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exemplifies the challenging nature of this book, as an imaginative and thought-provoking addition to scholarship on the modern Indonesian arts.

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A matter of risk: Insurance in Malaysia, 1826–1990

By LEE KAM HING

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This illuminating and well-researched book, written with the support of the General Insurance Association of Malaysia, is an in-depth history of the insurance industry in Malaysia. It is also timely, given the significance and indispensable nature of the global service sector.

At least two-thirds of A matter of risk traces the evolution of the insurance industry since the colonial era (chapters 1–10). This is natural given the fact that the defining moments in Malaysian history required the services of the insurance sector — the First and Second World Wars, the postwar rehabilitation periods, and most importantly, the Emergency (1948–60). The final two chapters trace the trajectory of the industry from the 1960s through the 1990s.

Lee Kam Hing rightly points out the large gaps in published work on the insurance industry (p. 10) and the difficulty of acquiring empirical and statistical data. Yet he has managed to uncover a vast literature on the subject by tapping into the resources available in Malaysia, Singapore, and the United Kingdom. Data is severely limited for the war years and the early postwar rehabilitation period, but the author manages to provide a detailed and comprehensive account of the insurance industry and the overall economic development of the country.

This study focuses on the historical development of the insurance industry in Malaya/Malaysia as well as its interaction with the colonial and postcolonial state. Lee points out that the Western insurance companies which had moved into the Straits Settlements markets since 1793 eventually became Malaysian entities. This perhaps was a reflection of the trend of British companies divesting assets in developing countries and moving into other areas of investment and the consequence of state ‘localisation’.
Lee traces this shift very well, explaining along the way the trials and tribulations of these highly entrepreneurial and competitive firms.

The important role of agency houses is discussed in chapter 1, followed by a detailed account of the existence of foreign and local insurance companies which at a later stage provided the platform for collaboration between British and local Chinese insurance companies. Chapter 3 evaluates the role of insurance in society, focusing on fire and motor insurance. The increased numbers of motor vehicles led to the introduction of insurance in Malaya covering motor accidents in the early 1920s; third party insurance was implemented by 1930.

Three chapters cover the same period (1908–41) and discuss risks in various key commodities, mainly, the rubber and tin industries and later palm oil; dockyard risks are also discussed, given the importance of trade and shipping. New sectors such as insurance for the entertainment industry and the introduction of motorcycle insurance reflected the growing needs of a maturing society. Chapter 5 then focuses on cooperation and competition in a crowded insurance market, while chapter 6 is a detailed account of collaboration between the Straits Chinese and Western entrepreneurs through the postwar period, noting for instance that it was ‘through links with agency houses and through their own acquisitions that Chinese groups gradually gained significant stakes in the finance, insurance, plantation, tin, trading and shipping sectors of the Malaysian and Singapore economies’ (p. 263).

Since the insurance industry encompasses a large number of sectors in the economy, *A matter of risk* provides leads for other under-researched areas, such as the banking sector. The book also discusses many prominent entrepreneurs, mainly but not exclusively Chinese, as well as their companies such as Alsagoff & Co. (p. 54) and Indian Muslims in the insurance industry (p. 73), thus contributing greatly to the limited literature on such personalities.

War risks and postwar rehabilitation are covered in chapters 7 and 8, followed by the Emergency in chapter 9. Insurance is about risks, compensation, and security and these three chapters provide much information on the challenges in accounting for war risks during which debates on government-backed insurance began to emerge. Chapter 10 discusses the emerging local insurance companies which remain strong today, such as AIA, Great Eastern Life Assurance, and Overseas Assurance Company, followed by a discussion on insurance legislation in chapter 11.

The final chapter investigates insurance in the immediate postcolonial era (1964–90). It highlights the role of tariff associations and insurance trade organisations in regulating the industry. This was also a time when
foreign-owned insurance companies became Malaysian — due to pressures from a government which found it ‘increasingly unacceptable … that a strategic financial industry should be foreign dominated’ and called for an ‘increased local especially Malay participation in their companies’ (p. 467). The author provides only a brief discussion on the development of the insurance industry during this important transitional period, however. One particular sector that could have been covered more extensively is Islamic insurance (pp. 490–92), particularly when this sector has emerged to be a strong competitor to conventional insurance.

The conclusions were too brief and hurried — a longer discussion here would have provided greater reflection on the longer-term historical trends and continuities and changes in the patterns of the insurance industry. Nevertheless, this book provides various interesting leads for future research in many different sectors of the Malaysian economy. It will be extremely relevant to historians studying the Malaysian financial and services sector.

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The New Economic Policy in Malaysia: Affirmative action, ethnic inequalities and social justice
Edited by EDMUND TERENCE GOMEZ and JOHAN SARAVANAMUTTU
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In combining the findings of two research groups at Universiti Malaya and the National University of Singapore, this edited collection represents the most comprehensive assessment to date of the efficacy of Malaysia’s New Economic Policy. The grand aim of the NEP after 1971 was to correct ethnic economic imbalances in Malaysia, particularly through propelling Malays and other ‘indigenes’ into the modern industrial and commercial sphere. This affirmative action programme involved unprecedented state intervention in Malaysian economic life, and it has gained admiring emulation in Fiji, South Africa, Zimbabwe, and India. As the editors point out in their introduction, there is no disputing the reduction in poverty levels and restructuring in corporate equity holdings that the NEP induced. But, there have been downsides, which all the contributors point to.

As Ragayan Haji Mat Zin tells us, poverty eradication has not been spatially uniform — Kedah, Kelantan, Perlis, Terengganu, Sabah, and Sarawak