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# Resetting economy, society and the world

**The Great Reset: How New Ways of Living and Working Drive Post-Crash Prosperity**  
 Author: Richard Florida  
 Publisher: Harper Collins

Review by **ABBY WONG**

**A**N economic downturn is always unwelcome. But amidst even the worst depression, there is always a silver lining. This hope is firmly held by Richard Florida, a renowned American economist and urban theorist who has authored three international bestsellers on social trends of the 21st century, *The Rise of the Creative Class*, *The Flight of the Creative Class* and *Who's Your City?*

In his latest book, *The Great Reset*, Florida sets his foot into economics, calling the current financial woes the necessary adjustments that will eventually give rise to new epochs of inventiveness, ingenuity, economic growth, and prosperity. But Florida is not being imprudent. Lest he upsets millions of people affected by the current downturn, he backs this idea with facts drawn from both history and rigorous research.

With flair of a storyteller, Florida recounts causes of the Long Depression of 1870s and the Great Depression of 1930s, and analyses the ensuing social and economical effects – the rise of innovation, changes in infrastructure, geographical resettlement and alteration of ways of living and working. Florida calls these adjustments resets and thinks the next Great Reset will take place soon or even now, if not already.

But what has worked in the past will not work quite as well in this era. No longer is our economy driven by manufacturing and factories like it was in the 20th century.

Connected by a web of countries across the world and confronted by a mélange of problems never before seen as imminent, today's economy can only be propelled by ideas and creativity.

Furthermore, with the busting of consumerism, restarting economic growth this time requires more than boosting spending but a new socio-economic framework that is in line with frugality, flexibility, conservation and environmentalism.

With his trademark blend of wit, verve and analysis, Florida presents an optimistic future and a society that he

envisions as vibrant, mobile, prosperous and creative. To achieve this vision, he calls for abolishment of certain long-held beliefs, realignment of our way of life and redesign of governments' policies.

So, will the current crash usher in a new age of thrift, caution and frugality? Will car-ditching be the next badge of honour, replacing car-loving? Will troubled, if not deserted, industrialised cities be revitalised? With mortgage lending became overblown and began to undermine the economy, will house ownership be replaced by renting?

Finally, will education, infrastructure, employment, and the role of government be improved, adjusted and attuned?

Yes to all that, according to Florida, as he puts forth his reasons and suggestions. For instance, to breathe life back into abandoned industrial cities, he suggests a high-speed rail system that is faster than a speeding bullet, knitting active and dormant cities together to form mega-regions.

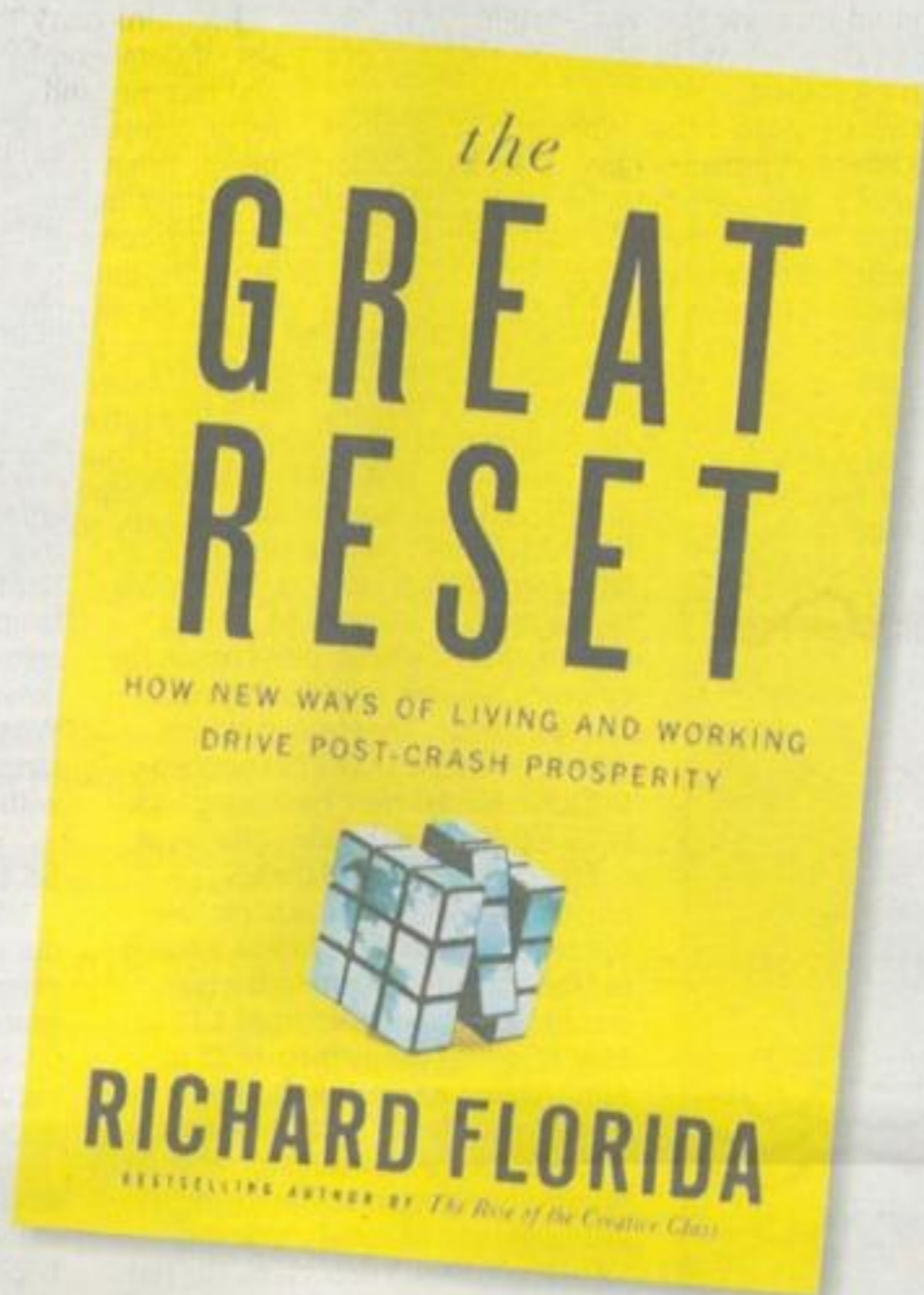
On jobs, which are fast disappearing as a result of the crash, Florida advocates creative job creation by knowledge professionals, rather than depending on big conglomerates that hire and fire and then close down when crisis takes place. On housing and cars, bigger is no longer better, while renting will be the new normal, more for mobility reason than for cautious introspection.

Though some changes may have already taken place, the real challenge, according to Florida, lies in the efficient and productive use of capital, which has become dangerously scarce after the financial crisis. Only by making intelligent investments in new infrastructure that goes beyond the current energy and environmental constraints, can we build a new creative economy and society that is vibrant and prosperous.

*The Great Reset* is a fantastic book that I think should be read especially by all policy makers seeking an inkling as to what will and should happen in the aftermath of this disastrous financial meltdown. Although much of the context is drawn from the United States, it is very much written for the emerging economic and social landscapes of the world.

Indeed, I closed this immensely stimulating book with a sigh and reflected on what seems to be a poverty of natural resources we are facing and wondered for how long the earth can endure human destruction before arriving at the much better world that Florida envisions.

Not too long, I hope.



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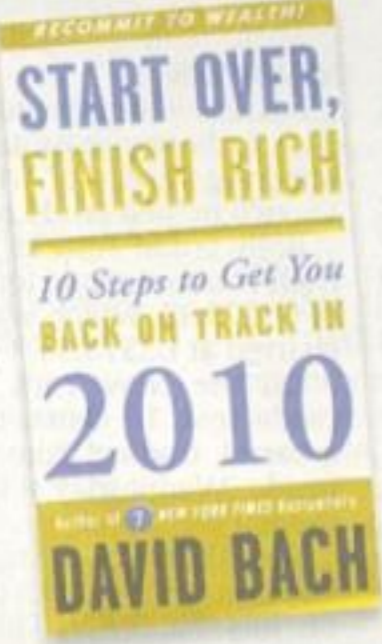
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**SNAPSHOTS**

By **THEAN LEE CHENG**

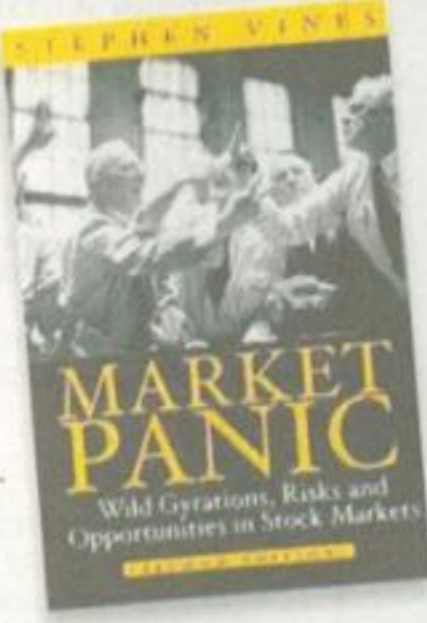
**Start Over, Finish Rich: 10 Steps to get you back on track in 2010**  
 Author: David Bach  
 Publisher: Broadway Books



YES, we know, half the year is gone, but this book is no less helpful. Financial expert David Bach says a recession is a terrible thing to waste. There will be opportunities here and there, and he gives some steps, some of which include getting out of debt, fixing your credit, rebuilding your plans and taking smart risks.

He also suggests reorganising your financial life for the high-tech age and updating your real estate plan. As the economy recovers, Bach says, you must set up to recover with it. If there's double dip, ummh! ... It's still only wise to try to reduce your debts.

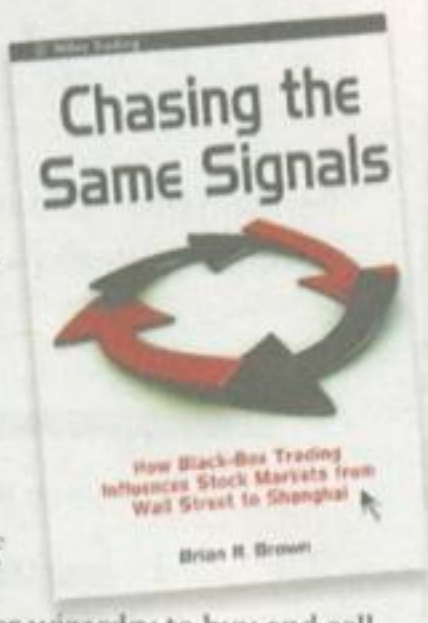
**Market Panic: Wild gyrations, risks and opportunities in stock markets**  
 Author: Stephen Vines  
 Publisher: John Wiley & Sons



THE market panic of 2008 ranks alongside the great panics of 1929 and 1987. In this updated and revised edition, Stephen Vines shows why some of the distress experienced by investors may be misplaced. Many fail to understand that the greatest opportunities in stock markets come at times when investors desert them in droves.

Offering insights into the crash of 2008, this book explains how it came about and to a certain degree, how market panic can be predicted. Vines trawls through the history of stock market panics to help readers understand how market works.

**Chasing the Same Signals: How black-box trading influences stock markets from Wall Street to Shanghai**  
 Author: Brian R Brown  
 Publisher: John Wiley & Sons



AUTHOR Brian Brown offers insights into the world of cybertrading, and speculates on a future in which Wall Street is dominated by computers. Over the decade, black-box trading has come of age. These firms use mathematical formulas and computer wizardry to buy and sell stocks. The industry attracts the likes of mathematicians and physicists. Known as black-box firms, they were the first to feel the impact of the crisis, and the best prepared during the aftermath.

The rise of these firms has led to some important questions. Are they creating volatility in the market? What happened to the buy-and-hold investor? Why are large price swings and reversals more prevalent than ever?