

**Helping local businesses grow**  
**New Straits Times**  
**27 February 2013**  
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**TRANSFORMATION: The country needs to have more entrepreneurs, which that will means more jobs, innovation and competitiveness**

MALAYSIA'S aspiration to become an entrepreneurial nation, the first in the region, looks set to be realised even before 2020.

From recent accounts based on findings by the Organisation for Economic Cooperation and Development and the World Bank, Malaysia is fast meeting international targets for a country to attain entrepreneurial nation status the likes of the United States, Canada and Brazil.

Much of the progress achieved thus far has been because of the high level of entrepreneurial activity in the country. Part of the process has been influenced by government policies and market-driven forces. The annual growth rate for entrepreneurial activity has been put at around 3.7 per cent. This is highlighted by the increasing number of business startups, for example, from 38,000 in 2006 to 44,000 in 2011.

Added to this has been the government's recent intervention in assisting budding entrepreneurs with risk-taking, becoming more creative and innovative and acquiring the necessary entrepreneurial skills.

Measures introduced have also included green initiatives, biotechnology information sharing and web-based and online networking.

To encourage youth participation in starting up small and medium enterprises (SMEs), the government this month launched the Young Entrepreneurs Fund for those below the age of 30. This complemented efforts by the existing SME Entrepreneur Group Economic Fund under a programme managed by SME Corporation, established for the purpose of building young talents as entrepreneurs.

It has to date registered a total of 250,000 startup SMEs.

Even Prime Minister Datuk Seri Najib Razak himself had put in efforts to develop youth entrepreneurs. Through his four approaches announced in September 2011, he sought to encourage new ideas among the youths and go for innovation, embrace total branding and utilise the opportunities offered through the websites. The above represented the government's policy drive to link entrepreneurship with economic development and the individual's role in this process beyond the education track.

The need for government intervention in creating the correct environment for entrepreneurs to operate in has differed somewhat from the experiences of the US and several other countries in the West, and even Japan.

Entrepreneurs there are expected to be independent business starters and willing to take risks. In the Malaysian case the government is seen to be fully involved.

This is visible in several policies implemented as early as the late 1970s onwards to the 1990s and today. In particular, the government's concern over the poor participation of the Malays in mainstream economic activities was reflected in the New Economic Policy

(NEP), launched after the post-1969 election race riots, with its twin objectives of improving national unity and encouraging economic growth.

Observers believed that this initial policy response had yielded satisfying results. By 1990, the incidence of poverty had been reduced from 49 per cent to 17 per cent. The increase seen in the corporate stock ownership and individual ownership (the entrepreneurs) was equally dramatic, 18 per cent for the former and almost 90 per cent for the latter. Overall, the interventionist market driven policies had allowed the country to expand its manufacturing base appreciably.

Fast-track this to the present New Economic Model (NEM), introduced in 2009, the same picture and even more admirable results could be expected. Like the earlier NEP, the NEM seeks to bring in change through a closer working relationship between the government, the corporate sector and the people through the eight transformation pillars consisting of the four key thrusts of 1Malaysia, People First, Performance Now-based and the 10th Malaysia Plan, and the four complementary values of creativity and innovation, giving full value for the taxpayer's money, priority to action and doing and finally, inculcating integrity at work.

The overarching principle involved in the government's strategy this time is still to unite the people behind an expanding pie concept resulting in sustainable economic growth for the people and the country. The results hopefully will lead to the nurturing of more entrepreneurs in the country by then, since as an entrepreneurial nation Malaysia needs to have more entrepreneurs that will mean more jobs, more innovation and more competitiveness before 2020 dawns.

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Source: <http://www.nst.com.my/opinion/columnist/helping-local-businesses-grow-1.225345>