



PROMOTING WOMEN ENTREPRENEURSHIP: THE MALAYSIAN EXPERIENCE

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Article history:	Abstract:
<p>Received: 17th July 2022 Accepted: 17th August 2022 Published: 30th September 2022</p>	<p>Female entrepreneurs contribute substantially to economic growth in Asia, particularly in Malaysia. This article presents a comprehensive review of female entrepreneurs, focusing on created opportunities and business environment in this country. Entrepreneurs must be seen as essential for growth, job creation and social progress and the virtues of small business. Therefore, governments and non-governments should put their efforts more strongly to ensure that women entrepreneurs are well supported and enhanced.</p>
<p>Keywords: Female entrepreneurship, institutions, grants, entrepreneurial intention, reforms, financing, Malaysia.</p>	

INTRODUCTION.

Women's increasingly significant role in today's political and socio-economic arenas has been accompanied by an exponential growth in the number of female entrepreneurs and leaders in Asia[1]. As such, female entrepreneurship and women's economic empowerment are increasingly regarded as key drivers of economic growth and sustainable development.

Many governments in the developing world have undertaken an important reforms measure of improving business environment and placing efforts on the World Bank initiative of 'Doing Business'. They are stepping away from traditional economic roles and venturing out to start to their own businesses in order to pull themselves from poverty.

In developing countries, the subject of women entrepreneurship development, particularly at the grassroots level, has been largely ignored both by the government and in society. Most women entrepreneurs in rural areas are very informal, unregistered, unorganized and are generally less supported and empowered. Nevertheless, the recent positive trend observed in such countries proves that there are aspects worth studying.

MALAYSIA.

There is no specific policy to address grassroots women entrepreneurship, as a result of poor and weak institutions, and poor interventions and supporting programs. However, this is currently under the purview of the Ministry of Women, Family and Community Development (MWFCD) and SME Corporation Malaysia[2].

The majority Malaysian women started their business either as petty traders, unpaid helpers in family business enterprises, or as operators of micro-enterprises. Lately, they are either owners or have control over businesses providing services such fashion, beauty, cosmetics, skin care, food production, restaurants, training and consultancy, child-care and pre-school, and even extending to sectors which were dominated previously by men, namely, property management, insurance, construction, oil and gas and industry. Figure 1 show the current situation of SME ownership by gender, where women entrepreneurs own only 19.7% of SMEs

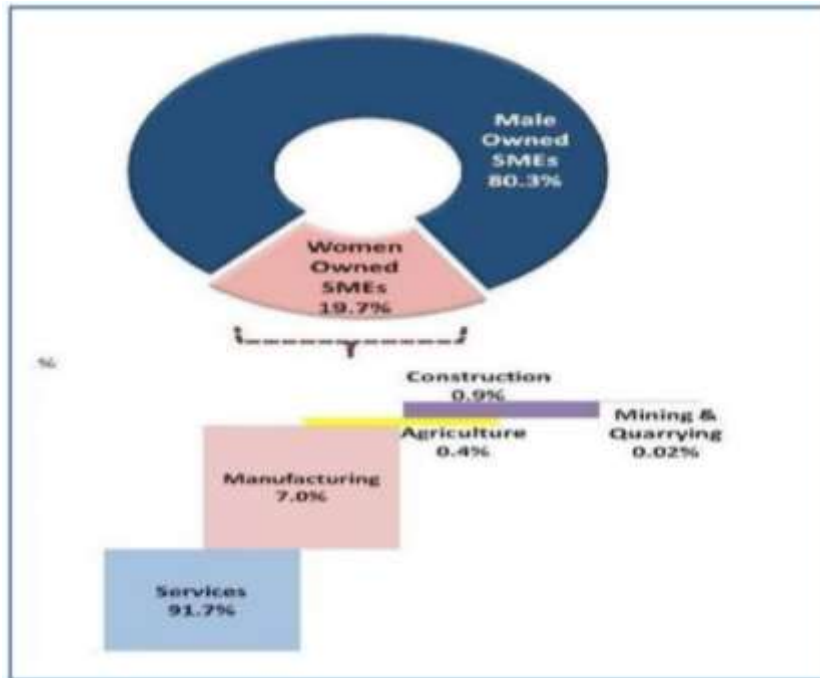


Figure 1: SME Ownership by Gender – Malaysia.

*source: Department of Statistics Malaysia, Official Portal, (2014). Retrieved from: https://www.dosm.gov.my/v1/index.php?r=column/cthemByCat&cat=159&bul_id=RkljVmZBQnVUbit1SVpXeEFvOVRtQT09&menu_id=TE5CRUZCbIh4ZTZMODZlbnk2aWRRRQT09

At the beginning of this 21st century, the social and economic status of women relative to men was still not satisfactory, and the disparity may become greater due to the effects of globalization and use of information and communication technology (ICT). In view of these gaps, strategies to enhance the role of women in development were included as one of the key policy thrusts of the National Vision Policy (NVP) (2001–2010). Entrepreneurship among women will be promoted actively by providing greater access to information, financial and technical resources. To operationalize the NVP in the medium term, strategies and programmes are contained in the Eighth Malaysia Plan (2001–2005) [3].

In 2001, the government established the Ministry of Women and Family Development, which marks the peak of efforts to assign women’s development and issues to a specific ministry. This Ministry is responsible for the integration of women in the national development process through coordination, monitoring and evaluation, planning and policy formulation, and reporting to the Government.

In the Strategic Plan[4] 2013-2017 of the Ministry of Women, Family, and Community Development, empowering women to increase their contribution in the socio-economy is the primary strategic thrust of the

Strategic Plan. This strategic thrust was prepared according to the National Women Policy and Action Plan to ensure development and empowerment of women in Malaysia. Among the strategies that have been implemented are elimination of policies, laws and procedures that discriminate women, empowerment of women’s economic status by increasing their participation in employment and entrepreneurship, and to increase the percentage of women involved in decision making posts to at least 30 percent. Some of the programs targeted to have at least 1,000 women involved in entrepreneur development programmes every year, implementation of flexible working arrangement and to increase the availability of child care facilities for working mothers. Subsequently, the Department of Women Development has initiated various programmes to improve the socio-economic level of women. The women development programs undertaken are summarized and explained in Table 1.

Meanwhile, the Credit Guarantee Corporation Malaysia Berhad (CGC) remains as the main institution to provide guarantees for SMEs, which may have otherwise not succeeded in obtaining financing from FIs. The institution continued to leverage on FIs as the key channel to market and provide products and services to SMEs, while forging alliance with non-FIs to



further expand its outreach to SMEs. Besides the various guarantee schemes, CGC also plays the role of a catalyst for new growth areas by providing direct financing schemes to start-ups and women entrepreneurs, as well as for SMEs involved in green technology and undertaking intellectual property.

Programs that assist women to develop and sustain their entrepreneurial skills can be categorized into those provided by the government, and private sectors as well as non-governmental organizations. For the governmental programs, there is division in terms of level of government who provides the programs. For instance, the Entrepreneurial Assistance Program (EAP) in the United States established Entrepreneurial Assistance Centers in local communities to provide instruction, training, technical assistance and support services to individuals who have recently started their own business or are interested in starting a business. Since its inception, the EAP initiative has helped entrepreneurs create new businesses and has provided in-depth assistance to minorities, women and dislocated workers interested in starting a business. The centers assist new and aspiring entrepreneurs in developing basic business management skills, refining business concepts, devising early-stage marketing plans and preparation of action plans. In addition, the program actively assists EAP client efforts to obtain business financing¹.

The entrepreneurial programs provided also can be categorized according to the nature of the programs or the content of the programs:

- i. networking,
- ii. ICT related entrepreneurial activities,
- iii. business skills,
- iv. knowledge and acquisition,
- v. entrepreneurial operation.

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<http://www.esd.ny.gov/businessprograms/eap.html>



Table 1

Nº	Programme	Purpose	Grant(RM)	Remarks
1.	Inkubator Kemahiran Ibu Tunggal (I-KIT) (Single Parent)	Provide intensive skills training & entrepreneurship assistance for low income single mothers to start their own business.	750,000	290 participated in 15 training sessions in the areas of tailoring, beauty therapy, cooking, crafts, childcare, and travel.
2.	Women Entrepreneurs StartUp Grants	Provide Start-up grants for those women who are ready to start a business after participating in a training. To implement 31 programmes targeted at particular groups for specific niches & to encourage entrepreneurship.	3.8 billion (Relevant Ministries)	RM500 to RM5,000 per person. Available to all entrepreneurs without any gender discrimination.
3.	Tabung Projek Usahawan Bumiputera-i (TPUB-i)	Provide financing to 200 Bumiputera entrepreneurs who have been allotted projects or contracts but were unsuccessful in obtaining financing from Financial Institutions.	220 million	To ensure business continuity of SMEs
4.	Skim Anjakan Usahawan. SME Bank	To assist entrepreneurs, particularly small Bumiputera companies that have been in operation for a minimum of two years to expand their business.	20 million	Targeted 80 entrepreneurs.
5.	Rural Economy Funding Scheme (SPED).	To provide financing for rural entrepreneurs in services, manufacturing, agriculture & countryside tourism.	15 million	Targeted 300 entrepreneurs. SME Bank & Bank Kerjasama Rakyat Malaysia Berhad.
6.	DanaNITA, under Majlis Amanah Rakyat (MARA)	To promote, honor, and empower Bumiputera women in entrepreneurship, help to increase total household income and provide capital injections for women entrepreneurs' business performance to a higher level.	35 million	focused on training and counseling and followed by special funding. Target to involve 5,000 entrepreneurs.



Apart from that there are several programs that focus on financial support provided by the government or private agencies. Amanah Ikhtiar Malaysia (AIM) is one of the significant NGOs' that provides financing support for business activities. For instance, of those (106,967) participants in 1Azam, a total of 21,061 (20%) of them are on micro-financing through AIM. Small and Medium Industrial Development Corporation (SMIDEC) is another government agency which provides financial assistance to entrepreneurs known as special assistance schemes.

In general, there are five programs organized by Ministry Of Women, Family and Community Development targeting to enhance women participation in entrepreneurship:

- Single MotherSkill Incubator(I-KIT),
- Women Entrepreneurs Incubators (I-KeuNita),
- Women Capacity Development Program,
- Women Entrepreneur Launching Grant, and • Women Taxi Program,

In 2015, CGC launched two new schemes for niche target groups, one of which is BizWanita-i. This scheme is targeted at women entrepreneurs (women-owned businesses), as well as businesses and companies that are managed and operated by women. It aims to reduce the accessibility gap for women. Within two months of its launch in October 2015, CGC approved RM10 millions of financing to 76 SMEs. FIs have been supporting microenterprises through Skim Pembiayaan Mikro. This scheme allows microenterprises to receive financing up to RM50,000 for business purposes in an easy, fast and convenient manner, without the need to put up collateral. Since its inception in 2006 until end-2015, a total of 185,000 microenterprises have received RM3.1 billion financing schemes via 10 participating FIs. Total financing outstanding by the scheme stood at RM912.5 million as of end-2015, and grew further to RM940.8 million as of end-June 2016.

Generally, improving women's enterprise sector in Malaysia needs an overall enabling environment that allows development opportunities for women entrepreneurs. These include: a conducive political and social stability; physical infrastructure; macroeconomic stability; efficient financial system; competitive market; change in the private sector; adequate legal framework; supportive policy framework; and access to resources and support services.

Achieving the goal of women entrepreneurship policy requires effective partnerships and inclusiveness that are able to address the policies and institutional constraints that currently exclude or disadvantage most

female small entrepreneurs from accessing public goods and business opportunities. Achieving women's economic empowerment requires sound policies, a holistic approach and long-term commitment; and gender-specific perspectives must be integrated at the design stage of policy and programming (OECD (2012), Education at a Glance 2012: Highlights. OECD Publishing. http://dx.doi.org/10.1787/eag_highlights-2012-en).

This research proposes two policy pillars to support women entrepreneurs:

- Reform the business environment to help create opportunities for all investors, especially women, while addressing the few existing gender-specific hurdles.
- Mitigate social norms and gender-differentiated legal treatment that affect women in particular.

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