various analytical tools such facts can be better understood and, in turn, future options become more prospective and therefore also more varied. As a result potential future prospects give rise to different policy options so that social choices become clearer. In the case of Malaysia, the nation's obligatory role as signatory to the *United Nation's Framework Convention on Climate Change* (UNFCCC) in coming out with *Malaysia: Initial Communication* published by the Ministry of Science, Technology and the Environment (MOSTE) on July 2001, (<http://unfccc.int/resource/docs/natc/malnc1.pdf>) presents, yet another view, about Malaysia's environmental future if compared alongside Hugh Byrd's book. The big difference, however, is while Professor Byrd's book is put together based on his experience and knowledge from existing literature when looking at Malaysian statistics, MOSTE's publication was written based on a separate but more detailed technical report complete with data sources and methodology. It is a sad oversight given that references were made to climate change in the book

but yet the investigation into the problem by Malaysian scientists and the country's policy position publicly announced as a national communication to the world is not commented on.

Chan Huan Chiang
Centre for Policy Research
Universiti Sains Malaysia
Penang