

Assessing A Rural Community-Based Entrepreneurship in Malaysia: Are we there yet?

Rohana Ngah¹, Mohd Ali Bahari Abdul Kadir² and Noor Faizah Mohd Lajin^{3*}

1 Faculty of Business and Management, Universiti Teknologi MARA 42300 Puncak Alam, Malaysia. rohanangah@uitm.edu.my

2 Faculty of Business and Management, Universiti Teknologi MARA 42300 Puncak Alam, Malaysia. mohda419@uitm.edu.my

3 Faculty of Business and Management, Universiti Teknologi MARA 42300 Puncak Alam, Malaysia. noorfaizah@uitm.edu.my

*Corresponding Author

Abstract

This article draws upon research undertaken in two rural communities in Malaysia under the program My Village My Future, a community-based entrepreneurship program initiated by the government to develop rural areas. Little is known about the success of rural community-based entrepreneurship. The paper uses various community-based entrepreneurship models to explore rural community-based entrepreneurship's roots, challenges, and issues. This study aims to explore the suitable model of community-based entrepreneurship in rural areas. This paper follows a case study method of a narrative approach to analyse community-based entrepreneurship in rural areas. The narrative approach allows the flow of important information from various sources. The results showed that the implementation and success of community-based entrepreneurship programs in rural areas depend on the government's active intervention and strong leadership. Young local leaders must be groomed to spearhead and capture entrepreneurial-driven opportunities and encourage active community participation and a sense of ownership. The study focuses on two communities selected under particular government community-based entrepreneurship programs in rural areas. Therefore, the results may not be generalisable to other contexts. Government intervention is necessary in helping the community to get involved in entrepreneurship. However, the sense of ownership and well-trained local young leaders would help sustain the program in the long term. The government assistance should escalate the community to react quickly and eventually allow them to be independent. Good community leaders play a vital role in sustaining the initiative. In addition, community members must be trained to have an entrepreneurial mindset in creating and sustaining community-based entrepreneurship initiatives. The paper provides insights into rural community-based entrepreneurship, which the government initiated, and how the community can explore further in the long run.

Keywords: entrepreneurship, rural community, community-based entrepreneurship, government intervention

ARTICLE INFORMATION

Received: 18 Mac 2022
 Revised: 12 Apr 2022
 Accepted: 26 Jul 2022
 Published: 31 Jul 2022

1.0 INTRODUCTION

The development of rural areas is key to eradicating rural poverty (Chidanand et al., 2021). Lack of unemployment and opportunity to earn a living in rural areas push migration to urban (Liu et al. 2019). Agricultural development is one of the most powerful tools to end extreme poverty (The World Bank, 2020). Community-based entrepreneurship is one of the options to assist the community, especially its members, to gain entrepreneurial skills and work closely to generate income, eventually providing continuous financial freedom to the community. By working in a group, community-based entrepreneurship offers collective

supports financially and non-financially to its members in exploring entrepreneurship opportunities (Murphy et al., 2020; Parwez, 2017).

The government's role as regulator and initiator would provide early support and allow the community to slowly embark on community entrepreneurship activities that eventually will be on their own. As entrepreneurship spurs a new business formation and dynamism, working together would help the community learn and explore. Like other countries worldwide, Malaysia has adopted the United Nations 2030 Agenda for Sustainable Development. The SDG 2030 agenda focuses on three main sustainability dimensions – economic, social, and environmental (ILO, 2020). The 2030 Agenda embraces

three dimensions of sustainability – economic, social, and environmental. In the 1970s, Malaysia started a program known as the New Economic Model (NEM) to address and eradicate poverty, especially in tackling income inequality based on high income, inclusivity, and sustainability. These three elements are similar to the dimensions of SDG2030. As a rapidly developing country, the economic imbalance is evident between urban and rural communities. Rural-urban migration has created many socio-economic issues, such as overpopulation and urban poverty in cities and undeveloped rural areas (Siwar et al., 2016). The youth rural-urban migration further fuels issues like income inequalities and poverty. Rural areas suffer the most from the backlash of a lack of young people to develop rural areas and older people left in rural areas with abundant natural resources. The unstable economic situation warrants action to minimise rural-urban migration by creating more jobs or economic opportunities in rural areas. Entrepreneurship is one of the solutions to encourage young people to return to their villages and initiate entrepreneurship activities locally (Yang, 2015). It is also essential to control urban migration to ensure that rural areas' activities sustain and improve, providing better income to communities and reducing over-populated urban areas.

Entrepreneurship programmes in rural areas are very much dependent on government policies and intervention (Ahmad et al., 2012). The government plays a crucial role in creating and initiating rural programmes, especially monetary and non-monetary support (Galvão et al., 2020). In helping the community, the government has launched several community-based entrepreneurship (CBE) initiatives, especially in rural areas. Since 1992, Malaysia has adopted the community-based entrepreneurship (CBE) model based on the One Village One Product (OVOP) Japanese community-based entrepreneurship. However, after twenty-nine years, the impact of CBE is still vague, and it is important to investigate how the community benefits from the government programme and improves their economic status. Furthermore, previous studies showed that the definition of CBE is unclear (Gurau & Dana, 2018; Hassan, 2020), and the factors that influence CBE are inconclusive (Jaafar et al., 2020). Therefore, it is recommended any study should start with the research question, as most of the research relating to the community is based on limited research-based probes.

It raises a few questions, such as how community-based entrepreneurship in rural areas performs and what can we learn from other CBE models? This paper aims to explore the community-based entrepreneurship efforts in Malaysia and look into other CBE models that have been successfully developed and implemented by other countries.

2.0 LITERATURE REVIEW

2.1 Community-Based Entrepreneurship

Community-based Entrepreneurship (CBE) is defined as “a community acting corporately as both entrepreneur and enterprise in pursuit of the common good” (Peredo and Chrisman, 2006:310). A typical model of CBE is led by an individual or a group (Parwez, 2017). The fundamental rules of CBE include group effort, mutual trust, and motivation toward economic activities backed by institutional support (Parwez, 2017). Yang et al. (2019) highlighted the importance of effective leadership and support in developing a business venture. CBE can only progress through active community participation and efforts of committed members to promote self-employment and empowerment and create jobs and economic sustainability in the community (Yong and Hassan, 2019). Previous studies of community participation focused more on community-based tourism and economic development. Meanwhile, the success of CBE is influenced by the community members' collective decision to participate (Amin & Ibrahim, 2015). According to Azlizan & Hamzah (2012), it is expected that rural entrepreneurship will progress towards prosperity and success in rural areas through entrepreneurial activities and opportunities (Jaafar et al. (2014).

In developing and sustaining CBE initiatives in developing countries, the government must play a substantial role (Reed, 2010), more than a regulator but promoting sustainable economic strategies (Ahmad & Abu Talib, 2014). Developing countries have adopted and implemented a few successful CBE models, especially in third-world economies where entrepreneurship is new and not well explored. In their systematic literature review, Hassan et al. (2020) pointed out external and internal factors that affected CBE, such as self-determination, attitudes, entrepreneurship skills, government support and intervention, and access to social networks and social

capitals. They further elaborated that in CBE, the utilisation of local resources is not important and did not rule out the importance of leadership.

Many developing countries searching for models to alleviate poverty have adopted either the CBE Model of South Korea, Saemaul Undong (SU), or One Village One Product (OVOP) from Japan as it is deemed applicable and suitable.

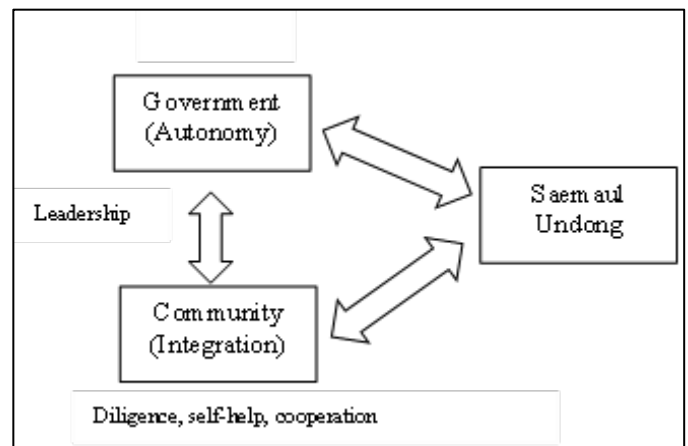
2.2 Community-Based Entrepreneurship in South Korea

The New Village Movement or Saemaul Undong (SU) was a community-driven development (CDD) program pursued during the 1970s in the Republic of Korea to develop South Korea from a war-torn nation to a modern industrial state (Wan, 2017). Korea's SU has been regarded as one of the most successful socio-economic development policies in the country's developmental era. Three components of SU are diligence, self-help, and cooperation. All these components are embedded in the community values. SU's success was mainly due to the President's strong drive to eradicate poverty and help small traditional villages take active parts in the economic activities. The activities in SU were closely monitored by top government officials and supported by selected SU leaders. The effort has helped improve rural communities and even surpass the urban cities' average household income (Jwa, 2018). Four ministries were involved in developing and supporting SU: Ministry of Agriculture and Fisheries, Ministry of Culture and Education, Ministry of Home Affairs, and Ministry of Commerce and Industry. The apparent reason for the success of SU lies in strong government participation, where the ministries worked closely. The success factors of SU include effective political leadership, efficient administrative arrangements, high quality of the SMU leadership (including female leaders), a traditional convention of cooperation in rural villages, ideological reform, Saemaul education, community participation, and community-driven development (Bathanti & Choi, 2020). Figure 1 illustrates the model of Saemaul Undong, as highlighted by Baek et al. (2012).

2.3 Community-Based Entrepreneurship in Japan

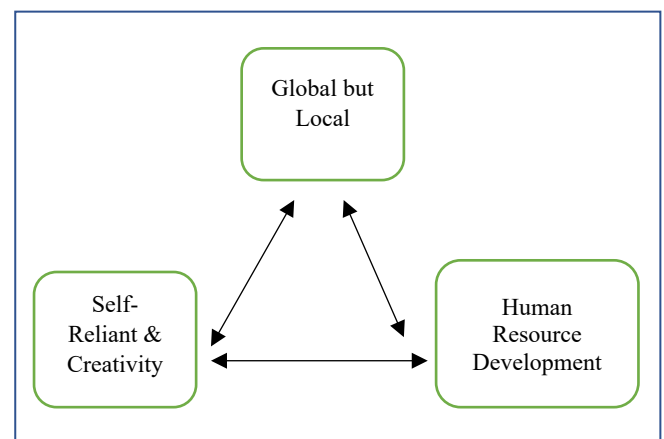
The One Village One Product (OVOP) is a community-based entrepreneurship model first established in Japan in 1979 (APO, 2020). OVOP focuses

Figure 1: Saemaul Undong Model



on identifying local products in the community to be established as a local brand and markets them commercially. The model helped revitalise poor rural communities by exploiting local resources and mobilising community members to create wealth to improve their economic status. OVOP applied a rural development strategy using a value-chain program (Thanh et al., 2017). In the OVOP model, the government played a role as a moderator to help local farmers reach the market quicker without intermediaries. The community plays an active role, thus leading to the social movement (Kurokawa, 2009). OVOP, from the policymakers' point of view, helps bridge the gap between urban and rural areas in developing countries through community-based development. The OVOP movement suggested that each village should produce one competitive and marketable product about its local resources to achieve sales revenue in the market, thus creating income for the residents in the villages and enhancing the local economy. The model

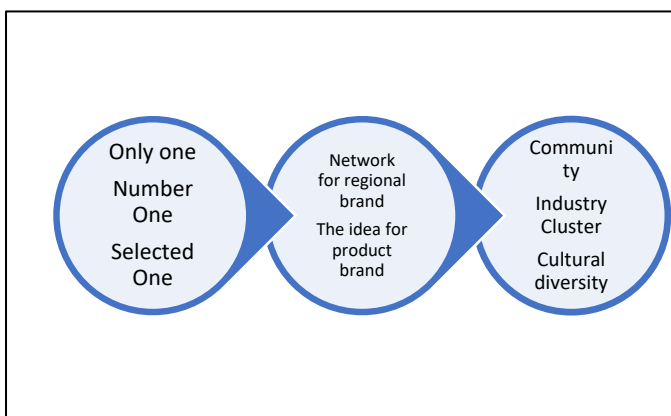
Figure 2: OVOP Model



highlights three main elements that focus on developing local products to market globally and developing the community's human capital to promote self-reliance and creativity. Figure 2 shows the interrelated aspects supporting the OVOP program.

In the framework, as shown in Figure 2, the community must choose one or two products from the community that can be developed using local resources and markets them to the global market. In doing so, the community must be proactive in taking on the challenges and commit to the programme's success. In the model, Murayama (2015) states that each village should identify its speciality and refine it to suit the market needs. Thus, the concept is called One Village One Product. The process of determining the product would then evolve into a community-based program. Figure 3 shows the evolution model from a one-entity business to a community-based entrepreneurship project (Murayama, 2015).

Figure 3: The evolution of community-based entrepreneurship



2.4 Adoption of Saemaul Undong and OVOP Worldwide

Saemaul Undong has been adopted by a few countries in Asia, Africa, Oceania and Latin America. At least 70 countries have adopted a Saemaul Undong approach for community development in rural and urban areas to tackle poverty (Douglass, 2015). Most policymakers are searching for this to improve the communities' economic status. A workable and successful adoption of SU programmes depends on how it is implemented and suits specific local social and political contexts (Park, 2009; Kwon, 2010). Developing countries

cannot simply replicate the SU model, but it can be learned, studied, and shared using local values to emulate the model (Jwa, 2018). For example, SU adoption did poorly in Tanzania due to different government policies and slow community participation (Yoon & Mudida, 2020). The experience of SU should be used as a guide for other countries to learn. The first step is to study and understand the local economic, social and political context and support local efforts to address the most pressing constraints in improving living standards. Reed (2010) highlighted a few points to learn from SU:

- Create the foundations for rural development
- Cultivate strong leadership skills:
- Enact national policies that favour the rural sector
- Add the special ingredient, the Saemaul Spirit

Meanwhile, the OVOP model has also been widely adopted by other Asian countries, including Africa and Latin America (Thanh, Nhat, Dang, Ho, & Lebailly, 2018; Nyamu, Wagah & Obala, 2018). The model is relevant to tackling community issues, especially in rural areas, in reducing poverty, promoting creativity, and creating sustainable entrepreneurship that creates employment and provides income for the communities. Countries like Thailand, China, Indonesia, Laos, and Cambodia have adopted the OVOP model and have been strongly supported and guided by the government (Kurokawa, 2009). The government-led OVOP can help the program sustain itself in the long run and ensure its success. However, many countries adopting OVOP face challenges while slowly modifying the model to suit their needs (Claymore & Jaiborisudhi, 2011).

2.5 Community-Based Entrepreneurship – Malaysia

Malaysia adopted the CBE of the OVOP Model in 1992 to address social-economic development, rural-urban migrations, economic imbalance, and other social issues to achieve the national vision of a higher-income nation by 2030 (SDSI, 2016). The first CBE Model in Malaysia was known as the One Village One Product. In 2002, this programme was further expanded and renamed One Village One Industry, and, eventually, in 2003, it was renamed One District One Industry (Satu Daerah Satu Industri - SDSI). In line with the government's vision to transform Malaysia into a high-income nation by 2020,

the government realised the impact of CBE on economic development, which would help provide continuous income and, consequently, improve the quality of the local communities, especially the rural communities. Therefore, the program was placed under the Special Unit in the Prime Minister's Office to ensure the viability and sustainability of the programme.

2.6 Implementation of One District One Industry (SDSI)

A community can apply to be included under the programme SDSI and to be recognised as an SDSI product; the local product should fulfil a minimum of two of the following criteria (SDSI, 2016, Abdul Latif et al. 2000):

- Activities involving the local community
- The product is unique and reflects the community’s identity
- The product must use local resources
- It should establish an economic value-chain
- Job creation

Four primaries and one support cluster were

Table 1: The list of ministries under CBE

Ministry	Cluster
Ministry of Agriculture	Food and Beverages
Ministry of Tourism and Culture	Homestay
Ministry of Communications and Multimedia	Handcrafts
Ministry of Health	Health-based products and services
Ministry of International Trade and Industry	Promotion, marketing, and entrepreneurship development

developed to strengthen the CBE programme further and positioned under four ministries, as shown in Table 1.

The government offers several types of assistance to promote the SDSI program, such as training, financial assistance (loans), exhibitions or fairs, and technical assistance. In 2011, the Prime Minister's Department's Implementation Coordination Unit (ICU) reported that

SDSI has successfully created 6,247 entrepreneurs from 141 districts, or a 23 per cent increase since 2010 (ASEAN, 2014). The programme has also generated 12,428 employment opportunities widely dispersed in four sectors: food and beverage, homestay, craft products, and health services/products. In addition, it can be seen that during 2013, the government generated cash and contract sales value of RM16.2 Million after facilitating local entrepreneurs in national showcases or exhibitions (MITI, 2013).

One of the principal pillars of SDSI activity is the series of exhibitions of products from each locality, coordinated by the Ministry of Entrepreneurship and Cooperation. Another purpose is to provide opportunities for exhibitors to compare their products to others, thereby equipping them with new knowledge and awareness of differentiating factors and encouraging them to pursue improvements in product quality and packaging, sales methods, and exhibiting techniques. The exhibitions appear to have been planned regarding other large-scale exhibitions that have been launched in recent years, such as OTOP Village in Thailand and the OVOP product fairs held in various locations around Asia (Igusa, 2009). To date, SDSI National Exhibition managed to pull a crowd to support entrepreneurs (SME Corp, 2020). In 2019, the government launched National Entrepreneurship Policy – 2020-2030 to make Malaysia an entrepreneurial nation by 2030. SDSI is one of the pillars in realising the vision.

2.7 CBE: My Village My Future initiative

In 2016, the government created another CBE of SDSI initiative called *My Village My Future* or *My Kampung My Future (MKMF)* to increase youth participation in economic activities in rural areas, particularly in agriculture (Adenan et al., 2017). The main objectives were to produce more youths with leadership qualities, earn higher income from agro-business activities in their villages, and mitigate urban youth migration (Rus et al., 2018). The programme also promoted the utilisation of idle land and natural resources. Only high-value projects with substantial economic impact were selected. Since the Ministry of Agriculture spearheaded the project, youth were encouraged to get into agriculture-based entrepreneurship activities. Fourteen villages were selected from over the whole of Malaysia to be groomed under this project. Selected villages with strong potential to develop community-

based entrepreneurship were given substantial financial support and other non-monetary support from various agencies. There were four main components under MKMF:

1. Back to the Future: to create economic opportunities thru high-value agriculture activities.
2. Agribusiness Competition: to encourage creativity and innovation among youth in agrobusiness and develop Millionaire Youth in agriculture
3. One Village One Mission: to produce leaders among youth and nurture ownership and a sense of belonging toward their villages
4. Entertainment and Sports: to create a fun environment in the village to attract youth to return and stay in their villages.

3.0 METHODOLOGY

This study focuses on the My Village My Future (MKMF) programme organised under the Ministry of Agriculture. This study adopted a qualitative case study methodology to explore a complex phenomenon within a specific context (Rashid, Rashid, Warraich, Sabir, & Waseem, 2019). As suggested by Yin (2011), a case study allows researchers to utilise existing information sources such as people and interactions between people within the scope of the case (Hyettl & Dickson-Swift, 2014). In addition, the flexibility offered by case study research is advantageous because the researchers can modify the research design to fit the aim of a particular study (Karlsson, 2016). Furthermore, case study methodology has been widely applied in CBE research as it allowed researchers to gather data from many sources (Gurău & Dana, 2018). In this study, the primary source was the narrative stories gained from the stakeholders in the CBE of MKMF. Narrative interviews were appropriate as they aimed to explore how the community, leaders and the government work together to complete their CBE program(Sunday et al., 2020). The choice of the two case studies presented in this paper is not random, as they provide insights into the CBE of SDSI in rural Malaysia.

In this study, two villages were identified as the recipients of the SDSI grant of MKMF and have been currently active in community-based entrepreneurship.

The villages were selected based on the recommendation of respective government agencies due to their excellent performance in the SDSI program of MKMF. The CBE of the two villages was different and handled by different ministries under the same programme. The villages were Kg Kundur Hulu and Kg Banghuris. Permission has been obtained from Ministries, State Agencies, and the local agriculture department prior to the interview sessions. Table 2 presents details of the villages.

Table 2: The details of villages understudy

Description	Kg Kundur Hulu (Negri Sembilan)	Kg Banghuris (Selangor)
Population	350	10000 (a combination of three villages)
Local Resources	Agriculture	Agriculture
Ministry involves in SDSI	Ministry of Agriculture	Ministry of Agriculture Ministry of Tourism Ministry of International Trade & Industry
CBE Program	My Village My Future	My Village My Future
Main target	Agriculture products	Agriculture products, Homestay and Tourism

3.1 Kg Kundur Hulu

The agriculture department of Rembau organised the interview with a Kg Kundur Hulu (KH) representative. As the new village chief was just appointed, most of the information was gathered from department officers. A site visit was conducted later with members and youth leaders of the community in the presence of department officials. Kg Kundur Hulu (KH) is located in Negeri Sembilan, 100 km south of Kuala Lumpur. This village has approximately 350 residents of 70% elders and 30% youth. Due to the expansion of the North-South Highway, the village can be accessed through Exit 223, which is only 5 km away. Like a traditional village, it has a substantial vacant and empty land without commercial agriculture due to the lack of young people. Most youngsters seek better employment in cities.

A few businesses had started much earlier in KH. The companies were doing well and running on a small scale as individually-owned enterprises that were unrelated or dependent on each other. Even though the businesses are privately owned, they use 50% of local resources and employ residents, especially youth, as part-timers. Four anchor businesses were selected to represent the community to qualify for the SDSI program of MKMF. These anchor businesses were identified as having the potential to provide employment and create a better environment to promote entrepreneurship among the local youth. The owners were between 30 -40 years old. Most of them were college-educated and possessed at

least a Diploma. Based on these connotations, KH was selected to be one of the participants in MKMF in 2015 and was recognised as one of the role models in the programme. From 2013-2016, KH was headed by a young village chief who portrayed a strong sense of leadership and great networking with the government agencies. He was an instrumental figure in helping KH to secure the MKMF programme. However, in 2019, he was replaced by an elder chief due to political changes in the government. The new village chief was one of the village's senior elders, with little experience in networking and entrepreneurial drive. Table 3 shows the anchor businesses in KH.

Table 3: Anchor Businesses in Kg Kundur Hulu

Type of Business	Description
Livestock Farming	Livestock farming comprised cows, sheep, and goats and was established in the 1990s by the head of the village. His son inherited the business. The farm has been selling livestock and has had a breeding programme. The farm has employed local youth and has run a training and mentoring programme to groom more young farmers from the village. MKMF has helped the farm to support the young farmers' programme further. The farm has been producing high-quality livestock as the owner has good support from the local veterinary doctor. Also, the owner has opened up a new small café to encourage more young people to initiate business ventures. As a result, the business has been doing well, and the owner was acknowledged as an 'icon" of the village.
Smoked House	The business, known as <i>Sabak Salai</i> (Smoked House), was established in 2000 by an army retiree and was taken over by his son in 2014. The smoked house has been using a traditional smoking method. Among the popular products include beef, duck, quail, and catfish. The business has recorded sales of more than RM1.25 million a year before participating in the MKMF program. This business has attracted many customers from all over Malaysia and has become a famous brand in Malaysia.
Bamboo Farming	Bamboo farming was started 15 years ago by a Chinese entrepreneur who exported bamboo shoots to Taiwan. The seed for the honey bamboo was brought from Taiwan and has grown successfully in Kg Kundur Hulu. When the business was abandoned in 1990, another local farmer decided to revive it and has continued the bamboo farming works. The farm, which is on 2.15 hectares, belongs to the Mosque Cooperative (Figure 4). The National Zoo has selected the honey bamboo farmer as its leading supplier for panda feed. As a result, the farmer has generated more than a million sales per year. Their involvement in the MKMF programme has helped the firm expand its business by supplying bamboo to the furniture industry, thus boosting its sales and sustainability.
Homestay Business	Located on the pristine hill in Kampung Kundur Hulu, the homestay was built in 2017 after the owner bought the land in 2015. The owner has become a new resident in the village and has good entrepreneurship potential in the village. Five chalets are located on the hilly parts surrounded by fruit trees. The homestay also offers other local activities like fishing, jungle trekking, and visiting other business outlets in the village. This homestay has attracted many outside customers, which helped to prosper other businesses.

3.2 Kg Banghuris

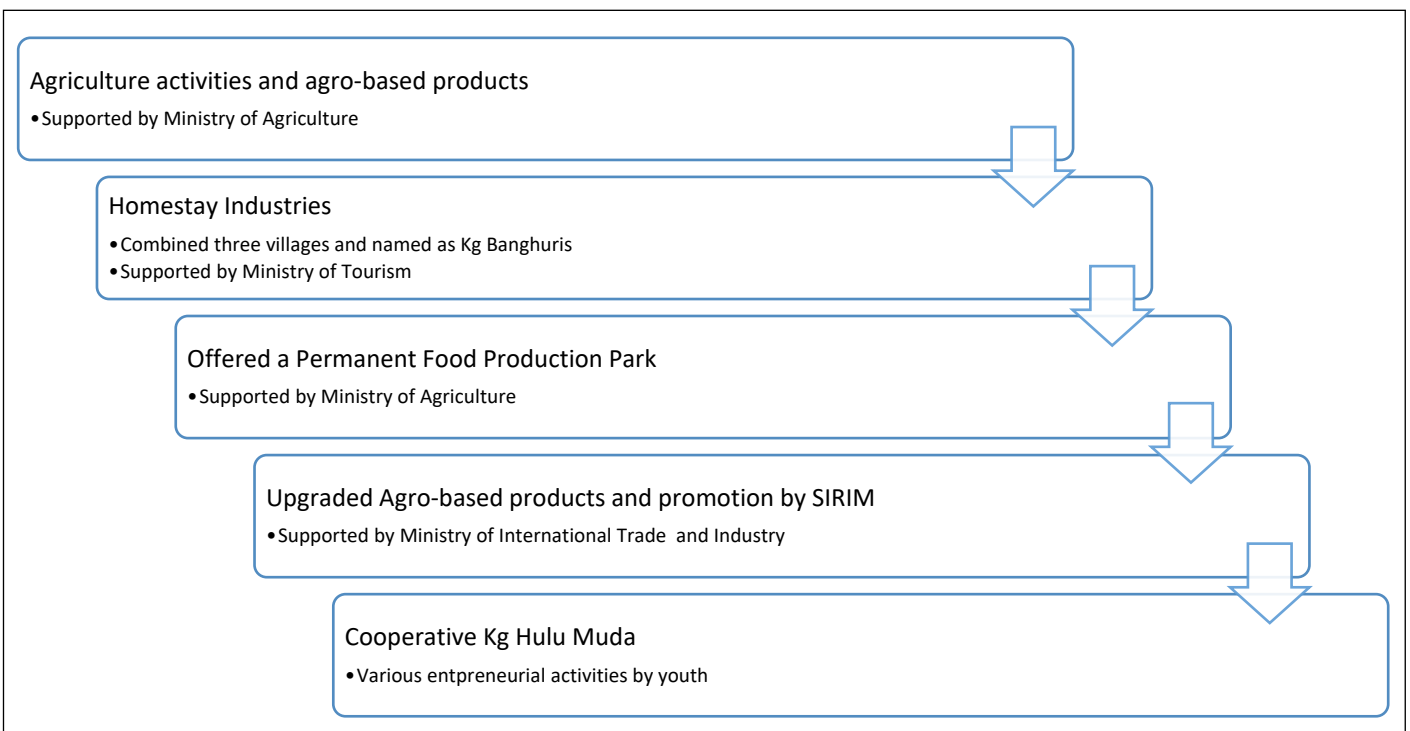
The Ministry of Tourism of the State of Selangor recommended Kg Banghuris (KB) as a case study due to their many achievements in community-based entrepreneurship activities, especially tourism. Subsequently, an interview with the youth leader from KB was administered. Data were collected from interviews and observations. Kg Banghuris (KB) is a combination of three villages, namely Kg Bukit Bangkong, Kg Ulu Chuchuh, and Kg Hulu Teris in Selangor. The three villages decided to combine in securing opportunities for SDSI of MKMF. Almost 60% of the residents are elderly, and another 40% are youngsters. The villages, which are located almost 70km from Kuala Lumpur, are near the Kuala Lumpur International Airport. Consequently, most youngsters prefer to work in the city.

When KB won the Most Beautiful Village award in 1992, the head of the village took the opportunity to establish a homestay industry after a brief trip to Vietnam, Japan and Korea. The purpose was to encourage tourists to visit the village and promote eco-tourism. The Ministry of Tourism of the State of Selangor stepped in to upgrade and promote the homestay. More than 80 homestays have been actively

offering services to local and international visitors. The Ministry of Agriculture, through its agencies, further assisted the villages in using local resources like bananas and cassava and established a local snack industry in all three villages. More than ten small factories are currently supplying high-quality local products. The factories employed local communities as the workforce. To further support this industry, the Department of Agriculture offered residents an opportunity to be a farmer and generate income from agriculture through a programme called Permanent Food Production Park. In the programme, residents or farmers are given agricultural land to plant bananas and cassava. They must supply those resources to the local snack producers. The villagers eventually created and developed a cooperative established to support the community's economy further.

In 2015, KB was selected as a participant of MKMF and was awarded RM1.4 million from the SDSI program. The cooperative quickly organised more entrepreneurship programs, especially for youth. Few other entrepreneurial initiatives have been carried out. The initiatives attracted more youth to participate and embark on their businesses. In 2018, SIRIM of MITI further extended assistance to upgrade the local snack packaging and promote global outreach through a

Figure 5 Evolution of Kg Banghuris Through SDSI



program called Sugih. KB has been regarded as one of the successful SDSI models in Malaysia. Over the years, the villages have been capable of developing more new entrepreneurial ventures. The critical success is an example of the solid and visionary leadership of the former head of the village, well-groom youth leaders and strong, active community participation. Figure 5 depicts the evolution of the SDSI program in KB.

4.0 DISCUSSION

The objectives of the MKMF programme were to minimise rural youth migration and develop rural areas, through community-based entrepreneurship, especially in agriculture. A few successful business ventures have allowed KH to be part of the MKMF program. The strategy was to capitalise on the established businesses to create more young entrepreneurs who eventually create and grow community-based entrepreneurship. It was aimed to create new young entrepreneurs and, ultimately, improve the village's entrepreneurship ecosystem. While individual entrepreneurs have run the businesses, they have provided job opportunities to local youth and attracted visitors and customers to the villages. However, if community-based entrepreneurship can be developed and many villagers can participate collectively, it would boost their economic status. Unfortunately, entrepreneurship opportunities have not been well explored in KH. Due to a lack of new entrepreneurial drive and strong participation from youth, no new business ventures, especially community-based entrepreneurship, have been created or developed.

On the other hand, KB has fully utilised its resources to benefit the community. For example, the local snack industry has developed more local entrepreneurs and capitalised on its local resources of banana and cassava, which have been the local agricultural output. The main success factors of KB can be attributed to strong leadership, active community participation, and an entrepreneurial-driven community. The former chief village embarked on successful succession programmes for youth leaders and had continuously networked with various ministries and agencies for support. As a result, many new business ventures have been created by youth and well-guided by established local entrepreneurs. The establishment of cooperatives has further strengthened the

entrepreneurship drive and provided financial assistance and dividends to members. Overall, the MKMF has successfully improved the community's economic status in KB.

This paper discusses the impact of one SDSI program, MKMF, which focuses on rural community-based entrepreneurship. Many countries have adopted either the Saemaul Undong or OVOP models. Some are successful, but some are not. Both models focus on productivity rather than strengthening the community, creating CBE issues in Thailand and Indonesia (Claymore & Jaiborisudhi, 2011). The findings showed that government plays a very instrumental role in establishing community-based entrepreneurship by providing information and financial support. Continuous support from the government is essential to ensure the sustainability of the SDSI program (Kader et al., 2009; Reed, 2010; Jaafar et al., 2020). As entrepreneurship does not provide an easy route to economic empowerment, the government needs to be part of the programme and provide non-monetary and monetary assistance to some extent. The success of Kg Kundur CBE is largely partly because of the dedication and commitment of officers of the Agriculture Department of Rembau in promoting and encouraging the community to work closely in securing the MKMF grant. However, it is difficult for the community to retain momentum without proper leadership training, as shown in the SU model.

In sustaining the CBE program, the sense of ownership by the community and highly motivated leaders within the local community who can identify entrepreneurial opportunities are crucial (Schumann, 2016). The Saemaul Undong and OVOP Japan model showed that the community must actively participate in community-based entrepreneurship activities with solid guidance from the government. Active participation from the community is important to support and sustain CBE in the long run, as shown in KB evidence ((Murphy et al., 2020). As OVOP focuses on local product development, it is suitable for Malaysian SDSI to peek into Saemaul Undong's diligence, self-help, and cooperation values. Many countries have adopted these two models based on Asian culture, values, and environment (Jwa, 2018; Sthaiio, 2019; Thanh et al., 2018). Should Malaysia replicate the models? Even

though the culture and environment are different, the values are similar. Both South Korea and Japan are capitalist countries, and the economic system is a private ownership economy. This is similar to Malaysia's economic model. However, different economic gaps and values have existed among countries like Malaysia, South Korea, and Japan. In Malaysia, the economic gap between urban and rural areas has been vast. The infrastructure of rural areas has still been lacking in many ways, such as necessities such as water and electric supply. In this context, the SDSI of Malaysia is presented not simply as a means of "poverty alleviation" through the generation of supplementary income but as a policy system to seek an economic balance of multi-ethnic society and to enable full-scale business activities in rural areas. Then, the SDSI can be seen as a broad-ranging incentive program for local entrepreneurs.

This might be possible to identify them as a new direction in the evolution of OVOP movements in Asia. However, it must be addressed that the SDSI Policy has still been comparatively young, which has just launched on a full scale in 2003. Then Malaysian "OVOP movement" has only just been getting underway the first trial stage. It can be anticipated that as the trial-and-error process continues, SDSI will grow into a series of more practical measures that encompass trans-national sharing of experiences in rural development and the cultivation of individuals to drive that development.

After all, taking the lead in expanding the market domain and strengthening rather than weakening the market function have been the fundamental developmental roles of the government. Economic development can be initiated through building "an incentive system that can guarantee the corresponding reward to results" by closely observing the economic performance of market players. (Jwa, 2018). Implementing Saemaul Undong and OVOP would help assist rural communities and reduce income inequality in Malaysia. The combination of decisive government intervention, as in Saemaul Undong, and the social development of OVOP within the community can help other countries to develop their own CBE model. General lessons of good administration, leadership, and intervention would help Malaysia adopt these models and perhaps be refined to suit its ecosystem, values, and

culture. For the Malaysian CBE model, besides developing young leaders and strong community participation, entrepreneurial orientation is one of the most important criteria to sustain CBE, especially in rural areas.

5.0 CONCLUSION

This study highlights the development of rural community-based entrepreneurship through government intervention to develop rural areas. Reed (2010) states that developing countries should not replicate the CBE models directly. Understanding the socio-economics of the community is crucial. Community-based entrepreneurship is not developed from scratch but uses current local businesses as an entrepreneurship catalyst. Malaysian SDSI has adopted OVOP for many years. The policymaker needs to revisit and explore another model to learn and improve the current SDSI.

The government should incorporate entrepreneurial mindset training and collective community values for rural communities. A young and visionary leader should lead rural community-based entrepreneurship to get the community working together for entrepreneurship ventures, which is not the case in this study. This study's approach to community-based entrepreneurship is not a conventional community-based enterprise. Established ventures were used as a catalyst to attract, mentor, and groom new entrepreneurs. However, the major limitation identified in this project is the lack of community entrepreneurship orientation, which is one of the antecedents to creating new community-based enterprises. The community should take advantage of the success of other anchor businesses to develop their new community enterprise projects, as many customers are flocking to the area. A young, dedicated, and committed entrepreneurship leader should be elected and appointed to start community-based enterprises so that all community members can contribute and reap the benefits. The government intervention is practical, but the sustainability of the projects is in question if the government support ends.

This study has a few limitations. Firstly, as SDSI programmes are scattered under a few ministries and agencies, it has been difficult to identify relevant

communities, especially from the perspective of CBE. Secondly, this study focused only on two communities that had won several awards; thus, it cannot be generalised to other communities under SDSI programs.

For future research, an in-depth study to explore the values of community, resilience, and sustainability would help minimise the risk of failing and allow the community to run its program independently. Many aspects of CBE need to be explored using qualitative and quantitative approaches to contribute to the body of knowledge. In addition, CBE can also be extended to poor urban communities through different ministries or agencies. CBE has a strong potential in Malaysia, and having its model would help the policymakers and community to achieve economic empowerment.

Authors Contribution:

Rohana Ngah: Writing – Original Draft, Conceptualisation, Data Collection, Methodology, Review & Editing Mohd Ali Bahari Abdul Kadir: Writing – Review & Editing, Data Analysis, Noor Faizah Mohd Lajin: Methodology, Data Collection.

Declaration of competing interest

None.

Funding: This research was funded by UNIVERSITI TEKNOLOGI MARA THROUGH Research Management Institute (RMI), grant number 600-IRMI 5/3/LESTARI (029/2018).

Acknowledgement: The authors gratefully acknowledge the support of the Universiti Teknologi MARA in providing the research grant (600-IRMI 5/3/LESTARI (029/2018) and make this publication possible. Furthermore, we want to extend our appreciation to the Office of Agriculture, State of Negeri Sembilan, District Agriculture Department of Rembau, and the community of Kampung Kundur Hulu, Tourism Selangor (MOTAC), and the leader of Kg Banghuris for making this study possible.

Conflicts of Interest: The authors declare no conflict of interest. The funders had no role in the design of the study; in the collection, analyses, or interpretation of data; in the

writing of the manuscript, or in the decision to publish the results”.

References

- Adenan, M.A., Subramaniam, D. & Mohd Aminudin, S.I. (2015). Policy on Land For Agriculture Projects in Malaysia for the Young Agropreneur through Blue Ocean Strategy FFTC-MARDI International Seminar on Cultivating the Young Generation of Farmers with Farmland Policy Implications, May 25-29, MARDI, Serdang, Selangor, Malaysia. <http://www.ffc.agnet.org/library.php?func=view&style=type&id=20161101115000>
- Ahmad, M.S. & Abu Talib, N. (2014), Empirical investigation of community empowerment and sustainable development: quantitatively improving qualitative model, *Quality & Quantity*, 49(2) DOI 10.1007/s11135-014-0014-y
- Ahmad, A.R., Yusoff, W.F.W., Noor, H.M., Ramin, A.K., 2012. Preliminary study of rural entrepreneurship development program in Malaysia. *Journal of Global Entrepreneurship*. 2 (1), 1–8.
- Amin, A., & Ibrahim, Y. (2016). Sustainable community participation in the homestay program. *International Business Management*, 10(1), 18-23. <https://doi.org/10.3923/ibm.2016.18.23>
- Asian Productivity Organization APO (2020). One Village, One Product movement https://www.apo-tokyo.org/publications/p_glossary/one-village-one-product-movement/
- ASEAN (2014). Improvement Rural Living Condition Through One Village One Product (OVOP) movement, ASEAN Cooperation Project No. IND/SME/11/003/REG, <https://asean.org/storage/2012/05/3.-OVOP-Guidelines.pdf>
- Azlizan, T., Hamzah, J., Ibrahim, Y. & Ahmad, H. (2012). Community participation in rural entrepreneurship. *Malaysia Journal of Society and Space*, 8(9), 84 - 96.
- Bae, R., Kim, P.S. & Lee, S.C. (2012). Contributions And Limitations Of Saemaul Undong In Korea For Regional Development And Welfare Improvement In Less Developed Countries. *Public Administration And Development*; Special Issue: Governance And The

- Eradication Of Poverty: New Perspectives From Multidisciplinary Analysis, 32 (4-5), 146-429. Doi.Org/10.1002/Pad.1639
- Bathanti, J. & Choi, K. (2020). Catalysing Women's Leadership and Participation in Rural Development: The Case of Saemaul Women's Associations in the Republic of Korea, 1970-1979. Global Delivery Initiative, https://www.effectivecooperation.org/system/files/2021-06/gdi_case_study_women_leadership_and_participation_saemaul_undong_in_korea_0.pdf
- Chidanand, F., Frey, L. M., & Singh, G. (2021). Village development framework through self help-group entrepreneurship, microcredit, and anchor customers in solar microgrids for cooperative sustainable rural societies. *Journal of Rural Studies*, June. <https://doi.org/10.1016/j.jrurstud.2021.07.013>
- Claymone, Y., & Jaiborisudhi, W. (2011). A study on one village one product project (OVOP) in Japan and Thailand as an alternative of community development in Indonesia. *Thai Journal of East Asian Studies*, 16(1), 51-60. Retrieved from <https://so02.tci-thaijo.org/index.php/easttu/article/view/51148>
- Douglass, M. (2015). The saemaul undoing: South Korea's rural development miracle in historical perspective. January 2013.
- Fortunato, M.W.P. & Alter, T. (2015). Community entrepreneurship development: an introduction, *Community Development*, 46(5), 444-455. DOI: 10.1080/15575330.2015.1080742
- Hyett, N., Kenny, A., & Dickson-Swift, V. (2014). Methodology or method? A critical review of qualitative case study reports. *International Journal of Qualitative Studies on Health and Well-being*, 9, 23606. International Labour Organization (2020). Decent Work and the 2030 Agenda for sustainable development. <https://www.ilo.org/global/topics/sdg-2030/lang--en/index.htm>
- Igusa, K. (2009). Rural Small Entrepreneurs in Malaysia and SDSI Policy, Asia Pacific Conferences, APU, Oita, Dec. 14-15
- Galvão, A. R., Mascarenhas, C., Marques, C. S. E., Braga, V., & Ferreira, M. (2020). Mentoring entrepreneurship in a rural territory – A qualitative exploration of an entrepreneurship program for rural areas. *Journal of Rural Studies*, 78(October 2019), 314–324. <https://doi.org/10.1016/j.jrurstud.2020.06.038>
- Gurău, C., & Dana, L. P. (2018). Environmentally-driven community entrepreneurship: Mapping the link between natural environment, local community and entrepreneurship. *Technological Forecasting and Social Change*, 129(December 2016), 221–231. <https://doi.org/10.1016/j.techfore.2017.11.023>
- Jwa, S. H. (2018). Understanding Korea's Saemaul Undong: Theory, evidence, and implication. *Seoul Journal of Economics*, 31(2), 195–236.
- Jaafar, M., Dahalan, N. & Mohd. Rosdi, S.A. (2014). Local Community Entrepreneurship: A Case Study of the Lenggong Valley, *Asian Social Science*, 10 (10), 226-235.
- Jaafar, M., Md Noor, S., Mohamad, D., Jalali, A., and Hashim, J. B. (2020). Motivational factors impacting rural community participation in community-based tourism enterprise in Lenggong Valley, Malaysia. *Asia Pacific Journal of Tourism Research*, 25(7), 799–812.
- Kritikos, A. (2014). Entrepreneurs and their impact on jobs and economic growth. *IZA World of Labor* 8, 1-10. DOI: 10.15185/izawol.8
- Kurokawa, K. (2009). Effectiveness and Limitations of the "One Village One Product" (OVOP) Approach as a Government-led Development Policy: Evidence from Thai "One Tambon One Product (OTOP). *Studies in Regional Science*, 39(4), 977-989.
- Latif, A. (2009). Analysis of "One Village One Product" (OVOP) or "Satu Daerah Satu Industri (SDSI)" in Kelantan." <http://umkeprints.umk.edu.my/1086/1/Paper%201.pdf>
- Lyu, H., Dong, Z., Roobavannan, M., Kandasamy, J. & Pande, S. (2019). Rural unemployment pushes migrants to urban areas in Jiangsu Province, China, *Palgrave Communications*, 5(92), <https://doi.org/10.1057/s41599-019-0302-1> | www.nature.com/palcomms
- Kader, R., Mohamed, A.R.& Ibrahim, A.A.H.C. (2009). Success Factors for Small Rural Entrepreneurs under the One-District-One-Industry Programme in Malaysia, *Success Factors for Small Rural Entrepreneurs under the One-District-One-Industry Programme in Malaysia*, 5(2), 147-162

- Mohd Hussain, N.H., Byrd, H. & Ahmad, N.A. (2017). The Urban Migrant Future Desire: A Study of Reverse Migration in Malaysia, *Malaysian Journal of Sustainable Environment (MySE)*, 3(2), 177-192.
- Murphy, M., Danis, W.M., Mack, J. & Sayers, J. (2020). From principles to action: Community-based entrepreneurship in the Toquaht Nation. *Journal of Business Venturing*, 35(6), <https://doi.org/10.1016/j.jbusvent.2020.106051>.
- Parwez, S. (2017). Community-based entrepreneurship: evidences from a retail case study, *Journal of Innovation and Entrepreneurship*, 6 (14). doi:10.1186/s13731-017-0074-z
- Peredo, A-M. & Chrisman, J.J. (2006). Toward a Theory of Community-Based Enterprise, *The Academy of Management Review*, 31(2). doi.org/10.3390/su10124485
- Rus, R. C., Kamis, A., & Ishak, F. N. A. (2018). Assessment of My Kampung My Future Program Based on CIPP Assessment Model: Input Dimension. *International Journal of Academic Research in Business and Social Sciences*, 8(10), 1256–1264.
- So, JK (2019) Inclusive growth through Saemaul Undong in Korea. *Area Development and Policy*, 4(4), 399-415, DOI: 10.1080/23792949.2018.1549503
- Song J, Han K, Lee D, Kim S-W (2018) “Is a picture really worth a thousand words?” A case study on classifying user attributes on Instagram. *PLoS ONE* 13(10): e0204938. <https://doi.org/10.1371/journal.pone.0204938>
- Thanh, L.H., Nhat, L.T., Dang, H.N., Ho, TMH, and Lebailly, P. (2018). One Village One Product (OVOP)—A Rural Development Strategy and the Early Adaption in Vietnam, the Case of Quang Ninh Province Sustainability, 10(12).
- The World Bank (2020). Agriculture and Food. <https://www.worldbank.org/en/topic/agriculture/overview>
- Yang, J., Pu, B. & Guan, Z. (2019). Entrepreneurial Leadership and Turnover Intention of Employees: The Role of Affective Commitment and Person-job Fit. *International Journal of Environmental Research and Public Health*, 16, 1-17; doi:10.3390/ijerph16132380
- Yong, K. & Hassan, R.A. (2019). The Relationships Between Social Media Marketing and Entrepreneurial Success: A Conceptual Study on Homestay Business in Sabah, Malaysia. *Review of Integrative Business and Economics Research*, 8(1), 25-32.
- Yang, A. (2015). Want to Cure Income Inequality? Promote Entrepreneurship. <https://www.entrepreneur.com/article/246134>
- Yin, R. K. (2011). Applications of case study research. Thousand Oaks, CA: Sage
- Malaysia. *Malaysian Journal of Media Studies*, Volume 12, No. 1. Pages 53 – 60.
- The popularity of South Korean beauty products (K-beauty) in Malaysia in 2019. Retrieve on 27 August 2021. From <https://www.statista.com/statistics/1171274/south-korea-k-beauty-global-popularity-by-country/>