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**THE DEVELOPMENT OF MALAY ENTREPRENEURSHIP
IN MALAYSIA**

A Thesis Presented in Fulfilment of the Requirement for the Degree of

**Doctor of Philosophy
in
Business**

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ABSTRACT

Since the institution of the New Economic Policy (NEP) in 1971 and beyond its end in 1990, the Malaysian government has had mixed successes in developing Malay entrepreneurship. Despite on-going of privileges and assistance and the government's concerted efforts and initiatives, Malay entrepreneurship still continues to lag behind that of the Chinese.

This study centres on the challenges faced by the Government of Malaysia in the promotion of Malay entrepreneurial development. Based on interviews with diverse people, both within and outside the government, the study reveals that Malay entrepreneurial development is a complex process confronted by many issues and problems. The study also reveals that government privileges and assistance to Malays to promote entrepreneurship do not help much in boosting an entrepreneurial culture nor do they help them in enhancing entrepreneurial competitiveness and achievement. Instead, such privileges and assistance have conversely made the Chinese more resilient and competitive entrepreneurially but discriminative against the Malays. This conclusion confirms the proposition that "state assistance in the form of an affirmative action to an economically-challenged sector of society does little to create entrepreneurship; rather it challenges rival economic groups to sharpen their own competitiveness".

Finally, the study is able to indicate that Malay entrepreneurship differs slightly from the conventional Western concepts of entrepreneurship. The differences are largely due to the historical background of the Malays as a communitarian society; as Muslims; as a society still divided along class lines and as a status conscious community.

DEDICATION

This thesis is dedicated to my parents for their love and support and to my beautiful princess, Nasrin Yasmin, and charming prince, Danish Irfan, who have been a great source of motivation and inspiration to me with their innocent spirit and wonderful sense of fun.

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ABBREVIATIONS

BCIC	Bumiputera Commercial and Industrial Community
BPMB	Development Bank of Malaysia Bhd
CCM	Co-operative College of Malaysia
CDDM	Co-operative Development of Malaysia
CEF	Care and Education Fund
CEO	Chief Executive Officer
CGC	Credit Guarantee Corporation
CIC	Capital Investment Committee
DAP	Democratic Action Party
DPMM	Malay Chamber of Commerce
EPU	Economic Planning Unit
FIC	Foreign Investment Committee
FMS	Federated Malay States
GABEM	Federation of Malay Economic Organisations
GERAKAN	Malaysian People's Movement
GLC	Government Link Company
HICOM	Heavy Industries Corporation
ICA	Industrial Coordination Act
IKM	Institut Kemahiran MARA
INSKEN	National Entrepreneurial Institute
ISO	International Standard Organisation
KPA	Ministry of Public Enterprise
KPPA	Ministry of Coordinating Public Corporation
LKEB	Town Development Council
LUTH	Pilgrims Management Fund Board
MARA	People's Trust Council
MCA	Malayan Chinese Association
MeCD	Ministry of Entrepreneur and Cooperative Development
MIC	Malayan Indian Congress
MITI	Ministry of International Trade and Industry
MTR 2MP	Mid-Term Review of the Second Malaysia Plan
MTR 9MP	Mid-Term Review of the Ninth Malaysia Plan

NDP	National Development Policy
NEF	Nurturing and Establishment Fund
NEP	New Economic Policy
NMP	National Mission Policy/Plan
NOC	National Operations Council
NPC	National Productivity Centre
NVP	National Vision Policy
OPP1	First Outline Perspective Plan
OPP2	Second Outline Perspective Plan
PAS	Parti Islam Se-Malaysia
PERDASAMA	Malaysian Malay Businessmen and Industrialist Association
PMIP	Pan Malayan Islamic Party
PNB	National Equity Corporation
PNS	National Corporation Ltd
PPP	People's Progressive Party
PUNB	Perbadanan Usahawan Nasional Berhad
R&D	Research and Development
RM	Malaysian Dollar
ROB	Registrar of Business
ROC	Registrar of Companies
SEDC	State Economic Development Corporation
SMI	Small and Medium Industry
SMIDEC	Small and Medium Industries Development Corporation
SPSS	Statistical Package for Social Sciences
SSM	Companies Commission of Malaysia
TV3	Sistem Television Malaysia Bhd
UDA	Urban Development Authority
UMNO	United Malays National Organisation
UMS	Unfederated Malay States
YTN	National Tekun Foundation
8MP	Eight Malaysia Plan
9MP	Ninth Malaysia Plan