

**VILLAGE TRANSFORMATION AND POVERTY ERADICATION THROUGH  
SOCIAL ENTERPRISE FOR ECONOMIC DEVELOPMENT (SEED) PROGRAM**

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Pivoted by the themes of multicultural teamwork and social entrepreneurship, Social Enterprise for Economic Development (SEED) is a community-based, intercultural leadership and enterprise development program which exposes students from different universities in Europe and Asia to the unique contexts of villages where the poor community resides. This program is co-organized by University of Malaysia Kelantan (UMK) and Asia Research Centre (ARC) of University of St. Gallen (HSG), with the support from ASEAN Learning Network. Based on selfless and socioeconomic orientations, this program leverages on the entrepreneurial principles and knowledge of students to design and suggest feasible business development plans or action plans which aim to transform the lives of poor villagers.

UMK launched its inaugural SEED program in 2010. Sri Tujuh, Tumpat, one of the provinces identified as having limited social and economic development, was selected to be the village site for SEED-UMK. Village entrepreneurs involved in this program include baker of *akok* (local desert), manufacturer of *batik* (wax-and-dye fabric), *noni* juice, livestock farmers (goat and chicken), catfish, cultivators of mushroom and chillies. To ensure village enterprise sustainability, SEED follow-up was further executed in July 2011. And in September 2012, SEED-UMK took a greater height whereby participants worked with indigenous community, Temiar, who reside in Kuala Betis, Gua Musang. 31 participants from Malaysia, Thailand and Vietnam spent a week working with the Temiar community, understood their problems, probed further through interviews and surveys, before suggesting ways of improvement through presentations of action and business plans in the areas of handicraft, education and transportation.

SEED UMK-Temiar provides students with a beyond-classroom-opportunity to practice skills that are needed to find solutions addressing local issues that concern them. Using experiential and enquiry-based strategies, participants are required to study a wide variety of issues, from health care to education and the environment, from labor and economic development to crime and public safety before recommending "comprehensive" socio-economic development change. Significantly, SEED promotes 'people-to-people' initiatives aimed at tackling important social problems before seizing opportunities to promote change. Positive learning outcomes were reported by SEED participants. Among feedback gathered from participants were the joy of learning beyond classroom, experiencing the challenge of working together despite cultural differences, learning to empathize and understanding the plight of the poor, taking charge of the context by offering action plans that could transform the lives of villagers. Temiar community complimented the moves made by university and welcomed continuous visits to be made in future. The Heads of Village were particularly pleased with suggestions forwarded by students. Hopes were raised, actions await. Through SEED program, villagers see the opportunities which they can tap on and bold steps taken would be the key to live out of poverty.

Keywords: poverty eradication, village transformation, social enterprise, socio-economic development

## 1.0 Introduction

Malaysia, a nation striving hard to attain developed status by 2020, has maintained an impressive record of progressive economic growth, substantial poverty eradication, development in infrastructure and human capital over the last few decades (United Nations Development Program, 2012). Various measures and poverty eradication programs have been carried out by the government. The national poverty rate halved between 1990 and 1999, from 16.5 per cent to 8.5 per cent, and was just 5.7 per cent in 2004. In that year, Malaysia's multi-ethnic and culturally diverse population achieved high human development status. However, the challenge of growing inequality is an agenda that requires redress as the progress in poverty reduction has been uneven across the country (United Nations Development Program, 2012). Although Malaysia has come close to ending extreme poverty, there are pockets of hard-core rural poverty remaining, especially among the indigenous communities of Sabah and Sarawak. Income inequalities have been rising. The National Employment Returns 2009 study initiated by the Human Resources Ministry revealed that about 34% (Peninsular Malaysia=27.2%, Sarawak=48.1% and Sabah=63%) of 1.3 million private sector workers still earn well below the poverty line, less than RM700 – RM800 per month. Wages lag behind productivity growth. (Lee, 2012). A study by the World Bank shows that wage growth was 2.6% p.a. in the past 10 years compared to productivity growth of 6.7% p.a., suggesting suppression of wages, especially for low-paid workers, and also an inefficient labor market.

In view of such phenomena plaguing the rural and suburban community, universities in the country have taken proactive steps to complement the efforts done at national level to help the poor. One of the landmark programs in University of Malaysia Kelantan aimed at helping the poor through the engagement of students and staff is Social Enterprise for Economic Development (SEED). SEED was introduced to University of Malaysia Kelantan as early as 2009. This program engages the young people from around the world to work closely poor villagers so as to help improve or transform their lives. It takes an experiential learning approach which fosters social sensitivity and entrepreneurial thinking in a cross-cultural context. Participants of SEED and villagers seek sustainable solutions for economic development and social change.

UMK conducted its inaugural SEED program from 21 July – 3 Aug 2010. Sri Tujuh, Tumpat, one of the provinces in Kelantan identified as having limited social and economic development, was selected to be the village site for SEED-UMK 2010. Village entrepreneurs participated in this program include baker of *akok* (local desert), manufacturer of *batik* (wax-and-dye fabric), noni juice, livestock farmers (goat and chicken), catfish, cultivators of mushroom and chilies. To ensure village enterprise sustainability, SEED follow-up was executed from 12 – 26 July 2011. Significantly, such cross-cultural leadership and social enterprise development program introduced both local and international students to the culturally rich villages of Sri Tujuh, Tumpat. Although the region of Tumpat is the smallest in Kelantan, its uniqueness lies with the hundreds of tiny river of islands surrounding the area, towing high potential for tourism development. Under this SEED program, participants were invited to study and examine the small-scale businesses managed by village entrepreneurs for a week before suggesting ways of improving their business and financial status. These participants worked in teams, probed into the problems faced by the village entrepreneurs, actively engaged them in discussion and formulated viable business plans. They presented the business proposals to villagers for further feedback before attempting to source various financial aids from multiple business and financial support agencies.

Prior to this, Bandung Institute of Technology (ITB), Indonesia successfully conducted their SEED program in December 2007, July 2008 and July 2009. Viable entrepreneurial activities were identified by SEED-ITB participants; amongst them were production of honey, natural fertilizer, yogurt and dried fruits. Action plan suggested include the set-up of a village-owned enterprise. SEED gained wider recognition when United Nations applauded this program in 2011 and the Chair of the Program was invited to deliver a paper. Banking University of Ho Chi Minh, Vietnam followed suit and conducted their first SEED-Vietnam in August 2011. SEED-Vietnam participants worked in Binh Phuoc village in the district of Tan Lap and various business development plans were proposed to the venture capitalists and government agencies aimed at upgrading the lives of villagers whose economic activities lie with cultivation of pepper, cashew, mushroom, frog and fish.

This year, 1 – 12 September 2012, UMK replicated the same program with indigenous people, the tribe of Temiar in Kuala Betis, Gua Musang. A total of 31 students and academic staffs from four universities of Malaysia, Thailand and Vietnam participated in this village transformation program. This paper shares the implementation

of SEED-UMK 2012, learning outcomes, and the many positive feedback gathered from SEED participants, villagers (indigenous community), government agencies, and other stakeholders.

## **2.0 Objectives of SEED UMK-Temiar 2012**

For SEED program to be viable and feasible, the implementation and outcomes of the project have to be context-based. Every village is unique in its own way in terms of culture, language, customs, and beliefs, social and economic development. Before the program kicked off, various field visits were made by the Program Director and Committee Members to know more about the target village and few meetings were held with the Centre of Development for Indigenous People (JAKOA). Early discussions are essential because such interactions enable the organizer to identify the households/ village groups whom SEED participants can work with. Information gathered about the village and community cultural background is forwarded to SEED participants prior to their visit. SEED-UMK 2012 is seen as particularly unique because participants were required to work with the indigenous community whose beliefs and culture are different from the commoners. Based on the field visits, interactions with head of village and JAKOA, SEED UMK-Temiar aims to achieve the following objectives:

- **Promoting Socio-Economic Development in the Target Village**

SEED UMK-Temiar provides students with a beyond-classroom-opportunity to practice the skills that are needed to find solutions addressing local issues that concern them. Using experiential and enquiry-based strategies, participants are required to study a wide variety of issues, from health care to education and the environment, from labour and economic development to crime and public safety before recommending “comprehensive” socio-economic development change. Significantly, SEED promotes ‘people-to-people’ initiatives aimed at tackling important social problems before seizing opportunities to promote change.

- **Cross-Cultural Leadership Development and Learning in a Real-Life Asian Context:**

SEED 2012 completes participants as better learners, classmates, citizens, and change leaders who help make a valuable contribution to the community. Through this project, students will gain valuable experience in developing social enterprise in a unique Asian context through intercultural, transformational teams. Students will learn about the unique community and village context, the management approach and develop a conceptualised action plan customized for community change. Besides transformational leadership skills, SEED also integrates skills in the planning of values clarification and values analysis with the possible solutions leading to a sustainable future.

- **Continuous Cooperation and Contribution to Social Enterprise:**

After the programme, students may continue to follow up their work on a voluntary basis to bring about the fulfilment of their action plans. The implementation of social enterprise in this community will be on going with the assistance of UMK students and further SEED or related programmes. Furthermore, participants from this programme may be involved in future SEED programmes or recommend their friends to participate in such meaningful service learning programme.

## **3.0 Project Implementation**

Since participants of SEED came as far as Vietnam and Thailand, the implementation of the program which lasted for 13 days was designed in a very structured manner:

### **Day 1 Arrival of Participants**

International and local participants arrived at UMK and registered for the program. Participants were placed at nearby hostel for a rest. Welcome dinner was hosted by UMK and few cultural performances were shown on stage.

### **Day 2 SEED Workshops**

Prof. Dr Li-Choy Chong, Chair of International Management (South East Asia), Asia Research Centre of University of St Gallen introduced SEED program to all participants. Participants were briefed on program rationale, objectives and roles expected. This was followed by an ice-breaking session. Participants were separated into five groups and a facilitator, UMK lecturer was assigned to each group. In the afternoon, Prof Dr Li-Choy Chong delivered three lectures on what were required of participants and how they could help to transform the lives of poor. Topics of lecture include (a) The Transformational Leadership Process: Strategic

Evolution and People-Centered Shared Vision; (b) Facilitating Creativity, Innovation and Entrepreneurship through Strategic Entrepreneurship and Entrepreneurial Strategy: The Empowering Mentor in the Background; and (c) Empathy, Morality and Trust as Essential Characteristics of Transformational Leaders Who Are Both Socially Responsible and Responsive: An Inter-Cultural Selfless Leadership Phenomenon. In the evening, SEED participants were taken to a night market for a visit to know more about local culture.

#### Day 3 Open Ceremony, Briefing by JAKOA Representative, and Sharing of Past SEED Experiences and Local Market Visit

SEED was launched officially by Deputy Vice Chancellor (Academic and International Affairs), UMK. Participants were briefed on the customs, beliefs, and culture of indigenous community by JAKOA representative. Such information is important because there are many do's and don'ts that participants need to be wary of while doing the house visits. Prof. Dr Farok Bin Zakaria, Chair of SEED-UMK, shared the past experiences on SEED projects conducted in 2010 and 2011. SEED village entrepreneur, Puan Zubaidah was invited to share her story of success. In the afternoon, SEED participants visited Pasar Siti Khadijah, the most photographed market in Malaysia. This octagon-shaped market is separated into four floors. The ground floor offers the fresh produce like chicken, fish, vegetables; first floor caters dried foods such as the 'serunding', 'dodol', and even cooked dishes with rice, and noodles; the other floors are occupied by traders who sell clothings, souvenirs, household appliances, decorative ornaments, etc.

#### Day 4 Industry Visits

SEED participants visited some prominent businesses in the capital state, Kota Bharu in order to acclimatize themselves with the local business scenario as well as to appreciate the local crafts and business practices in Kelantan. Places of visit include Nordin Batik, Reclining Buddha and Duty-Free Market in Rantau Panjang.

#### Day 5 – Day 7 Departure to Kuala Betis, Gua Musang and Village familiarization

Village familiarization activities enabled the participants to better understand the contextual learning that they would be experiencing. The participants were allowed to spend time at the respective villages to experience the life of the villagers. Participants worked with the villagers and discussed about potential opportunities for enterprise development or improvement plan. Through experiential and enquiries-based strategy, participants gained a better understanding of the context, and subsequently developed business solutions or action plans aimed at addressing problems faced by the villagers. Exploratory discussions were made possible by frequent house and village visits.

#### Day 8 – Day 10 Data Gathering & Focus Group Discussion

This three-day session was allocated for data gathering around the vicinity of village sites. Participants brainstormed various solutions and proposed them verbally to the villagers. Discussions with relevant parties and stakeholders who are important in plan execution were made. Various feedbacks were gathered. Descriptive data and statistics were produced to support the write-up of business and action plan. Issues and challenges were discussed within a Focus Group which consists of Professors and lecturers from University of Malaysia Kelantan.

#### Day 11 Presentation of Business/ Action Plan to Target Village

Participants presented the business/ action plan to the Heads of Village. Several government agencies from Gua Musang were invited to the session. Various feedbacks were gathered with respect to the feasibility of the plans proposed.

#### Day 12 Departure to city campus and finalization of business/ action plan

Participants were given time to finalize the business/ action plan based on the feedback given by Heads of Village and local government agencies.

#### Day 13 Business/ Action Plan Presentation at City Campus

Participants presented the business/ action plan before a panel of evaluators and representatives from various government agencies which offer business development support. In the evening, a closing dinner was held for all participants and committee members. Cultural exchange activities were performed by participants.

## Day 14 Departure of SEED Participants

### 4.0 Project Findings

After spending a week in Kuala Betis and paying numerous visits to three blocks of village resided by Temiar community, SEED participants decided to address the following issues: creation of market opportunity for handicrafts/ woven products made by Temiar housewives, education opportunity for all children and shared transportation services for the village. Research findings and summary of business/ action plans which can be highlighted from SEED UMK-Temiar 2012 are as follows:

<p>Group A: Educational Programs designed for Temiar Children</p>	<p>SEED participants who visited Block A conclude that some children are deprived of education and many drop out even when they are in primary level. Parents are aware of the drop-outs and their children's lack of interest for education but take no action. There is a school catered specially for the children of Temiar nearby the village with no tuition fees charged and free school bus service provided. However, children are not motivated to go to school and parents do not realize the importance of education which can be the key to live out of poverty. Based on a series of observation and interviews conducted, SEED participants decided to conduct a pilot test of 'Fun Learning' in the village. During their stay in the village, Group A took one day to run fun learning activities with some children. They played action songs, taught them writing as well as counting. Children had fun and showed very high interests in learning. Parents were very pleased with the outcomes and requested school teachers to visit them on frequent basis and do home tutoring. This pilot test successfully involved 60 Temiar children. Based on the feedback gathered, Group A offered to conduct the following programs, in collaboration with the primary school in Kuala Betis: Educational Talk for; HealthCare Talks; Science Learning Program; Mobile Library and Mini Library and Educational Trips.</p>
<p>Group B: Transportation Service For Temiar Community</p>	<p>SEED participants from Group B visited Block B and encountered different problems faced by various households. Some fail to secure permanent employment as the village is too remote from town; some find it hard to integrate with the society outside; some are reluctant to attend secondary school because the school is situated too far from their village; some households rely on the housewives who work for palm oil plantation and earn meager income; some live on the cultivation of tapiocas and bananas around the house compounds and highly dependent on private traders for collection whereby price offered is normally lower than outside market. Group B contends that with the services of public transport, the lives of Temiar community could be transformed. Since the root of problem lies with them not being able to be mobile and remoteness from town deprives the community from secondary education opportunity, permanent job, market access and exposure to modern development, public transportation service is forwarded in the action plan. And Group B requests for JAKOA to be in charge in offering mini vans or trucks for a start if bus is too costly to be provided and maintained. Group B did a survey on the need for public transport among residents from Block A, B and C and all applauded the idea. Surveys also include transportation fee that is affordable and strategic location for pick-ups and drop-offs.</p>

<p>Group C: Market Opportunity for Temiar Handicrafts – Establishment of Warisan Temiar Enterprise</p>	<p>Group C visited Block C of the village and were surprised to find woven products made by the housewives. Among handicrafts made for sale include woven prayer mat, sling bags and small baskets. Almost all households weave similar products using <i>mengkuang</i> leaves. Scale of production is of micro level with each household producing not more than 10 because there is no constant market demand for them. Middlepersons used to visit and buy their products but at very low price; some took their products without paying. Quality of woven products is inconsistent but some are very creative in its design and color. Group C then decided to create a market which can constantly place order for their products and work at the capacity and pace of Temiar community. Since the current market does not favor handicrafts for daily use, Group C plans to position handicrafts as souvenirs or gifts among corporate clients. For a start, Group C establishes a social enterprise called Warisan Temiar Enterprise and this group of participants will be the main distributor for Temiar woven products. To ensure consistent demand for the products, Warisan Temiar suggests two niche products namely certificate folder and candy box which can be used by UMK. And within 6 hours, Temiar housewives managed to produce the prototype as requested. That shows how enthusiastic they are in securing the order and working with the potential customers. However, Warisan Temiar noticed that weaving quality and plantation of <i>mengkuang</i> leaves as well as manpower distribution are among issues that need to be addressed should the demand increase. Hence, Warisan Temiar proposed a social enterprise development plan as well as an action plan on ways to improve product quality and operation process for Temiar community.</p>
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## 5.0 Project Outcomes

Having implemented SEED successfully for two consecutive years, UMK has gained recognition not only at national but also international level. Three students were given the opportunity to experience a similar program held in Tan Lap Village, Vietnam on 18 – 31 July 2011. Benefits and positive impacts brought about by SEED are impressive and could be summarized as follows:

- **Partial fulfillment for subject USK 4012 Society and Economic Development (SED) [Modul Kemasyarakatan & Pembangunan Ekonomi]**  
 UMK students who undertake this course are given the priority to sign up for SEED. Students who have participated in the previous SEED have benefitted well from the program in which they experience cross-cultural communication, international networking, multicultural teamwork, entrepreneurial spirit, social entrepreneurship orientation and most importantly the empathy for villagers who are in dire needs to uplift their standard of living. SEED reflects an evolution in learning and teaching by permitting student to learn beyond classroom.
- **Graduate entrepreneur in line with university mission**  
 Students who participate in SEED program are exposed to social living laboratory which provides them with real context of village enterprise, requiring them to formulate viable business plans. In the process of formulating business proposals, students apply theories and concepts learnt in class, experience the practicality of what is taught and attempt its application on village enterprise improvisation. This 13-day program instills the spirit of entrepreneurship and inculcates entrepreneurial mind.
- **Socio-economic development for Temiar community and the procurement of 'Entrepreneurial Society'.**

Various business/ action plans laid out by SEED participants are useful to village enterprises. Villagers who are determined to improve their businesses attempt and implement practical suggestions forwarded by the students. While some manage to generate more income after improvisation, some villagers struggle to thrive on. SEED follow-up program monitors closely the development of these village enterprises and aim to lead them to not only business survival but long-term sustainability. Village enterprises which are cooperative are expected to reach global market, with the assistance of UMK and venture capitalists as well as financial institutions. Such noble intention of uplifting socio-economic development in Tumpat, Gua Musang and Kelantan, at large, is made by possible through SEED and its follow-ups.

- **Enhancement of industry linkages and International collaboration (ASEAN Learning Network)**

Presentation of business/ action plans by SEED participants before prominent industry players, venture capitalists, financial institutions and various stakeholders further enhance UMK-industry linkages. The employability of UMK graduates are promoted well through SEED presentations. On the international platform, SEED programme is co-organized by UMK and the Asia Research Centre (ARC) at the Chair for International Management (South East Asia), University of St. Gallen (HSG), in collaboration with the ASEAN Learning Network (ALN). ALN is represented by various ASEAN university members including Bandung Institute of Technology (Indonesia), Parahyangan Catholic University (Indonesia), Prince of Songkhla University (Thailand), University Brunei Darussalam (Brunei), De La Salle University (Philippines), University of San Beda (Philippines), Banking University of Ho Chi Minh City (Vietnam), Institute of Research in Education and Management (IREM) and University of Malaysia Kelantan (Malaysia). Such cooperation recognizes learning beyond boundaries and various academic exchanges are facilitated.

## **6.0 Conclusion**

SEED is gaining international recognition because it addresses the need of community, industry partners, university and society at large. For the community, if projects are executed on a larger scale and wider scope, poverty could be eradicated through business improvisations and action plans as suggested by SEED participants. For the university, this is an evolution of teaching and learning because SEED facilitates the skills of intercultural management, cross-cultural leadership, multicultural teamwork, conflict management, transformational leadership and contextual survival and learning. For the country as a whole, a series of SEED program will revive socio-economic development plans for each region and subsequently brings a positive outlook on the capability of university in changing the life of community, in lieu of assistance from the government and industry players.

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