

# **Social Entrepreneurship: Policies and Practice in Malaysia**

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## **Abstract**

This chapter documents the development of policies and practices within the Malaysian social entrepreneurship ecosystem, with the aim of understanding the role of social entrepreneurship in an emerging economy. While still a new concept in the country, government efforts are in place to accelerate the sector's growth. This chapter seeks to evaluate the most prominent issues of social entrepreneurship in Malaysia, focussing on the actions of policymakers in furthering the reach of SE, as well as analysing working examples of SE across Malaysia. Five case studies of social entrepreneurship across Malaysia are discussed, which underline the growth of the social entrepreneurship ecosystem across the country. Findings also point to several challenges for such companies, notably awareness of social enterprises, a lack of legal definition, and limited resources, particularly financial and human resources.

## **Introduction**

The aim of this chapter is to evaluate social entrepreneurship in Malaysia. Although not a new phenomenon, Social Entrepreneurship (SE) is a complex issue that is hard to define (Banks, 2016). Indeed, entrepreneurship in itself is difficult to define (Chell et al., 2016). Phillips et al. (2015: 430) point to social entrepreneurship as the drive for the creation of social value, with social entrepreneurs focussed on “bringing about improved social outcomes for a particular community or group of stakeholders”. According to Thompson (2002), social entrepreneurs do not merely aim to make a profit, but also seek to resolve society failures by generating income-making opportunities for the benefit of everyone in their locality.

Globally, interest in the SE sector has grown exponentially in the last decade, especially among policy makers, funders, investors, academics and civil society organizations (CSOs). A Social Enterprise UK (2015) report argues that social enterprises have an important role to play in the achievement of the UN's Sustainable Development Goals (SDGs). However, with 17 SDGs and no less than 169 associated targets, understanding how social enterprises can contribute to the achievement of these goals remains challenging, particularly given the diversity of social enterprise models that exist globally.

The focus of this chapter on Malaysia is significant in understanding the role of social entrepreneurship in an emerging economy. Social entrepreneurship remains a new concept in Malaysia; however, it is emerging through cooperation, non-profit organisations and government (Adnan et al., 2018). Abdul Kadir and Sarif (2016) point to

the 2015 Malaysian Social Enterprise Blueprint as an approach to accelerate the social enterprise sector, outlining social enterprises across the country working on issues relating to education, poverty, and rural development. This chapter seeks to evaluate the most prominent issues of social entrepreneurship in Malaysia, focussing on the actions of policymakers in furthering the reach of SE, as well as analysing working examples of SE across Malaysia. Given the geography of the country, divided between Peninsular Malaysia and Borneo, this study investigates different case studies of social entrepreneurship across the Peninsular, Sarawak and Sabah areas. This allows place-specific issues to be evaluated, in understanding social entrepreneurship across Malaysia, and how these can inform knowledge in this field. Hereafter, the chapter discusses social entrepreneurship in a Malaysian context, outlines the case studies, and develops a critical evaluation of social entrepreneurship in Malaysia.

### **The Rise of Social Entrepreneurship in Malaysia**

In Malaysia, there is a recognition among key stakeholders that social entrepreneurship, as a concept and activity, has the potential to solve many social challenges by utilising the best of for-profit and non-profit sectors, and as such has been growing in importance (MaGIC, 2015). Social enterprises are expected to contribute to a range of areas, including uplifting minority communities, employment creation, and contributing to achieving the sustainable goals set by the United Nations (EPU, 2017). Apart from these social benefits, social entrepreneurship is also expected to build the country's economy.

The perceived importance of social entrepreneurship is evidenced by the growing diverse policies and programmes that are initiated by government, such as funding (e.g. the PUSH (Pemangkin Usahawan Social Hebat) scale up and funding programmes for social enterprises to benefit B40 communities), physical infrastructure (B477 coworking space in Kuching, Sarawak managed by MaGIC), and business advisory services (MaGIC's online mentorship platform). The potential of social entrepreneurship was on the radar of the government and saw the first initiative in 2013 when Malaysia hosted the Global Social Business Summit. Launched by the then Malaysian Prime Minister, YAB Dato' Sri Najib Razak, RM20 million was announced to be allocated for the establishment of a Social Entrepreneurship Unit under the Malaysian Global Innovation and Creativity Centre (MaGIC).

With the launch of MaGIC in 2015, social entrepreneurship development became one of the key agendas the government-linked agency drove in terms of policy-making, advocacy, training, and skills development. The vision of the MaGIC social entrepreneurship unit is to make Malaysia the regional leader for a people economy. However, there was a lack of a legal definition and recognition of social enterprise as a business entity during this time. In addition, the initiatives alone were inadequate to fully

realise the potential of this sector. When the political governance of Malaysia changed in 2018, the Ministry of Entrepreneur Development (MED) was re-established in July 2018, and the Ministry was tasked to lead the Government's efforts in developing Malaysian social enterprises through its agency, MaGIC. Through the National Entrepreneurship Framework, MED and MaGIC are to spearhead the effort to address the challenges that exist within the social entrepreneurship sector. In addition, the MED is also tasked to formulate and execute the required strategies to empower social enterprises to drive and deliver long-term benefits for society and environment.

### **The Malaysian Social Enterprise Blueprint**

The Malaysian Social Enterprise Blueprint, published by MaGIC in 2015, is a three-year roadmap that describes strategic thrusts required to accelerate the development of the sector. The blueprint's aim is for the Malaysian social enterprise sector to be self-sustaining, equitable, and people-centric in order to empower impact-driven entrepreneurs. The Blueprint reported that there are over 100 social enterprises operating mostly in the areas of education, poverty, rural development, environmental sustainability, employment for the marginalised and at-risk youth. The document also noted that several challenges and missed opportunities need to be unlocked to unleash the full potential of social entrepreneurship in Malaysia. These include rigidity and lack of institutional awareness, limited legal recognition and policy structure, negative public perception and recognition, a limited access to quality human capital, insufficient financial capital, and inadequate support to grow and upscale.

Following the recent change in government, this blueprint has been replaced with more recent innovative policies to enhance the SE ecosystem in the country. Similarly, another international organization at the forefront of advocacy and promotion of social entrepreneurship in Malaysia is the British Council Malaysia. In 2018, the State of Social Enterprise in Malaysia report was published by British Council Malaysia (2018), in partnership with United Nations Economic and Social Commission for Asia and the Pacific (UN ESCAP), Ministry of Entrepreneur Development Malaysia and Yayasan Hasanah. Based on 132 survey responses, the report estimates that there are more than 20,000 social enterprises in Malaysia that exist formally as either medium SMEs, NGOs or cooperatives. Most social enterprises (66%) were noted to be operating from major city centres such as Kuala Lumpur and Petaling Jaya. About 54% of the SE leadership are led by females and 46% by males. Within these social enterprises, leadership was noted to be young with 36% of the SE leaders aged between 31-40 years old, 30% between 41-50, while 7% of them are between 18-25 years old.

The British Council (2018) report noted that some of the social enterprises surveyed were in existence since 1998, however it was reported that 36% were established between 2015 and 2016. The growth in SE existence seen in 2016 could be attributed to the establishment of MaGIC the previous year, thus, there could have been greater awareness and education programmes delivered on the SE ecosystem by then. As such, more entities could have been aware of the SE definition, and thus acknowledging their SE status. The British Council also reported that 22% of respondents were focused on education; 16% on sustainability; 13% on food and beverage, and 11% on art, culture and heritage. In terms of the missions and goals, 34% were focused on creating employment opportunities; 31% on supporting vulnerable and marginalized communities; 27% on improving a particular community; and 24% on environmental protection.

### **Policy Development on Social Entrepreneurship in Malaysia**

The Ministry of Entrepreneur Development (MED) continues to support SE through MaGIC, the implementation agency for all matters pertaining to social entrepreneurship. MED has taken various steps to promote the development of SE, such as the provision of a national guideline and definition of social entrepreneurship, an accreditation and tax-exemption programme, and grants for scale-up activities. The operationalization of the SE agenda for the country is part of the Ministry's effort to operationalize one of the key strategic thrusts of the National Entrepreneurship Policy 2030 (Kementerian Pembangunan Usahawan, 2019). Additionally, the Ministry provides accredited social enterprises with training and access to the government procurement platform, a one-stop entrepreneurship digital information centre, and industry exposure of social enterprises to other Ministries and corporates.

The British Council (2018) report highlights the lack of knowledge among these enterprises about an existing and workable social business model. This could be a barrier for them to grow as they seek a sustainable model that balances making a profit with making an impact. The report points to low access to investors due to limited capital supply (46%) as a significant financial challenge for social enterprises. It notes that investors remain cautious to investing in social enterprises due to a lack of reliable information and data on the sector. Additionally, the Malaysian market is smaller than other ASEAN countries such as Indonesia or the Philippines, therefore, investors are also moving their funding and investments to these countries. Hence, growing a robust SE ecosystem in Malaysia requires inclusive and comprehensive policy development efforts to solve the problem of scale. Appropriate policies need to be implemented to grow the social enterprises into companies that are sustainable financially and scalable, with measurable social and/or environmental impact on society.

A recent MED policy initiative was the launch of the National Social Entrepreneurship Guidelines and Accreditation programme in April 2019, aimed to provide the public and

private sectors with the national definition of a social enterprise. Under the Guidelines, a “social enterprise” is defined as *“a business entity registered under any written law in Malaysia that creates social impact or positive environmental impact in a proactive manner and financially sustainable”* (Zakaria, 2019). Organisations fulfilling this criteria are encouraged to apply for the recognition of their organisation as social enterprise on MaGIC’s SE microsite. For the accreditation programme, social enterprises need to be in existence for two years, and be willing to declare and submit their financial audited reports to MaGIC for an audit and assessment on their organization. Additionally, each social enterprise is required to provide quantitative and qualitative evidence of their SE impact. Following a positive evaluation, social enterprises are acknowledged with a certificate of recognition valid for three years.

Overall, MaGIC is tasked with growing a vibrant SE ecosystem, including ensuring an increase in public awareness and knowledge on SE. One of its flagship programmes is the SE Knowledge Day, where academics, students, entrepreneurs and the general public are able to register for a one-day knowledge session on SE, in which they can learn the definition of social enterprise, understand various business models the sector utilizes, discuss with local social entrepreneurs, and gain a strong understanding of the importance of impact-driven businesses. MaGIC delivers annual boot camps and accelerator programmes for nascent social entrepreneurs in which the objective is to accelerate the ideation process and support the growth of new social enterprises. MaGIC is also currently implementing a SE scale-up programme called PUSH (Pemangkin Usahawan Social Hebat), in which 35 social enterprises undergo training and capacity building modules to scale their social enterprises, with the support of a RM100,000 grant by government.

### **Cases of Social Entrepreneurship Efforts in Malaysia**

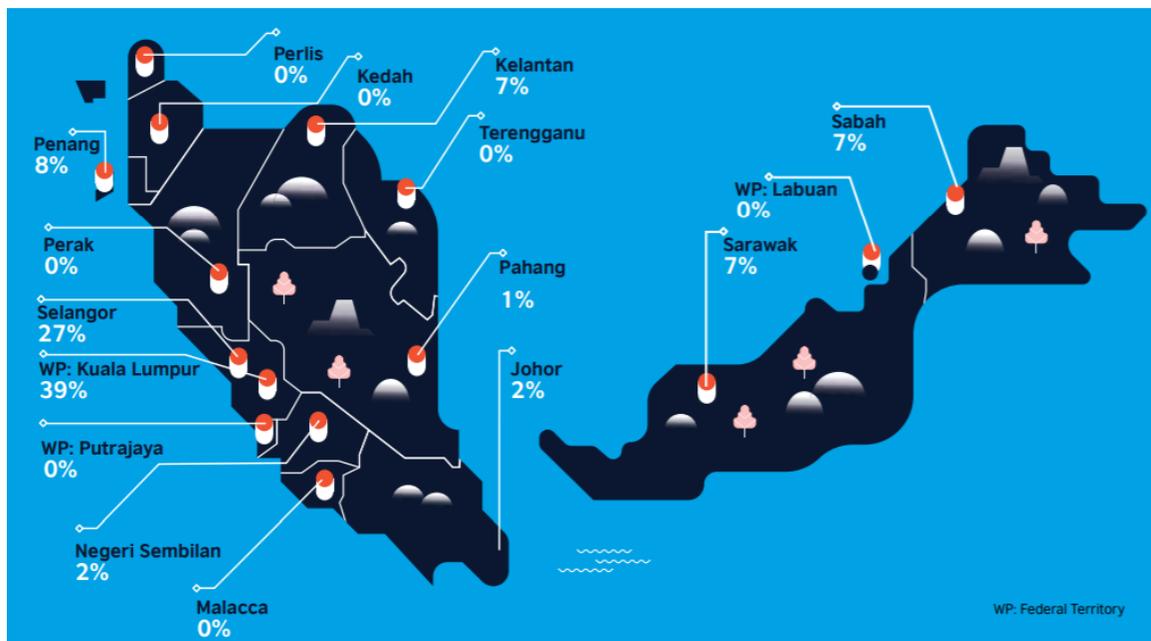
Given the objectives of understanding and evaluating social entrepreneurship, the study adopts a case study approach, as a way of examining different cases of social entrepreneurship across various parts of Malaysia. Case studies are a method of advancing understanding of a particular phenomenon, through collection data from multiple sources, whether quantitative or qualitative (Ghauri, 2004). This allows for a depth of focus on the specific situation, with sufficient information. Yin (2009) supports a multiple case design over single cases, as this provides a stronger basis for theoretical generalisation. Thus, five case studies are presented and discussed from the Klang Valley, Sarawak and Sabah, selected with a view to accounting for the different place-specific issues, as well as reflecting the different types of social entrepreneurship evident in Malaysia. This includes NGOs, social enterprises and SMEs focussed on social entrepreneurship:

- Community Service Centre for the Deaf (Klang Valley)

- Biji Biji (Klang Valley)
- EcoKnights (Klang Valley)
- Tanoti Crafts (Sarawak)
- Eco Yap (Sabah)

Figure 1 outlines the percentage of Malaysian social enterprises by state. The vast majority of social enterprises are located in the Klang Valley area, encompassing Kuala Lumpur (39% of Malaysian social enterprises) and Selangor (27%), with Sarawak and Sabah accounting for 7% each.

Figure 1: Location of Social Enterprise Headquarters by Malaysian State



(British Council, 2018: 14)

### Case Study 1: Community Service Centre of the Deaf (CSCD)

CSCD is a non-profit NGO with a mission to ensure that children (aged 5-18) with hearing disabilities acquire necessary skills to succeed in a life full of challenges, by providing them with life skills training based on the philosophy of helping them support themselves. CSCD realized that to improve and enhance the accomplishment of their mission, they could not depend solely on funding help from the public so they decided to start working on self-help projects. The main idea of these self-help projects is to operate sustainable long-term programmes that can generate income, in tandem with providing employment opportunities to the Deaf. One of the self-help projects is known as the Silent Teddies Bakery, which today is a full-fledged Halal-certified bakery that not only bakes for corporate clients in the city, but also employs trained beneficiaries from CSCD. Today,

after five years of operations, the Silent Teddies Bakery is a social enterprise specializing in a variety of bread, cookies, muffins and tarts, which are supplied to local and international brands such as Starbucks Malaysia and AirAsia. All proceeds from sales go directly into enhancing CSCD beneficiaries in their vocational and entrepreneurial skills.

### **Case Study 2: Biji-Biji**

Biji-Biji was formed as a NGO in December 2012, beginning by tackling environmental issues through up-cycling and repurposing waste into gifts and products, mainly through woodworking and metalworking activities. Over the years, the NGO has spun off several social enterprises; among them are Biji-Biji Ethical Fashion, and Me.re.ka. Later in 2015, a second Open Workshop was opened, centred on electronics, stitching and tailoring. Besides that, Biji-Biji also practices open source ideas, which is idea and information sharing.

According to Co-Founder, Rashvin Pal Singh: “One of biggest challenges has been managing our cash-flow with significant corporate orders, and managing the scale of our growth. We have grown from a team of 4 people to 40 in 5 years. The very real business challenges of having to start work first to secure the sale, delayed payment terms with big corporates, and a team that is growing with higher salary expenses. This multi-faceted challenge has been at the crux of our biggest stress and struggles. In dealing with this, we had to get the entire teams buy-in, and shared with them transparently all our challenges. We practice a strong code of open-book finance with the entire team. By sharing honestly with the entire team our situation and the options presented to us, we would explore the possible solutions together: 1) Delaying our salaries and taking temporary pay-cuts, 2) Borrowing money from close relatives/friends, and 3) Chasing previous clients that owed us money. In return, we adopted a profit sharing mechanism with the entire team, that a fixed percentage of profits will be channelled back with everyone. This ultimately created a set-up of 'we-are-all-in-this-together' mentality, and we were able to ride the difficult waves on entrepreneurship, and come out stronger”.

### **Case Study 3: EcoKnights**

One of the locally well-known social enterprises in Malaysia, Pertubuhan Alam Sekitar EcoKnights Kuala Lumpur dan Selangor, or EcoKnights for short, aims to mainstream sustainable living in Malaysia through education and awareness programmes, volunteerism and youth development activities, and community development interventions. Based in the Klang Valley, EcoKnights serves the requirements of communities, governments and educational institutes all over the country. Over the years, the organization has been featured and mentioned in many social entrepreneurship

efforts, especially in the media, and apart from demonstrating that an NGO can be viable and financially sustainable using the SE business model, EcoKnights, is also perceived as a mentor, influencer and advocate within the social entrepreneurship ecosystem. EcoKnights was awarded the Impact-Driven Enterprise Accreditation (IDEA) by MaGIC in 2017, and now maintains its SE Basic recognition under the Ministry of Entrepreneur Development (MED)'s National Social Entrepreneurship Guidelines and Accreditation program.

#### **Case Study 4: Tanoti Crafts**

Tanoti Crafts is a social enterprise reaching out to women in rural communities in Sarawak to help them 'weave' an enhanced future. What began as a simple workshop to preserve the traditional art of songket-weaving in 2008 has grown to become a notable social enterprise based in Kuching, Sarawak. Today, Tanoti is a congregation of Sarawakian women weavers and artisans dedicated towards the production, promotion and proliferation of handcrafted fabrics. Tanoti aims to make good the vision of the foundation; that is to improve lives and livelihoods of womenfolk and rural communities through the ancient art of songket weaving. According to Co-founder, Jacqueline Fong: "To do work in social impact, one really must be driven by passion otherwise there will be no long term commitment for the cause. It is not an easy journey and financial returns are low. Only grit will ensure you carry on. SEs exist to solve social issues. Government policies should be in place to support SEs' work".

#### **Case Study 5: Eco Yap**

Eco Yap is a recognised brand of fresh milk from Sabah, produced on an eco-friendly farm near Keningau, a rural community approximately 100km south of Kota Kinabalu. Founded in 1982 by Datuk Yap Yun Fook, the dairy farm has grown from two cows, to over 5,000, producing in excess of four million litres of milk a year, now the largest supplier of fresh milk in Malaysia. The operations of the farm are based on a zero waste policy, in which the various activities of the farm co-exist to develop sustainable practices. This is reflected in the business' mission statement: "Demonstrating and adopting zero waste management practices, recycling, composting, reusing products wherever possible and educating society as to the importance of green living".

This philosophy means that grass is grown specifically for animal feed, and animal waste is used to fertilise the land. Additional activities of the farm include growing pineapples and durian, rice fields, and a fish farm. The operations of the farm have increased as the farm has grown, bringing employment to the local population. Following this success,

Datuk Yap Yun Fook has been appointed as a mentor for agri-entrepreneurs by the Ministry of Agriculture, and as a lecturer at Universiti Malaysia Sabah. This integrated approach to sustainable farming has brought interest to the farm from everywhere, with visitors coming to discover the farm's best practice. The success of the business has led to the opening of restaurants in local communities and plans to build a hotel.

### **Case Studies Evaluation**

Many NGOs in Malaysia have embraced the social entrepreneurship business model, and have been gradually known as social enterprises (Abdul Kadir & Sarif, 2016). Some of these NGOs, like CSCD, even have a profit-making business entity formed separately to the parent NGO, while others like Biji-Biji have spin-off enterprises established. The reality is that NGOs are challenged in acquiring donations and funds especially when the donor sector fluctuates in its generosity, and there are more NGOs in existence today, each competing to access the same funds. Over the last decade, there has been a realization that the traditional non-profit NGO model is not a viable model to sustain the efforts of an organization. In order to continue delivering impact to communities and the environment, NGOs are required to adopt innovative approaches to sustain their efforts. One of the key social innovations observed is the transition of a donor-dependent business model to one that relies on the NGO's professional capacity to generate income to fund its impact areas and programmes.

While the SE ecosystem is growing nationally, as evidenced in the British Council (2018) report, much of this growth is documented and recorded in Peninsular Malaysia, with 66% of social enterprises located in the Klang Valley, as seen in Figure 1. This heavy concentration could be because Kuala Lumpur offers more access to customers, clients, and the market for business opportunities. Alternatively, it could be due to the multidimensional social and environmental challenges and issues that need to be addressed in an urban setting. Generally, SE-related activities such as events, networking sessions and training programmes are heavily concentrated in the Klang Valley. Yet in recent years, social entrepreneurship interest has attracted greater attention from the states of Sarawak and Sabah. Even MaGIC has programmes that primarily focus on growing, building and supporting the SE ecosystem in Sarawak since 2015, starting with its nationwide program, SEHATI 2015, centred on knowledge-sharing and capacity-building, exposing the target audience to the potential of social entrepreneurship in driving long-term benefits for the society and environment.

What can be observed from SE in Sabah and Sarawak is that the social enterprises are localized in their reach and participation. Most SE prominent in Sabah and Sarawak focus on using local culture, arts and heritage to create employment, and enhance skills and

capacities of the community. This is evident by the artisans and weavers of the Tanoti Crafts case study, as well as the local heritage and emphasis on sustainable agriculture in the Eco Yap case. Despite their isolated location, and distance from the main activities in the Klang Valley, social entrepreneurship has developed significantly in Borneo, both with the support of policy initiatives, such as in the Tanoti Crafts case, and through organic means in the Eco Yap case.

## **Challenges Ahead**

Social entrepreneurship embraces a multidimensional model (Weerawardena and Mort, 2006) and while it has emerged as an area of academic interest and investigation, the sector is fragmented and there is no coherent theoretical framework. This is evident across Asia, as countries like Thailand, Malaysia, Singapore and Indonesia have various legal and unofficial definitions for social entrepreneurship, and are at different stages of growth and evolution. While these gaps and challenges exist, there are also growing opportunities for stakeholders to participate in growing this sector. The common challenges of social enterprises in Malaysia were noted by the British Council (2018) report, in which 36% mentioned a serious lack of awareness on social entrepreneurship and social enterprises in the country; 33% pointed to the challenge of acquiring and retaining talent in their organization, and 31% indicated a lack financial support. Some of these challenges are being addressed by the Malaysian government, while many challenges require the concerted effort of all stakeholders in the ecosystem. The following section outlines and discusses the main challenges in the Malaysian SE ecosystem.

### **Social Entrepreneurship Awareness**

Although SE is growing rapidly, people are still not aware of these enterprises. This lack of knowledge could hamper entrepreneurs who want to make a social impact while being sustainable. It also lowers their chances of gaining support from investors to scale their enterprise. Additionally, low public awareness on the sector makes it difficult for these companies to gather support from consumers and investors, which also makes it difficult for them to scale up. The local Malaysian media has recorded a surge of stories on social entrepreneurship since 2010, while MaGIC is also working with the media, educational institutes and with corporate partners in crafting and delivering crafting programmes to further enhance the public's awareness on social entrepreneurship.

### **Legal Definition**

One of the significant hurdles social enterprises encountered is the lack of a legal definition and recognition of social enterprise as a business entity in Malaysia. This issue has led to many social entrepreneurs operating under a variety of legal forms, which are governed by different acts and regulations. Be it NGOs or foundations, SMEs or

cooperatives, SE in Malaysia lacks an official recognition in its form and functions. Realizing this, the MED launched the National Social Entrepreneurship Guidelines and Accreditation programme in April 2019; however, there is still a need to ensure that social enterprises are given the option to be registered as a legal social enterprise with the Registrar of Companies.

### **Access to Capital, Funding and Investments**

Malaysia has a variety of financial institutions and sources of capital that are open to social entrepreneurs, including the banking system, development finance institutes, venture capital funds and other special funds, such as impact investment funds (Adnan et al., 2018). However, access to such sources of capital or funding for social entrepreneurs is noted to be difficult. According to the British Council (2018) report, 21% of respondents indicated a lack financial support, 27% pointed to insufficient grants offered to assist them in scaling up, while 55% said they still face challenges in managing cash flow. These findings suggest that social entrepreneurs are uncertain about their business models and sustainability of their firms (Ladin et al., 2017). Moreover, the report found that social enterprises in Malaysia are largely viable and successful businesses, with 37% of respondents making profits, and 32% breaking even. The case studies also point to successful examples of social enterprises, such as Biji Biji, EcoKnights and Eco Yap, who are experiencing growth in developing new products and services, acquiring customers and expanding geographically.

While growth is beneficial, the industry and government are more focused on the scale of the SE. PUSH is one government initiative aimed at scaling social enterprises that are currently benefiting the B40 communities either through employment or as beneficiaries. The assumption is that if social enterprises are already delivering good impact on the ground in a specific community, with more training and funding, these enterprises are able to scale or replicate their efforts in other geographical boundaries. There is also the need to be cautious of the fact that not all social enterprises require funding or access to capital to scale in order to deliver impact. Some enterprises may be addressing a very specific community-centric, or geographical-based challenge in which scaling may not necessarily be the best option to enhance organization impact. Therefore, a conducive financing ecosystem is required for social enterprises to accelerate growth. While many social enterprises serve a very localized need, there are aspirations for them to scale or replicate their business model and impact across the country. Growth is pertinent to social enterprises not just in terms of profitability but also in increasing their impacts on the environment and/or society. In the British Council study (2018), 68% of respondents noted that they require access to funding and capital to develop and launch new products and services; 66% of them want to attract new customers and clients; 38% want to expand into new geographic areas, and 38% want to attract investment to expand their business.

### **Building enablers across all Stakeholders**

It is recognized that to build an inclusive and vibrant SE sector requires developing ecosystem enablers across all stakeholders (Roundy, 2017). The Malaysian government has been very encouraging thus far with the current policies in place and with initiatives such as tax breaks for donors of SEs. There is still room to improve and enhance greater alignment between various policy measures. For instance, the government needs to initiate discussions and initiatives with financial institutions to cater some of their financing options and opportunities to social enterprises. Currently, most of the financial institutions have products and services only cater to SMEs or larger corporations. Regulators would need to be engaged by the government to design financial services that meet the requirements of social enterprises.

Another tool that will assist the ecosystem is to develop impact assessment practices and tools. Impact investors currently note an acute lack of information for assessing social impact, and policymakers are increasingly interested to see improved data to monitor the impact of the SE sector. Now, investors develop their own metrics, some of which may be confusing and complicated for social enterprises to implement. Several government agencies such as MaGIC, and IMPACT Malaysia are currently working with social enterprises and other stakeholders to develop impact measurement tools to facilitate the monitoring and assessment of the work the social enterprises embark on.

### **Talent Acquisition and Retention**

With the lack of institutional and community support available, this sector faces difficulty in attracting and retaining quality talents. Significant support and resources must be given to train and develop knowledge, capability, and skills of quality talent in social enterprises. This will help social enterprises to grow their businesses and increase their impact. In order to acquire the relevant talents and skills, education needs to be positioned at various levels to ensure that entrepreneurial education is accessible to all.

### **Conclusions and Recommendations**

While still in its infancy, Malaysia has the potential to build a vibrant SE ecosystem, which can address numerous social issues. Existing policies have generated higher public interest in social entrepreneurship and created more opportunities for social entrepreneurs to grow, expand and scale their business and impact. Indeed, many local SE champions, such as Eco Yap, have also made global footprints and are paving their way in the global arena through speaking engagements, workshops and participation in global entrepreneurship programmes. Nevertheless, the quality and impact of SE can be further escalated so that social enterprises can build resiliency in areas related to positive cash flow and financial gains, and measurable and quantifiable impacts on communities

or the environment. There is a need to ensure the social enterprises are resilient so that they are not reliant on government grants, funding or support. Recognising the importance of growing resilient enterprises, SE ecosystem players focus on SE leadership empowerment and early entrepreneurship education. However, there is evidence of a paradigm shift in Malaysia and there have been many advancements in the policy-making processes in promoting and growing the local SE ecosystem. As the Malaysian economy begins to evolve towards a future where businesses are required to be impact-driven and more responsible to people and the planet, this gives rise to the need for closer engagement and consultation between the private sector, social entrepreneurs and the government and its agencies. This is a lesson for other emerging economies, especially other ASEAN nations, such as Indonesia or Thailand, as a manner in promoting the development of social entrepreneurship and addressing various social issues. Further research may focus on the challenges facing social enterprises in emerging economies, notably questions over awareness of social enterprises, their legal registration, access to resources and talent, and engagement with stakeholders. In the Malaysian context, future research may also investigate factors that influence the high concentration of social enterprises around Kuala Lumpur.

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