

WINDOWS INTO HISTORY ONE:
**SABAH'S FIRST MEGA-PROJECT
FOR THE
PAN BORNEO HIGHWAY**

Windows into History One:

Sabah's First Mega-Projects

for the Pan Borneo Highway

19 August 2020

When designed well, roads bring connectivity between communities and foster economic growth. Roads have become potent symbols of development; we feel nationalistic pride at the sight of glistening tar roads and four-lane highways appearing in drone footage introducing our country to the world.

Realistically, there is a major difference between a useful road and poorly designed transport mega-project, and we have tended towards the latter in Sabah. The prevailing goal seems to be getting Sabah's hard-earned resources back from the federal government to enable a catch up with Peninsular Malaysia.

Edward G Merrow spent his life working on mega-projects around the world and in a book focused on about three hundred cases he said, "over half have miserably poor results including billions of dollars in overruns, long delays in design and construction, and poor results once finally completed". The answer lies in bad "project shaping." The decision-makers behind these projects did not spend enough time working out a proper business case with the stakeholders, the community and the experts before launching, and despite advertisements of typically strong political purpose, they proved to be a dangerous way of spending money for development. As we rebuild from COVID-19, we must be ready to re-evaluate some of our investments in mega-projects.

Sabah can learn from the issues of mega-projects in other countries, and from peering through the window of its own history. Sabah's first mega-project was a colonial one, birthed in 1894, and focused on crossing the interior through Kalabakan, without a genuine cost-benefit analysis. The project sought to run a telegraph line, and a grand trunk road across the little-known mountain and jungle between Labuan and Sandakan. Further, it would build the Trans-Borneo Railway to connect Brunei Bay and Sandakan; a project that ended in disaster, foretelling the reasons for failure found today.

In 1884, the once competent North Borneo Chartered Company came under the control of Cowie who imposed grand plans from London, which he claimed would make the colony and his shareholders rich, while satisfying his need for self-importance. With no studies or consultations, Cowie's poorly conceived mega-projects sucked up all available capital needed for continuing practical investments and mistakes were paid for by raising taxes. This wiped out the gains from exports between 1881 to 1894.

Cowie pushed through his schemes bypassing normal channels of governance and making deals with favoured contractors working without oversight and with unlimited budgets. This damaged the confidence of the locals and private investors in the government and led to the departure of many competent government staff.

 info@leapsipral.org

 [@humanshabitatshighways](https://www.facebook.com/humanshabitatshighways)

 [@humanshabitatshighways](https://www.instagram.com/humanshabitatshighways)

Cowie's Telegraph and Trans-Borneo road were budgeted at £5,000, but when the project wound up nearly three years late it had cost four times that much even though building the road itself had been quietly abandoned. To get out of the mess he created, Cowie rushed into another mega pet project, namely the Trans-Borneo Railway. Cowie appointed A.J. West, an inexperienced friend as railway superintendent who was given authority independent of North Borneo's government. The Trans-Borneo Railway project resulted in a mere 30-mile track up to Tenom from Weston, 20 miles to Beaufort, and 57 miles up the west coast to Jesselton which became accidentally useful because it ran through padi and rubber lands.

Building the railway was a financial and engineering mess. Reforms by Governors like Sir Earnest Woodford Birch who knew a lot about railway building from Malaya were blocked by Cowie, but Birch did introduce rigorous policies around simple bridle tracks between the towns. This modest, practical approach did more for trade and economic growth than any other pre-World War Two infrastructural investment by the Company.


Only after Cowie died in 1910 was it possible to address the railway issue, dismiss West, and deploy genuine expertise. On the Jesselton to Beaufort line, investigations found that "every bridge and nearly every sleeper and bank was reported unsafe, the gear was faulty and the management ill-organised". Recommendations were to rebuild and place it directly under the control of the government in Borneo. It took until 1923 to complete that rebuilding, at a total cost of £800,000 as against the original budget of £107,000.

The Company never recovered which is why North Borneo stagnated economically for so long and with so few roads. It was only when the British Government took over after World War Two that new capital and real planning enabled development of Sabah's modern road network, starting with the humble jeep tracks which kick-started farming.

Coalition 3H asks: What are the takeaway lessons from history: should we question if the Pan Borneo Highway route across Kalabakan is what the Sabahan economy needs now? Are there more urgent investment needs in infrastructure than to build a costly four-lane highway? Federal funds for top down mega-projects should not be grabbed blindly as windfalls with only benefits and no costs for Sabah; history warns us that mega-projects burden economies, waste taxpayers money, and breed conditions for poor governance. Now is the time to evaluate effective ways to invest Federal funding in Sabah and in these election times think deeply and imaginatively about our plans to develop the state.

Ends.

 info@leapsipral.org

 [@humanshabitatshighways](https://www.facebook.com/humanshabitatshighways)

 [@humanshabitatshighways](https://www.instagram.com/humanshabitatshighways)