

Book Review

The Malaysian Estates Staff Provident Fund 1947-2017: Malaysia's Oldest Provident Fund, With An Economic, Social and Political Perspective by Dato' Jeyaraj C. Rajarao, 2018, The Strategic Information and Research Development Centre: Malaysia, 434 pp.

This is an interesting and instructive book that uses a combination of utilitarian journalism and a normative perspective not only to crisply unravel the social history of the Indian workers who moved from India to work in the plantations of British Malaya, but also immigrants from China and Indonesia, refuting the idea that only the Chinese and Indians are immigrants stigmatized as “pendatangs” but also asserting that those who now call themselves as Malays or bumiputeras are of similar nomenclature. The analysis includes how the Indian and Chinese immigrants, deliberately brought into Malaya or facilitated by the British colonialists, suffered toiling in the plantations, tin mines and as general labourers, and had to do so even after independence. The book breaks ground by getting to the bottom of these issues using fresh observations, as well as secondary ones, and primary work to specifically capture the founding and the evolution of the Malaysian Estates Staff Provided Fund (MESPF), 1947-2017. It is the only book and the very first that records the full history of the MESPF.

Organized into twelve chapters with a Foreword by Dr Jomo Kwame Sundaram and a Preface by the author Rajarao, the book presents a detailed socio-political account of Malaysia's oldest Employees Provident Fund (EPF). Chapter one provides the setting by discussing some important accounts of the different forms of labour exploitation, including slavery. Chapter two discusses Malaysia's history over several centuries especially the earliest Indian immigration to Malaya. This chapter considers quite inexorably the various problems that were sprung from the early days leading to the current divisive political, economic and social problems of the Malaysian society even today. Chapter three starts the real discussion related to the book. It sets the foundation by articulating the opening up of estates and the division of labour that arose to manage investment, cultivation, processing and exports, initially rubber and later other crops, such as oil palm set in the background of the commodity crises that converged with the great depression. The seminal reasons for the founding of the MESPF are thoroughly examined in chapter four, and the roles of the earliest Chairmen discussed. Chapters five and six deal with the fundamental issues of membership, leadership and particular struggles in the MESPF set within the broader political development of the country,

while chapter seven discusses the issues relating to British plantation estates' vulnerabilities after the introduction of the New Economic Policy in 1971, and the formation of the Perbadanan Nasional Berhad (PERNAS) and Permodalan Nasional Berhad (PNB) that acquired private assets based on their own unilateral decisions.

Chapters eight and nine discuss investment strategies, members' retirement plans, widening of security portfolios and the transition to national leadership of the MESPF, and the painstaking attempt to salvage sterling investments that were decimated from the 1967 sterling devaluation. Nevertheless, both chapters also discuss restructuring of investments to avert external financial exposure. Chapter nine also provides a detailed account of the introduction and development of employees provident funds, including the EPF founded four years after the setting up of the MESPF, and the consequential calls for the closing down of the MESPF owing to a divergence in performance between its focus on government securities and market securities, which coincidentally was also reflected in MESPF's declining membership.

Chapters 10, 11 and 12 discuss the switch from rubber to oil palm cultivation and the economic implications of it. The three chapters also discuss the roles played by the new captains of MESPF as they faced a contracting membership, especially with the emergence of the EPF as a mandatory, powerful and potent welfare instrument, not excluding its ready support of many of the government's projects or rescue episodes. The postscript provides the latest on attempts to wind down the MESPF, which is currently undergoing legal treatment. It took quite a bit of reading before I could see the discussion on MESPF. The book could have been more focused if only the discussion had started from chapter four as the discourse earlier on class struggle and slavery, is also followed through in the later chapters. The MESPF narration has excluded studied reasons for the real labouring and slaving class from its membership. It would also have been nice to relate some of the developments around published works to integrate the book better with the scholarship that have evolved in the field. For example, it would have been nice to see connections with Henri Fauconnier's book, *The Soul of Malaya*, and Colin Abraham's 1977 doctoral thesis submitted to Oxford University, *The Making of Race Relations in West Malaysia with Special Reference to Modern Political Economic Development*. In contrast to the claim made on pages 270-271, the causes of the Asian financial crisis are now clear. In fact, the United Nations Conference on Trade and Development, reported in 1996 in its *Trade and Development Report* (lead author: Akyuz Yilmaz) that the countries facing chronic current account deficits and rising high debt service were on the brink of financial collapse.

As it is now, the book has opened up space for at least three more books that could extend the discourse on Trade Unions and Communism in Malaya, History of Social Security Investments in Malaysia, and finally Ownership and Control in the Malaysian Economy. The first could help strengthen existing knowledge on the link between communism and trade unions in Malaysia, which both the colonial and independent Malaysian government often claimed to have been led by communist leaning leaders. The second will help establish a firm foundation in a field that is bereft of serious scholarly analysis. The third could help extend the interesting works of James Puthucheary, Lim Mah Hui and Edmund Terence Gomez on changes in economic ownership and control in Malaysia with a strong employee anchor. Finally, I would have liked a critical assessment of MESPF by comparing it with other provident funds, including with the so-called best performing funds globally.

Overall, this is a wonderful and illuminating book that offers an insightful analysis of a key fund associated with social protection, i.e. the MESPF from the perspective of its beneficiaries, though it does not dabble on the exclusion of the labouring class. The extemporaneous and colourful choice of language makes the reading of the book even more absorbing because of its unsparing and vivid observations on many matters affecting Malaysia.

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