

BOOK REVIEW

Sultan Nazrin Shah (2024). *Globalization: Perak's Rise, Relative Decline, and Regeneration*. Oxford University Press.

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Perak, the state of northern Malaysia with 2.6 million residents and GDP per capita of MYR37,170 in 2023 (68% of Malaysia's average), used to punch above its weight. Perak reaped the returns of tin and rubber production from the late 19th century until the 1980s, but stagnated when local production and world prices fell. Perak's economic progress lagged while other Peninsula states, especially Selangor and Penang, forged ahead. But there may be hope for future growth and development.

Globalization: Perak's Rise, Relative Decline, and Regeneration, by Sultan Nazrin Shah, provides a comprehensive account of the state's economic history since the first wave of 19th century globalisation. This book follows the author's previous formidable works, *Charting the Economy: Early 20th Century Malaya and Contemporary Malaysian Contrasts* (2017) and *Striving for Inclusive Development: From Pangkor to a Modern Malaysian State* (2020).

Sultan Nazrin continues in the same vein of providing rich historical narrative and rigorous empirical analyses, shining the spotlight now on the realm of Perak. The colossal amount of research, thought and writing, filling out 566 weighty pages, are inspired by a resolve to present to Perakians – to whom the book is dedicated – a definitive record of their state's long journey viewed through the lens of globalisation. The book's numerous illuminating maps, and curation of archival photos in chapter title pages, add to its visual impact and a sense of homage paid to the land.

Readers of any place of origin have much to appreciate about this book. The structure, encapsulated in its title, provides a cohesive overarching story and a clear roadmap, complemented by engaging prose and recurring themes that flesh out the plotline. Sultan Nazrin collates and synthesises insights from a wide literature, and corroborates his arguments by copiously referencing official statistics and analyses of national survey data, as well as original findings from his pioneering construction of historical GDP series. Alongside the documentation of structural change in Perak's economy and its global and local drivers, the book helpfully traces parallel developments in migration, urbanisation, labour markets, income and socioeconomic development.

Globalization: Perak's Rise, Relative Decline, and Regeneration provides a condensed overview of Perak before the mid-19th century, to set the context for the economic gains that would follow. Rich mineral deposits had been fought over for centuries by "rapacious neighbours and foreign invaders". The discovery of tin

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deposits, coupled with burgeoning global demand, heightened the fight for mining fields, thereby unleashing “disruptive pressures and destabilising forces” in Perak’s decentralised political system. The Pangkor Treaty of 1874 brought Perak under British protection, which quelled the conflict – albeit with some continued resistance – and ushered in rapid expansion of the tin industry and the shift from Chinese to British dominance, together with increased scale and mechanisation. More broadly, “the states of the Malay peninsula became progressively integrated into a colonial-centric model of globalization.”

The importance of tin, and subsequently rubber, is demonstrated in the correspondence between these sector’s vitality and Perak’s prosperity. The industry peaked in the mid-1890s, when Perak accounted for a quarter of world tin output, and half of Malaya’s. Perak continued to be the world’s largest tin producer until 1981, but depleting tin reserves and collapses in global tin markets in 1980s buried the industry for good. Rubber, bolstered from the early 20th century by demand for automobiles and bicycles, was entirely a colonial economic transplant. Rubber estates were expanding generally, but Sultan Nazrin credits Perak for being a “prime mover”. By the early 1920s, Perak accounted for 25% and 13% , respectively, of Malayan and world rubber production.

Perak’s rise, the book’s first theme, extended into the 20th century and translated into the state’s GDP per capita exceeding Malaya’s through the pre-World War 2 period (1900–40). These decades witnessed waves of immigration: Chinese into tin mining towns, Indians into rubber estates. However, Perak’s economy had a dualistic structure, with thriving tin and rubber sectors alongside low-productivity agriculture. The Great Depression of the early 1930s also hit Perak harder, given its greater exposure to world market vagaries. Another double-edged aspect of the Perak economy was the British dominance in the commanding sectors, which extended beyond Malayan independence in 1957. Government policy ensured continuity in a key sector but preserved the concentration of foreign interests, and inhibited domestic industry.

The New Economic Policy (NEP) sought to redress multiple structural problems and inequalities in Malaysia’s political economy, including pervasive poverty, gaping inter-ethnic divides, and high foreign ownership. The literature has devoted the bulk of attention to these issues, which were the primary policy concerns in the aftermath of the May 13th, 1969 ethnic violence. Nonetheless, the much lesser attention to spatial and regional disparities is arguably incommensurate with the importance of these dimensions of inequality.

The start of the book’s second theme – Perak’s relative decline – is time-marked from 1957. The state “fared less favourably since independence than its peers, despite being one of the wealthiest and most urbanized states in the country at the moment it entered nationhood”. Perak’s lagging progress becomes more salient in the NEP era, particularly its official timeline of 1971–90 which also coincides with the onset of globalisation’s second wave. Sultan Nazrin references the federal government’s commitments to narrowing regional disparities, and the opportunities for realising this objective by spreading the gains from burgeoning investment and trade flows, particularly with the growth of the manufacturing sector in Malaysia. However, new opportunities for diversification into manufacturing, employment creation, and foreign

direct investment, notably in the free trade zones established from the 1970s, largely bypassed Perak. State governments also continually struggled to generate revenue, and Perak received disproportionately low federal development spending. Outmigration to other regions, especially Selangor and the Klang Valley, persisted.

The next time bracket of his book, 1990 to 2020, covers Perak's continually lagging development. The economy became more diversified, with growth in palm oil and food agriculture, manufacturing, and services, especially tourism, but its structural transformation was slower and investment lesser than other west coast Peninsular Malaysian states. At the same time, the book notes, Perak registers lower income inequality.

While the economic progress and challenges, captured in output growth and structural change, take up the most space in *Globalization: Perak's Rise, Relative Decline, and Regeneration*, they are the means to an end. Sultan Nazrin commendably upholds well-being and equitable distribution, reflected in household income, health, education, and socioeconomic indicators, as loftier goals. And while these data helpfully summarise the big picture, the book also implicitly acknowledges their limits by identifying specific concerns or policy challenges that elude such aggregate statistics. The contents of various pages, notably box articles on the struggles of rubber smallholders and the impacts of Covid-19 on families, emanate a desire for equity and inclusiveness to guide Perak's economic policy.

The third theme of regeneration caps off the book. Contemporary Perak pursues its catch-up mission amid vastly new circumstances. Globalisation has been transformed in the post-2020 world, with new uncertainties and challenges on top of the hurdles of seeking new growth engines in a de-industrialised economy. Nonetheless, the book projects optimism, proposing that Perak focus on "creating an enabling entrepreneurial environment... identifying current and potential assets, ... [and] building a deep pool of local talent." These policy pillars, and specifics such as fostering synergies with neighbouring Selangor, are informed by the book's deep analysis and merit consideration at the highest policy levels.

Globalization: Perak's Rise, Relative Decline, and Regeneration demonstrates the immense value of focused, in-depth, and multidisciplinary longitudinal study. The state's uniqueness shines. Perak's economic history also shows parallels with the rest of Malaysia, especially resource-rich states, and other subnational regions around the world. This book makes an outstanding contribution to the literature; it covers centuries of change with a clear arc, which enhances its relevance for today.

