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THE CHALLENGES LANDSCAPE OF YOUNG SOCIAL ENTREPRENEURSHIP IN MALAYSIA: A CONCEPTUAL PAPER

Noorraha Abdul Razak (a), Nurshuhaida Abdul Razak (b), Siti Arnizan Mat Rifim (c)

(a) *Faculty of Business and Accountancy, Universiti Poly-Tech Malaysia* noorraha@uptm.edu.my
 (b) *Faculty of Business and Accountancy, Universiti Poly-Tech Malaysia* nurshuhaida@uptm.edu.my
 (c) *Faculty of Business and Accountancy, Universiti Poly-Tech Malaysia* siti_arnizan@uptm.edu.my

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ABSTRACT

This conceptual paper explores the evolving landscape of youth social entrepreneurship in Malaysia, emphasizing the multifaceted challenges young entrepreneurs face in their pursuit of meaningful societal change. As Malaysia navigates dynamic social, economic, and environmental transitions, the involvement of youth in social entrepreneurship is increasingly vital for driving innovative, community-centered solutions. Despite this potential, young social entrepreneurs often grapple with structural, financial, educational, and societal barriers that hinder their progress. Drawing from emerging literature and theoretical insights, this paper aims to critically examine and categorize these challenges while proposing a conceptual framework that outlines key factors influencing the development and sustainability of youth-led social enterprises. By synthesizing knowledge from past studies and policy discussions, this paper provides a foundation for future empirical research and offers valuable implications for policymakers, educators, support organizations, and aspiring social entrepreneurs. Ultimately, this work seeks to contribute to the formation of a supportive ecosystem that nurtures and empowers Malaysia's next generation of change-makers.

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1.0 INTRODUCTION

In recent years, social entrepreneurship has emerged as a compelling force in addressing pressing global and local issues. Broadly defined, a social entrepreneur is an individual who applies innovative, commercially driven strategies to create solutions that uplift marginalized, excluded, or vulnerable communities (Saebi, Foss, & Linder, 2018; Koehne, Woodward, & Honig, 2022). Unlike traditional business models that focus primarily on profit, social entrepreneurship prioritizes social value, offering a viable path for tackling complex challenges such as poverty, unemployment, inequality, and environmental degradation (Dwivedi & Weerawardena, 2018; Diaz-Sarachaga & Ariza-Montes, 2022; Hota, Babita & Qureshi, 2023).

This global movement has demonstrated measurable economic and social impact. For example, over 1,000 social enterprises in nine OECD countries generated more than €6 billion in revenue and employed nearly 6 million people, including 500,000 from vulnerable populations (OECD, 2017). In the United Kingdom, social enterprises contribute approximately 5% to national employment and 3% to GDP—equivalent to the country's creative industry sector (Social Enterprise UK, 2018). Similarly, Canada is projected to achieve a 4% GDP contribution through social entrepreneurship within a decade (United Nations, 2020). Notably, the sector has already contributed around £60 billion to the UK economy.

Malaysia is also riding this global wave of social entrepreneurship. Although its GDP impact is still being quantified, forecasts suggest that the sector could contribute up to 37.1% of Malaysia's GDP (British Council, 2018). In recognition of its transformative potential, the Malaysian government launched the *Social Entrepreneurship Action Plan 2030 (SEMy2030)* under the Ministry of Entrepreneur and Cooperatives Development (MEDC, 2022). This strategic plan lays out a comprehensive roadmap with targets including the creation of 10,000 registered social enterprises, generation of RM2.6 billion in revenue, and creation of 95,000 jobs by 2030.

Malaysia's social entrepreneurship journey began in 2009, spurred by growing public concern over social disparities. The sector gained momentum in 2013 with the establishment of the Malaysia Global Innovation and Creativity Centre (MaGIC), backed by a MYR20 million government allocation. As of recent estimates, there are approximately 20,749 social enterprises in Malaysia, including cooperatives, NGOs, and MSMEs (British Council, 2018; MEDC, 2022).

Among the key drivers of this sector are young people—defined as individuals aged 15 to 30 by Malaysia's Ministry of Youth and Sports, though the United Nations categorizes youth as those aged 15 to 24 (Youth Societies and Youth Development, 2019; Youth and United Nations, 2010). Youth are often in the transition phase from dependence to independence (Sebba et al., 2009), and many are increasingly drawn to careers that blend business with social impact. As global awareness around sustainability and inclusion grows, youth involvement in social entrepreneurship has become a vital force for innovation and positive change.

This study, titled *“The Challenges Landscape of Young Social Entrepreneurship in Malaysia: A Conceptual Paper,”* seeks to explore the multifaceted challenges faced by young social entrepreneurs in the country. Drawing on insights from Nawi, Arshad, Krauss, and Ismail (2018), this research investigates the motivations, opportunities, and barriers shaping youth perceptions of social entrepreneurship as a viable career path.

To this end, the study poses four core research questions:

1. What regulatory and resource-based challenges do young social entrepreneurs in Malaysia face?
2. How do societal attitudes and cultural norms influence the pursuit of social entrepreneurship among youth?
3. What are the difficulties in measuring and communicating the social impact of youth-led ventures?
4. How does the lack of a collaborative ecosystem hinder the growth and resilience of young social entrepreneurs?

Each of these questions guides a corresponding research objective aimed at unpacking the regulatory complexities, cultural dynamics, impact measurement issues, and ecosystem gaps that collectively shape the youth social entrepreneurship landscape in Malaysia.

By addressing these questions, this study seeks to offer actionable insights for policymakers, educators, and ecosystem builders. Ultimately, it aims to support the development of a robust environment where young social entrepreneurs can thrive, drive inclusive growth, and contribute meaningfully to Malaysia's sustainable future.

2.0 LITERATURE REVIEW

2.1 Regulatory Complexities and Resource Scarcity

Navigating regulatory complexities stands out as a significant challenge for young social entrepreneurs (Saebi et al., 2019). The intricate legal procedures, bureaucratic hurdles, and ambiguities surrounding taxation and compliance create barriers to entry and expansion. Additionally, resource scarcity both in terms of financial capital and supportive infrastructure, poses substantial hindrances (Dwivedi & Weerawardena, 2018). Limited access to funding, mentorship, and incubation support stifles innovation and constrains their transformative potential.

2.2 Societal Mindset and Cultural Barriers

The prevailing societal mindset and cultural norms also pose formidable barriers to young social entrepreneurs. The traditional preference for conventional career paths and economic stability discourages young individuals from embracing the path of social entrepreneurship (Osberg & Martin, 2015). Moreover, the lack of awareness and appreciation for the potential impact of social entrepreneurship exacerbates these barriers, impeding the growth of this sector.

2.3 Measuring and Communicating Impact

Effectively measuring and communicating the impact of social entrepreneurship presents another challenge. Young social entrepreneurs often struggle with quantifying and communicating their social and environmental contributions (Hota et al., 2023). The absence of standardized impact measurement methodologies and limited resources for impact assessment hinder their ability to showcase achievements and attract support, thereby impeding their scalability and sustainability.

2.4 Lack of Collaborative Ecosystem

A lack of a collaborative ecosystem compounds these challenges. Young social entrepreneurs require an ecosystem that facilitates knowledge sharing, partnership formation, and resource pooling (Diaz-Sarachaga & Ariza-Montes, 2022). The limited availability of such platforms hampers their ability to learn from peers, tap into synergies, and collectively address shared challenges, stifling their growth potential.

Due to insufficient coordination and information sharing across Ministries, agencies, and private sector intermediaries in implementing initiatives for social entrepreneurs or social businesses, Malaysia's social entrepreneurship ecosystem is currently fragmented. As a result, despite such attempts, it is believed that certain sectors, specifically market access, business assistance, and finance, still require improvement. Additionally, supporting social enterprises and pertinent stakeholders cannot be done with a single point of contact (MEDC, 2022).

3.2 Research Framework

The proposed conceptual framework (see Figure 1) for this study is developed based on the literature reviews and the classified of each resource's factors were taken from past studies. Previous literature highlights that regulatory complexities and resource scarcity, social mindset and cultural barriers, and lack of collaborative ecosystem helps research commercialization activities.

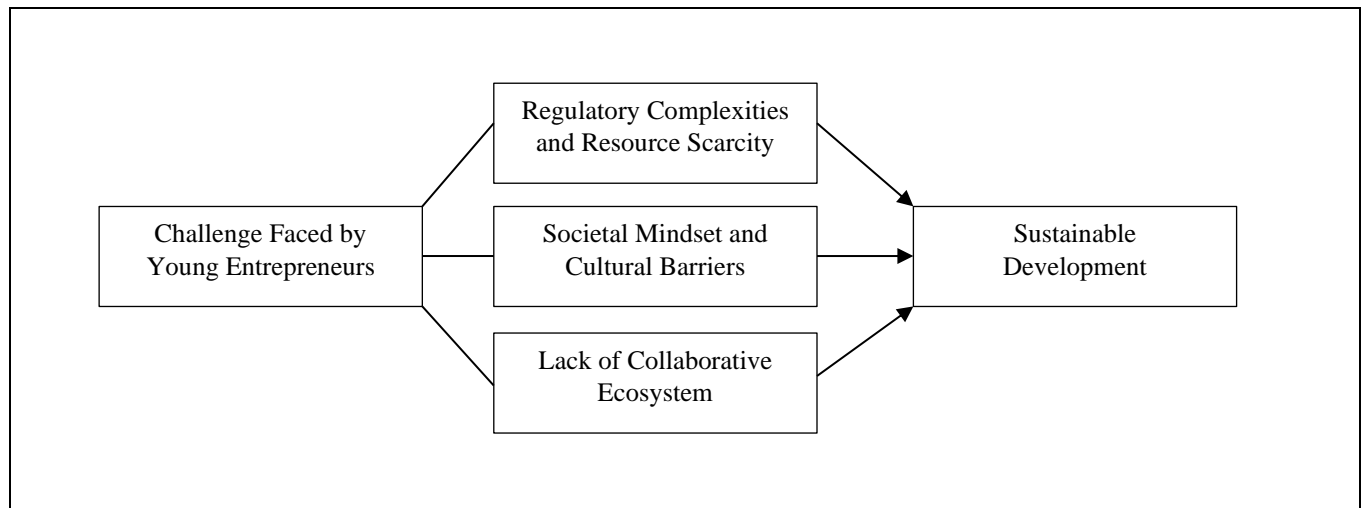


Figure 1: The Proposed Conceptual Framework

3.0 CONCLUSION

According to the study's results, young social entrepreneurs face obstacles such legislative difficulties, resource shortages, cultural barriers, problems with effect assessment, and ecosystem gaps. These problems coming together highlights the landscape's multifaceted character. Holistic solutions that take into account these aspects' interconnection are required to address these difficulties (Saebi et al., 2019; Osberg & Martin, 2015). The research highlights the significance of improving the legal framework for emerging social entrepreneurs. Easy entrance and growth may be facilitated by regulatory simplicity and streamlining, and their capacity for innovation can be strengthened by increased access to funding, mentoring, and infrastructure. The creation of an enabling environment requires effective cooperation between public and commercial parties (MEDC, 2022; Burt, 2005).

The study emphasises the need of a culture transformation that embraces social entrepreneurship as a legitimate career path. The findings highlight the need for focused efforts to raise awareness of social entrepreneurship's potential effect and revolutionary potential. Diaz-Sarachaga & Ariza-Montes, 2022; Osberg & Martin, 2015) say that interaction with educational institutions, communities, and the media may help shift public beliefs. The study's findings emphasise how crucial it is to assist young social entrepreneurs in overcoming obstacles related to impact assessment. Their ability to highlight their contributions may be improved by capacity-building programmes that provide advice on efficient impact evaluation techniques. In addition, creating a collaborative ecosystem via platforms, networks, and collaborations helps ease resource shortages and promote knowledge sharing (Hota et al., 2023; Granovetter, 1973).

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