



Social Entrepreneurship and Its Impact on Agriculture in Malaysia

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ABSTRACT

This article explains the practice of social entrepreneurship and its impact on agriculture in Malaysia using a critical and systematic qualitative research approach. Several sources used are the researcher's direct experience, books, journals, and other scientific works. The results of the study indicate that social entrepreneurship has been able to provide a positive impact on agriculture in Malaysia, including being able to overcome systematic challenges, including low income, unsecured environmental quality, and sustainable social entrepreneurship development in developing solutions that empower farmers and rural communities so that a balance is created between the lives of rural communities and the lives of urban communities that are often considered unrelated to each other.

Keyword: Malaysia, Agriculture, Entrepreneurship, and Social



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1. Introduction

In general, social entrepreneurship can be understood as a form of entrepreneurship to develop and provide funding to generate solutions to any social problems (Dwianto, 2018). Referring to this, the world of agriculture is often underestimated as if agriculture is an arena for the activities of the poor who are completely unable to drive and grow the national economy. This phenomenon occurs because industrial processes that rely on technology in urban areas have developed very rapidly. Thus, the world of (rural) agriculture is no longer considered to have a major role in any creative development that leads to the growth of the national economy. This sin often appears in third world countries in the process of developing their countries both in the physical and non-physical sectors. Agriculture is ignored, considered unimportant, and even more heartbreaking is only considered a burden on a country that lacks creativity. In fact, in terms of social reality, if there are no villages, it is certain that people in urban areas will experience hunger. Perhaps a solution can be found, such as importing food

needs from abroad. However, what must be considered is how long a policy like this can be maintained. Because prices will always increase, which will lead to the country's dependence on other countries in terms of basic needs and of course in the future will lead to various problems that will disrupt the process of a country's sustainability (Khasanah, 2023).

Therefore, there must be a systematic and rational policy to maintain the life of the nation, which means not creating a gap between urban and rural life. Social entrepreneurship often focuses on employing marginalized groups, thereby reducing unemployment rates and increasing economic participation (Boldyzhar & Khokhlova, 2024) (Hrebeshkova et al., 2024). Social entrepreneurship can be an alternative to break or prevent food dependency while fostering the seeds of creativity in rural communities. Policies in the form of social entrepreneurship in Malaysia emerged as an outcome or in other words a force to overcome various kinds of socio-economic challenges. Defined as a form of entrepreneurship that focuses on solving social, environmental or community problems through innovative business models, social entrepreneurship has begun to transform sectors such as agriculture, which remains an important part of Malaysia's economy and cultural heritage.

In Malaysia, Agriculture contributes about 7.1% of GDP and employs almost 10% of the workforce (Abu Bakar, 2022). Social entrepreneurship fosters innovative solutions to social problems, mobilizes community resources, and encourages collaboration (Hayadin et al., 2024). The agricultural sector is critical to national income, especially during economic crises, as it provides stability and resilience (Batubara & Pane, 2023). Social entrepreneurship in this sector seeks to address systematic challenges, including low income, insecure environmental quality, and the development of sustainable social entrepreneurship in developing solutions that empower farmers and rural communities.

Social enterprises create new markets for agricultural products, which helps reduce food dependency by promoting local food production (Abdildinova, 2024). These initiatives often focus on sustainable practices, ensuring that local communities can meet their food needs while generating income (Muhamad & Kusuma, 2024).

2. Research Method

Research method is a procedure, step, or scientific procedure in get the datum (group) for objective research that has purpose and usefulness certain. Scientific means activity research based on characteristics, namely rational, empirical, and systematic in accordance with rules or rule scientific (Sugiyono, 2021). As for the research, use qualitative approach in the form of analysis critical with use sources, such as experience direct researchers, books, journals, and works scientific other relevant with themes and topics research. All sources used has tested in a way critical and systematic for generate authentic and free data from all subjective elements.

3. Results and Discussion

Agriculture own historically has become the foundation of the Malaysian economy because it has contributed significantly to employment and Gross Domestic Product (GDP). However, this sector faces challenges such as declining productivity, rural poverty, and the need for modernization. The government through the Ministry of Regional and Rural Development (Kemendagri) has recognized these challenges and initiated various programs aimed at transforming rural communities. and increase agricultural productivity. Rural Transformation Program (RTP) among others-initiated diversification of agricultural products to attract sector investment, encouragement activities to grow the economy and create jobs in rural communities.

Malaysia can be said to be one of the countries in Southeast Asia and even on the Asian Continent that has successfully developed its agricultural world. Malaysia's policy to accommodate and facilitate rural communities to be creative in the agricultural sector has had a real impact in supporting national economic income. Malaysia can apply social entrepreneurship well without any intervention from any interests that seek to gain personal or group benefits. Social entrepreneurship carried out by Malaysia should be an example for agricultural countries to maximize their agricultural sector because it is closely related to meeting the food needs of the community in a country in the long term.

Social entrepreneurship in agriculture focuses on creating sustainable solutions that meet the needs of rural populations while promoting environmental management and utilize innovative business models. Next entrepreneurship social entrepreneur also can improve product yields agriculture, breaking the chain with middlemen who *often* buy agricultural products at unreasonable prices, which is detrimental to farmers because the prices are not appropriate, and increase access to market for small farmers can even create their own markets if the fundamentals are good. This approach not only drives economic growth but also empowers local communities. society by providing the tools and resources needed to thrive. However, this goal can be achieved if gradual evaluation, continuous innovation, and consistency in every challenge of the times are carried out.

One important thing example from social entrepreneurship on Malaysian people agriculture is formation of cooperatives community-based or organization. This entity enables farmers to pool resources, share knowledge, and access markets collectively. MRRD initiatives, such as *the Rural Business Challenge* (RBC) and the Sustainable Village Program (PDL), have encouraged young entrepreneurs to develop business plans by utilizing each unique strength in developing the agricultural business they are currently engaged in. Furthermore, in supporting their business programs, the government has taken part in promoting culture from social entrepreneurship in order to be able to lead in a way sustainable towards product diversification agriculture and improve the quality of life of rural communities.

The Malaysian government also creates a market for rural communities legally and formally and those who are active there are directly the state with the rural community. Even in practice, the state has set appropriate prices to break the chain of *middlemen* as mentioned above, *middlemen* often set inappropriate prices, and harm the community, and create dependency on the community. Even though the Malaysian government sets standards, for example agricultural products such as rice with certain qualities from the best quality to the lowest quality. However, in the end the Malaysian government accepts all the results and quality of agricultural products which are known to have fluctuating prices. This policy is considered quite fair because goods according to their own quality determine their own prices. Furthermore, the Malaysian government also plays a role in turning every profit obtained to be given back to rural communities so that they are managed by rural communities in Malaysia according to various plans or various ideals that they want to realize in rural areas (Othman, 2014).

The impact of social entrepreneurship on agriculture in Malaysia is very diverse. *First*, it contributes to eradicating poverty, and able to create jobs, and also able to participate increase each income households. For example, social entrepreneurship has successfully invested to gain significant profits. Any profits will later be returned to be developed into public so that it can touch other aspects outside the world of agriculture, like in the field education, and health care, further improve the quality of life of rural residents.

Second, social entrepreneurship helps to maintain every practice to increase the results of agricultural product diversification in Malaysia. The challenge faced is that entrepreneurs often introduce renewable technologies for reasons of effectiveness and efficiency and sustainable farming methods for reasons of increasing agricultural productivity and minimizing environmental impact. Such offers must be watched out for because not a few entrepreneurs come only to make a profit. Moreover, entrepreneurs, especially those in the agricultural sector, come to create farmer dependence on every technology they develop. If that happens, there will be a shift in sustainable agriculture which is very important in overcoming the challenges posed beyond weather and climate change. and at the same time ensure food security for future generations.

Third, create a balance between rural and urban communities as mentioned above. Rural and urban communities are integral parts of a country that cannot be separated in any policy. In other words, rural is the foundation while urban is the building. There is no distinction between these two elements, both must live side by side, filling each other's needs in the country. Indeed, this kind of policy is something that is essential (as it should be) so that a country can be categorized as a developed country because it has been able to create a balance between rural life and urban life from various sectors, both in the physical and non-physical sectors.

Thus, social entrepreneurship is not just a mere dream in smoothing the wheels of the economy

in rural communities because it has been proven to be able to be implemented in Malaysia well and provide significant positive benefits. From here we learn that all forms of improving the quality of individuals, groups/communities, or even countries are not always created from urban countries. In rural areas, this also applies, with the note that rural communities are aware and have an interest in moving in the desired field. Because rural life is often considered backward, primitive, and anti-technology, this sin arises because rural communities are also not given space to be creative, especially in agricultural-based social entrepreneurship. Malaysia has proven that this sin can be refuted with all the facts and arguments available. The ideal of balanced rural and urban life is the ideal of all countries born in the modern century and it must be a shared commitment.

4. Conclusion

Social entrepreneurship is not a standard guide to building rural agriculture. There are still many ways or methods that can be taken with the same goal, many of these methods are available and can be searched independently. An important note is the advantage of social entrepreneurship is promoting inclusivity by empowering marginalized communities' elite group, including among them the woman and the indigenous people community. Furthermore, social entrepreneurship also provides training and resources, and social entrepreneurship allow marginalized groups or communities in the social strata to participate and get involved actively in it is the development or diversification of agricultural products in Malaysia, ultimately leading to an increase in economic status and social status in short justice and welfare can be realized evenly in Malaysia. Social entrepreneurship has great potential to transform agriculture in Malaysia, the mover rural development and development of sustainable practices. By empowering local communities' community, promoting innovation, and addressing social issues, social entrepreneurship can play an important role in shaping the future of Malaysian agriculture. As a country to be continued to navigate That complexity from rural development, embrace social Entrepreneurship will be essential in creating a resilient and prosperous agricultural society. a sector that benefits all Malaysians.

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