The Challenges in Producing Social Entrepreneurs Among Graduates From the Indigenous Community in Malaysia

Nazahah Rahim, Universiti Utara Malaysia, Malaysia
Faizahani Ab Rahman, Universiti Utara Malaysia, Malaysia
Azyyati Anuar, Universiti Teknologi MARA, Malaysia

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Abstract
To support the sustainability of entrepreneurship agenda within the Higher Education (HE) institutions in Malaysia, the Ministry of Higher Education (MOHE) launched the Entrepreneurship Action Plan 2021-2025 and the HE Integrated Entrepreneurship Education Guide. This is because, it has been the aspiration of the Malaysian government through these entrepreneurship policies, that Malaysia starts to produce balanced and holistic graduates with entrepreneurial mind-sets and to nurture job creators rather than just grooming jobseekers. Social entrepreneurship which is a type of entrepreneurship has been recognized to create job creators among graduates and contribute to the socio-economic development of the country. However, this aspiration might pose challenges to individuals in marginalized communities such as the indigenous community. Data shows that entrepreneurial activities among graduates from the indigenous community are still limited. This study aimed to explore the challenges in producing entrepreneurs particularly social entrepreneurs among graduates from the indigenous community in Malaysia. It was conducted as a qualitative study based on sixteen respondents who participated in the study. Data were collected through a combination of observation and semi-structured interviews. The findings revealed significant challenges categorized into internal and external challenges. Internal challenges include knowledge, awareness, and attitude, whereas external challenges comprise of support, location, and tradition. This study provides one of the many solutions in combating poverty and building economics for young Malaysians, especially those in the marginalized communities.

Keywords: Indigenous Community, Marginalized Community, Social Entrepreneurship
Introduction

The government aims to encourage graduates in Malaysia to pursue entrepreneurship as their preferred career choice through entrepreneurship policies. The Ministry of Higher Education (MOHE) has set various aspirations, including the Entrepreneurship Action Plan and the Malaysia Education Blueprint 2015-2025 (Higher Education), to develop graduates with a balanced and holistic approach and cultivate an entrepreneurial mindset. The goal is to nurture individuals who can create job opportunities rather than solely seek employment. MOHE's objective is to produce entrepreneurs with strong entrepreneurial values, attributes, and resilience in the global market, thereby contributing to the country's economic growth. However, this only applies to students of higher education in anticipation that they will be creating more job opportunities for themselves and others as they venture into entrepreneurship.

Graduates from the marginalized communities such as the indigenous community are also given the same chance as those in the HE institutions to engage and to be involved in entrepreneurial activities. The HE institutions help graduates by providing support that can take a variety of forms, from business plan competitions, social enterprise engagements, to mentoring, conferences and workshops. Moreover, the Entrepreneurship Action Plan 2021-2025 agenda has suggested for HE institutions to cultivate entrepreneurship aspects in the curriculum, promoting entrepreneurship as a career opportunity, providing assistance and support to start a business and highlighting graduate entrepreneurship success stories.

Social entrepreneurship which is a type of entrepreneurship has been recognized to contribute to the socio-economic development of countries all over the world. The interest in social entrepreneurship has grown exponentially in Malaysia but, social entrepreneurship is still considered new and uncommon among Malaysians as the business model for social entrepreneurship is based on applying business solutions to social problems. The Malaysian government has expanded its focus on social entrepreneurship through strategic plans such as the National Entrepreneurship Policy 2030 (NEP 2030) and PENJANA stimulus. With the uncertainties in the economic and financial activities, Malaysians are starting to consider social entrepreneurship as either their fixed or side income.

In 2018, the Prime Minister of Malaysia announced a fund of RM20 million. However, the number of social enterprises that emerged as a result was relatively low, with only over 20,000 compared to neighbouring countries like Thailand and the Philippines, which have over 700,000 and 30,000, respectively (British Malaysia, 2018). This suggests that social enterprises in Malaysia are not yet widely recognised and should be taken seriously. It's important to acknowledge their potential as a source of employment and sustainable support, with the backing of the government and society (Malay Mail, 2020).

Before students are exposed to social entrepreneurial activities, they need to fully understand the concept of social entrepreneurship and subsequently harbor aspirations to be social entrepreneurs. In reference to this situation, literatures pertaining to social entrepreneurship activity research are still limited globally, including in Malaysia. The terminology ‘social entrepreneurship’ is still uncommon in Malaysia; nonetheless, its execution can be long traced through the establishment of cooperation for urban and rural dwellers (Rahman et al., 2016). Social enterprise is defined as organizations which use business opportunities to attain social goals. In general, social entrepreneurship is about addressing community needs and bringing about social change rather than just focusing on making money. It aims to improve
the lives of marginalized groups and protect the environment. Research in this area focuses on empowering disadvantaged individuals, such as the unemployed, single mothers, homeless people, and those living in poverty, to improve their lives through their own efforts rather than relying solely on external financial support. By promoting social entrepreneurship among young people, including graduates, the socio-economic disparities among Malaysians can be reduced, creating a more balanced society (British Council, 2018).

**Purpose**

In 2015, it was estimated that the indigenous peoples of Malaysia, known as Orang Asli, made up approximately 13.8% of the total population of 31,660,700 million. The government of Malaysia has introduced the Orang Asli Education Transformation Programme to improve leadership and management skills at all levels. This initiative aims to address the issues and challenges faced by Orang Asli children more efficiently. Additionally, the programme aims to strengthen collaboration with relevant government bodies that are directly involved in projects and initiatives related to the Orang Asli community.

Social entrepreneurship can play a supportive role in achieving the goals of the Malaysian Higher Education Sector Blueprint: Higher Education Sector (PPPM-PT 2015-2025) by producing well-rounded graduates in education and technical and vocational training (TVET) (Rahman et al., 2016). This education platform focuses on equipping students with knowledge, skills, and an entrepreneurial mindset, creating an environment that encourages social entrepreneurship as a career choice after graduation. Events like the International Conference for Youth Leaders (ICYL 2015) and social innovation competitions promote the development of social entrepreneurs and socially oriented products. Social entrepreneurship shares similarities with traditional business entrepreneurship and spans various fields of study. However, there is a lack of research specifically focused on social entrepreneurship, particularly in Malaysia. Existing studies indicate a moderate level of social entrepreneurship activity in the country.

Data also shows that entrepreneurial activities among graduates from the indigenous community are still limited. There is a lack of involvement in social entrepreneurship among graduates from indigenous communities. The number of successful graduates, including those from indigenous backgrounds, has been increasing. However, youth unemployment rates in Malaysia are rising, making social entrepreneurship an alternative for these graduates. This increase in unemployment highlights the marketability and employability issues faced by both public and private university graduates in Malaysia. Consequently, students are motivated to be more creative, leading them to create social innovations that benefit their communities rather than seeking personal gains. This effort indirectly addresses the problem of unemployment among graduates. Therefore, this study aimed to explore this issue by identifying the challenges faced by graduates from the marginalized communities, particularly the indigenous community in Malaysia, in becoming social entrepreneurs. This study focused on graduates from indigenous communities residing in rural areas in three states with high levels of absolute poverty.

**Literature Review**

The term 'social entrepreneurship' was created by William Drayton and others to describe businesses that have the purpose of helping people who are left out and giving power to certain groups of people who face disadvantages (Drayton, 2006; Leadbeater, 1997).
According to Drayton (2002), social entrepreneurs notice something in society that is not functioning properly and imagine a big change that will enable them to transform society into a new and improved state. According to Roberts and Woods (2005), social entrepreneurship is about recognizing, evaluating, and pursuing opportunities to bring about significant social changes. It is carried out by visionary individuals who are deeply committed to their cause. Unlike traditional or business entrepreneurs, social entrepreneurs prioritize their explicit and central social mission when considering opportunities. They assess the impact of these opportunities based on how they align with their mission, rather than solely focusing on creating wealth. While social entrepreneurs view wealth creation as a means to accomplish their mission, business entrepreneurs see wealth creation as the ultimate goal (Dees, 2001).

Education in higher education institutions should extend beyond academics and encompass real-world experiences. Fitzgerald et al. (2016) emphasize the importance of students engaging with diverse social issues and developing skills through university-community partnerships, which enable them to make a positive impact on society. Introducing social entrepreneurship education in higher learning institutions is a crucial step in fostering innovation and empowering communities (Halberstadt et al., 2019).

The youth play a significant role in communities and are crucial for the future of community development. Ogamba (2019) suggests that young people can drive innovation in profitable business ventures. For example, young entrepreneurs in Africa have the potential to identify untapped opportunities and create groundbreaking innovations that benefit consumers. This not only adds value to the market but also generates employment, increases government revenue, and promotes economic growth and sustainable development (Ogamba, 2019). Chigunta (2002) categorises youth entrepreneurship into three groups: pre-entrepreneurs, budding entrepreneurs, and emergent entrepreneurs. Pre-entrepreneurs, typically teenagers aged 15–19, are inexperienced and lack business ownership knowledge or experience.

Damoah (2020) presents a different perspective, stating that being born into entrepreneurial families significantly increases the likelihood of young individuals considering entrepreneurship as an attractive life path. However, it is important to explore how youth entrepreneurs can elevate social entrepreneurship to make a significant impact on communities. Countries like the USA and Canada have already started focusing on social entrepreneurship education, and the demand for it is growing. Specifically, there is a focus on cross-campus programmes that highlight the demographics of students in higher learning institutions (Solomon, Alabduljader & Ramani, 2019). The authors argue that social entrepreneurship education should address key questions such as: (1) who social entrepreneurs are; (2) what factors contribute to the success of social entrepreneurs; (3) what benefits and challenges are associated with different organisational models; and (4) how to identify and capitalise on various social opportunities.

According to Waghid (2019), social entrepreneurship is not adequately integrated into the business education curricula in secondary schools in South Africa, both as a concept and an ideal. Furthermore, the schools where pre-service teachers conducted their teaching practise did not include activities related to social entrepreneurship in their business education curricula. In contrast, there is a clear demand for such knowledge among the Taiwanese population. Taiwanese universities are increasingly offering entrepreneurial programmes; the Taiwanese government actively promotes entrepreneurial education; and numerous books on entrepreneurial experiences have been published (Chen, Weng & Hsu, 2010). Kirby and Ibrahim (2011) discovered that students in Egypt are unsure about the role and activities of
social entrepreneurs and are largely unaware of existing Egyptian social entrepreneurs. While most students aspire to work for multinational corporations, a significant number are interested in establishing social enterprises. Thomsen, Muurlink, and Best (2018) investigate the potential impact of university-based social entrepreneurship ecosystems (U-BSEEs) from a political ecology perspective. Their research reveals criticisms of the role of higher education in society, the financial resources and impact of universities on stakeholders, the potential of student-led initiatives and programmes that incorporate adult learning theories, and the changes universities can make to become key players in U-BSEEs. Successful development of university-based ecosystems seems to rely on student engagement and cross-disciplinary collaboration.

**Methodology**

This study is qualitative in nature where data collection was conducted in two phases: 1) observations, and 2) semi-structured interviews with relevant stakeholders. First and foremost, a list of needs for social entrepreneurship was drafted using available literature. The population comprised of participants from the indigenous communities in Malaysia, particularly on the Orang Asli communities, concentrating on areas in 3 states in Malaysia, namely Kedah, Perak and Kelantan. This identified areas centred in Gua Musang and Jeli in Kelantan, Gerik and Lenggeng in North of Perak and Baling and Yan in Kedah. Since it is beyond reachable areas, approval, assistance, guidance, and training were sought from the Department of Orang Asli Development. From this Department, the key persons for the Orang Asli communities were identified and contacts were established with them through the department’s officers. Due to the limited access to indigenous settlements, snow-balling sampling technique was used. The respondents were gathered from the respective higher education institutions, from the heads of villages as well as word-of-mouth. The Semang was one of the sampling targets also known as the Northern Aslian or Sakai. The low-land Semang tribes are also known as Sakai, although this term is considered to be derogatory by the Semang people and are normally found in northern part of Peninsular Malaysia. They are concentrated in the highlands of Kelantan, Terengganu and the northern regions of Perak, Kedah and Pahang.

The observations were conducted in the indigenous communities' settlements surrounding the area. As an observer, the process involved gathering direct information by closely observing the people, their environment, and their surroundings. This method was particularly useful for capturing the actual behaviours of individuals who face difficulties in expressing their ideas, such as the aborigines or orang Asli. Through these observations, preliminary findings were obtained regarding the issues and challenges faced in nurturing social entrepreneurs in marginalised communities.

In this phase, findings from the observations were validated. From the observations that took place in the settlement areas, more specific robust questions were able to be generated and asked directly to the interviewees. Semi-structured interviews comprising various stakeholders such as academicians, other social entrepreneurs, government bodies (the Department of orang Asli Development, Ministry of Rural and Regional Development, Ministry of Education leaders and youth leaders from the marginalized communities were conducted. A total of 16 respondents participated in the study and all the face-to-face interviews were conducted at specific meeting spots agreed by the interviewer and the interviewees. All the interviews were transcribed, and the data were then analyzed thematically.
Findings

Based on the overall experiences of the respondents, it can be established that the graduates from the indigenous communities might have the willingness to be a social entrepreneur, as they are very committed to create social innovation through the social entrepreneurship activities, but it is not easy as there are challenges. A comprehensive understanding on the challenges concerning producing social entrepreneurs among graduates from this marginalized communities can be represented in two categories which are internal challenges comprises of knowledge, awareness, and attitude, as well as external challenges which comprises of support, location and tradition.

Due to the rapid spread of COVID-19, many young people, including graduates, have had to take temporary jobs such as being food or goods runners through platforms such as Food Panda, Grab Bite, and Grab E-hailing to support themselves and their families. However, these jobs are temporary and unpredictable. As these youths grow older, these jobs may no longer be attractive or provide enough income. It is more practical in the long run for graduates to pursue stable and predictable jobs. However, most of the respondents claimed that there is still lack of knowledge on social entrepreneurship among students in general. Graduates from the indigenous communities are reluctant to venture into social entrepreneurship due to lack of knowledge in this area. They claimed that they do not have the confidence to start such an enterprise as they are not good at it. They argued that they lack the specific skills required for a successful social entrepreneurship. Although they have been exposed to entrepreneurial activities and curriculum at the university, they felt that they still need more exposure in terms of knowledge and guidance from the relevant parties.

Most of the participants in the study expressed a low level of awareness regarding social entrepreneurship. Despite being exposed to various social entrepreneurship activities during their time at the university, the graduates feel that they still have limited knowledge in this area. This aligns with the perspective of Abdul Kadir (2014), who noted that although interest in social enterprise and social entrepreneurship has grown in Malaysia, the concept of social enterprise remains relatively unexplored, and many are still unaware of such an enterprise. While respondents were aware of the concept of social entrepreneurship, they had not considered venturing into it as it has been perceived as different in nature from the conventional business endeavors. The main reason was risks associated with starting own businesses particularly economic and financial aspects. In reality, the respondents lack solid understanding of the concepts of social entrepreneurship, and the knowledge acquired during their university courses was not retained.

It has been discovered that the graduates from the indigenous community lack the right attitude to become social entrepreneurs. Lack of confidence is one of the reasons contributing to this unfavorable attitude towards social entrepreneurship. Most of them felt that they do not have the passion for social entrepreneurship as they claimed that being a social entrepreneur carries a lot of responsibilities, as it is not an easy job. They would prefer to find something “easy”, and it is difficult to change the way of their thinking. Besides, the respondents also claimed that most female graduates in their indigenous community prefer to become housewives than as entrepreneurs.

It can be clearly established that the mentality of “jobseekers” is still strongly ingrained among the graduates from the indigenous community in Malaysia. Thus, limits the opportunity for initiating their own social entrepreneurial projects or engage in community
initiatives. By actively participating in projects that address social issues, the graduates can develop a first-hand understanding of the challenges faced by social entrepreneurs. This experiential learning approach promotes awareness, empathy, and the development of problem-solving skills.

In Malaysia, there are many opportunities provided to people from marginalized communities including the graduates from the indigenous communities. However, it was found that despite these opportunities, some of the graduates are still hesitant to move forward and venture into something new such as entrepreneurship as they feel that they are unprepared. This is because indigenous graduates are often perceived to have a considerably lower level of adaptability and a greater vulnerability to psychological challenges, including low self-esteem, when compared to their non-indigenous counterparts. Ultimately most of the graduates prefer to come back to their families after graduating, and live closer to their families. Hence the opportunity for them to venture into a new environment is limited as they are stuck in their remote settlement areas. Furthermore, accessibility to resources and supplies is also limited as these are more readily available in the cities. This is often due to the transition from the security of the home to the workplace and they tend to experiment with various activities before some of them attempt to set themselves up in business.

This study revealed that graduates from the indigenous communities in Malaysia need to acquire the right knowledge, expertise and skills required to successfully engage in any social entrepreneurship activities or projects. Through the establishment of the social entrepreneurial unit under the Malaysian Global Innovation and Creativity Centre (MaGIC), social entrepreneurs can take advantage of easy financing, skill and discussion services which are offered. Apart from that, the cooperation of Government Linked Corporation (GLC) and other private firms are involved in performing their corporate social responsibility (CSR) to high-impact social entrepreneurial projects (Rahman et al., 2016). Other than this, The Department of Social Welfare Malaysia (Jabatan Kebajikan Masyarakat-JKM) and the Department of Orang Asli Development (Jabatan Kemajuan Orang Asli-JAKOA) are also actively assisting the indigenous communities. However, the participants of this study felt that there is still lack of support particularly in terms of financial support. According to Mohd Hasril et al., (2020), the success of youth indigenous entrepreneurs is hindered by external factors, namely a lack of financial capital and the complexities of bureaucratic financial lending processes. Other concerns include technological support, promotional and marketing support.

The government's Short-Term Economic Recovery Plan (PENJANA) includes a stimulus package that emphasizes the importance of supporting social enterprises to diversify economic activities. This aligns with the theme of "Propel Businesses" and recognizes the significant role of social enterprises in creating employment opportunities in the country. As part of the PENJANA stimulus package, the Malaysian Global Innovation and Creativity Centre (MaGIC) has allocated RM10 million in matching grants for social enterprises. These grants aim to support social projects that address challenges faced by specific communities in innovative ways. Social enterprises can also crowdsource contributions and donations to fund these projects (MaGIC, 2020; Malay Mail, 2020).

Location was found to be one of the challenges in producing social entrepreneurs among graduates from the indigenous communities in Malaysia. This is because most indigenous communities’ settlements are located in rural areas with limited accessibility. This affects the transporting and delivery of goods and services into and out of the settlement areas as well as
other resources. Other than this, digitalization of business transactions is also affected as wireless coverage and internet connection are limited in some places. The indigenous communities who expressed a willingness to start their own businesses encountered difficulties in effectively marketing their products to customers residing outside their settlements. Despite their willingness to become entrepreneurs, they faced challenges in reaching and attracting customers who were located beyond their immediate communities (Doris et al., 2012). Due to location, it was found from the interviews that most of the successful graduates who used to live in the villages of the indigenous community areas would move away from the village to get better job opportunities. These graduates may choose to move to urban or more developed areas where there are more job prospects and career opportunities. Economic conditions in their home settlements may be limited, leading them to seek better employment prospects elsewhere.

It was discovered that people from the indigenous communities hold strong belief on their distinctive traditions and cultural identities. They look up highly to the Head of the indigenous community also known as Tok Batin or the Village Head. The position of Tok Batin holds great importance in preserving and protecting the customs, culture, and traditional way of life for the Orang Asli community under their care (Alizah et al., 2020). Additionally, Tok Batin's role and responsibilities include various social tasks such as creating a village profile, registering births and deaths, supervising marriage registrations, documenting visits by government officials, monitoring the migration of non-aboriginal people to the villages, reporting on programmes conducted by JAKOA, and providing monthly reports to the state JAKOA Director regarding any ongoing issues (Jabatan Kemajuan Malaysia, 2011).

The respondents were of the opinion that the Village Head plays an important role in helping to promote entrepreneurial activity especially when the activities are held at the settlement areas. The respondent also claimed that they are still inclined towards maintaining the rich culture and tradition in art and craftworks but lack of support in terms funding to get supplies and materials has affected their business. They added most of the craftsmen use forest products such as wood, bamboo, rattan, mengkuang, pandan, bemban, and coconut shell to create a variety of weaved and craft. However, in today’s modern world, it is sometimes challenging to find materials due to deforestation activities. In addition to this, the production of craftworks is based on demand of which the income generated is not sufficient to sustain the business. Some of the graduates have experiences helping their families to clear land for agricultural activities such as growing crops. They also claimed that they would help their parents by collecting agricultural produce and looking for forest products to be sold, and so, the entrepreneurial skills have been nurtured among them by their parents.

Conclusions

The education platform is an important strategy aimed at mitigating the impact of economic instability by exposing students, particularly those in higher education, to social entrepreneurial activities. Various efforts have also been made by HE institutions to promote the culture of social entrepreneurship in Malaysia through various initiatives. Equipped with the knowledge and skills they acquire during their studies, supported by an entrepreneurial culture and environment on campus and off-campus, students might be more likely to consider social entrepreneurship as a career option after graduation.
Overall, this study aimed to uncover the difficulties faced by graduates from the indigenous community in becoming social entrepreneurs in Malaysia. The study discovered that despite being exposed to various social entrepreneurship activities during their university years, the graduates face both internal and external challenges that limit their involvement in social entrepreneurial activities. Although they possess some level of willingness, the challenges must be addressed and minimized first.

The implication of this study can be contributed towards the HE institutions’ authorities in predicting the tendency of students in becoming social entrepreneurs. Thus, the opportunities and facilities for realizing the courses related to social entrepreneurship must be created extensively so that the vision of creating as many social entrepreneurs as possible can be achieved. Early emphasis at the tertiary level needs to be conducive to stimulate students’ minds and attitudes to be more creative in product creation or services to combat poverty and other social issues, and ultimately transpire them to become social entrepreneurs. This would also help in building economics for young Malaysians, especially those in the marginalized communities.

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**Contact email:** nazahah@uum.edu.my