Management & Organizational History

ISSN: 1744-9359 (Print) 1744-9367 (Online) Journal homepage: http://www.tandfonline.com/loi/rmor20

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To cite this article: Valeria Giacomin (2017) Negotiating cluster boundaries: governance shifts in the palm oil and rubber cluster in Malay(si)a (1945–1970 ca.), Management & Organizational History, 12:1, 76-98, DOI: 10.1080/17449359.2017.1304861

To link to this article: http://dx.doi.org/10.1080/17449359.2017.1304861

Published online: 23 Mar 2017.

MANAGEMENT & ORGANIZATIONAL HISTORY, 2017
VOL. 12, NO. 1, 76–98
http://dx.doi.org/10.1080/17449359.2017.1304861

Negotiating cluster boundaries: governance shifts in the palm oil and rubber cluster in Malay(si)a (1945–1970 ca.)

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ABSTRACT

Palm oil was introduced to Malay(si)a as an alternative to natural rubber, inheriting its cluster organizational structure. In the late 1960s, Malaysia became the world's largest palm oil exporter. Based on archival material from British colonial institutions and agency houses, this paper focuses on the governance dynamics that drove institutional change within this cluster during decolonization. The analysis presents three main findings: (i) cluster boundaries are defined by continuous tug-of-war style negotiations between public and private actors; (ii) this interaction produces institutional change within the cluster, in the form of cumulative 'institutional rounds' – the correction or disruption of existing institutions or the creation of new ones; and (iii) this process leads to a broader inclusion of local actors in the original cluster configuration. The paper challenges the prevalent argument in the literature that minimal, indirect government influence is preferable for cluster development and explores the impact of different political regimes on cluster evolution.

KEYWORDS

Cluster governance; institutional change; agency houses; palm oil; rubber; Malay(si)a; decolonization

1. Introduction

The oil palm was introduced as an alternative to the rubber crop in the Malayan and Indonesian (Sumatran) plantation cluster in the early 1920s, but the crop established itself as an important export commodity in the region only after World War II (WWII), when natural rubber production was increasingly affected by the rise of a synthetic rival (Yacob 2006). The pioneer palm oil ventures launched between the 1920s and 1940s had inherited their organizational structure from the natural rubber cluster, which had emerged quickly at the turn of the twentieth century and enriched the region in a few decades (Chong-Yah 1968; Drabble 1973). After WWII, the restoration and development of the palm oil cluster took much longer than its rubber equivalent and Malaysia became a leading exporter of this commodity only in the late 1960s.

This slow ascent was due to a mix of external and internal factors. On international markets, the main reasons for the slow development were the post-war 'de-globalization' of trade flows, tough competition from other vegetable oils, and parallel developments in competing locations producing palm oil. At the national level, the situation was complicated

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Figure 1. Map of the Malay Peninsula 1951. Source: UL UNI/RM/OC/2/2/64/20.

by the social unrest following Japanese domination and the political turmoil of the nation-building process (Rudner 1994; Drabble 2000).

This analysis focuses on the developments occurring to this cluster in the post-colonial period between the late 1940s and the early 1970s (see Figure 1). The paper will focus on

Table 1. Major cluster players (rubber and palm oil) between 1945 and 1970.

Major cluster stakeholders after WWII						
Function	Institutions	Year founded	Headquarter	Rubber	Palm oil	Actors
Producers	RGA	1912	London	×	× after 1965	Agency houses and large plantation companies
	RPC	1951	Kuala Lumpur	×		RGA; UPAM; MEOA; smallholders
	MPOP	1952	Kuala Lumpur		×	Guthrie; H&C; Barlow; UP; Socfin
	JSC	1952	London		×	MPOP members controlling bulking facilities (Guthrie; H&C; UP; Socfin)
	MPOC	1969	Kuala Lumpur		×	FELDA and MPOP
	UPAM	1943	Kuala Lumpur	×		Foreign planters and smaller estates
	MEOA		Kuala Lumpur	×		European and Asian estate owners
	CREOA		Kuala Lumpur	×		Chinese rubber estate owners
	OPGC	1968	Kuala Lumpur		×	Big estates; planters; FELDA
	CDC	1948	London		×	British colonial government
	FELDA	1956	Kuala Lumpur	×	×	Malay(si)an smallholders
	Unilever	1929	Port Sunlight		×	
Government	Ministry of Food		London		×	British Government
	Colonial Office & Secretary of States for Colonies		London	×	×	British Govenment
	Commonwealth Relations Office		London	×	×	British Government
	Treasury		London	×		British Government
	High Commissioner Office		Kuala Lumpur	×	×	British Colonial Government
	Malay(si)an Prime Minister Office		Kuala Lumpur	×	×	Malay(si)an Government
	Malaysian Ministry of Natural Resources		Kuala Lumpur	×	×	Malay(si)an Government
	Malaysian National Land Committee		Kuala Lumpur	×	×	Malay(si)an Government
Research	ISP	1919	Kuala Lumpur	×	×	dissemination activities on behalf of planters in Malaya
	RRIM	1926	Kuala Lumpur	×		British colonial government; RGA members and PAM
	Agricultural Department of Malaya		Serdang	×	×	British colonial government
	Gold Coast Agricultural Department		Accra	×	×	British colonial government
	Nigeria Agricultural Department		Ibadan	×	×	British colonial government
	WAIPOR	1938	Benin		×	British colonial government
	INEAC		Belgian Congo		×	Belgian colonial government
	Chemara Estates		Malay(si)a	×	×	Guthrie
	Elmina Estates		Malay(si)a	×		Barlow
	Tennamaram Estates		Malay(si)a	×	×	United Plantations
	Dusun Durian Estate		Malay(si)a	×	×	H&C
	OP Genetic consortium	1963–1973	Kuala Lumpur		×	Dunlop, Guthrie, H&C and Unilever
	HCB		Belgian Congo		×	Unilever
	TPI	1955	London	×	×	British Government
	Royal Botanic Gardens		London	×	×	British Government
	OPS		London		×	British Government
	MARDI	1969	Kuala Lumpur	×	×	Malaysian Ministry of Agriculture

Source: Compilation of archival material (TNA, LMA, BC, UL) and secondary sources (Tate 1996; Martin 2003; White, 2004).

Table 2. Chronology of the Malay(si)an decolonization process.

Chronology of Malay(si)an decolonization		
Year	Historical milestone	Political leader
1941–1945	Japanese occupation	
1945	Japanese surrendered. British returned and established a military administration (BMA) in the Straits Settlements and all Malay States	
1946	The MALAYAN UNION was created combining (i) Federated Malay States; (ii) Unfederated Malay States; (iii) Malacca and Penang	Governor of the Malayan Union Sir Edward Gent
1948	Reformed as FEDERATION OF MALAYA (i) Malay States became British protectorates; (ii) Malacca and Penanag remained British Colonies	High Commissioner Sir Edward Gent
1948	Start of the emergency	High Commissioner Sir Henry Gurney
1952–1954	British Government tackled the emergency	High Commissioner General Sir Gerald W.R. Templer
1955	First elections	High Commissioner Sir Donald C. MacGillivray – Chief Minister of Malaya Tunku Abdul Rahman
1956	Creation of FLDA	
1957	MERDEKA, the Federation of Malaya was granted Independence within the British Commonwealth	Prime Minister Tunku Abdul Rahman (British High Commissioner Sir Geofroy Tory, 1957–1963)
1960	End of the Emergency	
1963	MALAYSIA was created from the merge of (i) Federation of Malaya; (ii) Singapore; (iii) British North Borneo – Sabah; (iv) Sarawak	
1963–1966	Konfrontasi with Indonesia	
1965	Singapore was expelled from Malaysia and gained independence	
1971	New Economic Policy	

Sources: British Ambassadors and High Commissioners: 1880–2010; White 2004; Cheah 2002. *Malaysia: The Making of a Nation. Singapore:* Institute of Southeast Asian Studies.

Malay(si)a, using this denomination to refer to the territory including the Malay Peninsula and the north-western part of Borneo (provinces of Sabah and Sarawak). The term Malay(si) a intends to capture both 'Malaya' and 'Malaysia' denominations, which were official in different phases of the period under study (1945–1970). The territory and its government will be referred to as only 'Malaya' when discussing specifically the period before 1963 and only as 'Malaysia' thereafter. While acknowledging the influence of the international context on these developments, in this paper I investigate the effect of governance dynamics and the changing relationship between cluster members and first the British and then the Malay(si) an governments on cluster evolution. Table 1 includes an overview of the different actors and institutions addressed in the paper, detailing their function and involvement in the rubber and palm oil cluster. Noting that both public and private spheres are not monolithic camps but rather comprise a multiplicity of mixed voices, I attempt to sketch the prevailing trajectories of the interrelation between public and private interests with regard to the palm oil and rubber affairs. Particularly, when referring to the British colonial administration the article concentrates on the opinions of directors and high-level officials at the Colonial Government in Singapore; the High Commissioner's Office at King's House in Kuala Lumpur; the Treasury; the Secretary of State for the Colonies; and Colonial Office in London. As for the Malaysian Government, the analysis mostly focuses on the Federal Land Development Authority (FELDA), a public agency, which was under direct control of the Malaysian Deputy Prime Minister Tun Razak during the whole period under study. In the business camp, primary attention is given to the opinion of agency houses' representatives, composing the Rubber Growers' Association (RGA) and the Malay(si)an Palm Oil Pool (MPOP). Due to their involvement in both rubber and palm oil, these entities were the ones de facto negotiating with both British and Malay(si)an government officials on a regular basis. Finally, when referring to governance dynamics, I apply Humphrey and Schmitz's definition of 'governance' developed specifically to analyze clusters in developing economies: 'the practices of non-market coordination of economic activity, which determine the cluster organization and the room of action of each stakeholder within it' (Humphrey and Schmitz 2000, 4).

Traditionally cluster scholarship assumed that clusters thrive only under free trade regimes in politically stable environments characterized by limited government involvement in the business domain (Porter 2000). Yet, recent scholarship focusing on CSR practices within clusters in emerging economies shows that, along with economic upgrading, clusters can also produce defective social, environmental and/or political outcomes (Lund-Thomsen and Pillay 2012; Lund-Thomsen, Lindgreen, and Vanhamme 2016). This in turn highlights the importance of government-cluster coordination for ensuring a more widespread economic growth in countries receiving foreign investment via clusters. My analysis departs from this line of thought, calling for a more articulate assessment of the effect of contextual conditions and stakeholder interaction on clusters' responses to political instability.

Unlike other countries, including Indonesia (Lindblad 2008; White 2012), in Malaysia the period of 'interregnum' between the colonial administration and that which followed was a lengthy one, soliciting a finer-grained evaluation of the role of the government in cluster development. Before the Malayan Federation gained independence in 1957, Britain was still the colonial power in the country (White 2004; Yacob 2008) and it continued to assist the local government in military terms until the end of the civil conflict, the Emergency, between 1948 and 1960. Thereafter, it offered administrative support for the creation of modern Malaysia and maintained a military presence on Malaysian soil until the 1970s (see Table 2 for the detailed chronology of the Malaysian nation-building process). In this extraordinary situation, the cluster established itself as the major palm oil supplier to the world, transforming this commodity into the leading product on the global vegetable oil market (Jackson 1967; Martin 2003).

In this paper, I argue that both the British and Malay(si)an governments played a central role in the evolution of this cluster through their involvement in governance dynamics. Specifically, I use this case to advance the hypothesis that cluster boundaries are defined by continuous negotiation between government entities and companies aiming to redefine their representation, scope of action, and legitimacy within the cluster. This relentless interaction resembles a tug-of-war between these stakeholders that unfolds in institutional change through 'institutional rounds'. These rounds involve the formal modification of existing institutions constituting the cluster, or the creation of new institutions from scratch. Although institutional rounds mark distinct moments of disruption, institutional change does not happen overnight, but is the result of the shared history between the actors, and their reflexive understanding of the institutions they are part of, following the model of 'historical institutionalism' (Suddaby, Foster, and Mills 2013).

Finally, the shift from colonial to native government sheds light on the path-dependent progression of the cluster. The accumulation of these institutional rounds produced an increasing formalization of practices of negotiation within the cluster. The governance dynamics set by the interaction between British colonial officials and agency houses immediately after WWII implied a pattern of action, a way of changing institutions, which the incumbent Malay(si)an Government had to adapt to. However, following these same governance practices the Malay(si)an Government established a foothold within the rubber and later palm oil cluster. Indeed, through FELDA, it extended the cluster boundaries to include the large mass of local smallholders and eventually gained control over both clusters (Shamsul and Perera 1977; Shamsul Bahrin and Lee 1988).

This paper is based on archival material drawn from the major agency houses trading both rubber and palm oil in Southeast Asia at the time: Harrisons and Crosfield's (H&C), Guthrie's and Barlow's (BC) Collections, Unilever archives (UL) and public records of the RGA and Colonial Office and other government institutions held in The National Archives of the United Kingdom (TNA) and the London Metropolitan Archives (LMA) in London. For both the public and private sectors, the sources include mostly internal and external correspondence as well as industry reports and minutes of meetings of businessmen, government officials, and members of industry associations. Although partially suffering from a Western bias, I chose the empirical material with the aim of unveiling the dynamics among different actors involved in the Malay(si)an plantation business, and of seeking a thorough integration with Malaysian secondary literature (Chong-Yah 1968; Shamsul and Perera 1977; Shamsul 1997; Yacob 2008).

Section 2 reviews the current stance of cluster theory with regard to governance and elaborates on the contribution of this research. Section 3 sets the scene of the aftermath of WWII and examines how the new relationship between government and cluster companies shaped the governance of the cluster. Section 4 describes how cluster boundaries were negotiated between the companies and British government before the formation of modern Malaysia in 1963. Section 5 analyzes how governance dynamics changed when the baton was passed on to the Malaysian Government. Finally, Section 6 summarizes the findings of the paper and outlines potential avenues for future research.

2. Government and governance in cluster scholarship

Since the publication of Marshall's *Principles of Economics* (1920), the topic of economic agglomeration in a specific location has been investigated in a vast range of fields of the social sciences, from development economics to economic geography and business studies. The resulting discussions gave birth to prominent seminal works, such as Piore and Sabel's *Second Industrial Divide* (1984), Aydalot's *Milieux innovateurs en Europe* (1986) and Porter's *Competitive Advantage of Nations* (1998), each generating new streams of scholarship and labeling the phenomenon in different ways: 'neo-industrial districts', 'innovative *milieux*', and 'clusters', respectively.

Clusters are defined as 'geographically proximate group of interconnected companies and associated institutions in a particular field, linked by commonalities and complementarities' (Porter 2000, 16). A key feature of clusters is the coexistence of cooperation and competition dynamics among their members (Porter 2000; Atherton and Johnston 2008). On the one hand, as they progress, clusters impact the business environment in which they emerge; on the other, cluster evolution can be shaped and directed by changes in the institutional frameworks in which they operate (Wolfe and Gertler 2004). Once they have emerged, clusters are therefore theorized as powerful policy tools in the hands of public institutions. However, identifying the actors that comprise the cluster and shape its boundaries is a major challenge for empirical research and thus rendering the cluster concept 'fuzzy' and difficult to operationalize (Markusen 1999; Cumbers and MacKinnon 2004). In his diamond model, Porter identifies the 'core' elements of clusters: specialized firms, supporting

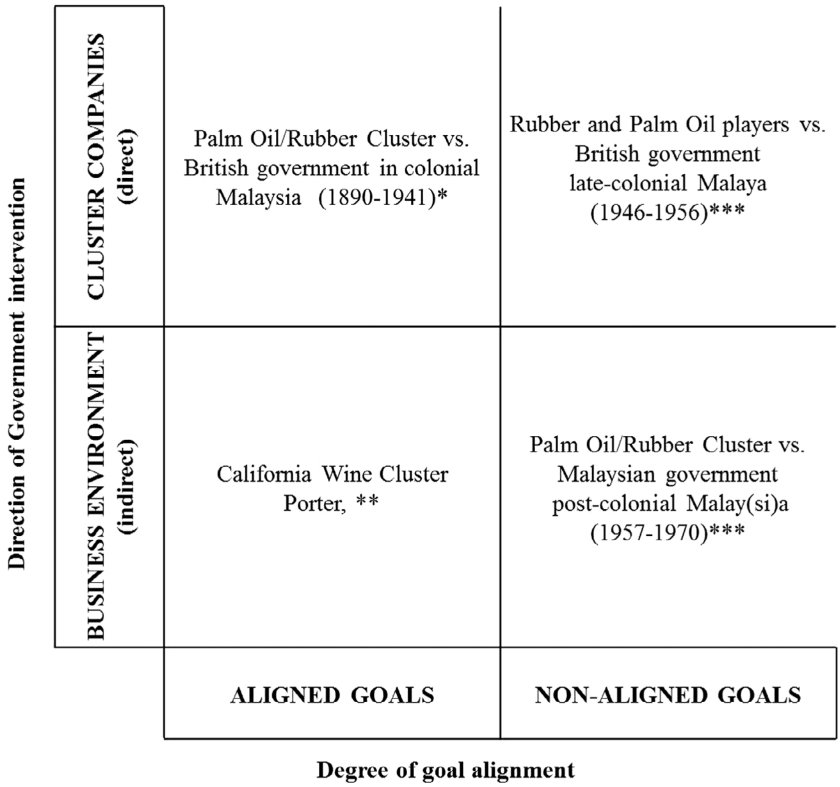

Figure 2. Cluster governance matrix. Source: Author; *Giacomin (forthcoming); **Porter and Bond (2008); ***Results from the above analysis.

institutions, demand and factor conditions. Yet the government remains an external force that facilitates cluster emergence and upgrading by ensuring general macro and micro-economic stability in the business environment (Porter 2000, 26, 27).

As suggested in a recent taxonomy compiled by Cruz and Teixeira (2010), in the last 50 years the diverse scholarship on clusters (and economic agglomeration in a broader sense) has both specialized and expanded, moving from the analyses of intra-cluster dynamics (Bergman 2008; Menzel and Fornahl 2010) to more contextualized discussions about how they can evolve with external support (Markusen 1999; Humphrey and Schmitz 2002; Fligstein 2005). Between 1990 and the late 2000s, governments' role in cluster development has been discussed with reference to regional innovation systems (Lundvall 1995; Cooke, Uranga, and Etxebarria 1997), industrial and regional development policies (Porter 1998; Maskell and Malmberg 1999), and, to a lesser extent, institutional approaches to clustering (Etzkowitz 2003). Despite its recognized relevance and diversity, this area of the cluster literature mostly comprises policy-oriented contributions, directing governments to integrate clusters in their development strategies. As a partial exception, sociologists and historians studying industrial districts have asked how national institutions and public policy impact these organizational forms, providing a vast array of case studies encompassing rather mixed results (Zeitlin 2008, 223–225). Yet, their focus has mostly been on the effects of regulatory frameworks such as fiscal and credit policies, and only a few studies delve into the motives guiding the interaction between companies and governmental bodies; the case of Japan is particularly relevant in this regard (Sawai and Odaka 1999; Whittaker 1999). In total, while it is widely agreed that public-sector decisions can impinge on cluster performance in unpredictable and unintended ways (Wolfe and Gertler 2004, 1075), cluster contributions in different disciplines have not yet produced a meticulous analysis of the practices and motives behind governments' interactions with cluster companies, nor have they focused on how cluster boundaries can include government institutions.

A potential explanation for this deficit is offered by Martin and Sunley's criticism of Porter for leaving the social dimension of cluster dynamics widely unstudied in his cluster theory (2003, 17). A further impediment to a deeper understanding of government impact on cluster development is related to the narrow focus of the existing contributions on cluster policies. In terms of both theoretical elaboration and empirical testing, the available studies are based mostly on a limited selection of contextual conditions, namely on the Western democracies (and controlled territories when applicable) during peaceful times and under free trade regimes. One implication of this is that cluster scholarship has expressed a general consensus (Porter 2000, 26; Maskell 2001; Maskell and Kebir 2006) on the idea that government intervention is preferable only when it is 'supportive but not intrusive,' namely when it is directed at enhancing the quality of the local business environment, for example through reforms of the fiscal and legal system, the upgrading of infrastructure, and the strengthening of education and research institutions. A second implication, related to the first, is that these studies assume that the interests of government and cluster companies are aligned, when in fact they may not necessarily be. Further, although Porter (2000, 16) states that clusters welcome foreign investors, the literature neglects how firms' nationality exerts an impact within clusters. Especially in former colonial territories, clusters might largely comprise foreign rather than indigenous actors and this can result in conflicting goals and more 'intrusive' action by the government when targeting the cluster for development purposes.

A promising strand of cluster scholarship that focuses on CSR within clusters in developing countries offers a partial response to these lacunas. Recent studies within this field highlighted the potential harm connected to (especially foreign-invested) clusters, among others, if (i) economic gains remain concentrated in the hands of an handful of (large) players; (ii) positive spillovers resulting from clustering are not paralleled by social upgrading in the host economy (Lund-Thomsen and Nadvi 2010; Gereffi and Lee 2016).

Unlike most cluster scholarship, this line of research recognizes a stronger role of government institutions and civil society in negotiating solutions that include small medium-sized and/or more vulnerable players within the cluster's boundaries. Yet while striving to build universal models for cluster governance, these analyses have the tendency to overlook the degree of volatility and risk involved in the political and regulatory structure of developing countries.

The case of the plantation business in Malay(si)a, a foreign-invested cluster in a developing economy during decolonization, offers several advantages for addressing some of the described gaps in the literature. Because the transition between colonialism and independence includes different political and economic scenarios, this becomes a test case to deconstruct the social mechanics of the cluster and evaluate how practices of non-market coordination among private and public stakeholders determine institutional change and boundaries shift within the cluster.

To this end, historical research can assist cluster theory in three ways: (i) it contributes to the still under-researched topic of governance within clusters (Zeitlin 2008); (ii) it shows the path-dependency of government action in impacting dynamics of cluster inclusion/exclusion; and (iii) it expands the empirical spectrum of cluster studies using archival material.

In this specific case, my historical narration supports the hypothesis that cluster governance can lead to different outcomes depending on the interrelation of two dimensions, illustrated in Figure 2: (i) the alignment between deputed government institutions and cluster members' objectives and (ii) the direction of government action either towards the companies in the cluster (direct) or the business environment (indirect).

3. Increasing detachment between the government and cluster during rehabilitation (1945–1951)

During colonial times, plantation companies, mainly guided by the major agency houses through the powerful RGA had started to diversify their rubber exposure, opening up palm oil estates, under the control of a generally benevolent government.[1] As the chair of the Association of British Malaya[2] put it in 1930, the colonial administration had traditionally granted 'adequate protection with the least amount of interference with the business activity of the community.'[3] This longstanding agreement had allowed the Southeast Asian cluster to dominate the international market for rubber for almost half a century and to emerge in less than 20 years as a promising producer of palm oil, in direct competition with the native cluster of West Africa.

The Japanese occupation between 1941 and 1945 and the political and social turmoil of the first phase of decolonization brought about a misalignment between companies' and British Government objectives, leading to several episodes of confrontation over the governance of the cluster. Although maintaining nominal control of her colonies, postwar Britain found itself deeply indebted to the U.S. and in need of U.S. dollar exchange to pay for its imports and reconstruction (Rudner 1994, 8).[4] As had already occurred after World War I (WWI), tax revenues from Malayan rubber exports could serve this purpose, but European planters and staff returning to the estates in late 1945 found themselves operating in a much dangerous environment than the one they had left.[5]

Towards the late 1940s, episodes of guerrilla warfare led by the Malaysian Communist Party against the colonial regime broke out first in the states of Malacca and Johore and later intensified across the Peninsula. Being identified as symbols of colonial oppression, rubber estates and tin mines became the targets of attacks by groups of bandits hiding in the jungle (Tate 1996, 515). As a further problem, during the occupation local squatters had seized a significant percentage of foreign-owned estates and converted them into food crops, supplying a steady flow of provisions to the rebels. As planters found themselves squeezed between the plummeting price of rubber and the increased costs for security measures in the estates, the RGA engaged in a restless lobbying effort to obtain financial and military support from the British Government.[6]

After the murder of three European planters, the state of Emergency was finally declared in June 1948[7] and the colonial government agreed to partially cover the plantation companies' security expenses in addition to the already-promised compensation for war damages[8] (see Table 2). Finally, under the constant pressure of agency houses and banks involved mostly in rubber and tin, in 1949 London sent special police forces from Palestine to organize and train Malay troops.[9]

Despite these conciliatory measures, with the escalation of the Emergency, the squabbling became increasingly common and the friction between cluster members and colonial institutions more explicit. This detachment progressed through the construction of conflicting perspectives on how the cluster should be governed, which in turn shaped the communication between the two parties in the years ahead. While before the war plantation companies considered the colonial administration an ally, during decolonization the industry portrayed itself as a hero that had been mistreated by an ungrateful government.[10]

On the one hand, the RGA in London continued to solicit a more relaxed fiscal policy, describing the industry as one oppressed by an excessive tax burden. On the other hand, planters in Malaya accused colonial institutions of apathy with regard to the belated payment of war damages and the increasing threat posed by synthetic rubber.[11] Discontent peaked in 1951. The position of the companies towards the colonial government is well expressed by Thomas Barlow's annual chairman statement:

> Banditry continues throughout Malaya and it is most necessary that the Government should realize the fundamental fact that its job is to Govern. A year ago the Government had before it the two urgent tasks of suppressing disorder and settling War Damage claims. Little progress has been made with either. (…) It would be vastly more helpful to companies such as this which pay enormous sums in taxation (…) if the Government would attend to these matters rather than producing an ill-considered and extravagant new Labour Code.[12]

In an attempt to win the locals' hearts and minds, the colonial government encouraged the creation of moderate trade unions (White 2008; 429–449), and in the early 1950s it adopted an increasingly pro-smallholder attitude in financing the replanting schemes via a cess from export duties (Tate 1996, 576; White 1996, 213). Yet, the business establishment interpreted these policies as outrageous rather than as essential parts of the anti-guerrilla campaign. At the same time, close correspondence between the upper echelons of the colonial administration – the High Commissioner's Office, the Colonial Office in London, the Treasury, and the Secretary of State for the Colonies – discussed how to respond to the persistent anxiety of the RGA about the long-term strategy of the British in Malaya.[13] Firstly, a broadcast from the government-owned channel had suggested the possibility of nationalization, infuriating Dunlop's RGA representative F. D. Ascoli and compelling the government to publicly deny this option. An additional worry was represented by the increasing favor granted to the emerging Malayan politician Dato Onn's[14] new multi-racial political party, the Independence Malaya Party (later Party Negara), whose program included the Malayanization of the Civil Service, the deposition of the Sultans and the attainment of independence in seven years.[15] Further alarming the industry, there was the longstanding issue of government transfers for labor regrouping. Since squatters supplying food to the bandits impaired a quick resolution of the crisis, the last government measure, the Briggs plan, envisaged the costly regrouping of the estates' labor forces under the supervision of the European planting community, in a time when the industry was also taking a long-term risk by replanting old trees.[16]

With decolonization, government officials had been reshuffled, British priorities had shifted away from the former empire, and the traditional prestige of rubber was vanishing with decreasing rubber prices (Rudner 1994; Shamsul 1997). While acknowledging the hardship experienced by the rubber companies, government officials hardly concealed their irritation at the increasing anxiety and pressing requests of the agency houses, which were perceived as out of place in a situation of political unrest.

These claims were based on precise expectations as to how the colonial administration should behave. They were rooted in the RGA's own understanding of the central role played by rubber in the previous half-century: 'the building up of a great industry (…) has meant not only employment for many Eastern workers of different nationalities, but good business for many British and some foreign manufacturers, bankers, ship-owners, insurance companies and others.'[17] Yet, as noted by High Commissioner Sir Henry Gurney:

> The complaints have come mainly from the agency houses and board of directors who have a less immediate sense of the difference between the special protection required by their properties and the general protection which it is feasible for the security forces to provide.[18]

The RGA was perceived as the bastion of a vested interest unable to adjust to the recent political developments and the new trajectories of post-colonial Malaya. He continued referring to RGA representatives as 'rubber barons (…) [who] are living in some different world and (…) constitute a greater danger to the political future of this country [Malaya] than almost anything else.'[19] Concerning the issue of reimbursement for security expenses from the State, Sir Gurney pointed out that the government expenditure for the campaign against the bandits had amounted to over 20 million dollars by 1951 and:

> If the Government were to reimburse private citizens for all financial loss incurred on account of measures taken in the interest of public security the bill would be prohibitive and could only be met by generally increased taxation which might in any case have to fall mainly on the (tin and) rubber industry. (…) Those who claim that the whole responsibility [to take security measures] rests on the State are incidentally the loudest critics of the volume of public expenditure.[20]

4. Governance shifts: cluster and British government towards the palm oil boom (1951–1963)

In the immediate post-war period, the continuous confrontation between cluster companies and colonial administration had shaped their scope of action and negotiating position but left the cluster organization largely unchanged. In the subsequent decade, the relationship between agency houses and government institutions resembled a tug-of-war, impacting the cluster in its evolution and institutional design. As a result of this process of restless negotiation, actors introduced incremental adjustments to the organizational framework of the cluster by creating new institutions or modifying existing ones. Each of these successive steps can be seen as a 'round' of institutional change, redefining the boundaries of the cluster and marking its temporal progression and its shift of focus from rubber to palm oil (see all institutional rounds listed in Table 3).

In the process of handing over to the Malayan authorities, the British colonial government adopted a carrot-and-stick approach towards its dealings with the plantation companies. On the one hand, it took direct steps to diminish the agency houses' influence over rubber. For instance, in 1951 it grouped the different interests composing the Malayan rubber industry in a unified body, the Rubber Producers Council (RPC),[21] where the European interest (RGA and UPAM) accounted for six members out of sixteen. Officially, the government justified the establishment of the RPC as a way to facilitate its interaction with all actors involved in rubber production, but de facto this action enabled the colonial administration to overstep the RGA, weakening the latter's influence while increasing the voice of the domestic players.

Table 3. Institutional rounds in the palm oil/rubber cluster (1945–1970).

Institutional "Rounds"			
Year	Institution	Created by	Purpose
1951	RPC – Rubber Producers Council	British Government	Reallocate power within Malayan Rubber cluster
1954	JSC – Joint Selling Committee	Malaysian Palm Oil Producers (MPOP)	Group agency houses operating in Malay Peninsula for the pricing of palm oil
1955	FLDA	Malayan Government	Land redistribution for indigenous smallholders
1958	Malaysian Representatives at the IRSG	Malayan Government	Recognition of the country's independent status and role in the rubber industry
1959	Kulai Program CDC and FLDA	British and Malayan Government	Cooperation on palm oil smallhold-ings
1963	Oil Palm Genetic Consortium	Unilever, Guthrie, Dunlop, H&C	Combine resources for R&D in oil palm development
1966	FLDA enters the MPOP	Malaysian Government	Include the smallholding sector in the negotiation of palm oil price
1967	RGA expands its focus	RGA	Include new crops under the RGA umbrella
1968	OPGC- Oil Palm Growers Consortium	Palm Oil Estate Companies	Combined the interest of major palm oil growers (similar to the RGA)
1969	MPOC – Malaysia Palm Oil Committee	Malaysian Government	Move the administration of the cluster from London to Kuala Lumpur
1969	MARDI- Malaysian Agricultural Research & Development Institute	Malaysian Ministry of Agriculture	Control agricultural research output/form and employ indigenous researchers
1971	Disruption of MPOP	UP and Cluster Companies	Possibility of setting the price outside the Pool agreement

Source: Compilation of archival material (TNA, LMA, BC, UL) and secondary sources (Tate 1996; Martin 2003; White 2004).

The creation of a formal institution, where different interests were represented proportionally to their acreage, widened the boundaries of the cluster, bringing in new actors, and simultaneously marked a first 'round' in the negotiation between the Government and the RGA after several years of attrition. On the other hand, after 1951, the government took advantage of the general economic recovery to introduce conciliatory measures to temper the industry's anxiety. Specifically, the appointment of Sir Gerald Templer, as High Commissioner for the Federation in 1952, who made the resolution of the banditry problem the priority on his agenda,[22] marked one of the last shows of active British support for the industry. Moreover, the central government demonstrated a more cooperative attitude with regard to the estate companies' effort towards diversification, which mostly focused on oil palm development. Since 1939, the purchase of food staples produced in the colonies had been centralized under the Ministry of Food (MOF), which after the end of WWII 'was exploring very actively any possible additional sources of [palm oil] supply, particularly looking at Solomon Islands, Malaya, New Guinea and Papua'[23] because of the superior quality of their oil, more suitable for edible purposes compared to the African output.

In 1945, the major rubber companies that had invested in palm oil prior WWII resumed the pre-war MPOP, 'representing about 67.000 acres [40,000 ha] or 95% of the Oil Palm Industry in Malaya,'[24] to negotiate a price deal for the years to follow (Martin 2003, 102). The cluster members could thus benefit from the deep pockets of the MOF while they were struggling in the rubber segment.

However, in the early 1950s, the fates of the two commodities reversed temporarily. As for rubber, the outlook for the cluster improved as a consequence of the escalation of the Korean War, which drove prices up to heights unseen since the rubber boom back in the 1910s (Drabble 1973).[25] While rubber was experiencing its swansong, palm oil production was confronted with new challenges. The contract with the MOF elapsed in 1952 and the Ministry's decision to refuse a further extension was felt as a serious blow by the agency houses, which were waiting to be rewarded after the MOF had benefited from favorable price differentials with the market for several years.[26] To further infuriate the MPOP, the MOF had signed a purchase agreement for palm oil products with the former West African colonies in the previous year. Acting as Pool representative, Guthrie's blamed the MOF for succumbing to pressure from Unilever to support the Nigerian industry while failing to safeguard the Malaysian interest in the international markets.[27]

By 1953, the main producers of palm oil outside British Colonial territories fell into two major groups: Indonesia and the Belgian Congo (together with the British West African countries), each counting on established spheres of selling. The former included some British agency houses and gave priority to Holland, Germany, and Italy, the latter to the U.S.A., Canada, and Belgium via Unilever, which was also the biggest private buyer of palm oil products. Since this set-up granted the Malayan group privileged access to the U.K. and Indian markets, losing the U.K. preference would force it to enter into direct competition with both West Africa and Indonesia, at the time still almost twice the Malayan tonnage.[28]

The MOF's decision and the consequent sudden drop in the palm oil price urged the Pool companies to devise a joint response to secure their international market share and to show the government their legitimacy within the cluster. In 1954, the major Malayan producers updated the previous MPOP agreements and created a new outlet, the Joint Selling Committee (JSC) with the explicit purpose of 'ship[ping] palm oil in bulk (…) and exercis[ing] on prices a control similar to that enjoyed by the consumers, thus counteracting their domination.'[29] The JSC was organized around the four major bulking installations in the Malay Peninsula: Guthrie's in Singapore, UP's in Penang and H&C's and Socfin's in Port Swettenham. The JSC included one representative for each bulking facility and regulated the MPOP's palm oil selling price. Demand for the commodity was highly concentrated, which meant that contracts were too large to be fulfilled by individual companies. Further, competition from substitute vegetable oils was strong, providing an additional advantage to buyers. Thus, the strengthening of the MPOP and the creation of JSC worked as a second institutional 'round', formalizing the agency houses' control over the palm oil market. Simultaneously, the colonial government redefined the cluster's scope with a focus on palm oil, precisely when the price of rubber returned on a secular downward trend as a result of the end of the Korean conflict and the subsequent embargo on China's rubber imports (Rudner 1994, 121).

In 1948, the central government regrouped several of its commercial assets in former colonial territories under the Colonial Development Corporation (CDC). This company was a government-owned entity in charge of facilitating the handover of British interests to local management. In Malaya, the CDC allocated the totality of its plantation acreage to the development of non-rubber crops, especially oil palms (White 2004, 274).[30]

An additional reason for the British government's rigidity towards rubber and for the growing industry's interest in palm oil was the importance of indigenous smallholding in national rubber production (Bauer 1948; Drabble 2000).[31] The role of the smallholding sector became even more crucial after the Malayan Federation obtained self-government in 1955, and the newly elected Chief Minister Tunku Abdul Rahman targeted the rural sector as the major channel through which to achieve fast economic and social growth. In 1956, the Malayan administration formed FELDA, a public-sponsored agency with the major goal of opening up and redistributing available land (Shamsul and Perera 1977; Shamsul Bahrin and Lee 1988). The establishment of FELDA can be considered a third 'round', as it opened the way for the Malayan administration to join the cluster and its governance dynamics. After *Merdeka,* full independence, in 1957, FELDA came under the direct control of the Deputy Prime Minister's Department (Shamsul Bahrin and Lee 1988, 14–20). Initially, the agency concentrated on developing new smallholding schemes in rubber, while its focus shifted to palm oil only in the mid-1960s (Shamsul Bahrin and Lee 1988).

In the process of handover to the Malayan Government, the outgoing colonial administration demonstrated a more valuable ally to Tunku's government than to the industry. The first confrontation occurred in 1958 on the occasion of the industry's annual meeting with rubber manufacturers, the International Rubber Study Group (IRSG). In an attempt to diminish the massive influence of the RGA on the downstream stages of rubber production (marketing, distribution, and financing), the Malayan Government informed the RPC that 'it [was] no longer appropriate for the Independent Federation of Malaya to be represented at International conferences by (…) non-residents of the Federation,'[32] de facto excluding future participation of the RGA members in IRSG meetings. This way, Tunku's administration proved their understanding of the governance practices in the plantation industry and their desire to extend the cluster boundaries and benefits to the larger Malay(si)an interest. Although, as noted by E.N. Larmour at the Colonial Office, 'this was the kind of subject about which in the old days the Colonial Office would have brought pressure to the Federation,'[33] this time the British administration preferred to side with its Malayan counterpart. As asserted by A.W. Snelling, at the Commonwealth Relations Office, the matter was 'drop[ped] (…) like a hot brick'[34] with the RGA, while High Commissioner Tory stressed 'the need of training Malaysian people for positions of authority and (…) for British commercial interests to adapt themselves gradually to the political change by Malayanising their management where feasible and being forthcoming in various ways.'[35] The correspondence among British officials conveys the idea that: 'the loss suffered by the RGA (…) is mainly one of face'[36] and that the agency houses had 'to accept that their influence at the Colonial Office was a wasting asset and their ability to dictate terms to Malaya was growing less every day,'[37] which reiterates the patterns of the longstanding friction between the agency houses and the government.

In this situation, cluster companies responded by intensifying research collaboration in order to strengthen their advantage in the palm oil segment. The creation of a 'closed block' of interest in the form of the JSC not only favored internal cooperation among its members but also, and most importantly, pushed outsiders to find strategies to 'sign up to the club.' Since 1947, when its local subsidiary Pamol was established, Unilever had been operating oil palm estates in Kluang, Johore reaching a total of over 10,000 ha in 1964.[38] During the 1950s, the company expanded its presence in the Peninsula and acquired new land in Sabah, and by 1960 its oil palm acreage was around 10% of the total acreage in Malaysia (Martin 2003, 161). Given the difficulties of the rubber business, Unilever took advantage of its extensive research infrastructure and network of experts within the oil palm in West Africa (Martin 2003; 187), bringing together the scattered R&D efforts of the MPOP members. Cooperation on the oil palm escalated in 1963 and was formally sealed by a new 'round': the constitution of the Oil Palm Genetic Consortium, a joint initiative funded together with Guthrie, H&C and

Dunlop, aiming at improving the Malaysian planting material (Martin 2003, 151). The initiative remained privately sponsored until 1973, when it was absorbed by the newly created Malaysian Research and Development Institute (MARDI).[39]

5. FELDA, the Trojan horse shifting cluster control to Kuala Lumpur (1959–1970)

The 1960s saw a 'palm oil boom.' Thanks to the surge in palm oil prices, government policies such as lower export duties, and the extension of rubber replanting grants to oil palm estates (Pletcher 1990), in 1966 Malaysia became the first world producer and 'largest single exporter of palm oil,' accounting for 45% of global supplies.[40] Simultaneously, the influence of the British Government progressively faded to yield ground to its Malay(si)an counterpart. This was reflected in a change of the governance configuration within the cluster along the lines established in the previous decades. The process of adjustment through institutional rounds ongoing since the 1940s had led to an increasing formalization of the cluster organizational form. As occurred with the establishment of FELDA, once in charge, the new administration adapted its strategies to the existing governance practices, resolving to 'institutional rounds' to strengthen its grip on the cluster, in the same fashion as its predecessor.

As for the companies, the initial cooperation that informed the shift from rubber to palm oil came to an end towards the 1970s with the shakeout of the Pool agreement. In the process of re-appropriation of control over agriculture, FELDA worked like a Trojan horse: while transforming itself into an agribusiness giant in its own right (Shamsul and Perera 1977; Shamsul Bahrin and Lee 1988), it contributed to break the foreign ring and weaken the power of the agency houses within the cluster.

Since *Merdeka*, the Malayan Government had realized the need to design oil palm schemes for smallholders in collaboration with agency houses, as crop development had been dominated by and still rested on their large-scale plantations (Khera 1976; Shamsul Bahrin and Lee 1988).[41] While before WWII the colonial government had traditionally favored plantations' interests over the welfare of smallholders, decolonization urged the British government to foster the native interest as well. Since 1959, Tunku's administration had relied on the support of the British government, which entered a joint program with FELDA for the creation of the first palm oil smallholding in the CDC' Kulai estates, setting the good example for cluster companies to cooperate.[42] According to 1961 Unilever's report on palm oil in Malaysia:

> The [Malayan] Government were pressing ahead with smallholders schemes and were thinking in terms of about 130,000 acres (…). The first at Kulai (…) had already 2,500 acres and was planned to go up to 20,000. (…) The CDC had helped to lay down the nurseries and Europeans were supervising getting the plantation started, but the Malayans would probably try to operate these schemes independently in which case they were likely to run in a lot of difficulties.[43]

In the following years, Tunku's administration negotiated several cooperative programs between FELDA and the major foreign palm oil players. For instance, H&C's and Guthrie had their own palm oil experts, B. S. Gray and P. T. Gunton, sitting on the agency's board and acting as advisors. Moreover, the estate companies were running regular training courses for FELDA staff.[44] Finally, the Government offered new land grants contingent upon private-sector participation in joint smallholding schemes. The typical set-up was described in a 1961 memorandum between Unilever and FELDA:

> The basic concept was simultaneous development of a 5,000 acres estate for Unilever and an 'estate' of a similar size for the FELDA, who would ultimately allot shares in it to individual settlers and the erection of a mill (…) to be jointly owned by the two parties through a separate processing company.[45]

Similarly, in 1961, Socfin ran a 1500 ha scheme in Perak and in 1965, Barlow cooperated on smallholding schemes on newly opened land in Sabah.[46]

In light of the agency houses' exposure in palm oil, in 1966, the RGA officially extended the scope of its activities, inviting growers of crops other than rubber to join the association[47] and formally reviving its influence over the cluster (Tate 1996, 582). In the same year, FELDA followed suit, scaling up its palm oil acreage and integrating vertically through processing and marketing subsidiaries to provide smallholders with an umbrella of specialized services (Shamsul Bahrin and Lee 1988; Martin 2003). Thanks to its newly acquired scope and size, the agency obtained a seat in the MPOP, but since it still did not yet operate any bulking facility, it remained a non-voting member of the JSC until 1969 (Khera 1976; Sutton 1989). Meanwhile, new institutional rounds were taking place in the cluster: in 1969 the Malaysian Government had formed the MARDI under the Ministry of Agriculture (Tate 1996, 589); and the man of the industry, former Police Inspector General Sir Claude Fenner, managed to secure the inclusion of four representatives of the newly formed Oil Palm Growers' Council in the MARDI committee for oil palm research (White 2004, 11, 172).

While the (foreign) private sector seemed to safeguard its grip on the cluster by means of these arrangements, two major circumstances precipitated the disruption of the existing governance equilibrium. Firstly, simmering friction emerged within the Pool itself, as the smaller Danish player United Plantations (UP) was suffering the excessive power of its biggest counterparts Guthrie and H&C.[48] In particular, UP lamented its exclusion from the creation of a selling agreement (among the major producers H&C, Pamol, and CDC) detached from the MPOP for the sale of palm oil produced in the Sabah region.[49] Secondly, in 1968, the U.K. Government introduced the Trade Restrictive Practices Act, banning any collective voluntary price-fixing agreement among U.K.-registered companies (Khera 1976, 279).[50] Since 90% of the estate companies in the cluster were headquartered in the U.K., the new bill made the MPOP illegal. While the London interest still squabbled on how to fix the problem, the Malaysian Government seized the moment to increase its radius of action in the cluster.[51]

At first, in 1969, FELDA had the MPOP enforce the creation of a new Malaysian Palm Oil Committee (MPOC), operating from Kuala Lumpur in connection with the London-based JSC (Shamsul Bahrin and Lee 1988). The goal was to increase the Malaysian representation in the marketing and price setting of palm oil (Khera 1976, 280). This had created suspicion among foreign players, as acknowledged in Unilever's later internal correspondence, 'Malay officials have proved adept at playing foreigners off against each other, in some cases inspired by foreign "wide boys", with their own axes to grind.'[52] Specifically, FELDA crafted a stronger alliance with UP.[53] The fact that the Danish company backed the transfer of the stock exchange to Kuala Lumpur and was the only foreign player, together with the much influential Unilever, to maintain large stakes of interest during the process of Malaysianization, support the hypothesis of a tight cooperation between UP and the Malaysian Government. These movements eventually culminated with the dissolution of the Pool. Partially in retaliation to the Sabah Pool issue,[54] partially because of the possibility of selling independently in India (Martin 2003, 240), UP resigned from the Pool in October 1971, de facto depriving the organization of its price fixing function (Khera 1976, 281).[55]

Although the launch of the New Economic Policy (NEP)[56] in 1971 is often portrayed as the cornerstone of Malaysianization, the extent of government engagement in FELDA shows that control was already shifting into local hands through the 1960s (Shamsul 1997; White 2004). Eventually, Malaysianization did become more aggressive during the NEP (Yacob and White 2010; Yacob and Md Khalid 2012), with the transfer of the Palm Oil Stock Exchange from London to Kuala Lumpur (Martin 2003, 328–330; Jones 2005, 200)[57] and the acquisition of all the major cluster players by government-linked companies at the turn of the 1980s (Yacob and White 2010).

6. Conclusion

The evolution of the rubber and palm oil cluster in Malay(si)a helps craft a more nuanced view of the government's role in cluster development. Studies on clusters agree on the desirability of supportive but not intrusive government action for the smooth functioning and thriving of a cluster. Yet, these studies have at least two major limitations. Firstly, they are mostly policy-oriented and consider the government as an actor external to the cluster. Secondly, they concern clusters operating in politically stable settings, normally under free-market regimes and dominated by indigenous companies, implying the strong alignment of goals and interests between the government and the cluster companies.

The Malay(si)an case, an agricultural cluster in a developing country during the delicate process of nation building, helps operationalize the concept of cluster. The analysis of the archival material identifies the central actors and institutions within the cluster (see Table 1) and examines the governance dynamics shaping these boundaries. Indeed, this paper provides a very different view on (i) how governance is negotiated between deputed government bodies and companies in the cluster and on (ii) the impact of this interaction on the progression of the cluster as an organizational form. It gives evidence for the argument that greater contextualization is needed to understand different types of governance in clusters, counteracting the bias towards Western and advanced economies in the literature.

Firstly, the palm oil case challenges the idea that the government is a force external to the cluster. My archival research shows that both the British and the Malay(si)an governments actively participated in the decisions impacting the cluster's institutional structure and eventually created semi-public actors such as CDC and FELDA to extend the cluster boundaries to the smallholding sector.

Secondly, the analysis focuses on the governance dynamics among the aforementioned actors, intended as practices of non-market coordination, within the cluster. It suggests that this cluster evolved through continuous negotiation between business representatives and government officials, resembling a tug-of-war. At the micro level, the boundaries of the cluster were relentlessly contested and redefined by the ongoing conversation between public and private players, striving to modify their respective scope of action and influence. Letters and minutes are particularly insightful in illustrating how actors' reflexive understanding of the cluster and of their role within it led to conflicting perspectives, in turn framing the trajectories of their subsequent decisions and interactions.

Thirdly, governance dynamics produced institutional change in the cluster. At the macro level, the abovementioned tug-of-war between the government officials and business representatives took the shape of 'institutional rounds' (see Table 3). At times of major friction, stakeholders adjusted the scope of the cluster through the cumulative creation of new, or modification or disruption of old institutional forms, questioning the legitimacy or effectiveness of the existing ones. By correcting and redefining the role of actors within the cluster, these 'adjustments' came to represent successive steps in the cluster's progression, each time marking the boundaries of the cluster. This process of continuous re-definition of the cluster boundaries is reminiscent of a 'pop-up doll' whose limbs become loose and collapse when their base is pushed and are recomposed differently every time the base is released.[58] Although institutional rounds differ from pop-up dolls in that they can add more pieces to the new cluster organizational structure, the metaphor illustrates the manner in which the interaction between stakeholders is marked by major turning points, defining the cluster's advancement over time. The formation of the RPC to mitigate the power of the RGA, the establishment of the JSC within the MPOP to deal with the palm oil buyers, the creation of FELDA, and, finally, the introduction of MARDI and MPOC to move the power balance from London to Kuala Lumpur are only some outcomes of the described dynamics between the (British and later Malay(si)an) Government and the foreign plantation players to influence the advancement of their business.

Finally, governance dynamics within the cluster show the path-dependency in cluster development, which became evident when governance shifted from British to Malay(si)an hands. Despite the intrinsic difference in goals between the two administrations, Tunku's government adapted his strategy to the 'rules of the game' already governing the cluster. The Malay(si)an administration integrated itself into the governance dynamics, resorting to institutional rounds to curtail the influence of foreign companies and broaden the scope of the cluster, just as the British used to do. Eventually, in order to incorporate the smallholding sector, FELDA assumed the shape and size of the major cluster players.

On the basis of these insights, future research may aim to develop a deeper understanding of governance dynamics within a cluster. Below I sketch a tentative model, outlining different 'ideal types' of cluster governance, which may be used as a building block. Ideal types are chosen for generalization purposes in the knowledge that meta-level aggregations such as 'government' and 'cluster' include a multiplicity of individual, mixed perspectives and interests. In Figure 2, I advance the idea that governance can change according to the interrelation of two dimensions: (i) the alignment between deputed government institutions and cluster members' objectives and (ii) the direction of government action either towards the companies in the cluster (direct) or the business environment (indirect).

Q1 of the matrix shows that when interests are aligned, the government's intervention can favor specific companies, as occurred during the colonial period, with agency houses operating in an institutional and legal framework that reduced the risk to FDI (Yacob 2008, 8–10). Alternatively, as described by Porter and summarized in Q4, public policies can target the cluster's organizational structure (indirect intervention) to improve the business environment where cluster players operate (Porter and Bond 2008). However, decolonization provides examples of clear deviations from Porter's model in terms of goal alignment. Q2 describes the first phase of decolonization, when the British colonial government's action was directed to plantation companies, but their interests were misaligned, as the major objective of the administration was to reduce the RGA's influence in the rubber business and ease the process of handover to the Malayan Government. The fact that the British became increasingly detached from and unsupportive of the agency houses triggered their cooperation in palm oil development but significantly reduced their control of the rubber segment. Finally, as in Q3, the incumbent Malay(si)an Government was interested in preserving and developing the cluster business environment, but not necessarily in the way that cluster companies envisaged. The creation of FELDA disrupted the internal cohesion among cluster members but enabled social upgrading, as the smallholding sector was able to join in and rip the benefits related to palm oil production.

The interaction between foreign players and the government in the complex decades of decolonization in Malay(si)a transformed the palm oil cluster in a major pillar of the country's development strategy for the next three decades, achieving remarkable long-term success and shaping the region's economy to this day. The palm oil story invites a more attentive consideration of the modalities of interplay between public and private actors within clusters, still relevant in the contemporary context of globalization, where foreign actors – today also Malaysian – continue to engage in countries characterized by transitional political regimes and volatile economic environments.

Notes

1. Strong cooperation between business and government during colonial rule is not to take for granted: the career of Sir John Hay of Guthrie is a case in point. See forthcoming work by N.J. White.
2. The association grouped the major foreign companies in the Peninsula, mostly representatives of rubber estates and tin mines.
3. BC JEB/199, Business Papers and Correspondence (1908–1930), Minutes of Speeches of the 10th annual dinner of the Association of British Malaya, June 1930.
4. LMA CLC/B/112/MS37331/001, Harrisons and Crosfield directors' papers, Sir Eric Miller (director 1908–1958, chairman 1924–1956), Papers concerning his career, 1957.
5. LMA CLC/B/112/MS37394/004, Papers collected in 1989 by Guy Nickalls for Great Enterprise (henceforth Nickalls' Papers), Copies of press cuttings and notes from company employees, 1945.
6. TNA CO/537/7265, Law and order: the Rubber Growers' Association (henceforth RGA law and order), different memoranda of meetings between Malayan commercial interest deputation and representatives of British colonial government, 1951.
7. TNA DO/35/9901, Rubber Growers' Association, 50th anniversary booklet, 1957, 17; LMA CLC/B/112/MS37391, Notes on the history of the company by Cleveland Stevens, 1943, 213.
8. TNA CO/537/7265, RGA law and order, Statement issued by the Government of Federation of Malaya, 27 June 1951, 2 (79); BC TBB/870, Correspondence with Grut, Bernam Oil Palms' Chairman Address, 20 June 1947.
9. BC JDB/1202, Highlands and Lowlands Para Rubber Co., Report of Chairman T.B. Barlow, 1948, 2.
10. TNA CO/537/7265, RGA law and order, Letter from Sir Henry Gurney to J. J. Paskin, 3 September 1951, 3 (27).
11. TNA DO/35/9901, RGA, 50th anniversary booklet, 1957, 16–17.
12. BC JDB/1202, Highlands and Lowlands Para Rubber Co., Report of Chairman T.B. Barlow, 1951, 2.
13. TNA CO/537/7265, RGA law and order, Miscellaneous correspondence, 1951.
14. Dato Onn Bin Jafar was the founder-president of the United Malays National Organization (UMNO) from 1950 to 1952.
15. UL UNI/RM/OC/2/2/64/20, Mr. Reykens and Mr. van den Bergh's visit to Malaya, June 1952, 3.
16. TNA CO/537/7265, RGA law and order, 1951.
17. LMA CLC/B/112/MS37394/004, Nickalls' Papers, Frank Swettenham, 'Concerning the British plantation rubber industry (…)', *British Malaya,* 12 February 1945, 2.
18. TNA CO/537/7265, RGA law and order, Letter from Sir Henry Gurney to J.J. Paskin, 3 September 1951, 7 (31).
19. Ibid, 1–2 (26–27).
20. Ibid, 9–10 (33–34).

21. TNA DO/35/9901, RGA. The RPC was constituted by sixteen members distributed on the basis of controlled acreage: four from the RGA, three from the United Planting Association of Malaya (UPAM) (European estates), three from the Malayan Estate Owners Association (mostly Chinese owners) and six from the smallholders, hence the European interest (RGA and UPAM) accounted for six members out of sixteen.
22. TNA FO/371/105161, RGA Rubber Bulletin, 1953; UL UNI/RM/OC/2/2/64/22, Notes on Mr. van den Bergh's Visit to Malaya, November 1953.
23. TNA MAF/83/2178, Palm Oil from Malaya, Letter from Eric Roll (MOF) to G.S. Bishop, 31 October 1946.
24. Ibid, Notes of Malayan Palm Oil, Memorandum Palm Oil Committee, 20 September 1946, 1.
25. LMA CLC/B/112/MS37394/002, Nickalls' Papers, RGA company meetings, 1 May 1951.
26. BC TBB/870, Correspondence with Grut, T.B. Barlow's correspondence with Mr. Inglis (McNeill & Sime), 5–6 January 1948; UL UNI/RM/OC/2/2/118, Report by Mr. J.C.A. Faure on his visit to the Far East, January 1948, 9–11.
27. UL UAC/1/2/4/19/5, Proposed Scheme for Financial Assistance to palm oil Companies, 1929; TNA MAF/83/2178, Palm Oil from Malaya, Letter from C. Mann (Guthrie – MPOP) to E.R. Richardson (Colonial Office), 19 November 1953.
28. Ibid, 2; TNA DO/35/9995, Oil Palms in Malaya, Letter from D. Mellor (King's House) to R.B. Dorman (Commonwealth Relations Office), 20 August 1959, 3.
29. BC HSB/1085, MPOPA, MPOP Agreement, 17 November 1954, and amended 1965 version.
30. TNA DO/35/9993, Kulai oil palm estate, Minute of meeting between Mr. O'Leary and E.N. Larmour (Colonial Office), 12 May 1958.
31. LMA CLC/B/112/MS37394/007, Nickall's Papers, 'The outlook in the rubber industry', *The Planter,* 18 November 1929, 157–162.
32. TNA DO/35/9901, RGA, IRSG correspondence, Letter from the Ministry of Commerce and Industry to the RPC, 16 April 1958.
33. Ibid, Letter from E.N. Larmour to A.W. Snelling (Commonwealth Relations Office), 1 August 1958.
34. Ibid, Letter from A.W. Snelling to Sir H. Lintott, July 1958, point 4.
35. Ibid, Sir Geofroy Tory confidential note of talk with the RGA, 9 July 1957.
36. Ibid, Letter from Sir Geofroy Tory to A.W. Snelling, 20 June 1958.
37. Ibid, Letter from Mr. L. Beavan (King's House) to Sir Geofroy Tory, June 1958, point 6.
38. UL UAC/1/2/4/19/11, Minutes of meeting of the Special Committee with the Plantations Group, 16 August 1956, 2 (65); UL UNI/RM/OC/2/2/64/58, visit to Pamol Plantations by Dr. R.V. Austin, 1964.
39. BC TBB/830, Correspondence with Grut, United Plantations' Chairman Statement, 1969, 5.
40. LMA CLC/B/112/MS37394/004, Nickalls' Papers, 'As Synthetic Competition intensifies …' article, 1966.
41. TNA AY/4/2572, Survey of potential market for oil palm machinery in Malaya, Manlove Alliot and Co., 1959, 1.
42. TNA DO/35/9995, Oil Palms in Malaya, 1959; TNA CO/1022/436, Colonial Development Corporation (CDC) scheme for the Kulai Oil Palm Estate, 1959; BC JDB/1198(3), Letter from J. D. Barlow to J. R. Baxter, 19 August 1966.
43. UL UNI/BD/SC/1/461, Minutes of the meeting of the Special Committee with the Plantation Group, 1961, 3.
44. LMA CLC/B/112/MS37394/004, Nickalls' Papers, Development of the Oil Palm, H&C Strategy, 1969, 3.
45. UL UNI/BD/SC/1/461, Minutes Z.79, 6 December 1961.
46. BC JDB/1198(3), Letter from Baxter to J. D. Barlow, 22 September 1966 and Letter from J. D. Barlow to T. J. Jayasuriya (Sabah Natural Resource Minister), 17 November 1966.
47. BC TBB/830, Correspondence with Grut, from T. B. Barlow to Olaf Grut, 2 November 1964.
48. Ibid, Letter from Olaf Grut to T.B. Barlow, 21 August 1964.
49. Ibid, Letters between Olaf Grut, T. B. Barlow and J. V. Burgess (Guthrie), 28 October–18 December, 1964.
50. BC HSB/1085, MPOPA, Minutes, 13–24 July 1970.

51. Ibid.
52. UL UNI/RM/OC/1/3/61, Letter from R. G. Dawson (Plantation Group) to C. R. Borland (Overseas Committee), 9 September 1975.
53. BC HSB/1085, MPOPA, Minutes, 13–24 July 1970.
54. Ibid. Recent discussions within the field advanced the idea that the non-British nationality of these companies could have played a role as well.
55. BC TBB/830, Correspondence with Grut, Letter from Olaf Grut to T.B. Barlow, 17 November 1972.
56. The New Economic Policy started with the Second Malaysia Plan (1971–1975), and lasted until the Fifth Malaysia Plan (1986–1990) with the major goal of achieving national unity, harmony and integrity through socio-economic restructuring in order to minimize the level of poverty in the country (poverty eradication).
57. BC TBB/860, MPOPA, Letter from Olaf Grut to T.B. Barlow, 18 April 1972.
58. I am thankful to Professor David Kirsch for suggesting this metaphor.

Acknowledgments

I would like to thank the staff of the archives I consulted in writing this paper: the British National Archives in Kew, the London Metropolitan Archives, the Guthrie Collection at the SOAS Archives, and the Barlow Collection at Cambridge University Library. A special mention goes to Henry Barlow for kindly granting access to all the records in his family's collection. I am very grateful to the Unilever Archives team, and especially to Jessica Handy, for allowing access to the archives at the Company's premises in Port Sunlight (Liverpool). Finally, I would like to thank two anonymous referees, Christina Lubinski, Andrea Colli, Pavida Pananond, David Kirsch and Nick White and the participants to my session at the 2015 Business History Conference in Miami for their feedback and comments.

Disclosure statement

No potential conflict of interest was reported by the author.

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