

УДК 334.7:330.3(595)

Iqramah Binti Silon, student of the International Medical Institute, Kursk State Medical University, Kursk, Russia.

e-mail: iqramahs00@gmail.com

Science tutor: Vlasova Olga Vladimirovna, head of Economics and Management department of Kursk State Medical University

THE ROLE OF ENTREPRENEURSHIP IN ECONOMIC DEVELOPMENT IN MALAYSIA

Abstract: a key factor in promoting socio-economic growth is entrepreneurship. This article outlines the connections between young people's entrepreneurial attitude and their access to entrepreneurial education, funding, and markets by concentrating on the Malaysian market. To become an entrepreneurial nation, it is necessary to learn how to cultivate an entrepreneurial mindset in order to develop economic advancement.

Keywords: entrepreneurship, economic, Malaysia

Икрамах Бинти Силон, студентка Международного медицинского института Курского государственного медицинского университета, Курск, Россия.

электронная почта: iqramahs00@gmail.com

Научный руководитель: Власова Ольга Владимировна, и.о.заведующего кафедрой экономики и менеджмента ФГБОУ ВО «Курский государственный медицинский университет»

РОЛЬ ПРЕДПРИНИМАТЕЛЬСТВА В ЭКОНОМИЧЕСКОМ РАЗВИТИИ МАЛАЙЗИИ

Аннотация: ключевым фактором, способствующим социально-экономическому росту, является предпринимательство. В этой статье рассказывается о взаимосвязи между предпринимательским настроем молодых людей и их доступом к предпринимательскому образованию, финансированию и рынкам, сосредоточив внимание на рынке Малайзии. Чтобы стать предпринимательской нацией, необходимо научиться развивать предпринимательское мышление, чтобы способствовать экономическому прогрессу.

Ключевые слова: предпринимательство, экономика, Малайзия

The traits of a person who wants to start their own business, like being creative, risk-taking, successful, self-assured, and in charge of their own destiny, are referred to as an entrepreneurial mentality. The mentality of an individual greatly influences their readiness to start their own business. Being open-minded is a must for an entrepreneur, and this is reflected in the entrepreneurial mentality. Although Malaysia is not classified as a free economy country, its mixed economic system today prioritizes entrepreneurship as one of the primary potential drivers of socioeconomic progress. This is one method of motivating people to help one another make a life. Accordingly, the way society views entrepreneurship is constantly changing in an effort to encourage more people—especially young people—to start their own businesses. Since self-employed persons are typically seen as less stressful than wage-employed people, this is even more extended to those who are currently employed [1].

The government has started a lot of initiatives to create an environment that is conducive to entrepreneurship by introducing people to the concept of entrepreneurship from elementary school through high school and university. This is because the nation wants to be competitive in its socioeconomic development. This is due to the fact that introducing the fundamentals of entrepreneurship through education is one method of fostering an entrepreneurial culture. According to a prediction made by Malaysia's Ministry of Higher Education, 15% of tertiary students

in the country start their own business before they graduate. This aligns with the learn and earn principle, which was derived from the Entrepreneurship Action Plan 2016–2020 and calls for students to become more self-sufficient by generating revenue through entrepreneurship while they are enrolled in classes [2]. The government has determined in recent years that one of the primary forces behind Malaysia's economic expansion may be entrepreneurship and the establishment of fresh, creative companies. Micro, small, and medium-sized businesses (MSMEs) and entrepreneurship coexist in the Malaysian setting, and policies should be created to support the expansion of both MSMEs and entrepreneurs.

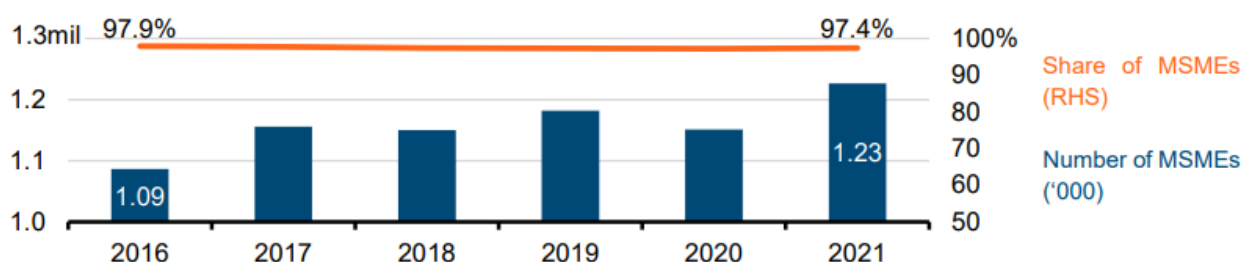


Figure 1- Number and percentage of MSMEs to the total business establishment

As things stand, MSMEs' contribution to the growth of the economy in Malaysia can still be significantly enhanced. The number of MSMEs increased from 1.09 million in 2016 to 1.23 million in 2021, accounting for 97.4% of all business enterprises in the economy (Figure 1). Although MSMEs account for 47.8% of the labour force, they play a crucial role in employment; nonetheless, their overall economic contribution is insufficient. This is due to the fact that MSMEs only made up 37.4% of Malaysia's GDP in 2021, despite the country's high employment rate (Figure 2).

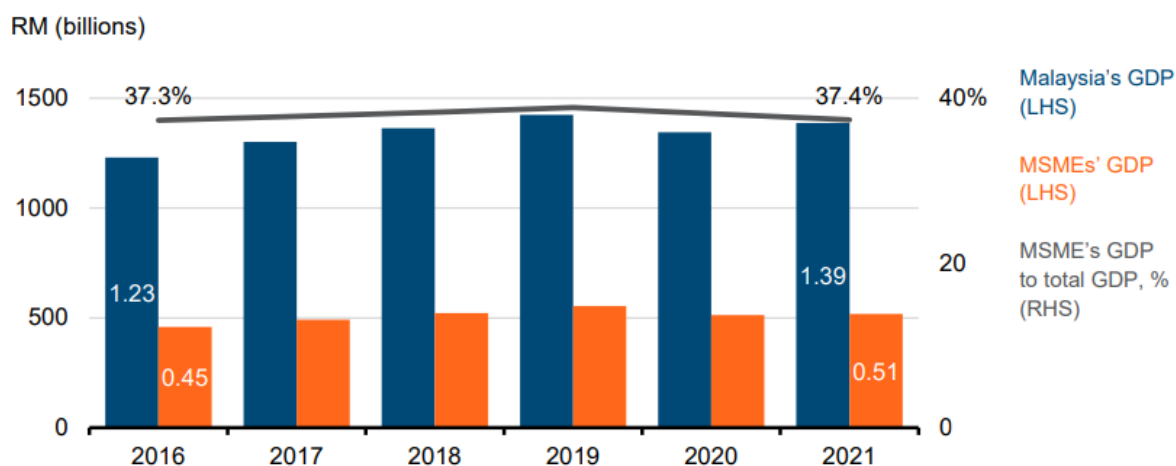


Figure 2- Contribution of MSMEs' GDP to Malaysia's GDP, at constant 2015 prices, 2016-2021

The government has outlined a vision for entrepreneurship in the medium term in the 12th Malaysia Plan (12MP), with an emphasis on establishing businesses in high-potential, high-growth industries like agriculture, halal products, aerospace, biotechnology, medical devices, and the digital economy [3]. The steps that must be taken to help MSMEs and entrepreneurs become more efficient and capable of contributing to the economy should be addressed by the government. A long-term policy document called the National Entrepreneurship Policy 2030 (NEP2030) aims to achieve this goal by outlining the main strategies for entrepreneurship over the ensuing decade. Furthermore, the framework for assisting aspiring business owners who want to use social entrepreneurship as their business model was established by the Malaysia Social Entrepreneurship Blueprint 2030 (SEMy2030). SEMy2030 aims to provide a comprehensive legal framework and ecosystem for social enterprises to flourish in order to create a sustainable and inclusive Malaysia, sharing objectives with NEP 2030 [4].

Entrepreneurs are encouraged to promote innovation, put cost-cutting measures in place, and improve product quality in an effort to remain competitive against global companies. These initiatives draw investment and support capital development, both of which are critical for long-term economic growth. Investor

investment offers the financial resources necessary for entrepreneurs to develop and scale their companies. Successful businesses then frequently reinvest their earnings, growing their operations and generating more economic activity. The tourism industry is another major driver of economic expansion. From a variety of angles, the money that travellers spend on lodging, travel, food, entertainment, and mementos directly contributes to economic growth. Local business owners are essential in making our nation's products more appealing, which raises demand in the travel and tourist industry. Additionally, this industry is a significant employer, generating jobs in all of the previously listed areas that depend on a trained personnel member to provide travellers with high-quality experiences. In turn, this promotes economic stability and income development by creating job opportunities, reducing unemployment, and increasing worker participation. Malaysia stands out in Asia due to its distinct multicultural identity. The nation is ready to adopt sustainable tourism methods while maintaining its cultural landmarks, customs, and ecosystems, which will further support long-term economic growth [5].

It is commendable that there have been discernible initiatives to encourage youth entrepreneurship in Malaysia as a means of addressing poor salaries, youth unemployment, and the low GDP contribution of MSME. With the advent of several frameworks that encourage young entrepreneurship, such NEP2030 and SEMy2030, aspiring business owners may seek for government assistance to get beyond some of their obstacles. It is important to note that the government has worked over the years to give Malaysian youth entrepreneurs a more organized structure and ecosystem. Nonetheless, it is equally crucial to regularly assess how the framework's recommended policies are carried out. Since the majority of the MSMEs currently operating are restricted to conventional, low-value sectors of the economy, the yearly allocations and programs may only be a temporary solution if the structural problems with the economy continue. Additionally, it is important to establish business mentorship programs to make sure that entrepreneurs receive the right advice on how to grow their businesses or enter foreign markets.

References

1. B.C. Martin, J. M. (2013). Examining the formation of human capital in entrepreneurship: a meta-analysis of entrepreneurship education outcomes. *Journal of Business Venturing*, Vol. 28, No. 2, pp. 211-224.
2. EPU. (2021). *Rancangan Malaysia Ke-12 (Rmk-12)*. Retrieved from Putrajaya: Economic Planning Unit, Prime Minister's Department: https://www.epu.gov.my/sites/default/files/flipping_book/RMKe-12/mobile/index.html
3. J. Hessels, C. R. (2017). Self-employment and work-related stress: The mediating role of job control and job demand. *Journal of Business Venturing*, Vol. 32, No. 2, pp. 178-196.
4. Masnan, D. F. (2024). *BERNAMA*. Retrieved from Faculty of Business & Communication, University Malaysia Perlis (UniMAP).: <https://www.bernama.com/en/thoughts/news.php?id=2271535>
5. MEDAC. (2022). *Malaysia Social Entrepreneurship Blueprint 2030*. Retrieved from Putrajaya: Ministry of Entrepreneur Development and Cooperatives: https://www.kuskop.gov.my/admin/files/med/image/portal/PDF/SEMy2030/SEMy2030_Booklet_ENG.pdf