

Indigenous Entrepreneurship Sustainability in Malaysia

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Abstract

The government of Malaysia endorsed the Eleventh Malaysia Plan aimed to be developed country in the numerous crucial dimensions including economics, political, social, spiritual, psychological and also cultural. The government of Malaysia underpin efforts to help cultivate all level of people including the Orang Asli communities. One of the initiatives by the government is through entrepreneurship where entrepreneurship increase job creation as well as economic growth. Nevertheless, the business or product produce by the Orang Asli entrepreneurs in Malaysia are often non-permanent, constant and sustained despite various initiatives commenced by the government. Therefore, this study aims to propose conceptual framework using the theory of planned behavior to capture a reasonable way for the Orang Asli to sustain their business. Moreover, this study aims to determine whether the value placed in the theory of planned behavior affects the level of entrepreneurial intention among the Orang Asli. Therefore, the insight into the factors of sustainable entrepreneurship can be an essential step towards designing a practical and durable policy mechanism for the implementation of the theory of planned behavior when developing entrepreneurial initiatives or programs to the Orang Asli communities. Results from this paper will be conducted using survey method, adapted questionnaire as the main instrument. A total of 150 indigenous from the Pahang, Perak and Selangor state will be selected as respondents. To analyze the results descriptive analysis will use including reliability and validity test using Cronbach Alpha and the relationships between independent variables and dependent variables will be tested using Pearson Correlation.

Purpose: To determine the insight into the elements of sustainable entrepreneurship intentions and actions among the Orang Asli in Malaysia.

Keywords: entrepreneurship, Orang Asli, sustainable, sustainable entrepreneurship, theory of planned behaviour.

Introduction

The Eleventh Malaysia Plan, 2016-2020 aims that by the year of 2020, Malaysia will be developed country along various dimensions including economics, political, social, spiritual, psychological and also cultural. Besides, the Eleventh Plan endorsed the government is looking serious in giving commitment especially in wellbeing, growth and prosperity of the people in Malaysia. Malaysia looks seriously on economic development to ensure that this country remains competitive with developing countries globally. To ensure the Eleventh Malaysia Plan successfully achieved, the government reinforce efforts to help develop all level of people

including the Orang Asli communities in Malaysia (BERNAMA, 2017).

The living standards of the Orang Asli communities particularly in East Coast Region have immensely improved and upgraded which is aligned with the Federal Government's intensive effort to ensure that the Orang Asli communities are not relegated or side-lined in the nation's transformation programme that government has been planned over the years. Due to that, the government has provided various training and program starting in the Seventh Malaysia Plan until the Eleventh Malaysia Plan to improve and develop socio-economy among Orang Asli communities this is including by providing education and skill empowerment programme and also job creation through sustainable tourism growth.

Entrepreneurship is important for economic growth (Doran, McCarthy & O'Connor, 2018). Government of India for example has introduced and support innovation through entrepreneurship as one of the effort to increase job creation among its nation due to job creation is a foremost challenge facing by India (Global Entrepreneurship Summit, 2017). Canada also agreed with this where Canada declared indigenous entrepreneurs can fuel Canadian economic growth. This is because indigenous owned and operated their own businesses contribute and strengthen Canada's economy with valuable service and products they produce (Gladu & Power, 2017). Thus, entrepreneurs among communities of Orang Asli in Malaysia is a key to build a healthy economy on-reserve, job creator and improve standard of living where aboriginal entrepreneurs are key to building a healthy economy on-reserve, providing jobs, and slowing the outflow of money and young people who are leaving to look for economic opportunities.

Information revealed by JAKOA is that there are more than eight hundred of Orang Asli entrepreneurs in the whole country and the number is continually increasing. Various financial and non-financial assistance, trainings, courses and encouragements are continually provided especially by the Ministry of Rural and Regional Development and the Department of Orang Asli Development (JAKOA) in uplifting the Orang Asli entrepreneur. In fact, the government often expressed a desire to integrate Orang Asli into mainstream business and bringing them to national and international market economy rather than confined to self-sustained businesses (D. B. Simpong, Zahari, Hashim, Hadi, & Othman, 2018).

However, the business or product produce by the communities of Orang Asli in Malaysia are often non-permanent, stable and prolonged despite various initiatives undertaken by the government including gazette their area to safeguard the interests of the Orang Asli communities in the future (Hamdan, 2017). Besides, government also advised the Orang Asli communities not to be easily influenced by outsiders who are trying to take advantage and have a certain agenda that may be affect their lives. Beside the other factors such as low income, poor health, lower levels of education, high rates of criminality, unemployment, and inadequate housing all constitute formidable socio-economic barriers to Orang Asli entrepreneurship (Langton, 2013).

Entrepreneurship is a field which can play an important role to society and the country. Among them are creating job opportunities and reducing unemployment rate, improving living standards and reducing poverty as well as reducing social problems and crime in society. Thus, the aim of this study is to propose a framework indigenous entrepreneurship sustainability in Malaysia.

Literature Review

Who are the Orang Asli?

The Orang Asli is the indigenous minority peoples of Peninsular Malaysia. Word of the 'Orang Asli' is refers to original peoples or first peoples. The Orang Asli is consist of the 18 sub-ethnic groups generally classified for official purposes under Negrito, Senoi and Proto-Malay

(JAKOA, 2018). Figure 1 shows the distribution of Orang Asli sub-ethnic groups in Peninsular Malaysia. Socio-economic of the Orang Asli now has changed over the last 20 years where their economy is more modern now and not primitive as before. However, in the rapid development now less impact on them as expected due to the poor planning and lack of carefully rigged to take the real aspirations of readiness factors and these groups (Ali@Zainalabidin, 2006). Although changes to the advancement was happen, but the changes occur in a slow pace. There is still have the impact such as poverty, lack in education and migration among indigenous peoples.

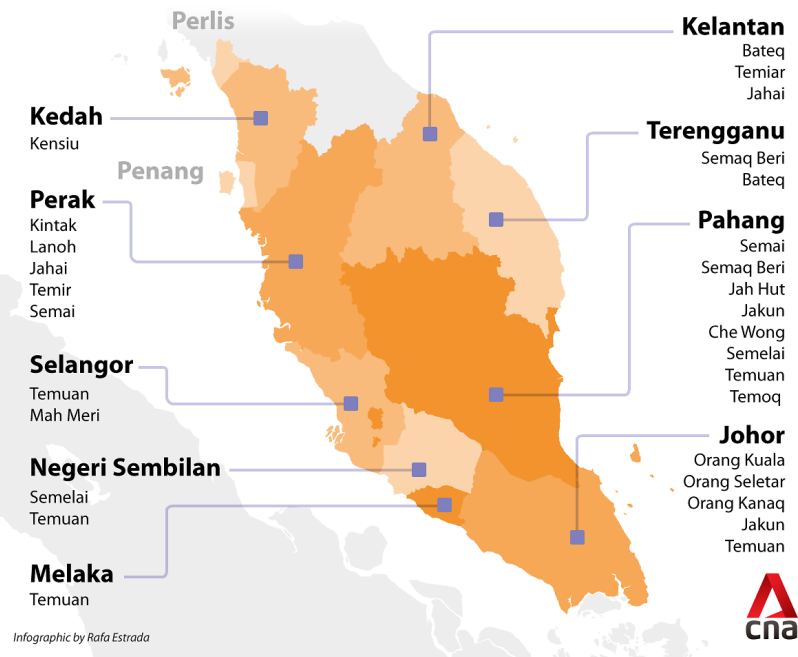


Figure 1: Orang Asli Sub-Ethnic Group
Source: Channel News Asia (2019)

Indigenous Entrepreneurship

Entrepreneurship is crucial in driving economic growth of a country while others stated in some forms, entrepreneurial activity becomes more important than other factors (Doran et.al, 2018). Entrepreneurship can be defined as measured typically quantitatively through the rate of self-employment or the number of new firms that created (Acs, 2006). Due to that, Malaysia also not exceptional in these initiatives in order to have the competitive advantage with other developed countries. One of the initiatives by the Malaysia government through the Eleventh Malaysia Plan is to reinforce efforts to help develop all level of people including the indigenous communities in Malaysia (East Coast Economic Region, 2018).

While business operation and entrepreneurship is a relatively old, well-established discipline, modern Indigenous business enterprises and entrepreneurship is a relatively new area by comparison (Mapunda, 2007). Indigenous entrepreneurship can be defined as enterprise related activities carried out by indigenous people (Peredo et al., 2004: 3) who have been referred to as indigenous entrepreneurs or grassroots innovators (Gupta et al., 2003; Srinivas & Sutz, 2008). Although indigenous entrepreneurs may be found in both developed and developing countries, they form a more significant proportion of the population in developing countries (Gupta et al., 2003).

The barriers to Orang Asli Entrepreneurship Intentions.

Despite massive and acceptable entrepreneurship theory by scholars nowadays, common agreement on the nature of the phenomenon among researchers regarding entrepreneurship intentions among the Orang Asli (Uygun & Kasimoglu, 2013). One of the barriers faced by the Orang Asli is the role of personal background. Personal backgrounds formed by factors such as role models, traits and experience, and contextual terms were addressed. Due to the traits approach, the common traits of entrepreneurs which lead them to start a business and succeed (DeCarlo & Lyons, 1980) could be determined and a relation between these traits and entrepreneurial behaviour could be established (Jenks, 1950). This study supported by Brockhaus & Horwitz, 1986; Cooper, 1986; Timmons, 1986; Scott & Twomey, 1988; Scherer, Adams, Carley, & Wiebe, 1989; Matthews & Moser, 1995; Robinson et al. 1991; Katz, 1992; Kolvereid, 1996), as cited by Uygun & Kasimoglu (2013) stated that role models play vital roles in entrepreneurship as a demographic variable were there is a presented evidence that company founders were affected by role models in their decisions to become an entrepreneur. Besides the role of personal background, systematic discrimination, including historically repressive government legislation and deep-seeded societal bias, has led to the Orang Asli communities being largely disadvantaged in their business circles (Isabella, 2020). Many issues and challenges the Orang Asli still face with. People still have the negative attitude and perceptions towards the Orang Asli and their businesses. The Orang Asli communities need to endure stereotypes and an underlying misconception to run their business (Isabella, 2020).

Sustainable Entrepreneurship

In comparison with regular entrepreneurs, sustainable entrepreneurs are considered to face specific challenges when establishing their businesses. These challenges may arise because of the discrepancy between the creation of private value and the creation of social value (Pacheco, Dean, & Payne, 2010; Pinkse & Groot, 2015). Sustainable Entrepreneurship encompasses Social Entrepreneurships core objectives, creating social impact, solving societal problems and enhancing social wealth (Bell & Stellingwerf, 2012). Sustainable entrepreneurship are the balance of people planet and profit.



Figure 2: Sustainable Entrepreneurship is the blending of People, Planet & Profit.

Theory of planned behavior (TPB)

The TPB assumes that the immediate antecedent of a specific voluntary deliberative behavior is a person's intention to engage in the behavior, while intention follows from the person's attitudes, subjective norm, and perceived behavioral control (PBC) which are the proximal antecedents of a behavioral intention (refer Figure 3 below). The TPB has been successfully used to predict and explain a wide range of behaviours. TPB hypothesizes that the immediate

determinant of behaviour is the individual's intention to perform, or not to perform that behaviour. Intentions are, in turn, influenced by three factors, which is (1) Attitude, (2) Subjective norms and (3) perceived behavioral control.

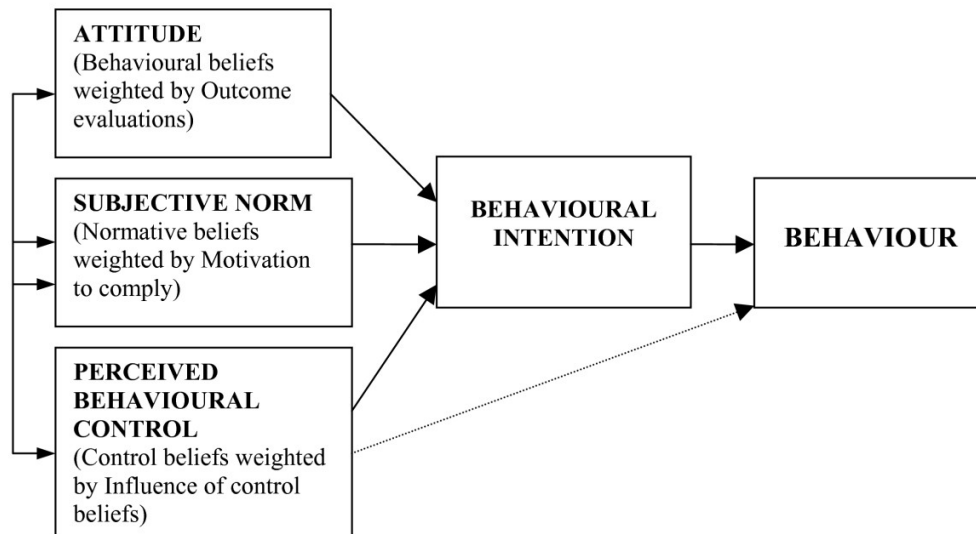


Figure 3: Theory of Planned Behaviour

According to Koe and Majid (2014), generally intention refers to the mental state in which an individual directs attention and action towards a particular goal or objective to achieve a specific aim. This study will be using the attributes for theory of planned behaviour from Sargani, Zhou, Raza, and Wei (2020), which suggest the following attribute for sustainable entrepreneurship intention:

- a) **Sustainable attitude:** sustainability attitudes are the personal values and beliefs that affect one's entrepreneurial intention (Sargani et al., 2020)
- b) **Sustainability norms:** deal with the likely approval or disapproval of a target action by friends, family members, coworkers, teachers, family elders, and so forth. Because entrepreneurship involves the sequential encounter and institution of information through action and interaction (McMullen & Dimov, 2013)
- c) **Sustainability behaviours:** Forces or influences from societal values stimulate an entrepreneur's sustainable behaviour (Sargani et al., 2020)
- d) **Opportunity recognition:** refers to the process by which entrepreneurs seek out or create something that provides potential market value and benefits (Sargani et al., 2020)

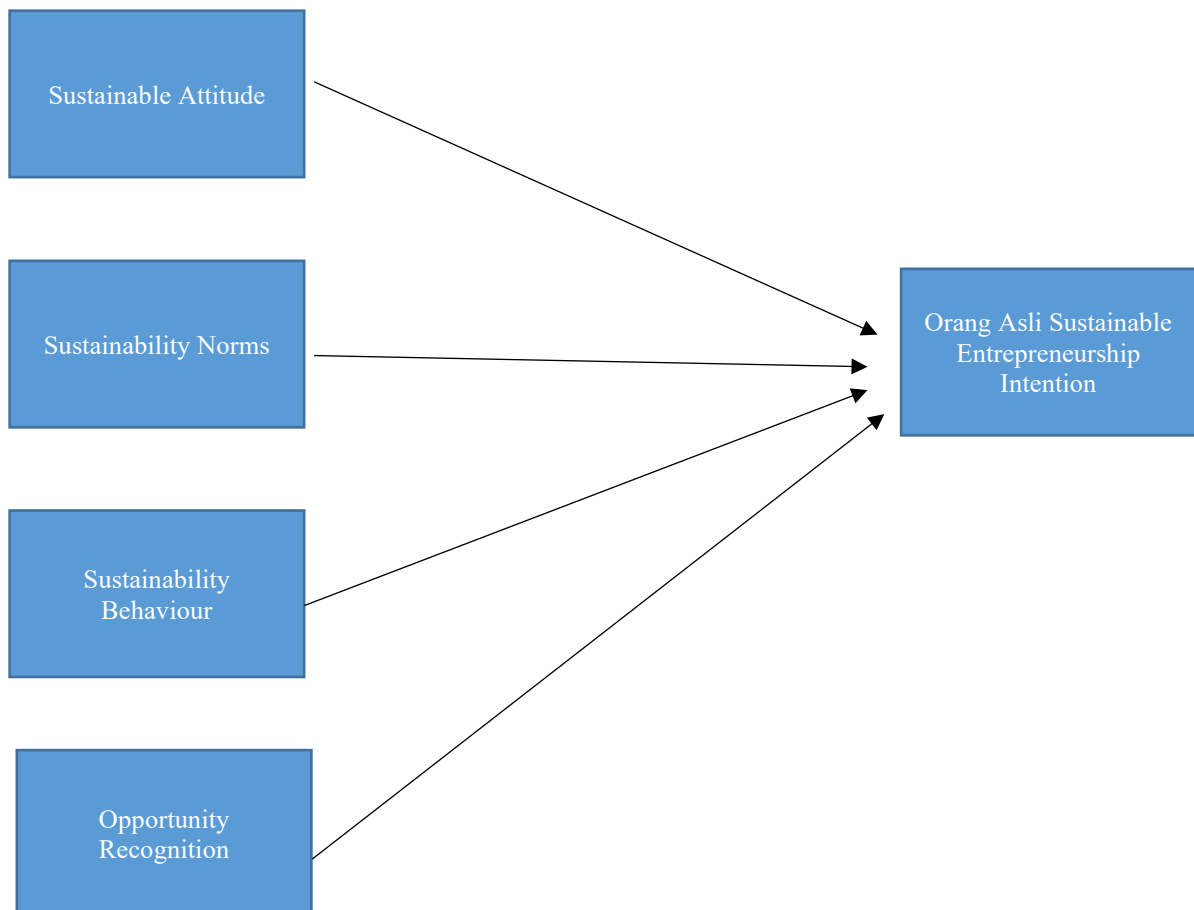
Discussion and Conclusion

Orang Asli is a community that is easily threatened by current development flows. Development that has been implemented and planned by the state or federal as well as private parties usually reflects the maximum use of natural resources besides its main purpose is to generate more revenues for state and also to improve the standard of living among local communities by offering and creating more job opportunities (Seow, Mohamed, Jamiran, Abidin, Zulhilmi, Sam & Aminah, 2013). Although Orang Asli communities in Malaysia are promised with economic and social opportunities by the government such as land ownership, employment opportunities, education and status, this transformation program are still not comprehensive and sufficient (Seow et. al., 2013).

Based on the studies that has been done by scholars and parties, it found that there is an awareness from the Orang Asli communities themselves regarding the importance of the

development especially when it comes to their aspects of convenience, basic needs and infrastructure such as roads and economy as well as has their own income for continue living (Seow et. al., 2013). Thus, there is an increasing number of entrepreneurs from Orang Asli communities in Malaysia who involved with their own entrepreneurship mainly selling forest products and produces (herbs, tripolis and wooden based products). Besides an increasing number of entrepreneurs, these communities also participate in the basic courses and entrepreneurship program that has been provided by the government in which government has provided provision of aid in the form of equipment, machinery and also entrepreneurship courses and training that aligned with government objective in creating a powerful Orang Asli entrepreneur especially in the field of small and medium enterprises (SMEs).

It could be concluded that it is important to have the right attitude, norms and among Orang Asli as it could help in increasing the Orang Asli entrepreneurship intention. This study will combine the theory of planned behavior, the theme of applying the theory of planned behaviour in the study is to capture a reasonable way for Orang Asli to continue to maintain sustainability in the future with the continuous improvement of the sustainable development level of entrepreneurial intention among Orang Asli. Thus, empirical study shall be conducted to examine how theory of planned behaviour could help in entrepreneurship intention among Orang Asli. Figure 4 below are the propose conceptual framework:



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