

Perception of MyKasih Entrepreneurship Program Towards Urban Poverty Alleviation in Kuala Lumpur, Malaysia

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Abstract: This study presents the level of entrepreneurship skills perception of MyKasih program participants towards urban poverty alleviation in Kuala Lumpur, Malaysia. MyKasih is one of the few non-governmental Organization focused to combat urban poverty issues in the country. This study was conducted at Kuala Lumpur urban squatters concentrated destination in Kuala Lumpur, Malaysia. Mixed method approach was used where the quantitative outcome was compared with the qualitative data. In-depth interview which was used as the qualitative data collection method helped the researchers to justify the quantitative analysis which was done earlier. Descriptive statistics and multiple regression were utilized to obtain quantitative output.

Key words: Urban poverty, empowerment, Malaysian Indian community, mixed-method, program, alleviation

INTRODUCTION

Generally, it can be argued that the studies on urban poverty is still not adequate in Malaysia. Most of the studies are concentrated in rural poverty on general poverty issues of the nation. One of the leading scholar in Malaysian urban poverty studies also stressed the importance to study on urban poverty.

“The studies specifically on urban poverty are there but very few in fact, only in the year 2000 some scholars started to look into urban poverty research. The studies on rural poverty are being dominant. May be growing concerns of rising prices of things and rapid urbanization will provide importance to understand more on urban poverty” (personal communication, Emeritus Professor Chamhuri Siwar, urban poverty scholar).

This can be referred where the research on urban poverty about Malaysia has been focused into determinants, Malays in rural areas and migrants urban poverty in Malaysia (Nair, 2010). This shows that the past studies has specified on general research about urban poverty in Malaysia. Besides that the urbanization that takes place has resulted towards an increase of Indian and Malay ethnics in urban areas of Malaysia.

“There are several factors of urban poverty in Malaysia. Income, education, health, facilities, environment. It is important to understand that the poverty is not always measure economically. It is multidimensional (mainly economic and also non-economic)” (personal communication, Emeritus Professor Chamhuri Siwar, urban poverty scholar).

This research will be highlighting the issue of urban poverty among Indians in Kuala Lumpur. Since, no specific study has not been conducted so this research

could provide positive outcome for the community in future. Siwar and Kasim (1997) also argued that the studies of urban poverty in Malaysia is inadequate and mainly concentrate in squatter areas. On the other hand, the main causes of Indian socio economic as urban poverty can be described as unemployment or underemployment, low wages, high inflation rate and expensive urbanized lifestyle. According to a key informant of the community, it is not difficult to find jobs in Klang Valley but they are not empowered both their employees and the government.

“We are poor because we can’t get good jobs, nobody wants to trust us and give us a job, they see us as gangsters only, how to come out from poverty if the outsiders such as government and private sectors do not give us better jobs and business contracts?” (personal communication, Saminathan, head of the community in Lembah Pantai).

In addition to that the socio economic act as a determinant of Indian urban poverty through employment and income (Sandhu, 1993). The employment level among Indians has increased their level of dependency due to family commitments. Moreover the effect of unemployment is due to lack of skills, lack of educational qualification and underestimate of occupation in Klang Valley (Kesavapany *et al.*, 2008). As a result the unemployment status has created reduction on their self confidence and dignity of the families. The studies by Sandhu (1993), Kesavapany *et al.* (2008), however, failed to explore the influence of community empowerment on the urban poverty.

This shows that poverty among Indians is align with Malay in rural areas as they are also facing the similar socio economic disputes. Despite, this dilemma the

migrants workers issue is dominating the factor of unemployment among Indian community in Malaysia (Hatta and Ali, 2013). As a result, the inequality income plays a dominant role in eradicating Indian ethnic to live in urbanization development. Apparently due to low income of job, they find insufficient of capital to spend mainly for food, rent, transport and other necessary expenses. This situation arises from poor budgeting and unnecessary expenditure on alcohol and luxury goods.

In fact, this phenomena is also similar among poor Malays and Chinese in urban areas. This could be referred where educational achievements of Bumiputera and rural students is a fundamental for economic growth of Malaysia (Hatta and Ali, 2013). In addition to that, the poverty is becoming a disease towards urban communities into poor family units in urbanized settings (Hatta and Ali, 2013). In early stage of Indian settlement begin from squatters in Kuala Lumpur, Klang Valley, Johor Bahru, Butterworth and Penang. The settlement was largely focused on outskirts of Kuala Lumpur such as Old Klang Road, the Federal Highway, Cheras, Sentul, Selayang and Damansara including Petaling Jaya (Rajoo, 1993).

MATERIALS AND METHODS

According to Freire-Medeiros (2014), poverty is defined as hunger, lack of shelter and unable to seek for medical treatment. In addition to that poverty is considered as powerlessness and lack of freedom. Besides that, poverty is a condition where poor housing, food, low income and loss of employment (Ajayi *et al.*, 2013). These essentials that needed known as material resources such as food, water and shelter or social resources as access to information, education, health care, social status, political power or the opportunity to develop meaningful connections with other people in society.

Based on this statement poverty is identified as shortfall in consumption and deprivation of basic capabilities (Martha, 2000). In terms of the aspect of “inabilities”, poverty is pertained as the inability of the poor. This refers to access of their basic needs such as food, clothes, shelter, education, health facilities, welfare and other social facilities. There are two aspects in defining poverty which are “lacking of” (Sen, 1981) and “inability”. In first aspect, “lacking of” refers to insufficient quantity of food and incomes, unemployment, low health level, unsecured shelter condition, low education level, unable to access to modern facilities and unsecured jobs (Hassan and Babu, 1991).

This study employs a mixed method approach where qualitative data is combined with quantitative data. In-depth interview was used as the qualitative data elicitation method and survey is utilized for quantitative approach. In terms of data analysis, content analysis (qualitative), descriptive and multiple regression analysis were utilized.

RESULTS

Measuring the level of financial literacy among the MyKasih entrepreneurship programme participant:

The perceptions of the community on the importance of financial literacy for community entrepreneurship were measured through three main dimensions; financial management, entrepreneurship skills and entrepreneurship motivation. The mean scale obtained is based on the data collected through questionnaire survey using the Likert scale of 1-5 (1 represents strongly disagree and 5 represents strongly agree).

The MyKasih entrepreneurship program domains:

Table 1 reveals the findings of the analysis using descriptive statistic of the three MyKasih entrepreneurship program domains which showed average knowledge on financial management.

Financial management: The first indicator for financial management which is knowledge of managing money has been the most pertinent skill required to operate any business successfully. Data analysis proved that knowledge of managing money scored a high mean value of 4.36 which denotes the highest level of attainment not only for this dimension but also all the other dimensions in community entrepreneurship among the MyKasih participants. This proves that knowledge of knowledge of managing money is fundamental to the success of any business venture.

The second indicator for financial management which is knowledge in planning a budget scored a mean value of 4.26 which reveals the importance of budgeting for any business venture to be successful. Without a systematic budget in place we cannot monitor income and expenses effectively.

The third indicator for financial management which is learning to operate a bank account scored a mean value of 3.10 which denotes one's commitment to basic procedures in operating a business. Without a bank account we cannot keep track of monetary transactions. Through the training in the MyKasih program, participants understood the importance of operating a business bank account.

Table 1: The MyKasih entrepreneurship program domains

Program dimensions	Indicators	M	SD
Financial management	Knowledge in managing my money has increased	4.36	0.505
	Knowledge in planning my budget has increased	4.26	0.466
	I learnt how to operate a bank account	3.10	0.506
	I learnt how to manage my household expenses	3.26	0.406
	I learnt how to reduce the cost of my business operation	2.20	0.323
Entrepreneurship skills	I learnt the characteristics of an entrepreneur	4.20	0.599
	I learnt how to make money	4.30	0.654
	I learnt how to grow my business	4.10	0.366
	I learnt how to obtain a business license	3.25	0.433
	I learnt how to talk to others to support the growth of my business	4.04	0.654
Entrepreneurship motivation	I am passionate about doing business	3.97	0.542
	I am not afraid of my environment anymore	4.10	0.343
	I do not feel that I am poor anymore	2.20	0.233
	I have high expectations for my family's future	4.30	0.676
	I am always trying to improve my family's finances	4.21	0.561

The fourth indicator for financial management which is learning to manage household expenses scored a mean value of 3.26. Apparently, this is another key factor to reducing urban poverty. Once the community acquire the skills to manage household expenses effectively, we can see the positive changes in their daily lives. As for the last indicator for financial management which is learning to reduce the cost of business operations the mean value of 2.20 reveals that the participants of the MyKasih program have not learnt much about the importance of reducing the cost of business operations in order to maximise profits.

More than half of the informants claimed that they did not have any knowledge of financial management. One of the main reasons for this stated by the informants is that they were not educated and could not afford to attend courses on financial management due to poverty and the other reason is ignorance.

"I do not have any knowledge of business financial management because I could not afford to attend any course related to financial management due to poverty" (Informant 1, 45 years old, Kuala Lumpur).

"I know some basic concepts of business financial management but I do not know how to prepare a budget and I think this is important for business" (Informant 4, 48 years old, Kuala Lumpur).

One of the respondents never had the need to do financial planning and management because her spouse managed all the financial matters himself without consulting her.

"I never had the need to do financial planning and management because my husband took care of all financial matters from the day we were married and I was not motivated to learn until recently" (Informant 9, 55 years old, Kuala Lumpur).

However, some of the respondents said they did not have any issues with financial management because they knew how to prepare a budget and also knew the importance of financial planning to ensure the success of a business.

"I learned to prepare a budget when I was only 19 years old from my uncle who was a successful businessman and he told me that I should be conservative in financial planning by overestimating my expenses and underestimating my income" (Informant 6, 32 years old, Kuala Lumpur).

"I could manage my household expenses efficiently as I have done some small businesses and am able to save money for rainy days. Now, I can manage my finances even better than before and as a result do not face any financial constraints" (Informant 8, 50 years old, Kuala Lumpur).

Financial literacy is one of the key elements for any business venture through our observation we realise that many of the participants illiterate in terms of financial literacy due to lack of education and exposure. These are the targeted group who need exposure through training to upskill their basic knowledge on financial management. Some participants also gain knowledge through previous exposure which gave them the advantage to venture into small scale business.

Entrepreneurship skills: Similarly, for entrepreneurship skills, the MyKasih program participants strongly agreed that they learnt the characteristics of an entrepreneur and how to make money through the program, judging from the high mean values of 4.20-4.30 for the first and second indicators respectively for this dimension.

The program participants also managed to acquire knowledge in developing their business as proven by the third indicator for this dimension which is learning how to grow business that recorded a high mean value of 4.10. The fourth indicator for this dimension which is learning how to obtain a business license also scored a high mean value of 3.25 which shows that the majority of the MyKasih program participants understood the importance of acquiring a license to legitimise their business venture.

The last indicator for this dimension which is business communication skills is also vital for the success

of any business venture and it is one of the fundamental entrepreneurship skills. The high mean value of 4.04 recorded for this indicator which is learning how to talk to others to gain support for business growth indicates the significance of communication skills program participants.

Most of the informants claimed that prior to the training programme they were ignorant about setting up and managing a business efficiently. They claimed that they did not know where to go and whom to approach to get a business license let alone starting and managing a business efficiently.

“Before this training programme, I did not know how and where to apply for a business license. Now, not only I have a business license, I have also learnt how to make money and to slowly grow my business. I know now the characteristic of an entrepreneur and I am able to talk to others about growing my business. I did not know how and where to apply for a business license because I am a school dropout and due to limited education I did not have the confidence to start a business. Now, not only I have a business, I have also learnt how to make profits and save up money to slowly grow my business. I know how to become an entrepreneur and I am able to talk to others about growing my business” (Informant 2, 38 years old, Kuala Lumpur).

“I did not even know how to manage my own finance much less think about starting a business. I did not even have a bank account but now, I not only have my own business, I am able to manage it well and also save up some money to expand my business. I never really thought that I would become an entrepreneur and talk to others about growing my business” (Informant 5, 27 years old, Kuala Lumpur).

However, some respondents already had the know-how, skills and aspirations of an entrepreneur due to their exposure to business management as a young adult. Their success in business is a testament of their entrepreneurial skills and perseverance.

“I knew how to manage my own finance and had always dreamt about starting a business, since I left school. Now, I not only have my own business, I am able to manage it well and also save up some money to expand my business. I have always wanted to become a successful entrepreneur. I did not have both education and experience but I had the motivation to succeed in life as I come from a poor family. So, I somehow saved up some money and started a business. Initially, I made some mistakes but I learnt my lesson and now with this training programme, I am able to make profits and save up for business expansion (Informant 7, 41 years old, Kuala Lumpur).

“Though I had some business skills doing it on a small-scale, after participating in this programme, I am much better at planning, managing and saving up for the future development of my business. Besides, I am able to talk to others about being an entrepreneur. Of all these did not just happen overnight. I learnt these skills from the training provided in this programme and it worked for me” (Informant 8, 50 years old, Kuala Lumpur).

Forming a business entity starts with a business registration but many of the participant were ignorant on the basic criteria to start a business venture until they get the knowledge on business start-ups through this MAD training organize by MyKasih this was a truly an eye opener for almost all the participants. Entrepreneurship skills are fundamental for capacity building for any entrepreneur venture. Through this MAD training exposure the participants able to leverage their well-being through extra earnings.

Entrepreneurship motivation: Entrepreneurship motivation is one of the key elements for business growth because without a burning desire to achieve success, entrepreneurs won't have the motivation to strive forward. Through, the MyKasih program, participants come to realize that they are indeed capable of gaining success in life if they are motivated to move forward. The first indicator of this dimension which is being passionate about doing business recorded a high mean value of 3.97 which denotes that the participants are motivated to venture as entrepreneurs.

As for the second indicator of this dimension, the majority of the MyKasih program participants acknowledged that they are not afraid of their surroundings anymore after attending the program which recorded a high mean value of 4.10.

Despite the testimony from the MyKasih program participants that they are no longer afraid of their surroundings, many still harbour the feeling that they poor as proven by the third indicator which scored a mean value of 2.20.

Majority of participants also strongly agreed that they had high expectations for the future of their family and that they constantly tried to improve their family's financial status which was proven by the fourth and fifth indicators of this dimension with high mean values of 4.30 and 4.21, respectively.

Most of the informants declared that prior to the training programme they were not motivated to venture into business due to their surrounding environment and lack of confidence. They claimed that now they wanted their families to be elevated from poverty to enjoy better quality of life and are more certain of their future.

Table 2: Coefficients

Parameters	Unstandardized coefficients (B)	SE	Standardized coefficients (β)	t-values	Sig.
Constant	1.977	0.228		8.655	0.000
Financial management	0.208	0.041	0.281	5.038	0.000
Entrepreneurship	0.086	0.040	0.130	2.153	0.032
Motivation	-0.083	0.043	-0.103	-1.916	0.056
Participation	-0.342	0.054	-0.325	-6.364	0.000
Empowerment	0.490	0.051	0.607	9.630	0.000
CCB	-0.157	0.054	-0.178	-2.908	0.004

DV: Dependent Variable

“Now, I am passionate about my business venture and I am not at all afraid of my surrounding environment as I do not feel that I am a poor. I have high expectations of the future of my family and therefore, I am always trying very hard to improve my family’s economy. I am highly motivated about my business venture and I am not at all afraid of my surrounding environment. I am always trying very hard to enhance my family’s financial status because I have high expectations of their future. For someone who did not know anything about business, I am surprised with my level of motivation in pursuing this business venture and the surrounding environment is not a barrier anymore for me to excel in whatever I choose to undertake as my concern right now is to uplift the financial standing of my family because I want to secure a bright future for my family” (Informant 3, 51 years old, Kuala Lumpur).

“My priority right now is to ensure a comfortable future for my family and for that to materialise, I have to work hard to elevate my family’s financial position. This has motivated me to engage in business without any fear of failure. I do not want to remain poor anymore and I am not afraid of my surroundings. Due to my surroundings, I always felt demotivated and used to think that I will be poor for the rest of my life. Now, all that have changed and I feel so motivated about engaging in business as I want to raise the standard of living of my family and I am no longer afraid of my surrounding environment” (Informant 5, 27 years old, Kuala Lumpur). Motivation has always been there for me and now after participating in this programme, I am more certain about the future of my business. Besides, I have always been an entrepreneur. I was never afraid to take risk and try out new ideas as my goal in life was to succeed and become financially independent in spite of the surrounding environment for the sake of my family’s wellbeing” (Informant 8, 50 years old, Kuala Lumpur).

Fear wasn’t the tumble block to progress in life, many participants able to ease their fear upon going through this MAD programme. Morally down with very less desire without hope able to transform with high motivation with

burning desire to uplift economic well-being and work towards poverty elevation is the mantra for all the voice of the voiceless after going through this MAD programme.

Coefficients: As can be seen in Table 2, the estimates of the model coefficients for B-constant are 1.977 and B1 (0.208), B2 (0.086), B3 (-0.083), B4 (-0.342), B5 (0.490) and B6 (-0.157) for financial management, entrepreneurship skills, entrepreneurship motivation, community participation, community empowerment and Community Capacity Building (CCB), respectively. Thus, the regression equation that can be derived from the obtained scores:

$$Y = B0 + B1 + B2 + B3 + B4 + B5 + B6$$

$$Y = 1.977 + 0.208 + 0.086 + (-0.083) + (-0.342) + 0.490 + (-0.157)$$

Where:

- Y = Socio-economic wellbeing
- B0 = Constant value
- B1 = Financial management
- B2 = Entrepreneurship skills
- B3 = Entrepreneurship motivation
- B4 = Community participation
- B5 = Community empowerment
- B6 = Community capacity building

Apart from that, Table 2 also shows the order of significance of the predictors on the dependent variable through the Beta value (β). The most significant independent variable that can influence the economic wellbeing of poverty stricken community in KL is financial management (β = 0.281, t = 5.038, p = 0.000). This means that this particular variable makes the strongest contribution in deciding the level of economic wellbeing of the poverty stricken community in KL when all other independents variables in the model are controlled. With reference to financial management as the most significant predictor was supported by Murray and Forstater (2013)

who stated unemployment leads to financial insecurity and consequently, poverty in certain area. People cannot maintain a stable income for daily expenses due to unemployment and it will generally cause some other social problems besides urban poverty such as family disruption, ill health in physical and mental, homelessness, suicide as well as some other social problems (Jahoda, 1982).

DISCUSSION

The emergence of MyKasih entrepreneurship programme has created many opportunities for income generation for the poor urban Indian community in the Klang Valley. As for the job wellbeing dimension, higher mean values were obtained which proves that the poor urban Indian community is greatly benefitting from the MyKasih entrepreneurship programme for gaining employment. As for the life wellbeing dimension, average mean values were obtained which proves that the poor urban Indian community is benefitting from the MyKasih entrepreneurship programme for improved standard of living and lastly with average mean values on health wellbeing, the community agreed slightly that they benefitted from the MyKasih entrepreneurship programme. The researcher also found that not all the residents were motivated with the knowledge gained and skills learnt from the participation in the MyKasih entrepreneurship program simply because they were contented with their poor lifestyle and they were not willing to improve their livelihood in the settlement. Most of them believed that that they were helpless and dependent on the government for assistance. They also suffered from inferiority complex due to lack of education and employment opportunities.

CONCLUSION

The results show that the community is motivated to be involved in the MyKasih program as it has increased their entrepreneurship skills. However, the qualitative outcome revealed that this program is still not holistically effective. It is hoped that the findings of this study will contribute to existing literature within urban poverty and socio-economic well being spectrum.

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