

**Globalisation: Perak's Rise, Relative Decline, and Regeneration, by  
Sultan Nazrin Shah, Oxford University Press, 2024  
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**This review by Emeritus Professor Prema-chandra Athukorala, Australian National University, which first cited online in *Asian Pacific Economic Literature*, 27 April 2025, is reproduced with permission by John Wiley and Sons, and the author.**

This book offers a rich and nuanced longitudinal analysis of the growth and structural transformation of the state of Perak, the first Malaysian state to undergo economic transformation through integration with the globalized trading world. The book takes an integrative conceptual approach to the subject, well-informed by the existing literature on the process of economic globalization over the course of approximately two centuries. The growth trajectory of Perak is systematically analyzed, drawing on policy shifts at the national level and the relative economic performance of neighbouring provinces.

The introductory chapter presents a typology of the evolving process of economic globalization, tracing back to the early 19th century, which provides the context for shaping the rise of resource-rich Perak, followed by a succinct but all-encompassing preview of the book. The main text is organized into four parts.

Part 1 provides the necessary background for the ensuing study. It begins with a fascinating discussion of how the diminishing fortunes of the tin-mining industry in Cornwall, in southwest England, set the stage for Malaysia to become the world's major tin producer, with the province of Perak playing a preeminent role. Then, it offers an overview of Perak's geography, resource endowment, land use, demography, and the influx of migrants (mostly Chinese) driven by the rise of tin mining and the expansion of rubber plantations. It also discusses the consolidation of British colonial administration under a unique system of indirect rule and residency, which provided the institutional setting for the state's global economic integration.

Part 2 contains a comprehensive analytical narrative of how Perak became the wealthiest state in the country by the turn of the 19th century with the expansion of tin mining and rubber plantations. Chinese immigrants initiated and continued to dominate tin mining until the early 20th century, but gradually British investors gained the upper hand. With the surge in global

demand, propelled by the expansion of the automobile industry, rubber estates became the second pillar of the Perak economy from the early 20th century, with British planters dominating the industry. Perak's economy suffered greatly during the period of Japanese occupation (1941-45), with tin and rubber production contracting to only a third of pre-war levels, but it regained its dominance in the national economy in the 1950s.

Part 3 covers the period from independence in 1957 up to 2020, with an emphasis on Perak's diminishing fortunes. The tin industry remained the mainstay of Perak's economy, with production peaking in 1971. From then on, tin output declined continuously as the state's tin fields began to deplete and ultimately collapsed in the late 1980s. The rubber industry in Perak rapidly expanded in the first one-and-a-half decades after independence, virtually stagnated during the next decade, and then declined relative to that of most other states. The impressive growth of palm oil during the ensuing two decades from the early 1980s only partly cushioned the state's economy against the declining fortunes of tin and rubber because palm oil production was more widely dispersed across the states compared to tin and rubber. At the same time, Perak failed to diversify the economy to export-oriented industrialization, which was propelled by the shift in globalization from commodities to manufactured goods in the early 1970s. Consequently, it continued to lose ground to the neighbouring west-coast states of Selangor and Penang, and subsequently to Johor and Malacca.

The final part proposes a development agenda to help put Perak on a path to renewed prosperity, on par with the leading states in Malaysia. It contains an interesting section (pp. 481-491) that draws lessons for Perak from two cities in the UK (Sheffield and Cornwall) and two in the USA (Scranton and Pittsburgh). These cities prospered through resource-based industrialization in the 19th and early 20th centuries and were later blighted by a fundamental structural shift in the process of economic globalization.

The book contains by far the most comprehensive and penetrating analytical narrative written to date on the growth and structural transformation of resource-rich Perak through its integration into global commodity trade during the colonial era and its subsequent diminished fortunes. However, the reader—particularly the non-Malaysian specialist—of this mammoth work may come away with an incomplete understanding of why Perak failed to reap the gains from the process of export-oriented industrialization that began in the 1970s. The national development strategy of the New Economic Policy (NEP) introduced following the ethnic riots in 1969 (pp. 411-418) placed emphasis on poorer and Malay-dominated states over the already affluent Perak. However, it is not clear how this policy bias contributed to Perak's failure to shift from primary commodity specialisation to export-oriented industrialisation,

which was predominantly a private sector initiative with foreign investment playing a pivotal role. Massive outmigration from Perak to other states (pp. 451-458) could have, of course, subsequently contributed to the state's economic decline. However, outmigration was more of a consequence than a cause of poor economic performance in the first place. It is briefly mentioned (pp. 328) that political leaders in Perak may have hesitated to embrace a swift move to industrialization because it would have disproportionately benefited the urban Chinese community, thereby exacerbating ethnic income inequality. This 'hypothesized' policy choice of Perak's leadership warrants further study, particularly in comparison with the Chinese-majority state of Penang, which became a global manufacturing hub by embracing export-oriented industrialization strategy (p. 342). Perhaps the historical role of Perak as a hotbed of the communist movement and a hub of the Malayan Communist Party could also have played a role in dissuading manufacturing investors.

The proposed development strategy (Part 4) for rejuvenating Perak—efficient and transparent institutions, human capital development, investing in global gateways, and leveraging the state's natural and historical assets—is largely in line with contemporary development thinking. However, how to decentralize revenue generation and decision making power to the Perak state in the context of the enduring legacy of the NEP, which dominates the country's political economy, remains a subject for further discussion (Ariff, 2012).

Overall, this painstakingly researched book will be well received as a seminal resource book by students, teachers, and researchers studying economic transition in Malaysia, with a focus on the relative economic performance of Perak. It also makes a significant contribution to the emerging 'new economics' of 'left behind' places/regions (Collier, 2024). The book offers a clear and engaging exposition, appealing to both laypeople and scholars alike.

## **References**

- Ariff, M. 2012. 'Development strategy under scrutiny', In H. Hill, T.S. Yean and R.H.M. Zin (eds), *Malaysia's Development Challenge*, London: Routledge, xvii -xxiii.
- Collier, P. 2024. *Left Behind: A New Economics for Neglected Places*, Penguin.

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