

summarizes the findings aptly and lists topics for future research.

As an edited volume, it faces some common challenges. The book is an outcome of a multi-country study conducted in 2013. Thus, some of the data presented stops at 2012 or earlier. In addition, some of the findings in the chapters contradict each other. For instance in Chapter 4, we have content on the BPO sector in Philippines about its growth and employment prospects. In Chapter 5, concerns are being raised about its marginalization. Nevertheless, these chapters also serve as discussion points for young scholars in understanding different perspectives of the BPO sector. The chapters are also uneven in terms of length, theoretical discussion and methodologies. A reader is expected to have some basic knowledge to appreciate these differences.

Overall, the book is a compendium of case studies and theories related to the BPO industry and I would recommend it to anyone who is looking at the local impact of multinational service industries.

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***Rubber Manufacturing in Malaysia: Resource-Based Industrialization in Practice.* By C.C. Goldthorpe.** Singapore: NUS Press, 2015. Pp. x + 166.

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Emerging from an unspecified “research study” at the University of Bradford, this little book is resolutely practical, factual, and sometimes quite technical, but it has fascinating wider implications for economic historians and economists. The author uses the case of Malaysian rubber, examined through a thorough reading of secondary sources, to investigate the viability of “resource-

based industrialization”. The question is whether a region that produces a particular raw material should seek to transform it into semi-finished or finished goods. Goldthorpe further explores M.E. Porter’s notion that a government may need to nudge manufacturers to take advantage of a local resource. Readers interested in these wider themes might want to skip Chapter 2 which reviews the development of the production of rubber goods in modern times, although any budding manufacturer should study it attentively.

In Chapters 3 and 4, there follows a synthesis of the overall growth of manufacturing in Malaysia since independence, which is rather too lengthy for this book. For economic historians, the most important aspect of Goldthorpe’s story lies in his querying of the standard notion of colonial deindustrialization. Malaysia was not a classical colonial economy at independence, structured to supply the West with raw materials. Much secondary industry had already developed in colonial times, as well as an infrastructure well suited for the rapid further growth of manufacturing. This crucial point is not stressed as much as it might be, however, and the main emphasis of these two chapters is on industrial policy since independence. While the proportion of manufacturing in GDP undoubtedly increased, Import Substitution Industrialization with few barriers to foreign inward investment, which was adopted initially, proved unsatisfactory. The policy led to tariff hopping, imports of raw materials, poor linkages to other sectors of the economy, low value-added, large remitted profits, high relative prices of finished goods, and the saturation of a small local market. From the “race riots” of 1969, or in reality from the previous year, policy shifted to Export Substitution Industrialization. This was knocked off course by a brief and impractical push to establish heavy industry in the early 1980s. Only from the mid-1980s was there at last some clear planning for resource-based manufacturing.

The author turns to rubber manufacturing in Chapter 5, which is in many ways the best chapter in the book. Goldthorpe elaborates on the already well-developed colonial manufacturing sector with a wealth of fascinating detail, challenging much

lazy and stereotypical thinking about colonial economic history. This early industrialization involved both upstream manufacturing, notably by pioneers of the production of machinery to process natural rubber, and downstream manufacturing, involving the production of a wide range of rubber goods. Both types of industry resulted in exports, and both owed much to the flair and capacities of Chinese entrepreneurs. That said, Bata, the Czech firm (which is urgently in need of a good company history) also made a further substantial contribution by producing and exporting rubber footwear from the 1930s. This kind of manufacturing continued to grow after independence, albeit receiving precious little recognition or support from the government.

It was only from the mid-1980s, following recommendations from the United Nations Industrial Development Organization (UNIDO), that resource-based industrialization became part of official policy, with rubber goods as one of its most prominent branches. Foreign investment grew in significance, notably for tires and dipped products, although there was much subcontracting to local, largely Chinese, firms. Dipped goods became particularly important in exports due to the AIDS epidemic, as both surgical gloves and condoms needed to be made with natural rubber. However, Goldthorpe seems unaware of the problem of allergies to proteins in *Hevea brasiliensis* rubber, leading to a partial resurgence in the growing of *guayule* rubber (*Parthenium argentatum*) in temperate lands.

That resource-based industrialization was truly a panacea was called into question as Malaysia quickly ceased to be able to produce sufficient rubber for these booming industries. This resulted in part from the massive conversion of rubber lands to oil palm cultivation. In turn, the shortfall in local output necessitated imports of natural rubber from Thailand and of synthetic rubber from elsewhere. Goldthorpe does not elaborate on this issue, which suggests that resource-based industrialization can only really be a support for “infant industries”. Nor does he reflect on the fact driven home in every first-year economic history module, namely that the great driver of the Industrial Revolution in England was the cotton textile industry, for

which every single pound of raw cotton had to be imported.

The later chapters of the book become rather dry and repetitive, but there are still points of note for the attentive reader. The unexpected chapter of South-South trade in the rubber sector is one of these. There is also a scarlet thread of comparison between firms belonging to foreign firms and those owned by locals, mainly of Chinese extraction. Local firms have better forward linkages but weaker backward linkages, especially in the fields of engineering and machine tools. Foreign firms employ better educated expatriate managers, albeit at higher cost. However, Goldthorpe does not attempt to calculate whether higher costs for better trained expatriate managers are justified, even though this is a burning question, both economic and social, in many countries of the world.

The author has done a competent job in producing a careful and concise synthesis of the history of rubber manufacturing in Malaysia since independence, but, hidden away in his book, is a potentially much more explosive thesis. Colonial rule did not lead to deindustrialization in the strict sense, as there was no modern industry to begin with. More controversially, colonial rulers did not prevent the precocious emergence of modern types of export-oriented manufacturing, which depended largely on the dynamism of immigrant Asian entrepreneurs. The independent state did surprisingly little to promote this sector for three decades, although recognition finally dawned on bureaucrats that this would be a good bet for the country's development. However, resource-based manufacturing soon outstripped the advantages of having raw materials to hand, and firms had to compete on the world market mainly through their accumulated know-how. This story challenges a mass of writings about underdevelopment in the Global South.

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