

Book Review

Globalisation: Perak's Rise, Relative Decline, and Regeneration

By HRH Sultan Nazrin Shah

Oxford University Press, 2024, pp. 566 Online ISBN: 9780191999000 Print ISBN: 9780198897774

Lessons from Malaysia's Silver State

By Wong Chun Wai, The Star, 31 July 2024

IT'S an honest book. Not many people, especially if they come from Perak, wish to talk so openly and frankly about the decline of the state after the collapse of the tin mining industry.

His Royal Highness Sultan Nazrin Shah, preferred to use the word "relative decline" in his recently released book.

But for many of us, since the construction of the North-South Highway in 1981, we have chosen to bypass Ipoh.

Figuratively speaking, despite its city status, Ipoh is a two-street town. The other districts, which one would only see when using the trunk road, are in a more sorry state, with many shophouses empty, abandoned or occupied by older folks.

Many of us have seen the difference in the old Ipoh and the continued prosperity of the state, and Ipoh, even until the late 1970s.

The Asia-Europe Institute, Universiti Malaya in its review of the book, traced the early rise of Perak, describing how the invention of the tin can transformed food packaging and preservation in many industrialised countries, driving demand for tinfoil.

"As international shipping costs fell, deep-lode and costly Cornish tin deposits came under pressure in British and international markets from easily accessible sources in Australia, Bangka in the Dutch East Indies and then Perak.

"As the sun started to set on the Cornish tin industry in the late 19th century, Perak and other parts of Malaya tapped Cornish mining expertise and capital, helping to propel the fortunes of its fledgling mining industry," it added.

Unfortunately, Perak was slow to respond and has fallen behind states like Penang, Selangor and Johor.

During the Covid-19 period, the Ruler of Perak decided to use the time to carry out intensive research on Perak – the loss of its prosperity, the impact of globalisation and what could possibly be done to make Perak as the comeback state.

In short, it is not only to recognise and accept that Perak has lost out to other states, but also to explore solutions.

The result is a 565-page book titled *Globalization: Perak's Rise, Relative Decline, and Regeneration*, published by Oxford University Press. The book was launched last week.

The book begins by analysing the impact of globalisation on Perak over the past two centuries, tracing its legacy of colonialism, rise to prominence, struggles with rapid globalisation, increasing centralisation of colonialism, migration of talented Perakians, and finally, proposes the answers for regeneration.

It says Perak's tin industry, which had largely defined its economy, population, and social organisation, steadily waned, and by the early 1990s had faded into insignificance.

“After independence, Perak fared less favourably than other Malaysian states, despite entering nationhood as one of the country's wealthiest and most urbanised states.

“Its continued heavy reliance on exports of natural resources and its exposure to swings in global demand and competing sources of supply of tin and rubber, saw it start to trail some of the peninsula's other states, which benefited more from the globalisation of manufacturing industry,” the Asia-Europe Institute says in its review of the book.

By 1985, the tin industry had ground to a halt, and so had Perak. Many smaller towns remained stagnant, resembling ghost towns with limited capacity to attract new industries and retain population.

However, the situation is not unique to Perak. As the Asia-Europe Institute wrote, “the fallout from the tin collapse was felt globally. In the UK, the surviving high-cost Cornish mines closed.

“In Perak, as elsewhere in Malaysia, tin mining companies struggled to survive, and its tin towns were economically and socially devastated, causing widespread suffering with the loss of jobs and incomes among mine workers, their families, and their communities.”

However, it has not all been the end of Perak. In absolute terms, Perak's economy gradually became much more prosperous, productive, and diversified.

The review says all communities are now “more urbanised, have far higher real (inflation-adjusted) incomes, and are living much longer lives than their parents’ generation. Incomes are distributed more evenly, and the absolute poverty rate has tumbled”.

That is why His Royal Highness used the term “relative decline” to describe the economic status of Perak.

Perakians have enjoyed higher standards of living over the past three decades since 1990, benefiting from its economic growth. Statistics show that these benefits have been shared across all population groups in the state.

By 2020, Perakians living in a median income household were almost four times as well off in real terms as 30 years earlier.

But its biggest problem is that Perak has not progressed as much as Penang, Selangor and Johor, experiencing slower structural transformation, while these states advanced rapidly in industrial development.

Penang, for example, had already set up a free-trade zone as early as 1970, and started setting up assembly plants, where jobs were created on a large scale, attracting workers from neighbouring states, including Perak.

Penang has gone up in value as it has become the centre for making semiconductor microchips.

“As gaps in incomes and job opportunities with neighbouring states widened, Perak began to lose population. A negative-feedback loop has been created in which a shrinking base of human capital has narrowed economic opportunities and has propagated further out-migration of the talent that the state so badly needs,” the institute adds.

Perak began to start relying on the export of agricultural and manufactured goods, tourism and education but this was not sufficient.

Sultan Nazrin Shah has compared Perak with the town of Cornwall in Britain and Pittsburgh in the United States.

Cornwall’s last operational tin mine closed in 1998, leaving it as one of the poorest counties. Between 1961 and 2011, it had one of the highest levels of migration in Britain, but Cornwall has worked hard to rebrand itself.

It has a university with research strengths in engineering, sciences and renewable energy, through the University of Exeter’s branch campus in west Cornwall, and mining companies have begun exploring for lithium and copper.

“Perak needs to find new sources of revenue, and to be granted greater fiscal authority to allow it to set a higher proportion of taxes locally, enabling it to fund locally determined development priorities.

“Once it has achieved this breakthrough, Perak would consider introducing investment incentives for environmentally safe mineral exploration using advanced technologies, to make abandoned tin mines productive again, and to discover new mineral deposits similar to Cornwall’s approach,” Tuanku writes.

Pittsburgh, in the late 19th century, produced steel to build railway tracks and it was further boosted by the discovery of coal, and the town began to prosper. But its economy, too, declined in 1980.

However, the key political and economic sectors responded aggressively after the collapse of steel production and coal mining. Pittsburgh responded with investment in training and re-training of the workforce to adapt to technologies through its local universities and research centres.

Sultan Nazrin Shah has called for a “New Vision for Perak”, envisioning a future shaped by global forces with an inclusive development agenda aimed at propelling Perak towards renewed prosperity, or “at least on a par with leading Malaysian states”.

His proposed strategy includes five key blocks: ensuring efficient and transparent institutions; rebuilding human capital and increasing employability; investing in global gateways; leveraging and enhancing Perak’s spectacular natural and historical assets; and decentralising more revenue-raising and decision-making powers to Perak.

“Promoting inclusion must remain a key objective within all of these, including providing all communities with equitable access to opportunities and social protection,” Sultan Nazrin Shah says.

It’s a lengthy book, which is academic in nature, but it should be compulsory reading, not only for all leaders in Perak, but also for policymakers as well as the general population, on how Malaysia should be ready for transformation, or pay the price for neglect and stagnation.

It’s a wake-up call for our politicians who spend their time feuding and embroiled in toxic politics. The world doesn’t wait for us.