

COUNTRY REPORT

SOCIAL PROTECTION FOR WOMEN IN ENTERPRISES DEVELOPMENT

INTRODUCTION

Malaysia has a population of 29.71 million of which 14.4 million or 48.6 percent are female. Recognising this fact, the government is totally committed in providing women with an enabling and conducive environment to fully develop their potential.

In addition, Malaysia is very much cognisant of its obligation as a signatory to the Convention on the Elimination of All Forms of Discrimination Against Women (CEDAW). As such, the government has taken many initiatives to protect the rights of women's as well as their safety. This includes policy framework, legislation, institutional framework and programmes.

DEFINITION OF SOCIAL PROTECTION

Malaysia has no specific definition on social protection. However, United Nations Research Institute For Social Development defines social protection is concerned with preventing, managing, and overcoming situations that adversely affect people's well-being. It consists of policies and programs designed to reduce poverty and vulnerability by promoting efficient labour markets, diminishing people's exposure to risks, and enhancing their capacity to manage economic and social risks, such as unemployment, exclusion, sickness, disability and old age]

Meanwhile, World Bank defines social protection similarly as public interventions to assist individuals, households and communities to manage risk better and provide support to the critically poor

Most common types of social protection:

- **Labor market interventions** are policies and programs designed to promote employment, the efficient operation of labor markets and the protection of workers.
- **Social Insurance** mitigates risks associated with unemployment, ill health, disability, work-related injury and old age, such as health insurance or unemployment insurance.
- **Social Assistance** is when resources, either cash or in-kind, are transferred to vulnerable individuals or households with no other means of adequate support, including single parents, the homeless, or the physically or mentally challenged

POLICY FRAMEWORK

National Policy on Women and Plan of Action on the Advancement of Women

The Ministry of Women, Family and Community Development formulated the second National Policy on Women and Plan of Action on the Advancement of Women which were approved by the government in 2009. The seriousness of the government in creating more opportunities for women including in economic area is clearly reflected where economy is one of the 13 key sectors under the Plan of Action on the Advancement of Women.

PROGRAMMES

a) Micro Franchise Programme

In 2012, the franchise industry in Malaysia contributed USD7.6 billion (RM23.6 billion) to the Gross Domestic Product (GDP) and with the announcement of the National Franchise Development Master Plan 2012-2016, the franchise industry is predicted to boom in the years to come. Women will benefit from this Master Plan because of the following:

- the Master Plan's objective with the theme "Franchise for All" is also aimed at allowing all including women to participate in the industry;

- under this Plan, the franchise sector is set to be widened from the traditional sector of food and beverages, clothing and health and beauty, to new sectors listed under the New Economic Model and the 10th Malaysian Plan namely education, green products and services and health tourism; and
- the Master Plan also aims at greater private sector involvement particularly in ensuring the growth of this sector.

b) Skills Incubator Programme For Single Mothers (I-Kit)

Since 2008, the Ministry of Women, Family and Community Development through its agency, the Department of Women Development (DWD), has conducted the Skills Incubator Programme for Single Mothers (I-KIT) to empower women economically. I-KIT is an intensive and comprehensive programme where single mothers are given skills and entrepreneurship training under close supervision. Through this programme they are trained to generate income with the skills they have acquired in various fields: cooking, tailoring, making handicraft, agribusiness, home management, grooming and beauty treatment as well as tourism related activities. **From 2008 until June 2014, a total of 4,445 single mothers have benefited from this programme.**

c) Incubation Entrepreneurial Women(I-KeuNita)

I-KeuNita which was introduced in 2010 offers intensive skills training for women in fields such as beauty therapy, cooking, sewing, handicraft, child care and tourism. It also offers matching grants through AmanahIkhtiar Malaysia, a financial institution similar to Grameen Bank to the potential women entrepreneurs. A total of 1,241 women were trained in that year in which 131 women from this programme successfully increased their monthly income to above RM1,000. **From 2010 until June 2014, a total of 6,142 women are being targeted under this programme.**

d) Women Entrepreneur Programme under Low Income Households National Key Results Area

The Women Entrepreneur Programme under Low Income Households National Key Results Area which was started in 2010, aims to help Malaysian women generate more income to support their families. This programme provides not just a one-off welfare support but strives towards sustainability and economic independence for the targeted group.

The programme comprised specialised training workshops for women entrepreneurs. The objective of this programme is to further develop these entrepreneurs to enable them to earn a net income of RM3,500(USD1,166.67) per month or more for a consecutive period of 3 months by end of December 2012. By 31 December 2012, a total of 4,300 women entrepreneurs have been successfully developed. These women entrepreneurs have ventured into various fields such as

agriculture, services, fisheries, manufacturing, farming and business. **Overall, from 2009 until August 2014, a total of 6,000 women entrepreneurs have been successfully developed.**

e) Purple DNA Entrepreneurship Programme

The Purple DNA Entrepreneurship Programme was introduced with a focus on single mothers, disabled persons, indigenous peoples and residents of rehabilitation institutions. These focused groups are given skills and viable income generating activities to increase their economy. The first stage of the Purple DNA Programme produces handicrafts such as handbags, organic soaps and is marketed as corporate gifts and souvenirs. The programme also promotes green economy whilst increasing awareness on the environment. This is with the intention of future prospects of expanding the programme through collaboration with the private sector to produce reusable shopping bags which are environmental friendly. For 2014, an amount of RM7 million will be allocated to this programme.

f) MAMACARE

MAMACARE is a Confinement Care Program initiated by the National Population and Family Development Board (LPPKN), one of the agencies under MWFCD, for the Low Income Households to increase their monthly income through MAMACARE training. This programme focuses on holistic confinement care to the post natal mothers to

increase their health status, increase knowledge in management of their new born babies and also families.

The participants will provide their services at LPPKN Family Centers and also to the public by their own initiatives or referral from the LPPKN Nurses through the Ward Motivation in the in the hospitals. Up to October 2014, a total of 120 women have been trained and have successfully generated income between RM1,500 to RM6,800 in average monthly.

g) Launching Grant

Department of Social Welfare provides a one-off grant as financial assistance to the target group who are keen and have the potential to be enterprising or to be involved in small businesses. This grant encourages financial assistance recipients to be independent and to improve their quality of life, and not to be dependent on the government's assistance.

h) 1AZAM Programme

The government has also put in place programmes for economic empowerment that is aimed not only to provide a one-off welfare support but to strive towards sustainability and economic independence for targeted groups. The 1AZAM Programme, for example, is an income generating opportunity offered by the government through 4 components namely *AZAMKerja* (jobs), *AZAMNiaga* (business), *AZAM*

Tani(agriculture) and *AZAMKhidmat* (services). From 2010 to December 2013, a total number of 145,563 participants have enrolled under the 1AZAM programme, of which 62.71 percent of participants were women. This programme is a joint effort between the champions of 1AZAM, namely the Ministry of Women, Family and Community Development, Ministry of Agriculture, Ministry of Human Resources and AmanahIkhtiar Malaysia (AIM).

Access To Credit And Financing Facilities Are Made Available To Women Which Include:

a) Micro Credit Financing by *AmanahIkhtiar Malaysia*

Skim PinjamanIkhtiar (SPI) is coordinated by *AmanahIkhtiar Malaysia* (AIM) and funded by the Ministry of Finance. SPI is a micro-credit scheme extended to low income groups in rural and urban areas to engage in income generating activities and micro enterprises. **From 2009 until June 2013, a total of 340,274 women have benefited from this scheme, with loan disbursement amounting to RM9.03 billion (USD2.43 billion).** In terms of AIM's beneficiaries, women and women-headed households represent an important sub-group of micro-entrepreneurs especially among the rural hard core poor.

In its 25 years of operation, AIM observed that women consistently register excellent loan repayment record with 99 per cent repayment rate. A series of impact studies were undertaken to gauge the income level of the borrowers from the year 1989 to 2005. The study showed that the monthly household income of the borrowers has significantly

increased above the poverty line income since 1990. The micro credit programmes have successfully assisted poor households, particularly women in improving their quality of life.

b) Rural Economy Financial Scheme

The Ministry of Rural And Regional Development provides new business opportunities and micro loans through Rural Economy Financial Scheme which was launched in 2006 in order to increase the number of rural Bumiputera entrepreneurs in all dynamic and legal economic areas. The funding limit is between RM 20,000 to RM 500,000 for those who want to start a new business or expand existing business. The scheme offers a collateral-free funding scheme with a low instalment rate. Funding is allowed for as much as 3 times but may not exceed the maximum limit that the applicant is entitled to. **The scheme has already helped 909 women since its establishment in 2006.**

c) Tabung Ekonomi Kumpulan Usaha Niaga (Tekun Nasional)

TEKUN Nasional was established in 1998. The objective of establishing TEKUN Nasional is to provide simple and quick financing facilities to Bumiputeras in order to kick-start and further expand their businesses. Since 2008, TEKUN Nasional has changed and reformed to cater to the current trends in becoming a strategic entrepreneur development partner for businesses instead of just being a financing body.

Now, TEKUN Nasional is an institution that provides business opportunities as well as income generation opportunities, business capital financing and guidance and support services as well as providing a networking platform for entrepreneurs. **Between 2006 to early 2012, a total of 63,225 (or 51%) women entrepreneurs received microcredit loans amounting to RM722.7 million (47%).**

d) Malaysian Chinese Women Entrepreneurs Foundation Micro Credit Scheme

Malaysian Chinese Women Entrepreneurs Foundation(MCWEF) is a non-governmental organisation which provides new business opportunities and micro loans to Malaysian chinese women between RM5,000 to RM10,000 for Malaysian Chinese Women for the purpose of starting new businesses or expanding existing business. The main goal is to improve the economic status of this particular group.

MCWEF also provides free counseling services and help these women expand their existing business. The government has contributed RM30 million funds as micro-credit scheme and MCWEF is given the responsibility to manage it. This is an example of a unique strategic relationship between the government and an NGO in providing services to the people.

Malaysia Recognises The Need To Ensure That Malaysian Women Entrepreneurs Are Equipped With The Skills And Tools To Interact With Customers In The Local And Global Market Through Countless Channels. Therefore, Programmes To Enhance Market Access Of Women Entrepreneurs Include:

a) Women Exporters Development Programme

- Malaysia External Trade Development Corporation (MATRADE) has embarked on a gender-based initiative called Women Exporters Development Programme (WEDP) with the aim of increasing the participation of women entrepreneurs in international trade. Throughout the five years of the inception of WEDP, women entrepreneurs groomed by MATRADE have acknowledged the effectiveness of this initiative in contributing significantly to their level of knowledge and skills in exporting; management and entrepreneurship; which resulted in higher export achievement, higher level of sophistication and business growth.
- The WEDP programme has succeeded in grooming over 50 women entrepreneurs from a wide range of sectors including sectors not normally associated with women, such as information and communication technology, advanced coastal surveillance system, aviation lighting and power generation equipment, to become exporters in the international market.
- **For the period of 2005 to 2010, a total of 88 women-owned companies have been nurtured under the programme.** The majority of them have successfully exported their products and

services overseas mainly to ASEAN, Middle East and European countries. **The total export activities of these companies from January to July 2013 were 41 which amounted to RM55.1 million (USD17.6 million).**

b) Get Malaysian Business Online Programme (GMBO)

This programme is to assist 50,000 small entrepreneurs particularly women to promote their businesses by increasing their sales online with a grant of RM1,000 (USD333.33). An allocation of RM50 million (USD16.67 million) was set up by Malaysian Communication and Multimedia Commission (MCMC). **Until 4 December 2013, MCMC received 22,254 applications in which 6,960 applications were approved. From the overall approved application, 57.5% or 4,005 applicants are women entrepreneurs.**

c) Support Networks

The government encourages support networks such as those established under the Federation of Women Entrepreneur Association Malaysia (FEM), National Association of Women Entrepreneur of Malaysia (NAWEM), and Association of Bumiputera Women Entrepreneurs (USAHANITA). The government itself integrates networking opportunities in its empowerment programmes. For example, Malaysia hosted the Global Summit of Women 2013 with a record of 1,100 women participants from all around the world to expand

the support networks of Malaysian women entrepreneurs in the global arena.

GAPS AND CHALLENGES IN IMPLEMENTING SOCIAL PROTECTION PROGRAMS FOR WOMEN IN MSMESs

- We need to strengthen the linkages between social protection policy and multidimensional approaches to the analysis of sustainability, risk and vulnerability.
- We need open, independent and critical networks to share across regions and countries innovative work on the design, delivery and evaluation of social protection interventions.
- We need to link research with capacity building and advocacy, in order to support campaigns for the right to social protection, and to ensure that practitioners and policymakers have the information and analytical tools to advocate for social protection effectively and credibly.

CONCLUSION

Malaysia has a long history of social protection programs dating back to the 19th century. All the programs have undergone various structural changes to suit their objectives including providing women entrepreneurs..

The policies and programmes has led to Malaysia satisfying the minimum set up of social protection program of women enterpreneurs.