Jurnal Evolusi, Jilid 5, BIL 2 (2024), , pp. 1-8, e-ISSN: 2735-2234

The Challenges Landscape of Young Social Entrepreneurship in Malaysia: A Conceptual Paper

Noorraha Abdul Razak[1]*, Nurshuhaida Abdul Razak[2], Siti Arnizan Mat Rifim[3]

[1,2,3]Faculty of Business and Accountancy, Universiti Poly-Tech,
56100 Kuala Lumpur, Malaysia
**Corresponding Author: noorraha@uptm.edu.my

Received 30 September 2024, Revised 20 Oktober 2024, Accepted 31 Oktober 2024, Published 30 November 2024

ABSTRACT

Social entrepreneurship has emerged as an important mechanism for addressing social, economic, and environmental challenges through innovative and sustainable solutions. In Malaysia, youth involvement in social entrepreneurship has grown significantly as young individuals increasingly seek to combine business initiatives with social impact. Despite their potential to contribute to sustainable development, young social entrepreneurs often face structural and institutional barriers that hinder the growth and sustainability of their ventures. This conceptual paper examines the key challenges faced by young social entrepreneurs in Malaysia, synthesizing insights from the existing literature and policy discussions. The study identifies several major challenges, including regulatory complexities, limited access to financial and institutional resources, societal and cultural barriers, difficulties in measuring social impact, and the lack of a collaborative entrepreneurial ecosystem. Based on these dimensions, a conceptual framework is proposed to illustrate how these factors influence the development of youth-led social enterprises. The findings contribute to a better understanding of the landscape of challenges in youth social entrepreneurship and provide useful insights for policymakers, educators, and support organizations in developing a more supportive entrepreneurial ecosystem that encourages youth participation in social innovation and sustainable development.

Keywords: *social entrepreneurship challenges, young social entrepreneurs, social impact, sustainable development*

How to Cite:
Abdul Razak, N., Abdul Razak, N., & Mat Rifim, S. A. (2024). The Challenges Landscape of Young Social Entrepreneurship in Malaysia: A Conceptual Paper. *Jurnal Evolusi* , *5*(2), 1–6. https://doi.org/10.61688/jev.v5i3.353

INTRODUCTION

In recent years, increasing global attention has been directed toward innovative approaches that address complex social, economic, and environmental challenges. Many societies continue to experience persistent issues such as poverty, unemployment, inequality, and environmental degradation, which require solutions beyond conventional economic models. As a result, alternative entrepreneurial approaches that integrate social value creation with business sustainability have gained increasing recognition. One prominent approach is social entrepreneurship, which refers to entrepreneurial initiatives that aim to generate both social and economic value through innovative solutions. Social entrepreneurs are individuals who apply commercially driven strategies and innovative thinking to develop solutions that uplift marginalized, excluded, or vulnerable communities (Saebi, Foss, & Linder, 2018; Koehne, Woodward, & Honig, 2022). Unlike traditional businesses that prioritize financial profit, social entrepreneurship emphasizes the creation of social value while maintaining economic sustainability. Consequently, this model has become an important mechanism for addressing complex societal problems while promoting inclusive development.

The global expansion of social entrepreneurship has demonstrated measurable economic and social impacts across various countries. For instance, more than 1,000 social enterprises operating in nine OECD countries have collectively generated over €6 billion in revenue while employing nearly 6 million individuals, including approximately 500,000 from vulnerable populations (OECD, 2017). In the United Kingdom, social enterprises contribute around five percent to national employment and approximately three percent to the country's gross domestic product, which is comparable to the contribution of the creative industry sector (Social Enterprise UK, 2018). Similarly, Canada is projected to achieve approximately four percent GDP contribution through social entrepreneurship within a decade (United Nations, 2020). These developments illustrate the growing significance of social enterprises as drivers of economic and social transformation. Furthermore, contemporary research highlights that innovation, technological capability, and adaptive entrepreneurial strategies are crucial in strengthening business sustainability and competitiveness in modern economic environments (Yusof et al., 2025; Zahra et al., 2024).

Malaysia has also experienced increasing interest in social entrepreneurship as part of its broader socio-economic development strategy. Although the sector's contribution to national economic output is still being evaluated, projections suggest that social entrepreneurship could potentially contribute up to 37.1 percent of Malaysia's gross domestic product (British Council, 2018). Recognizing 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 initiative outlines several national targets, including the establishment of 10,000 registered social enterprises, the generation of approximately RM2.6 billion in revenue, and the creation of around 95,000 employment opportunities by the year 2030. These initiatives demonstrate the government's commitment to fostering an ecosystem that supports entrepreneurial innovation while addressing social development challenges. Studies on entrepreneurial transformation also indicate that technological adoption and innovation capability play essential roles in strengthening entrepreneurial sustainability and competitiveness in emerging economies (Yusof, 2025).

The emergence of social entrepreneurship in Malaysia can be traced back to around 2009, when public awareness regarding social inequality and inclusive development began to increase. The sector gained significant momentum in 2013 with the establishment of the Malaysia Global Innovation and Creativity Centre (MaGIC), which received a government allocation of MYR20 million to support entrepreneurship development initiatives. According to recent estimates, approximately 20,749 social enterprises currently operate in Malaysia, including cooperatives, non-governmental organizations, and micro, small, and medium enterprises (British Council, 2018; MEDC, 2022). These enterprises aim to create positive social impact while maintaining sustainable business operations. The continued growth of social entrepreneurship indicates its increasing importance as part of Malaysia's broader economic and social development framework, particularly in addressing community-based challenges and promoting inclusive economic participation.

Among the key contributors to the development of social entrepreneurship are young individuals. In Malaysia, youth are generally defined as individuals aged between 15 and 30 years according to the Ministry of Youth and Sports, while the United Nations categorizes youth as those aged between 15 and 24 years (Youth Societies and Youth Development, 2019; United Nations, 2010). Youth are often in a transitional stage of life, moving from dependence toward independence while exploring career opportunities and developing professional capabilities (Sebba et al., 2009). During this stage, many young individuals are increasingly attracted to career paths that combine entrepreneurial activities with meaningful social impact. Entrepreneurship education and experiential learning have been shown to significantly influence students' interest in pursuing entrepreneurship as a viable career path (Kamarudin et al., 2025). Consequently, youth participation has become an important driving force in promoting innovative and socially oriented entrepreneurial initiatives.

Despite the growing involvement of youth in social entrepreneurship, young social entrepreneurs often encounter numerous challenges that hinder the development and sustainability of their ventures. These challenges include regulatory complexities, limited access to financial and institutional resources, societal attitudes that discourage entrepreneurial risk-taking, and difficulties in measuring and communicating social impact. In addition, the absence of a well-integrated collaborative ecosystem further limits opportunities for mentorship, networking, and resource sharing among emerging entrepreneurs. Previous studies highlight those institutional environments, technological capabilities, and policy support significantly influence the success and sustainability of entrepreneurial ventures (Yusof et al., 2024). Understanding the landscape of challenges faced by young social entrepreneurs is therefore crucial in designing policies and support mechanisms that encourage sustainable entrepreneurial development.

Therefore, this study titled *The Challenge Landscape of Young Social Entrepreneurship in Malaysia: A Conceptual Paper* aims to explore the multifaceted challenges faced by young social entrepreneurs in the country. Drawing on insights from previous studies, including Nawi, Arshad, Krauss, and Ismail (2018), this research examines the motivations, opportunities, and barriers influencing youth perceptions of social entrepreneurship as a potential career path. The study specifically seeks to address four research questions: (1) What regulatory and resource-based challenges do young social entrepreneurs face in Malaysia? (2) How do societal attitudes and cultural norms influence youth participation in social entrepreneurship? (3) What difficulties arise in measuring and communicating social impact? and (4) How does the lack of a collaborative ecosystem affect the growth and resilience of youth-led social enterprises? By addressing these questions, the study aims to provide insights that support the development of a more conducive ecosystem for youth-driven social entrepreneurship.

LITERATURE REVIEW

Understanding the challenges faced by young social entrepreneurs requires a comprehensive review of existing literature related to social entrepreneurship development, entrepreneurial ecosystems, and youth participation in socially oriented ventures. Previous studies have highlighted that although social entrepreneurship has gained significant global attention, young entrepreneurs often encounter multiple barriers that hinder their ability to establish and sustain social enterprises. These barriers may arise from institutional structures, societal perceptions, resource limitations, and the absence of supportive collaborative networks. Scholars have emphasized that addressing these challenges is essential in strengthening the sustainability and long-term impact of social enterprises. By examining relevant theoretical and empirical studies, this literature review identifies several key dimensions that influence the development of youth social entrepreneurship. These dimensions include regulatory complexities and resource scarcity, societal mindset and cultural barriers, difficulties in measuring and communicating social impact, and the lack of a collaborative entrepreneurial ecosystem.

Regulatory Complexities and Resource Scarcity

Regulatory complexities represent one of the major challenges encountered by young social entrepreneurs when attempting to establish and develop social enterprises. Navigating legal procedures, administrative requirements, and compliance regulations can be particularly difficult for young entrepreneurs who often have limited experience and knowledge of regulatory frameworks. According to Saebi et al. (2019), complex bureaucratic processes, unclear taxation policies, and inconsistent legal definitions of social enterprises frequently create barriers that restrict entrepreneurial entry and growth. These challenges can delay business registration, increase operational costs, and reduce the motivation of young individuals who are interested in pursuing social entrepreneurship. In addition to regulatory issues, resource scarcity also presents a significant obstacle for young social entrepreneurs. Limited access to financial capital, mentorship opportunities, and supporting infrastructure can restrict the ability of youth-led ventures to develop innovative solutions for social problems. As highlighted by Dwivedi and Weerawardena (2018), insufficient funding and support systems can significantly constrain the scalability and sustainability of social enterprise initiatives.

Societal Mindset and Cultural Barriers

Societal attitudes and cultural expectations also influence the willingness of young individuals to engage in social entrepreneurship. In many societies, stable employment within established organizations is often viewed as a more secure and respectable career path compared to entrepreneurial ventures. As a result, young individuals who intend to pursue entrepreneurship may face discouragement from family members or society due to the perceived risks associated with starting a business. Osberg and Martin (2015) emphasize that cultural perceptions toward risk-taking and financial uncertainty play an important role in shaping entrepreneurial decisions. Furthermore, the concept of social entrepreneurship remains relatively unfamiliar to many communities, which contributes to limited public awareness and understanding of its potential benefits. When society lacks appreciation for the role of social enterprises in addressing social issues, young entrepreneurs may struggle to gain support from investors, institutions, and stakeholders. Consequently, these cultural barriers may hinder the growth and development of social entrepreneurship among youth.

Measuring and Communicating Impact

Measuring and communicating the social impact of entrepreneurial initiatives presents another important challenge for young social entrepreneurs. Unlike conventional businesses that primarily measure performance through financial indicators such as profit, revenue, and market share, social enterprises are expected to demonstrate both economic sustainability and measurable social outcomes. However, many young entrepreneurs lack the knowledge, technical expertise, and resources necessary to effectively evaluate the social and environmental impact of their activities. Hota et al. (2023) highlight that the absence of standardized measurement frameworks for social impact assessment often makes it difficult for entrepreneurs to clearly demonstrate the effectiveness of their initiatives. This limitation may create difficulties when communicating achievements to investors, policymakers, and community stakeholders. Without reliable measurement systems, social enterprises may struggle to attract funding, establish credibility, and expand their operations. Consequently, the ability to measure and communicate social impact becomes an essential factor influencing the sustainability and scalability of youth-led social enterprises.

Lack of Collaborative Ecosystem

The lack of a collaborative ecosystem further intensifies the challenges faced by young social entrepreneurs. A strong entrepreneurial ecosystem is essential for facilitating knowledge sharing, partnership development, and resource mobilization among various stakeholders including government agencies, private sector organizations, educational institutions, and community groups. Diaz-Sarachaga and Ariza-Montes (2022) emphasize that collaborative networks play a vital role in strengthening the sustainability and impact of social enterprises. Through collaboration, entrepreneurs are able to access mentorship, funding opportunities, technological support, and strategic partnerships that can enhance the effectiveness of their initiatives. However, the social entrepreneurship ecosystem in Malaysia remains relatively fragmented due to insufficient coordination among different institutions and stakeholders. According to MEDC (2022), limited information sharing and collaboration across ministries, agencies, and private organizations have resulted in gaps in the implementation of programs supporting social entrepreneurs. As a result, important areas such as market access, financial support, and business development services still require improvement.

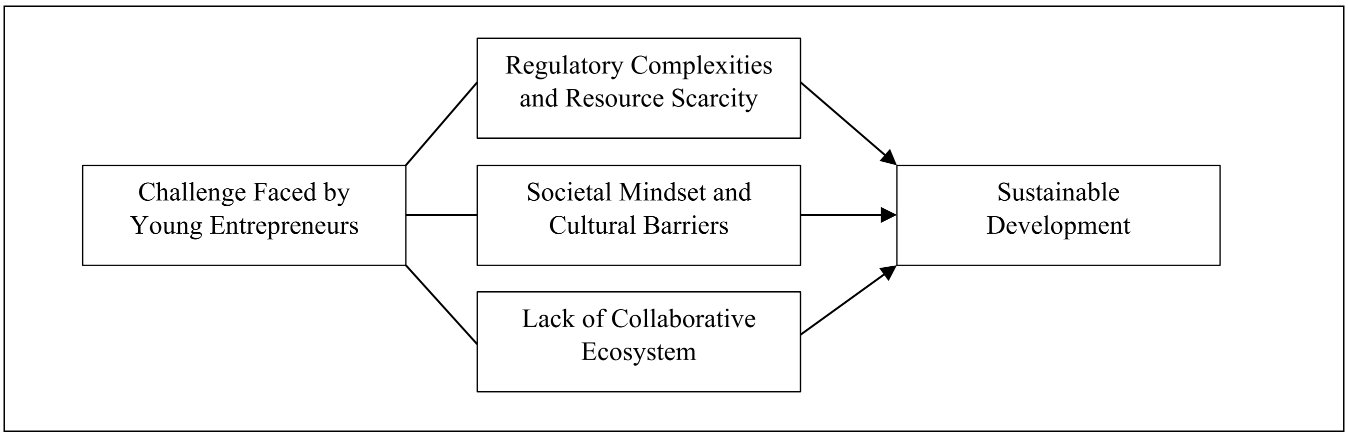
Research Framework

The conceptual framework proposed in this study is developed based on the synthesis of existing literature related to social entrepreneurship challenges and youth entrepreneurial development. Previous studies have emphasized that social enterprises operate within complex environments that involve regulatory, social, and institutional factors that influence their development and sustainability. In the context of youth social entrepreneurship, these factors become particularly important because young entrepreneurs often possess limited experience, resources, and institutional support. Therefore, understanding the interaction between these elements is essential in explaining the challenges encountered by young social entrepreneurs. This study identifies several important factors derived from previous literature, including regulatory complexities and resource scarcity, societal mindset and cultural barriers, and the lack of a collaborative ecosystem. These factors are believed to influence the overall landscape of challenges experienced by young entrepreneurs who aim to develop social enterprises that contribute to sustainable development and social innovation.

The proposed framework suggests that regulatory complexities and limited access to resources may directly affect the ability of young entrepreneurs to establish and manage social enterprises effectively. At the same time, societal attitudes and cultural perceptions toward entrepreneurship may influence young individuals' willingness to pursue entrepreneurial careers, particularly in the field of social entrepreneurship. In addition, the availability of a collaborative ecosystem plays an important role in supporting entrepreneurial activities through knowledge sharing, partnerships, and access to resources. When these supporting elements are limited, young entrepreneurs may encounter difficulties in developing sustainable ventures and expanding their social impact. Figure 1 illustrates the conceptual framework of this study, highlighting how these three major factors collectively shape the challenges landscape faced by young social entrepreneurs in Malaysia while influencing their contribution toward sustainable development

Figure 1

Proposed Conceptual Framework



CONCLUSION

This conceptual study examines the landscape of challenges encountered by young social entrepreneurs in Malaysia. Social entrepreneurship has increasingly become an important approach for addressing societal problems while promoting sustainable economic development. However, young entrepreneurs who seek to establish social enterprises often encounter multiple barriers that limit their ability to develop and sustain their initiatives. These challenges include regulatory complexities, limited access to financial and institutional resources, societal and cultural constraints, difficulties in measuring social impact, and the lack of a well-developed collaborative ecosystem. The interaction of these challenges reflects the multifaceted nature of youth social entrepreneurship and highlights the need for comprehensive support mechanisms. Addressing these issues requires coordinated efforts from government institutions, support organizations, and industry stakeholders to strengthen the entrepreneurial ecosystem and provide greater opportunities for youth-led social innovation.
Creating a supportive environment for young social entrepreneurs requires improvements in regulatory frameworks, financial accessibility, and institutional support systems. Simplifying regulatory procedures and expanding funding opportunities can facilitate easier entry into social entrepreneurship while enabling young entrepreneurs to develop innovative solutions to social issues. In addition, mentorship programs, incubation initiatives, and entrepreneurship training can help young individuals strengthen their entrepreneurial capabilities and improve their ability to manage socially driven ventures. Educational institutions also play an important role in promoting entrepreneurial awareness by integrating social entrepreneurship concepts into academic programs and experiential learning activities. Previous research suggests that exposure to entrepreneurship education and practical learning experiences significantly influences students' intentions to pursue entrepreneurship as a career pathway (Kamarudin et al., 2025).

Another important consideration highlighted in this study is the challenge of measuring and communicating social impact. Many youth-led social enterprises face difficulties in demonstrating the value of their social contributions due to the absence of standardized evaluation frameworks and limited expertise in impact assessment. Providing training and capacity-building initiatives on social impact measurement can enhance transparency and credibility while improving stakeholder confidence in social enterprise initiatives. In addition, strengthening collaborative platforms that connect entrepreneurs, government agencies, private organizations, and community stakeholders can encourage knowledge sharing, resource pooling, and strategic partnerships. Such collaborative ecosystems are essential for supporting the long-term sustainability of youth-driven social enterprises.

Overall, this conceptual paper contributes to a better understanding of the challenges surrounding youth social entrepreneurship in Malaysia. By synthesizing existing literature and highlighting key barriers affecting young entrepreneurs, this study provides a foundation for future empirical research that can further examine the dynamics of youth-led social enterprises. The insights generated from this research may assist policymakers, educators, and entrepreneurial support institutions in developing strategies that strengthen the social entrepreneurship ecosystem. Ultimately, empowering young entrepreneurs to participate actively in social entrepreneurship can promote innovation, community development, and sustainable economic growth in Malaysia.
.

ACKNOWLEDGEMENT

The authors would like to express their sincere gratitude to **Universiti Poly-Tech Malaysia** for providing the resources and support necessary to complete this study. We would also like to thank all participants who contributed their time and insights to this research. Special appreciation is extended to colleagues and peers who offered valuable feedback during the development of this manuscript.

CONFLICT OF INTEREST

The authors declare that they have no known competing financial interests or personal relationships that could have appeared to influence the work reported in the paper.

AUTHOR CONTRIBUTION STATEMENT

Author 1 contributed to the conceptualization, research design, and writing of the original draft.
Author 2 was responsible for data collection, analysis, and validation of the results.
Author 3 provided supervision, critical review, and editing of the final manuscript.
All authors have read and approved the final version of the manuscript.

ETHICS STATEMENT

This research was conducted in accordance with the ethical standards of Universiti Poly-Tech Malaysia and in accordance with the principles outlined in the Declaration of Helsinki. Ethical approval was obtained from the **Review Board** under reference number [**Approval Number, if applicable**]. All participants were informed about the purpose of the study and provided written informed consent prior to participation. Participants' privacy and confidentiality were strictly maintained, and data collected were used solely for academic purposes.

REFERENCES

British Council. (2018). *The state of social enterprise in Malaysia*. https://www.britishcouncil.org/sites/default/files/the_state_of_social_enterprise_in_malaysia_british_council_low_res.pdf

Burt, R. S. (2005). *Brokerage and closure: An introduction to social capital*. Oxford University Press.

Dees, J. G. (2007). Taking social entrepreneurship seriously. *Society, 44*(3), 24–31. https://doi.org/10.1007/s12115-007-9007-1

Díaz-Sarachaga, J., & Ariza-Montes, A. (2022). Social entrepreneurship and sustainable development goals: A bibliometric analysis. *Sustainability, 14*(1), Article 54. https://doi.org/10.3390/su14010054

Díaz-Sarachaga, J. M., & Ariza-Montes, A. (2022). The role of social entrepreneurship in the attainment of the Sustainable Development Goals. *Journal of Business Research, 152*, 242–250. https://doi.org/10.1016/j.jbusres.2022.07.061

Dwivedi, A., & Weerawardena, J. (2018). Social entrepreneurship research: A review and future research agenda. *Journal of Business Research, 86*, 442–456. https://doi.org/10.1016/j.jbusres.2017.09.032

Elkington, J., & Hartigan, P. (2008). *The power of unreasonable people: How social entrepreneurs create markets that change the world*. Harvard Business Press.

Granovetter, M. S. (1973). The strength of weak ties. *American Journal of Sociology, 78*(6), 1360–1380. https://doi.org/10.1086/225469

Hota, P., Babita, M., & Qureshi, M. N. (2023). Social entrepreneurship in developing economies: An integrated literature review. *Journal of Cleaner Production, 310*, Article 127456. https://doi.org/10.1016/j.jclepro.2021.127456

Kamarudin, M. A. I., Jaaffar, A. R., Yusof, M. S., Nawi, M. N. M., Sidek, S., Nuh, R., & Yusof, M. S. (2025). Entrepreneurship as a career path among university students: An action research on hands-on learning and follow-up approach in business through the Introduction to Entrepreneurship course. *Journal of Cultural Analysis and Social Change, 10*(2), 3284–3300. https://doi.org/10.64753/jcasc.v10i2.2096

Koehne, F., Woodward, R., & Honig, B. (2022). Social entrepreneurship: A review and research agenda. *Entrepreneurship Theory and Practice*.

Ministry of Entrepreneur Development and Cooperatives. (2022). *Malaysia social entrepreneurship blueprint 2030 (SEMy2030)*. https://www.kuskop.gov.my/admin/files/med/image/portal/PDF/SEMy2030/SEMy2030_Booklet_ENG.pdf

Nawi, N. R. C., Arshad, M. M., Krauss, S. E., & Ismail, I. A. (2018). Social entrepreneur as career: Why it attracts youth in Malaysia? *International Journal of Academic Research in Business and Social Sciences, 8*(6), 24–36. https://doi.org/10.6007/IJARBSS/v8-i6/4242

OECD. (2017). *Social impact investment*. https://www.oecd.org/industry/social-impact-investment.htm

Osberg, S., & Martin, R. L. (2015). *Getting beyond better: How social entrepreneurship works*. Harvard Business Review Press.

Saebi, T., Foss, N. J., & Linder, S. (2019). Social entrepreneurship research: Past achievements and future promises. *Journal of Management, 45*(1), 70–95. https://doi.org/10.1177/0149206318793196

Scheyvens, R., Banks, G., & Hughes, E. (2016). The private sector and the SDGs: The need to move beyond "business as usual." *Sustainable Development, 24*(6), 371–382. https://doi.org/10.1002/sd.1623

Sebba, J., Griffiths, V., Luckock, B., Hunt, F., Robinson, C., & Flowers, S. (2009). *Youth-led innovation: Enhancing the skills and capacity of the next generation of innovators*. Nesta.

Social Enterprise UK. (2018). *The state of social enterprise in the UK: Facts and figures*. https://www.socialenterprise.org.uk/all-about-social-enterprise/facts-and-figures/

United Nations. (2010). *Youth and the United Nations*. https://www.un.org/development/desa/youth

United Nations. (2020). *The sustainable development goals report 2020*. https://unstats.un.org/sdgs/report/2020/The-Sustainable-Development-Goals-Report-2020.pdf

Yusof, M. S. (2025). *Technology adoption in small and medium enterprises and its impact on business growth, innovation, and digital sustainability*. International Journal of Advanced Research in Economics and Finance, 7(3), 84–100. https://doi.org/10.55057/ijaref.2025.7.3.7

YUSOF, M. S., FAUZI, N., & RAZAK, N. A. (2025). SOCIOECONOMIC IMPACTS AND DEVELOPMENTAL CONSTRAINTS AMONG WOMEN IN TERENGGANU'S KEROPOK LEKOR INDUSTRY. *TPM–Testing, Psychometrics, Methodology in Applied Psychology*, *32*(S6 (2025): Posted 15 September), 388-399.

Yusof, M. S., Kamarudin, M. A. I., Osman, M. F., & Syed A Rahman, S. N. M. (2025). *Unleashing sustainable growth in Malaysian SMEs through the development and application of entrepreneurial competencies*. International Journal of Advanced Research in Economics and Finance, 7(3), 127–144. https://doi.org/10.55057/ijaref.2025.7.3.10

Yusof, M. S., & Othman, N. (2024). Navigating the Global Supply Chain: Innovations and Challenges in DHL's Intermodal Transport Strategy. *International Journal*, *5*(9), 515-524.

YUSOF, M. S., RAZAK, N. A., JAMALUDIN, A., JALI, M. N., & SEMAN, S. A. (2025). EMPOWERING WOMEN ENTREPRENEURS IN MALAYSIA THROUGH DIGITAL PARTICIPATION AND INNOVATION. *TPM–Testing, Psychometrics, Methodology in Applied Psychology*, *32*(S8 (2025): Posted 05 November), 325-335.

Youth Societies and Youth Development (Amendment) Act 2019 (Act A1602). (2019). *Laws of Malaysia*. http://www.federalgazette.agc.gov.my/outputaktap/20190821_A1602_BI_WJW013964%20Act%20A1602.pdf

Yin, R. K. (2009). *Case study research: Design and methods* (4th ed.). Sage Publications.

Zahra, S. A., Li, Y., Agarwal, R., Barney, J. B., Dushnitsky, G., Graebner, M. E., Klein, P. G., & Sarasvathy, S. (2023). Developing theoretical insights in entrepreneurship research. *Strategic Entrepreneurship Journal, 17*(3), 349–372. https://doi.org/10.1002/sej.1486