
FINAL REPORT

A Profiling Study on Socio Gap Analysis of CI in Perak

Prepared for:



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CHAPTER 1

Introduction

1.1 Introduction

The development of Cottage Industry (CI) in Malaysia started in 1951, when The Rural and Industrial Development Authority (RIDA) was formed with the general objective of providing comfort and increasing the socio-economic status of the rural community through infrastructural and CI development. In order to foster the interest in CI amongst the rural community, RIDA introduced their mobile shops that were an effort to market these products (Official portal, Ministry of Rural and Regional Development). Fast-forward, today, the CI in Malaysia contributes key economic revenues for the village population. The income derived from this industry is the main contributor of the total rural household income (Mohd Redzuan and Fariborz, 2011).

This study aims to identify the existing roles, challenges and gaps of the CI in the state of Perak. It is an important component in achieving the goals of the Malaysian government to develop communities as part of the socio economic plan. As stated in the GTP Roadmap (2010), while Malaysia intensifies its efforts to develop economically and become a fully developed nation by 2020, we must ensure that no Malaysian gets left behind. In order to achieve this objective, various measures, such as micro financing programmes, allocation of training, funds and premises etc. were offered by the Malaysian government (GTP: The Roadmap, 2010). This study

hopes to provide an accurate feedback from the target groups in respect to receiving the assistance made available by the government and to identify the existing gaps.

The final report will be directed towards the discussions on the scope of identifying the gaps of demands in the socio economic context of the CI in the local communities of Perak. It will discuss the challenges faced and match the available resources and business opportunities for the communities in this study. In short, the study will outline the multi-lateral collaboration needed to take the CI to a higher level and improve the socio-economic condition of the rural community in Perak.

1.2 Problem Statement

CI has long been in existence. It is defined as small businesses that are located in rural areas, operated by the rural community who produce mainly traditional, local items. It is mainly small-scaled operations, using local resources and traditional skills with very low investments but fast returns (Ministry of Rural and Regional Development, 1986). The production of the commodity takes place in the homes and the labor is supplied by family members only. The basic characteristic feature of CI is that it is basically unorganized in nature and come under the group of small scale industry type. It is not a mass producer of commodities (Economy Watch, 2010). Some of the produce of CI are like handicrafts, woven mats, carved or pottery products or food items such as crackers, soya sauce, dried fish/prawn and mixed nuts.

The attempt to improve CI in the country started in the early 1950s with the formation of RIDA in 1951. RIDA, although in a small scale, played the crucial role of developing CI through its development programmes, by offering support and cooperation through its advisory, marketing and credit services. The development of CI by RIDA became the basis for Bumiputera involvement in the field of business and housing. RIDA's limited scope was expanded with the formation of MARA in 1966.

Apart from continuing the CI development programmes, MARA also stresses on training and entrepreneurship programmes to prepare Bumiputeras in the field of business and entrepreneurship. This role was expanded especially in the framework of the New Economic Plan then in order to increase the involvement of Bumiputeras especially in terms of manpower and its control of the industry, township and businesses.

Apart from MARA, agencies like *Perbadanan Kemajuan Kraftangan Malaysia* (PKKM) was also formed to develop handicraft centres through its various training programmes. In terms of financial assistance, CI operators were also able to seek help from Bank Pembangunan Malaysia. KEMAS was also involved in the CI development of the country particularly in handicraft and small businesses. Since 1982, Bahagian Industri Kampung (BIK) was formed under the Ministry of Rural and Regional Development. This division was formed under KPNLB (1986) to:

1. Increase the rural community's income by filling their leisure time with productive work.

2. Increase rural community's understanding of businesses and help them take chances that arise from business activities.
3. Increase awareness on the role and value of money amongst the rural community.
4. Reduce urban migration which in turn reduces labour and manpower at paddy fields.
5. Create job opportunities in the rural areas.
6. Increase capability and capacity of the rural community and
7. Preserve and uplift the inheritance of Seri Budaya.

The distribution of the types of CI is highly dependent on the cultural characteristics of the local society, the available resources as well as the existing traditional skills. These are the determining factors of the types of CI operated at a certain state or district. These differences lead to centralization of various industries like batik and silver in Kota Bharu, weaving and pottery in Kuala Terengganu, woodencraft in Temerloh and rattan in Kuala Pilah. However, there are other businesses such as batik, woven items, silver, copper and pottery in states like Kedah, Selangor and Perak. However, there is much need to highlight these local produces and properly document the cottage industries in these states. Through this project, funded by Institute Darul Ridzuan (IDR), we are able to grasp knowledge of the exiting CI in the state of Perak and outline the existing gaps in achieving the success of this industry.

In local communities operations, it is assumed that one of the factors which can be highly influential of its success would be the skills of the people in the community, or as what they will be identified as in the remaining sections of this report, the integration of variables i.e technology, resources and skills training in developing the communities to a higher scale. However, it would be impossible to deny the role of the stakeholders and their significance, and the critical role which they assume in local communities, especially in its day-to-day operations.

In fact, in the case of many successful communities, one of the reasons which have often been cited when asked about their success would be the involvement of the stakeholders, as they are concerned about the development of a community. From the onset on the introduction of CI in Malaysia, the government has, through its various ministries and agencies like MARA, KEMAS, BIK and RIDA, has tried to provide financial and training assistance to CI operators. However, since the introduction of RIDA almost 66 years ago, it is now timely to evaluate on the actual impact of these programmes and assistance and properly review the intended objectives and outcomes.

In addition to this, community leaders are also seen as main contributors in determining the success of CI. Because of the importance of the community leaders in the achievement of community success, it has also been cited that they should possess and assume a variety of roles, such as, but not limited to, acting in an entrepreneurial manner, thinking in a strategic perspective, and executing plans without flaws. These functions call for a demanding set of skills and competencies which must be found

amongst community leaders (Augier & Teece, 2009). Needless to say, the role of community leaders nowadays, especially, their contribution to the success of a community has undoubtedly become “everyone’s business”. Therefore, this study aims to see how the roles of community leaders can also help to improve the CI in Perak and take it to better heights.

In sum, the intention to develop CI in rural areas has long begun since the early 1950s. Therefore it is timely that we start the ball rolling in terms of studying how far reaching these proposed programmes, trainings and financial assistances have reached the grassroots and if the *rakyat* are well-aware of these support systems being put in place by the government for them. This particular study focuses on Perak and hopes to be replicated in other states of Malaysia.

1.3 Study Objectives

The changes that occurred in Malaysia have impacted governance and leadership in its political setting. As underscored by Siddiquee (2007), these refer to the political and economic changes, which are often demonstrated by reform and innovation drives. The shifts caused by these factors rendered a major impact on the roles supported by both the private and public sectors with the former as the “fundamental engine for growth and development,” while the latter is regarded to play “indirect and supportive roles” (Siddiquee, 2007). With these changes, it is envisaged that more local communities with the right infrastructure in place will be able to benefit the seeds of development.

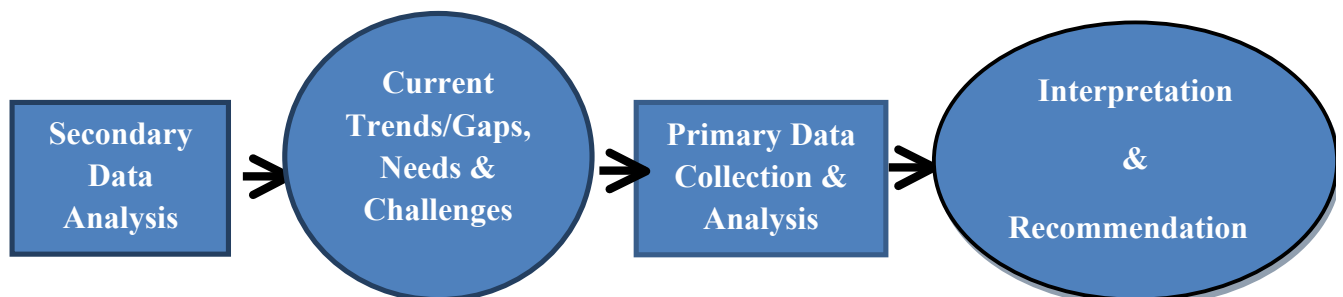
The key objectives of the study are primarily:

- 1.3.1 To gain sufficient level of understanding of the CI and social demography of the community in Perak.
- 1.3.2 To identify the availability of suitable and viable business and employment opportunities that may be linked to the CI in Perak.
- 1.3.3 To assess the nature of intervention and assistance required by the CI in Perak.
- 1.3.4 To propose intensive training and coaching needs as part of the empowering programme for different target groups of the communities.

1.4 Study Framework

In this study, the research team intends to utilize the mixed methods strategy of research. The initial part of the study will focus of secondary data analysis. Building on this, the research team will conduct a second, quantitative phase on primary data comprising of population in the community to test and generalize the initial findings. Then the researchers will interpret how the primary data results build on the initial secondary data results.

Figure 1: CI Study Framework



1.5 Conceptual Framework

The figure which is presented below shows a visualization of the conceptual framework which will guide the study.

Figure 2: The Proposed Conceptual Framework



The conceptual framework for this study stresses the antecedents of profiling exercise of the community identified in this study. Based on the model above, it can be shown that the initial findings should be taken into consideration prior to the rolling out of the Plan of Action (POA). The second component of the conceptual framework is the production of the Profiling Report. The report will outline the business opportunities that are currently available within the community and their potential sustainability. A list of local business opportunities and the relevant requirements will also be outlined.

In the conceptual framework of this study, it is important to understand the importance of the profiling exercise and highlight significant information. Underlying issues and challenges must also be outlined in order to paint a clearer picture of the existing system and business availabilities for the community explored in this study. It is also important to ensure that the interventions planned and executed will be relevant and useful to the said community.

1.6 Significance of Study

The intention of this study is generally to enable the researcher to provide an analysis on the role of CI in Perak. The industry may not be flourishing currently due to the lack of modern technology, facilities and knowledge transfer in place. Therefore, this study sees these variables as key roles in the development of this industry. With this intention, it can therefore be said that this study is significant basically because it will attempt to investigate how it would be possible for transfer of technology and knowledge sharing to be present within the intervention framework for the community. This is in accordance with the perception that knowledge sharing is of strategic significance basically because it does not only enable them to be engaged in a favourable performance, but it also allows them to achieve competitive advantage (Information Resources Management Association, 2012).

1.7 Scope of the Study

The team of researchers of this proposed study believes that the increasing importance of knowledge sharing opens another essential dimension for the socio economic development of communities in the context of this study of identifying gap analysis of CI.

1.8 Operational Definition of Term

The primary terms utilized in this study are commonly known. However for the purpose of this study, certain terms are defined as follows:

1.8.1 Community Profiling

Community profiling refers to the process of building a detailed picture of a target community through the involvement of local people and working in partnership with organizations and individuals who plan and deliver services in the area (Chirico, Findlay, Haywood, McCutcheon, Rai, Scott and Wells, 1998). It is a useful way of developing an understanding of the people in a geographical area or a specific community of interest. This understanding can assist in the development of a community engagement plan and influence the key stakeholder groups and project development. The profiles can illustrate the component of a community and could include information about the diversity within the community, their history, social and economic characteristics, their level of activeness and what social and infrastructure

services are provided. It can also provide information on the level of community interest in a project and their preferred method of engagement.

In this study, the community profiling refers to the detailed picture of the rural community of the CI in Perak from the 3 identified areas based on literature reviews and interviews with key stakeholders from the government agencies. Amongst the agencies from which the information is gathered are officials from the Federal Land Consolidation and Rehabilitation Authority (FELCRA) and Yayasan Bina Upaya. Relevant websites and other online resources will also be used to obtain sufficient information to conduct this profiling exercise.

1.8.2 Demography

Demography is a field of study in which researchers examine the quantifiable statistics of a particular population. Statistics are used to identify subsets of the population and characterize them at a specific point in time (Connelly, 2013). Age, race, sex, economic status, level of education, income level, status of employment as well as topic-specific characteristics are some of the common demographics. Demographic trends are historical changes in demographics in a population over time.

1.8.3 Influencing Factors

Influencing factors in the context of this study refers to the following:

1.8.3.1 Demand factors

Factors that alter the community's desire, willingness and ability; to demand for financial assistance, products, machines and capacity-building programmes.

1.8.3.2 External enablers

External enablers in this study refer to (i) relevant ministries and agencies (government and non-government), family and other social support, (ii) socio-cultural, economic and political factors and (iii) environment stressors.

1.8.3.3 Internal Factor

Internal factors in this study refer to (i) knowledge (ii) attitudes, beliefs and core values, (iii) social and life adaptation skills and (iv) self motivation.

1.8.4 Resources

Resources are people, assets, material or capital which can be used to accomplish a goal. It refers to something that is available for use or that can be used for support or help. This is the same definition that is used in this study.

1.8.5 Cost

In the context of this study, the term cost refers to the monetary value of expenditures for raw materials, equipment, supplies, services, labor and products, It looks at the expenditure involved in the course of operating the CI business.

1.8.6 Expertise

Expertise refers to the mechanisms underlying the superior achievement of an expert, i.e “one who has acquired special skill in or knowledge of a particular subject through professional training and practical experience” (Webster’s dictionary, 1976). The term “expert” is used to describe highly experienced professionals such as medical doctors, accountants and scientists but has been expanded to include any individual who attained their superior performance by instruction and extended practice (Ericsson, 2000). In the context of this study, “expertise” refers to having the right knowledge and skills to upscale CI opportunities.

1.8.7 Infrastructure

Infrastructure, by definition, is the operational framework of an institution or organization. It defines in full details the basic components that keep the organization operational. It can also serve as a guide for an organization to efficiently work. This must be, therefore, carefully structured in such a way as to attain ultimate efficiency for maximum output and to achieve the highest possible productivity level. Infrastructure

is common in government institutions since this is essential for the economy to properly and effectively function.

Without the infrastructure, it's relatively hard to assess if the project or the government programmes will work or not. Infrastructure is a complex field with so many different components under it; but all of them can be categorized into two main types of infrastructures (Mulligan, 2013). For the purpose of this study, "infrastructure" refers to available amenities and technology to help develop CI opportunities.

1.8.8 Knowledge Sharing

Knowledge is related to a knowledge worker. It is a valuable resource for any form of business. Knowledge sharing has gained attention amongst many scholars (Hopkins, 2008; Doytchev & Hibberd, 2009; Wahlstrom, 2011). The principle of knowledge sharing is fundamentally a process meant to obtain experience from others. It is a practice of exchanging and disseminating ideas, experiences and knowledge with others to ensure the knowledge continues, sustains and retains in businesses (Witherspoon, Jason, Cam & Dan, 2013). In this study, "knowledge sharing" refers to interest in obtaining experience from others and viewing it as a means to improve the CI businesses.

1.8.9 Knowledge Transfer

Knowledge transfer is a term used to encompass a very broad range of activities to support mutually beneficial collaborations between universities, businesses and the public sector. It focuses on “transfer” of tangible and intellectual property, expertise, learning and skills between academia and the non-academic community (University of Cambridge, 2009). Knowledge transfer for this study will refer to collaborations between agencies that would benefit the CI in the state of Perak.

1.9 Organization of the Study

The study will be divided into the following chapters:

Chapter 1: Introduction - in this section, discussions will be focused towards the provision of a general picture of the study which is completed. This will include an introduction, problem statement leading to this study and operational terms for this study. Being the first chapter of the study, it is anticipated that this will trigger a high level of interest on the study topic and will be effective towards the provision of a general understanding of the subject matter.

Chapter 2: Literature Review – in this chapter, the discussions will be directed towards an expansion of what is already known about the topic. A thorough review of available references will be conducted and presented in this chapter to provide insights on what has already been written and studied, in connection to the focus of the study. This chapter will also highlight some of the factors associated with influencing and existing study gaps.

Chapter 3: Methodology – this section will further look at the methodologies employed in this study.

Chapter 4: Results and Discussion—this constitutes the major component of the study. This chapter will provide detailed discussions of the methodology which is used in the process of collecting information which has provided the researcher with insights about the topic and enabled the structured interview questions to be answered and the study objectives to be achieved. This is expected to provide a clear enumeration of the procedures of completing the study to help in its replication in the future. Key insights and findings which were gained by the author after being engaged with the methodology will be shared. It is expected as well that this section will be useful for the potential users of the study as it outlines the outcomes of the investigation.

Chapter 5: Conclusion and Recommendations – this is intended to provide a summary of the discussions which have been presented on the earlier chapters. It will encapsulate the themes which have emerged from the study and provide recommendations regarding the future study and limitations which have been encountered in the conduct of having the study completed.

1.10 Summary, Conclusions and Recommendations

In this chapter, the researcher has provided discussions directed towards having a general picture of the topic for the study. In its completion, it is anticipated that the different variables of the study will be linked with each other and that the relationships between them can be traced: Demography, influencing factors, resources, costs,

infrastructures, knowledge sharing and knowledge transfer. In sum, this chapter has provided a general introduction of the topic, discussion and conclusion, implication of study and recommendation for future interventions. Limitation and recommendation for future study is also noted.

CHAPTER 2

LITERATURE REVIEW

2.1 Introduction

This chapter will focus on the discussion and analysis of the secondary data. The discussion will be based on various past study reports on the identified Perak community, CI in Malaysia in general and Perak, specifically, community reports and online articles, national economic transformation documents and other key documents either available online or obtained through the relevant government agencies. These discussions hope to present an overview of the current status of the CI of the community in Perak and outline the available and viable business opportunities within this community. The information gathered will provide an overview on the study topic and highlight existing gaps to create a pathway for future recommendation.

To begin with, the researcher will provide a brief introduction to Perak and its local community. The discussion will then move towards the socio-economic growth and development of this community. The nature of CI in Malaysia and Perak specifically will be discussed. A SWOT analysis of the present situation will be presented and available resources for the local community will be outlined. Overall, this chapter will provide a better understanding of what currently exists for the local community who are currently operating CI business in Perak and what gaps need to be filled for recommendations of interventions which will come to light upon completion of this study.

2.2 A Brief Introduction to Perak

2.2.1 The History of Perak

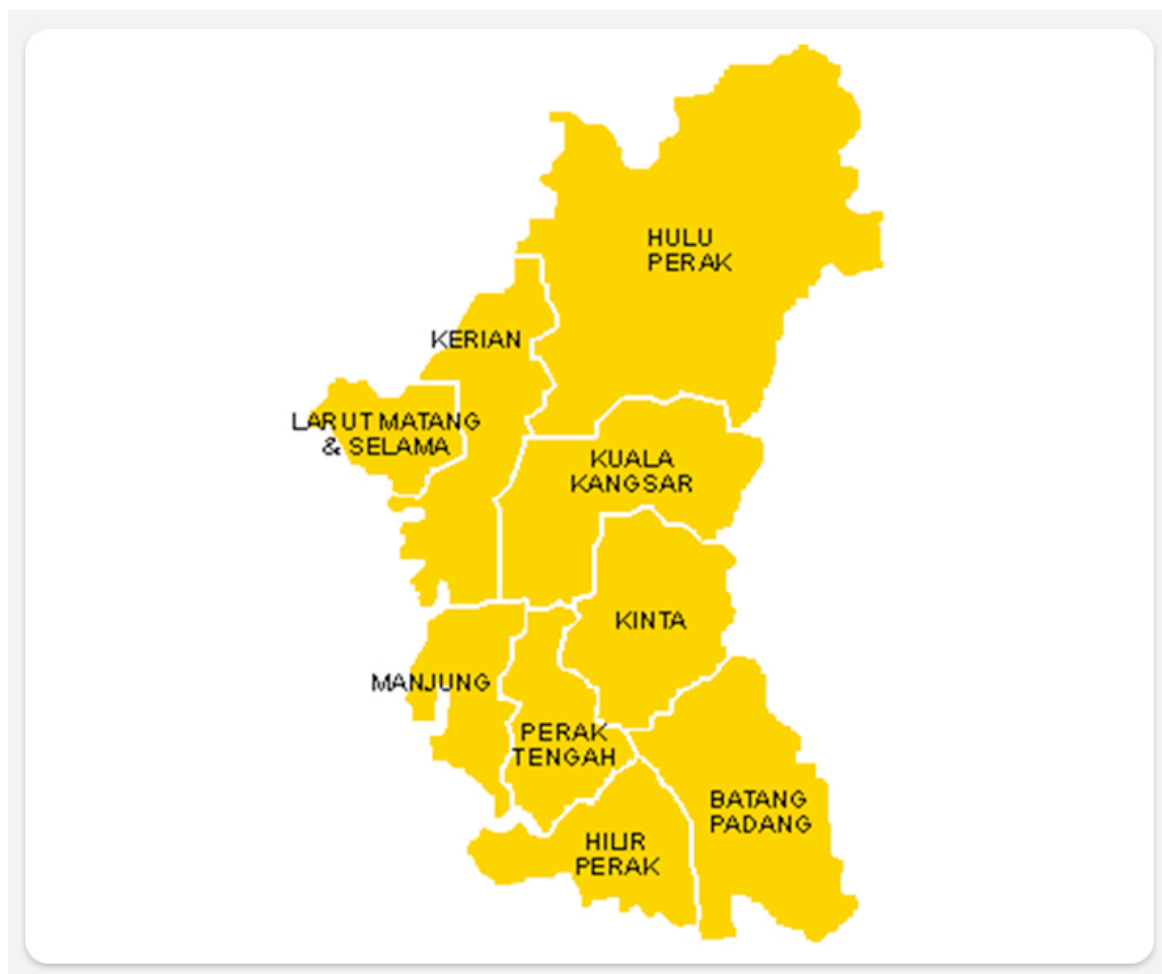
The state of Perak has been in existence since the times of prehistoric age. The Kota Tampan of Lenggong seems to be the only proof showing the existence of Paleolithic age in Malaya. Historians say that Perak is a state that has gone through the Metal age, the Neolithic Age and a Hoabinhian Era. This is proven by relevant ancient artifacts. Perak witnessed the Buddha/Hindu era, which is believed to have occurred simultaneously before Islam began to deeply plant its roots here. It was then that its history became more advanced with minor territories like Beruas and Dinding District coming to form. This also reflects to other Perak territories like Hulu Perak and Perak Tengah.

When tin was discovered in Larut, the prominence of Perak was even highly advanced. There was a bloom in the local economy and even more mining areas were discovered. The tin ore was the heart of the Perak's economy. In addition to that, natural rubber also played a major role and continues to contribute significantly to Perak's economy today. Along with this significant economic development, there was a birth of multiracial society.

2.2.2 About Perak

Perak translates to Darul Ridzuan in Arabic, which means ‘Abode of Grace’. In Malay, the name Perak means silver. This State borders Thai Yala Province and Kedah to the north. Ipoh is the administrative capital and is well-known for its top-notch tin-mining activities. The drop in the price of tin once severely affected the economy of the state. The Perak government has recently declared that it intends to revive the tin mining industry in a move to increase its sources of income (Malay Mail Online, 2016). This state is a jewel for tourists’ attraction in Malaysia and there are many places of interest in the state. The below is a map of the state of Perak.

Figure 3: Map of Perak



2.3 Socio-economic Demographics of the Population in Perak

In year 2016, the total population in Perak was 2.48 million. The following table depicts the population (by sex) in Perak from 2012-2016:

Table 2.1: Total Population in Perak, 2012-2016

	2012	2013	2014	2015	2016
Population (million)					
Total	2.43	2.45	2.46	2.47	2.48
Male	1.23	1.24	1.25	1.25	1.26
Female	1.20	1.21	1.21	1.22	1.23
Average Annual Population Growth Rate (%)	1.0	0.8	0.5	0.3	0.7

(Source: Department of Statistics, Malaysia)

The Gross Domestic Product (GDP) Growth in Perak stood at 5.9% in 2015 (preliminary). This was a rise from the previous year of 4.6% (estimation). Table 2.2 indicates the GDP Growth in Perak from 2012-2016.

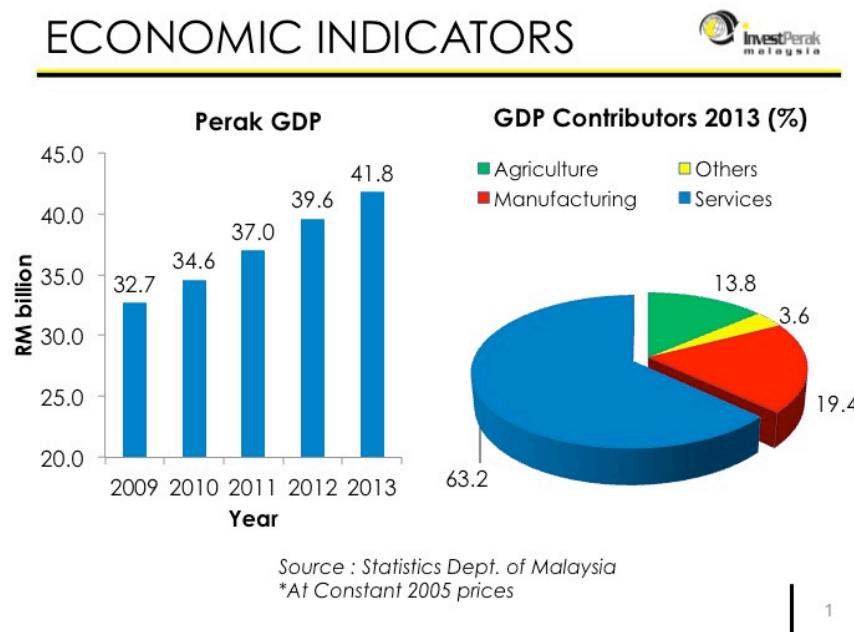
Table 2.2: GDP Growth in Perak, 2012-2016

	2012	2013	2014	2015	2016
Gross Domestic Product (GDP) Growth (%)	7.4	5.2	4.6*	5.9**	

(Source: Department of Statistics, Malaysia)

Figure 4 shows the GDP contributors for year 2013:

Figure 4: GDP Contributors in Perak, 2013



(Source: Department of Statistics)

In the aspect of employment of the Perak population, the majority of the population in 2013 were involved in services (63.2%) followed by manufacturing (19.4%), agriculture (13.8%) and others (3.6%). In total, it was reported that there were 947,800 people in Perak who were employed in the year 2013 and this rose to 988,200 people in 2016. Unemployment rate currently stands at 3.4% in this 2nd largest state in Peninsular Malaysia. Table 2.3 depicts the employment and unemployment rate in Perak from 2012-2016.

Table 2.3: Employment and Unemployment Rate in Perak

	2012	2013	2014	2015	2016
Employment					
Labour Force ('000)	955.4	985.2	987.2	1,014.3	1,023.1
Employed ('000)	927.1	947.8	954.1	981.8	988.2
Unemployed ('000)	28.3	37.3	33.1	32.5	34.8
Labour Force Participation Rates (%)					
Total	59.6	60.5	60.2	61.4	61.7
Male	76.0	77.3	75.6	76.3	76.1
Female	42.6	43	44.1	45.9	46.7
Unemployment Rate (%)	3.0	3.8	3.4	3.2	3.4

(Source: Department of Statistics, Malaysia)

2.4 CI in Malaysia

Cottage industries in Malaysia contribute key economic revenues for the village population. The incomes derived from the industries contribute to the main part of the total rural household income (Mohd Redzuan and Fariboz Aref, 2011). The village people in north-eastern coasts of Peninsular Malaysia are largely accountable for passing the centuries-old tradition and heritage to the young generation. The women in the local communities are mostly involved in making Batiks, plant-woven handicrafts like baskets and mats, wood carvings and pottery. Many also sell consumable products

like fish crackers, *belachan* and local pastries. Because of its home-based setting and the flexibility in terms of business operating hours, CI has gathered the interest of village women mainly and housewives specifically.

However, men are not excluded from being part of this industry. Men in CI contribute to more physically demanding jobs such as making *sampans* (wooden boats), making furniture, plant or herb hunting in the forest and fishing. It is amazing to see men work without any technical set plans and solely depend of skills that were handed down from previous generations. The following images show some of the Cottage Industries operated in different parts of the country at the moment:



2.5 Cottage Industries in Perak

Perak, being the second largest state in Peninsular Malaysia, has much to offer when it comes to CI. Although it is widely known for its food, Perak is also blessed with plenty of natural products, both from sea and land, to enable its local community

engage in CI businesses. The following are some of the CI identified in the state of Perak:

2.5.1 Handicraft

Traditional handicraft is a prominent CI in Perak and is predominantly found in Kuala Kangsar. Some of the handicrafts produced are *labu sayong* (earthenware), *tekat benang emas* (gold embroidery), bamboo carvings and seashell designs. Other handicrafts that are made locally originate from wood or coconut shells. Although these products are beautiful and unique, the CI operators need to attain knowledge and skills to promote and market their products both locally and throughout Malaysia. They should also be encouraged to make their handicrafts unique to Perak in order to draw the interest of buyers who wish to purchase them as souvenirs or as a token of remembrance of this state.



2.5.2 Kacang Putih of Ipoh

Before potato chips and fries, “kacang putih” was a favourite snack amongst the locals. This food product was introduced in Malaysia by migrant families from India and it eventually became every Malaysian’s favourite snack. The “kacang putih” industry began in the late 1940s at the beginnings of the foothills of Gunung Cheroh in Ipoh. According to the pioneers of this business, the word *putih* (white) was added to the name *kacang* as the “kacang kuda” turned white once they were steamed. The locals started calling the Gunong Cheroh settlement as *Kampung Kacang Putih* due to the trade.

These days, visitors to this village do not just get chickpeas, but a variety of crunchy deep-fried, roasted and steamed Indian snack, including murukku, pakoda and omom. This humble village now has a thriving family-run CI producing these delicious snacks and is now considered one of the country’s main suppliers. The location later changed to Teluk Kurin B in Buntong and renamed to Kampung Kacang Putih and turned into a famous kacang putih hub and city’s famous tourist spots.

Today, according to the Kacang Putih Traders Association Chairman A. Gunasegaran, there are about 50 families involved in the business full time. Each family is said to possess their own secret ingredients. In short, the CI that first started as a door-to-door business has seen fast returns and is progressing towards greater success (NST, 2013).



2.5.3 Seafood Items

The Fishing Village of Kuala Sepetang is also a hub for CI in the state of Perak. The sea items that are caught for the day are either packaged to be sold individually or made into crackers, salted fish, dried fish and other food items. These are sold and made available near at this village for tourists who wish to take boat rides for either eagle-viewing, catching a view of the fireflies or just visiting the area.

This is part of the extended service that is now being offered by the fisherman at Kuala Sepetang. These fishermen gathered all their resources together to purchase boats and carry out such tourist services. With the availability of such tourist attraction, the related CI operators also receive a boost in their income. A boost in one sector of the economy can have a positive impact in the growth of another. The fishing village of Kuala Sepetang is an example of such relationships.

Kuala Gula is also another fishing village tucked away in the north-western corner of Perak. It is a place few would imagine as a treasure trove of food, adventure and sight. Apart from coming to watch the birds, like Kuala Sepetang, tourists also come to this village to enjoy the toddy wine made from coconut trees and traditional roasted coffee (The Star Online, 2014). Seafood lovers can purchase their dried and salted seafood items from this village as well; yet another example of how CI is being uplifted by the other industries in the area.

These are some of the photos of the Fishing Village of Kuala Sepetang documented during this study:



There is much that can be done to improve the businesses in fishing villages such as this. Proper facilities and infrastructure can be put in place to facilitate a cleaner and welcoming environment for future tourists. Allocation of proper stalls for CI operators may help improve the image of these businesses and provide an uplift to the surroundings.

2.5.4 Belachan

Apart from the Belachan's produced in factories (for example in Kuala Gula), many local communities in Perak also produce this favourite Malaysian condiments in their homes using simple tools and equipment. Most of these belachan makers are family members of fishermen who obtain fresh fish and prawns from the fishing villages to make this product. It is prepared and packaged at home with the assistance of family members and neighbours. However, many of the equipment have started rusting and needs to be changed. The monsoon season also takes a toll on their business as it spoils their tools and equipment and dirties their work stations. Therefore, it is timely to equip these local communities with better facilities and more advanced knowledge and tools to improve their *belachan*-making business.



2.5.5 Wooden Furniture and Decorative Items

Because of the availability of good and quality wood, the local community in Perak, particularly the men, are involved in producing wooden furniture and decorative items. These items are produced at home when and if good wooden materials are available. They are either made based on order or produced to be promoted and sold during trade functions. Some travel as far as Kuala Lumpur to sell and promote their handwork. Sharing and transfer of knowledge regarding the latest technology in making wooden products and promoting these products should be made available to the CI operators in order for them to achieve greater success.



2.5.6 Food Produce

CI operators in Perak produce various types of food and drinks such as prawn/onion crackers, local chips, *Kuih Bahulu*, *Kuih Bangkit* and *Kuih Peniram*. Soya sauces are also made locally for both local consumption as well as tourist purchase. Many are also into cake-baking and pastry-making. Apart from food, some have also started making juices out of local fruits like *kedondong*. The following are some of the items produced locally.



2.6 The Roles of Various Agencies in the Development of CI in Perak

The roles of various agencies are important in the development of CI in Perak. Multilateral cooperation and contribution of various agencies is vital in meeting the needs of the local community and taking them to greater heights in their CI businesses. The following outlines some of the different roles played by various agencies:

2.6.1 Microcredit Schemes

2.6.1.1 Rural Business Challenge

The Rural Business Challenge Programme (RBC) is a programme that provides the opportunity to Malaysian youths to show their tendency, enthusiasm as well as determination to pursue entrepreneurship as a career choice or source of income. Successful entrepreneurs will receive grants from MRRD to carry out their business plans.

2.6.1.2 Majlis Amanah Rakyat (MARA)

MARA, through MRRD, offers financial schemes like *Scheme Pembiayaan Perniagaan* for its rural community in order to help them become self-sustainable through businesses. Schemes like “DanaNITA” is also made available for Bumiputera women who wish to apply for loans to start off their businesses. Those eligible are women between 18-60 years old.

2.6.1.2 *Amanah Ikhtiar Malaysia (AIM)*

Microfinance in Malaysia had its roots in the *Ikhtiar* Project pioneered by Universiti Sains Malaysia in 1985. The pilot project in north-west Selangor was the first Grameen replication in the world that was conducted with an allocation of only RM 2,000. Grameen Foundation is a global non-profit organization that brings innovative and sustainable solutions to the fight against poverty and hunger. The success of the pilot project led to the establishment of Amanah Ikhtiar Malaysia (AIM) as an independent trust body in 1987. It was formed to promote microcredit throughout the country in order to help eradicate hardcore poverty. By 2007, AIM had established 69 branches and was serving 173,000 “Sahabat” (UNDP, 2008).

AIM is funded through interest-free loans from the Malaysian government. Many success stories have emerged especially from women entrepreneurs who have been lifted out of poverty through participation in AIM. However, there have also been complaints of this source of microcredit not reaching the intended groups. Therefore, studies like this are important in order to highlight the existing assistance (financial and non-financial) made available by various agencies for the betterment of the rakyat particularly those in the rural areas.

Various other micro credit schemes have since been introduced in the country to cater to the differing needs to the community. The following table highlights some of the available Microcredit Institutions in Malaysia.

Table 2.4: List of Microcredit Institutions in Malaysia

No.	Microcredit Institution(s)	Target Group
1.	Amanah Ikhtiar Malaysia (AIM)	The poorest in the low-income community
2.	Yayasan Tekun Nasional (TEKUN)	Bumiputera Microentrepreneurs
3.	Majlis Amanah Rakyat (MARA)	Bumiputera Entrepreneurs
4.	Bank Pertanian Malaysia	Agriculture-based entrepreneurs

(Source: Bank Negara)

2.6.2 Rubber Industry Smallholders Development Authority ((RISDA)

RISDA is a federal government agency under the Ministry of Rural and Regional Development. It was established on 1 January 1973 under the powers passed at Parliament. Its mission is to develop smallholder community into a progressive and prosperous community through plantation activities and entrepreneurship. RISDA Perak has documented some of the CI projects carried out in different parts of Perak. The agency not only helps rubber smallholders replant high yielding trees but also help rural womenfolk to be actively involved in CI such as handicraft-making to supplement their household income (Borneo Post Online, 2017). Table 2.5-2.8 depicts the projects carried out till April 2006.

Table 2.5: Food Projects According to Responsible Centres

No.	Responsible Centre	Types of Product	No. of Operators
Category: Food			
1.	Kuala Kangsar/Kinta	Bahulu/Dodol/Cili Sauce/Crackers	3
2.	Larut/Matang/Selama/Kerian	Traditional Kuih and Crackers <i>(Kuih Peniram, Muruku, Bahulu, Onion Crackers)</i>	4
3.	Batang Padang/Hilir Perak	<i>Putu/Dodol/Mini</i> Currypuff	2
4.	Hulu Perak	Frozen Food/Currypuff/Samosa	1
	TOTAL		10

(Source: RISDA Perak)

Table 2.6: Handicraft Projects According to Responsible Centres

No.	Responsible Centre	Types of Product	No. of Operators
Category: Handicraft			
1.	Kuala Kangsar/Kinta	Processed rubber leaves/Batik	2
2.	Larut/Matang/Selama/Kerian	Processed rubber leaves/handicraft and traditional carving	8
3.	Batang Padang/Hilir Perak	Sewing and handicraft workshop	1
4.	Hulu Perak	Processed rubber leaves/rubber leaves flower	1
	TOTAL		12

(Source: RISDA Perak)

Table 2.7: Plants Projects According to Responsible Centres

<i>No.</i>	<i>Responsible Centre</i>	<i>Types of Product</i>	<i>No. of Operators</i>
Category: Plants			
1.	Kuala Kangssar/Kinta	Grey Oyster Mushroom	1

(Source: RISDA Perak)

Table 2.8: Spices Projects According to Responsible Centres

No.	Responsible Centre	Types of Product	No. of Operators
Category: Spices			
1.	Larut Mtg/Selana/Kerian	Black Spice	1

(Source : RISDA Perak)

2.6.3 Yayasan Bina Upaya (YBU) Darul Ridzuan

This foundation was set up with the vision to eliminate poverty and build the capacity and capability of the lower-income groups of community regardless of religious, race and social background. Some of the services and facilities being offered by this foundation are as follows:

- (i) Microcredit financing
- (ii) YBU Kiosk Amanjaya
- (iii) 1Amanjaya Mobile Shop
- (iv) Food-box for poor families



With the introduction of the 1Amanjaya Mobile Shop, CI operators can purchase basic products like milk, sugar and rice at a lower price. This is particularly significant for those who produce food items as part of their CI business and require all such items in large quantity. The availability of such services at their doorstep will help smoothen the preparation process of the food items.

2.6.4 Entrepreneurial Training Programmes

A number of different institutions provide entrepreneur development programmes. This includes the National Entrepreneurship Institute (INSKEN, Institut Keusahawanan Negara) of the Ministry of Entrepreneur and Co-operative Development (MECD) Malaysia, MARA, Franchise Association of Malaysia and Cooperative College of Malaysia. The following are some of the training programmes that were carried out:

- (i) Introduction to Entrepreneurship
- (ii) Entrepreneur Enhancement Programme
- (iii) Expansion and Networking Programme
- (iv) Entrepreneurship Reference and Advisory Programme

However, for the purpose of CI development, the training programmes for the state of Perak need to be tailored to the meet demand of the local market and match the existing needs.

2.7 Summary

Cottage Industries have faced many challenges since its inception. The benefits of cottage industries and other small scale enterprises are a no-brainer. Apart from being an income-generating activity, it creates an environment of lower income inequality and allows people to take control of their lives and bring earnings into their community. Most importantly, it generates gainful non-agriculture based employment for those who cannot find jobs elsewhere. They can play a surprisingly large role in improving a nation's economic standing.

In addition to general poverty alleviation programs, developing Cottage Industries is an approach that can boost the rural economy and diversify its production. Despite its benefits, cottage industries struggle to survive under the pressure of globalization. Their products are unable to compete with the cheap goods of efficient production. Lacking the marketing skills to advertise their products and safeguard their interests, these CI operators lose out on the global playing ground. On the flip side, globalization also opens new markets and increases demand for products of all kinds, ranging from tourism to uniquely embroidered textiles and crafts.

The main issues that face Cottage Industries in most countries are the same—lack of finance, infrastructure and an easily accessible method to advertise and sell their products. In Myanmar (formerly known as Burma), 80 % of cottage and small enterprises mentioned access to finance as a major roadblock to their operations. Microfinance and development banks play a critical role in alternative financing. In India, they manage to cluster development where groups of Cottage Industries can train and sell their products together. CI clusters promote employment, local capacity and collective power for small entrepreneurs. Fluency in English, improved marketing skills, vocational training and access to raw materials can help CIs broaden their customer and product base. The scope for involvement of various agencies and organizations in working towards this goal is large. So far Cottage Industries have been focusing on products and services that have high demands and markets. However, the scope for such small community organizations in environmental, health and other sectors is also large. It is important that we learn to strike a balance and try to complement each other towards the development of CI in the state of Perak.

CHAPTER 3

Research Methodology

3.1 Introduction

This chapter presents the detailed description of the research methodology of this study. The sections that are discussed in this chapter are research design, population and sampling procedure, unit of analysis, instrument development and measurement, reliability and validity, data collection and lastly followed by data analyses strategies used in this study.

3.2 Research Design

In order to achieve the key objectives of this study, the researchers aim to use both Quantitative and Qualitative Method. Both the research approaches will be sufficient to analyse the available data and key variables of this study.

Quantitative research is a type of empirical investigation where research focuses on verifiable observation as compared to theory or logic. This will include observing the community (field work), collecting information, explaining observation, and analyzing the information. Thus, the key Quantitative Research methodology that will be employed in this study includes detailed questionnaire (survey).

The Secondary Data analysis will include reviewing relevant past study reports on the identified communities, Perak state government master plans, past performance of community reports, national economic blueprint and other key documents either available online or made accessible by government or non-government agencies.

A self-administered structured questionnaire is used in the study. The questionnaire will collect information on socio demographic background of the participants namely age, sex, ethnicity, education level, employment status and average monthly income. The second section contained 10 statements to assess their level of agreement towards the available resources and assistance in the community and business fraternity, using a 4-point Likert scale (1=strongly disagree, 2=disagree, 3=agree, 4=strongly agree). Participants will be briefed about the study using the respondents' information sheet and their consent to participate voluntarily will be sought. Participants will be assured of their confidentiality and allowed to withdraw from the study at any time. Participants who are unable to read or write will be given the necessary assistance to complete the questionnaire.

Though this study is quantitative by nature, the researcher feels the inclusion of interview which is a qualitative technique is necessary to streamline the study to specific dimensions taking into consideration that this is an exploratory study looking at socio economic perception of CI in Perak. The interview will be carried out by the researcher as part of the exploratory research process in this study. The objective of the interview is merely to capture the level of understanding and dynamics of socio

economic development from the viewpoint of the stakeholders. Interview is particularly useful when there are power differences between participants and decision makers or professionals, when the everyday use of language and culture of particular groups is of interest, and when one wants to explore the degree of consensus on a given topic (Morgan & Kreuger, 1993) like the one in this study. Table 3.1 outlines the methodology that will be employed to achieve the set of objectives and the respective outcomes.

Table 3.1: Methodology that will be employed to achieve the set of objectives

Research Objective	Methodology	Expected Outcome
To gather information via participatory appraisal methods and quantitative surveys on secondary data, on the characteristics of the affected community.	Review of secondary data Interview with respective officials and key community leaders	An overview on the current landscape of CI in the identified community.
To identify and analyse the future socio-economic demands and gaps of the local population which include availability of local resources and business and industry opportunities.	Primary Data Profiling Activity Stakeholder engagement	A list of available and viable business opportunities that may be linked to CI within the identified community areas

To explore the nature of interventions, resources and assistance required by the local communities	Primary data Interview with respective officials and community leaders	An outline of interventions and assistance required by the candidates.
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3.3 Population & Sampling Procedure

For the purpose of this study, the state of Perak was selected. The researcher has considered several procedures for selecting the right sample size for this study. Please refer to Appendix 1 for the Stakeholder Questionnaire. The respondents will be categorized as per the table below:

Table 3.2: Target Group and Number of Respondents

No.	Target Group	Number of respondents
1.	North Perak	100
2.	Perak Central	100
3.	South Perak	100

As for the stakeholders, a total of 10 stakeholders from various agencies will be interviewed. Please refer to Appendix 2 for the Stakeholders Questionnaire. The selection of respondents for the quantitative was done using the purposive sampling technique to interview the 300 respondents from various categories.

3.4 Data Collection

The survey research method, which is the most popular data-gathering technique in social studies (Strong, DeVault, Sayad & Cohen, 2001) was used in this study. Survey research was the preferred type of data collection procedure for this study as the usage of a structured questionnaire and standardized method of questionnaire administration enables comparison of subjects' responses and efficient data collection and scoring (Berk, 1994).

The data collection process was carried out for 2 months. The practices of ethical issues were acknowledged. The respondents were informed about their consent, have their rights to withdraw at any stage, and the guarantee that the research will not harm them. Assurance of confidentiality of the response was highlighted to the respondents in order to avoid other forms of bias such as the inaccurate disclosure of information by the respondents.

3.5 Data Analysis

The data collected were entered into the database for analysis using SPSS Version 12.0. Descriptive statistics were used to analyse the data in this study. Analysis in exploratory research is essentially generalization and interpreting the findings (Pittenger, 2003; Bacon, 1994). According to Pittenger (2003) too, an exploratory research would not require in-depth statistical analysis to describe the findings to the study as the purpose of the study is to provide insights to the subject matter investigated.

The data analysis mainly involved the descriptive statistics. Frequency distribution and measures of central tendency (mean and standard deviation) were adopted in presenting and summarizing the data. Besides, descriptive data were also employed to describe the variables in this study.

3.6 Chapter Summary

This chapter presented a description of the research methodology which included detailed information on the research design, population and sampling procedure and data collection.

The reliability and validity of the scales used to measure the constructs had been tested and established. The chapter ended with the descriptions of the data processing and analyses strategy used in this study. The following chapter will present and discuss the results of the data analyses.

CHAPTER 4

Results & Discussions

4.1 Introduction

This chapter presents the main findings of the quantitative survey conducted among 300 respondents residing in Perak. The sections discussed include the demographic background of the sample population, their perception towards socio-economic status, and their suggestions on the types of development and skill trainings required to enhance the CI in Perak. The chapter also outlines the findings of the discussions during the stakeholder engagement session.

4.2 Socio demographic background

In this study, a total of 300 respondents were recruited and the demographic background of the respondents is as depicted in Table 4.1. The mean age of the sample is 41.23 ± 11.470 years ranging from 20 years to 67 years old. In terms of the age distribution, majority (25.0%) were between the age of 41 and 50 years old. It is noted that 14.0% falls in the age region of 31 to 35 years while another 21.0% were between the age of 36 and 40 years. Youth age less than 24 years represent 9.0 % of the total sample while those aged 51 and above represent 22.0% of the sample.

The sample selected for this study comprised of slightly more females than males. As presented in Table 4.1, of 300 respondents in this study, 189 (63.0%) respondents are female and the remaining 111 (37.0%) are male. Furthermore, looking at the distribution of ethnic groups, majority (75.0%) were Malay while Indian (13.0%)

made up the second largest group. Chinese made up of 10.0% of the sample population while other ethnic groups made up the remaining 2.0%. Majority were Muslim (78.0%) followed by Hindu (12.0%) and Buddhist (9.0%). The distribution according to their marital status noted that majority (86.0%) were married while another 8.0% were still single. About 6.0% were separated or divorced from their spouses or widowed.

The community sampled was largely made up of those who had at most secondary school level education (48.0%), followed by 34.0% who had only primary school level education. About 5.0% had no formal education. Only 7.0% and 2.0% had diploma and bachelor degree education respectively. As for status of employment, majority were self-employed (67.0%). On the other hand, 22.0% were engaged in full-time job as employees while only about 8.0% claimed as casual/ part time workers. A small group of them (3.0%) had fallen under part time employment. When asked about their income, majority of the respondents (60.0%) earned less than RM1000.00 monthly. A total of 17.0% earned between RM1001.00 to RM 2000.00 monthly. Thirteen percent of the respondents earns more than RM3,000 monthly. The mean income was RM2337.00 ($SD = RM4734.00$) with a range between RM150.00 and RM35000.00.

Table 4.1: Demographic background of respondents (n = 300)

Characteristics		Frequency	Percentage
Age (years) Mean: 41.23 S.D: 11.470	< 24	27	9.0
	25 to 30	27	9.0
	31 to 35	42	14.0
	36 to 40	63	21.0
	41 to 50	75	25.0
	> 51	66	22.0
Sex	Male	111	37.0
	Female	189	63.0
Ethnicity	Malay	225	75.0
	Chinese	30	10.0
	Indian	39	13.0
	Others	6	2.0
Religion	Islam	234	78.0
	Buddhism	27	9.0
	Hinduism	36	12.0
	Christianity	3	1.0
Marital status	Single	24	8.0
	Married	258	86.0
	Separated/Divorced	6	2.0
	Widow/Widower	12	4.0
Level of Education	No formal education	15	5.0
	Primary	102	34.0
	Secondary	144	48.0
	Pre-University/Matriculation	12	4.0
	Diploma	21	7.0
	Bachelor Degree	6	2.0

Current employment status	In full-time employment (as an employee)	66	22.0
	Working full-time (self-employed)	201	67.0
	In part-time employment (as an employee)	9	3.0
	Casual/part-time (self-employed)	24	8.0
Income (RM)	<1000.00	180	60.0
Mean: 2,337.00	1001.00 to 2000.00	51	17.0
S.D: 4,734.00	2001.00 to 3000.00	30	10.0
	3001.00 to 4000.00	12	4.0
	4001.00 to 5000.00	6	2.0
	>5001.00	21	7.0
Health status	Excellent	264	88.0
	Have some health problems	33	11.0
	Physical disability	3	1.0
Own transport?	Yes	219	73.0
	No	81	27.0

In reference to table 4.1 above, majority (88.0%) felt that they were in excellent health status. A total of 11.0% had some form of health issues. People with physical disability made up of 1.0% of the total sample. When asked about mode of transportation, majority of the respondents (73.0%) had their own modes of transportation. Given the limited public transport services in the township, it is expected that most of them would have some form of transport to travel around places.

4.3 Perception towards Socio Economic Status

The respondents' perception towards socio economic status was asked to determine their level of agreement with various aspects of the availability of infrastructures and other facilities. Overall, an overwhelming response were skewed towards the needs for stronger support from the government agencies as well as better infrastructure and training facilities to enable career advancement and business growth. In reference to table 4.2, majority (93.0%) either agree or strongly agree that cost is a hindrance to CI. Besides that, they also felt that it was difficult for them to find funders to support the CI (88.0%).

More than half (63.0%) of the respondents claimed that they don't know where to obtain information regarding business. When asked whether assistance from authorities would help their business, almost all of them (92.0%) agreed or strongly agreed that it would certainly improve their business growth. They were also strong believers of the fact that training and knowledge transfer from the relevant authorities and experts would help their business (92.0%). However, the survey showed that 72.0% of the respondents didn't receive any financial assistance from the authorities to enable them enhance their' business growth.

Table 4.2: Perception towards socio economic status (n=300)

No.	Statements	Strongly disagree	Disagree	Agree	Strongly agree
1	Cost is a hindrance to CI.	3 (1.0)	18 (6.0)	162 (54.0)	117 (39.0)
2	Difficult to find a funding to expand CI.	0 (0.0)	36 (12.0)	129 (43.0)	135 (45.0)
3	I know where to obtain tips regarding business.	96 (32.0)	93 (31.0)	90 (30.0)	21 (7.0)
4	I have obtained tips regarding business.	105 (35.0)	90 (30.0)	78 (26.0)	27 (9.0)
5	Assistance from authorities will enable me to increase my business.	18 (6.0)	6 (2.0)	132 (44.0)	144 (48.0)
6	I am currently receiving financial assistance from authorities to enable me to increase my business.	144 (48.0)	72 (24.0)	63 (21.0)	21 (7.0)
7	I have received training assistance for my business.	126 (42.0)	87 (29.0)	72 (24.0)	15 (5.0)
8	I believe that the training and knowledge transfer from the authorities will help me in my business.	9 (3.0)	15 (5.0)	141 (47.0)	135 (45.0)
9	I believe that interest plays an important role in my career/ business development.	0 (0.0)	6 (2.0)	135 (45.0)	159 (53.0)
10	Many programmes proposed by the government have not been implemented at grassroots level.	33 (11.0)	39 (13.0)	129 (43.0)	99 (33.0)
11	An integrated business programme will benefit the community.	0 (0.0)	3 (1.0)	153 (51.0)	144 (48.0)

However, when asked about the implementation phases of the government's plan, majority (76.0%) felt that most of the strategies were not implemented at grassroots level with the desired outcomes. There was an overwhelming support (99.0%) for an integrated career and business programme in view that such programme would greatly benefit the people of the CI community in Perak. In short, the Perak CI

community's collective voices called for a stronger skill enhancement and training capacity given the availability of new business development. With stronger programme in place, it is believed that the potential business growth and knowledge can be maximized.

Table 4.3: Locality of produce (n=300)

Race	Location these product produced		Total
	At home	At shop	
Malay	123 (54.7)	102 (45.3)	225 (100)
Chinese	15 (50.0)	15 (50.0)	30 (100)
Indian	30 (76.9)	9 (23.1)	39 (100)
Bumiputera Sabah	0 (0.0)	3 (100.0)	3 (100)
Bumiputera Sarawak	3 (100.0)	0 (0.0)	3 (100)

Table 4.3above depicts the race distribution of locality of produce.

4.4 Recommendations for CI Development

When the respondents were asked to provide feasible recommendations for CI development at the community level, the scopes of the recommendations hovers around promotional and availability of financial schemes. The main recommendation for CI development at the community level was financial assistances in the form of soft loans for business expansion. The suggestion came with the perception that especially in the wake of depreciating exchange rates. As high as 70.3% of the total respondents would like to get financial support to purchase equipment like tables and chairs to enrich their business development.

4.5 Recommendations for Types of Training

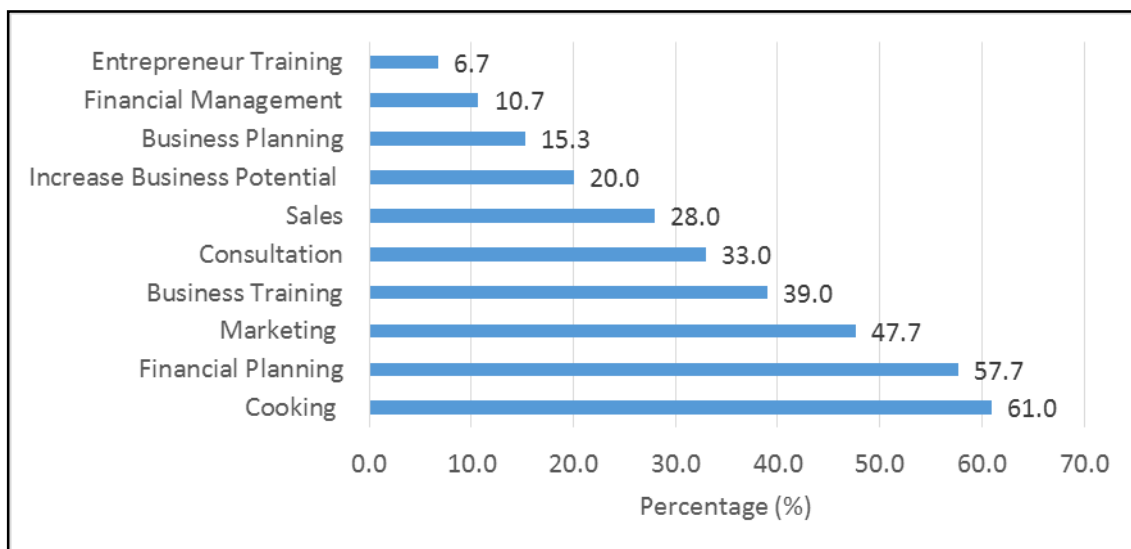
The respondents provided inputs of various forms of desired trainings for the relevant authorities to consider. Among them, cooking courses topped the list with (61.0%). Cooking promotes the lifetime skill that enables young generation to learn to cook healthy foods. Many studies show improved changes in cooking knowledge, food safety behaviours, and cooking self-efficacy (McFarland 2017).

The heart of business success lies in its sales and marketing. Most aspects of the business depend on successful marketing and selling strategies. Thus, the respondents would like to attend marketing and sales courses which consists of 47.7% and 28.0% respectively. Without marketing, the CI would be unable to reach the potential efficiency. The respondents also emphasised the value of business training. Thirty nine percent of the respondents suggested that training will enhance skills in the CI. Past

research has shown that by keeping current practices and knowledge through ongoing business training will give a significant competitive advantage. (Mason, 2017)

Financial planning training was highlighted by 57.7% of the respondents. The respondents realised the importance of having a financial plan for the CI business. According to Hill (2017), creating a financial plan helps the business to see the bigger picture and set long and short-term life goals. When business have a financial plan, it's easier to make financial decisions and stay on track to meet the business goals. Moreover, the financial plan, or budget as it is also called, helps guide the day-to-day decision making of the business. Comparing forecast numbers to actual result yields important information about the overall financial health and efficiency of the business.

Figure 4.1: Top ten types of training to enhance skills in CI business (n=300)



4.6 Outcome of Face-to-Face Interviews with Key Stakeholders

To obtain the information from the stakeholders of this study, the researcher has conducted face-to-face interviews with government officials from the District Office and State Government. Information obtained from these interviews provided a general overview on the socio-economic of CI in Perak. Gaps and challenges were also discussed. This provides a better understanding of the community identified in this project.

A summary of the outcome of these interviews are listed below:

Topic	Feedback received
Main CI Businesses in Perak	Pottery (labu sayong), Food business, soya sauces, handicrafts and <i>kacang putih</i> were some of the items that were named. The business were also divided into 5 main communities in Perak: Malay: Food products (salted egg, rojak sauce) and <i>Andaman</i> Chinese: Fishing, Farming and Carpentry Indian: Grocery Shops and Poultry Siamese: Carpentry and Manufacturing Orang Asli: Handicraft and Farming
Significant progress in the last 5 years and major differences	(i) There is an increase in repeated loan applications. This may indicate that while there is an expansion in the business, there is also a lack of sustainability. (ii) There is a more efficient monitoring and evaluation process in place. Applications for the 2nd loans are closely

	reviewed prior to approval.
Facilitating factors in the development of CI in Perak	(i) Apart from Perak's natural resources, many of those interviewed stated that self-interest and self-motivation plays a very important role in ensuring the success of CI in Perak. (ii) Specific programmes like: "<i>Klinik Dr. Zambri</i>", "<i>Pak Ngah Soal, Pak Ngah Jawab</i>" on the electronic media that allows the community to voice-out their concerns and problems to the leaders. (iii) Availability of cheaper and affordable food items via the Mobile Shop 1Amanjaya. With the introduction of such a programme, the local rural community is able to make necessary purchases at their doorsteps at a reasonable price. This will enable them to reduce the cost of running CI business (food products in particular) and encourage them to expand their business in this challenging economic period. (iv) Close community relationships also encourage CI business in the rural areas of Perak.
Existing gaps in the development of CI in Perak	(i) The physical transformation is not parallel to the transformation of the mind amongst the local, rural community. (ii) Lack of proper monitoring and administration at the respective villages due to migration of village folks particularly those from Larut.

	(iii) Lack of programmes by the <i>Persatuan Peniaga Kecil</i> (iv) Lack of strong leaders at the local level to voice-out the concerns of CI operators. (v) Lack of self-awareness and related entrepreneurial skills. (vi) Lack of multilateral cooperation amongst various agencies.
Recommendations in addressing these gaps and further developing CI in Perak	(i) Implementation of Mind Transformation, self-awareness and entrepreneurial skills programmes for CI operators by external parties. (ii) <i>Ketua Kampung</i>s should play a more active role in monitoring the incoming and outgoing of villagers. (iii) <i>Persatuan Peniaga Kecil</i> should offer related and relevant programmes for CI operators. (iv) CI Operators should form an association/group specifically to address issues pertaining to CI in Perak. (vi) Strengthening multilateral cooperation amongst various agencies. Eg. Majlis Perbandaran may propose waiver of 6 months of parking rental fees for new CI operators.

4.7 Chapter Summary

In summary, the community in Perak's main focus was on skills enhancement and capacity building. The community desires for better employability as well as new business opportunities. The community also believes that CI can be a main economic driver for Perak given its natural beauty and rich history.

CHAPTER 5

Conclusion

5.1 Introduction

The final chapter provides a summary and conclusion on the findings of this study. It outlines the existing programmes and assistance made available for the identified local community. A list of business support programmes are also highlighted based on information gathered. With the information shared in this chapter, the study hopes to provide a significant tool for stakeholders and any other interested parties to develop the socio-economic growth of the local community and create an enabling environment for all members of the community, particularly those involved in CI, to be self-sustainable and provide better living conditions for their family members primarily and the community in general.

5.2 Summary of Study

The researcher had used an exploratory design in this study to comprehend the socio-economic gaps of the CI community in Perak. Specifically, this study looks at how various facilitating factors and external enablers have an effect on the socio-economic growth and development of a local community. It also highlights some of the assistance; in the form of funds or training programmes; currently available in the country.

5.3 Discussion

The study reveals that the socio-economic growth and CI business of a community is not contributed by one but many factors. It is not only due to the internal factors such as interest and self-motivation but also the external factors like the roles of various agencies, family and community support. The researcher believes that in order to understand the socio-economic growth of a community, it is important to look at the unique factors that influence their work and life choices.

A SWOT analysis is carried out to outline the Strengths, Weaknesses, Threats and Opportunities of the CI in Perak. This process will help identify the internal and external factors that will affect CI's future performance. It will also help identify some of the strength and weaknesses that currently exist in order to progress towards a better future for this industry specifically and the state of Perak generally.

5.3.1 SWOT Analysis

The below table depicts the Strength, Weaknesses, Opportunities and Threats (SWOT) of the CI in the state of Perak.

Table 5.1: SWOT Analysis of CI in Perak

<u>STRENGTHS</u> • Natural resources • Perak is a famous tourist spot (2017 is Visit Perak Year) • Supportive agencies • Supported by other industries (eg: fishing) • Natural CI heritage (eg. Kacang Putih) • Manpower • Booming industry	<u>WEAKNESSES</u> • Inadequate infrastructure and access to information and facilities • Inadequate skills to meet the increasing challenges of CI • Inadequate skills to promote and market the CI products • Lack of motivation • The CI community have become somewhat complacent • CI operators unaware of the available facilities
<u>OPPORTUNITIES</u> • CI Tourism • Food Tourism • New potential customers • Broaden geographical reach • Develop new products/services	<u>THREATS</u> • Complacency • Changes in the world economy • Factory-based industries • Weather and changes in the environment

5.3.2 Influencing Factors for development of CI in Perak

The following table depicts some of the influencing factors of CI growth as perceived by the stakeholders and the identified local community in Perak:

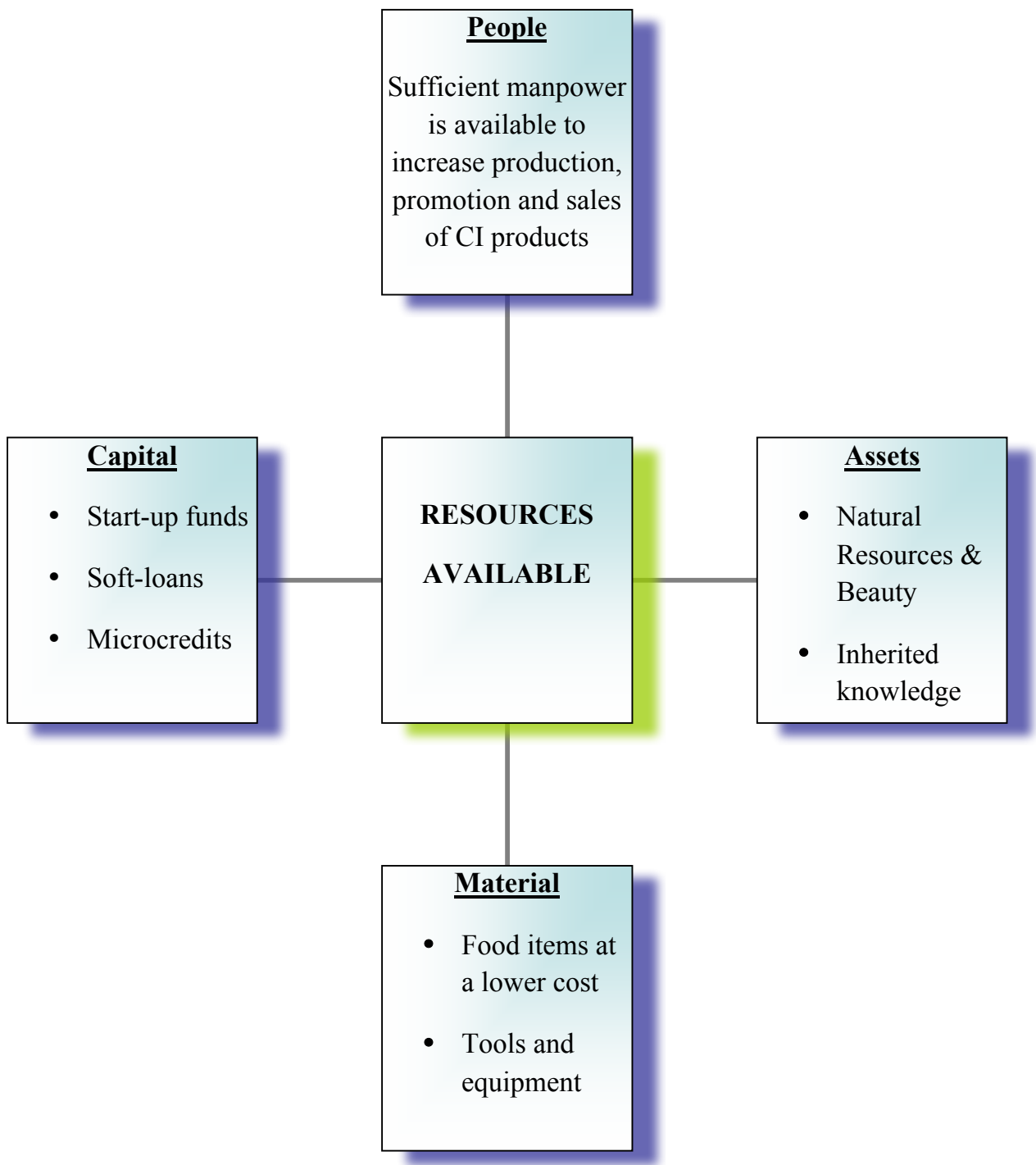
Table 5.2: Influencing Factors for Development of CI in Perak

Influencing Factors for CI Growth in Perak		
Demand Factors	External Enablers	Internal Factors
• Perak is a famous tourist spot • Traditional <i>kuih</i> and snacks like <i>kacang putih</i> are always in demand • Handicrafts are always in demand • There is always demand for fresh seafood products	• Political willpower • Supported by other industries such as Fishing and Tourism • Natural resources • Increasing number of Tourists visiting Perak (Visit Perak Year 2017)	• Self-motivation • Change in attitude • Interest in business

5.3.3 Resources

In the context of resources, the assistance given can be divided into 4 components; people, assets, material and capital. The following needs have been identified specifically for this project:

Figure 5: Resources Available for CI Development in Perak



5.4 Implications of Study

There are many implications of this study. The following outlines some of the implications.

5.4.1 Development of Action Plan

The findings of this study will provide an overview on the progress of CI in Perak. It will also enable the researcher to propose appropriate recommendations for interventions by various agencies. This will be the base for the rolling out of Plan of Action upon completion of this study.

5.4.2 Enrichment Body of Knowledge

Apart from that, the findings of the study have social and educational implication and can make a valuable contribution to the body of knowledge concerning socio-economic of the local community in the state of Perak. The findings lend support to suggestions that knowledge sharing and transfer are important components in the upgrading of skills amongst the labour force.

5.5 Limitations & Recommendations for Future Study

This study has several limitations. Firstly, the study focuses on only certain groups of the local community. Therefore, the responses from other groups of the community are not taken into account. The study is also dependent on very limited literature reviews and secondary data. In terms of monitoring and evaluation of CI, It is

also difficult to determine on the actual Ministry or Department that is responsible in overseeing the development of CI in the country and also the state of Perak. Although many different agencies and departments are dealing with different areas of poverty, rural development and local businesses, there seems to be a lack of coordination by one responsible entity. There is generally a lack of understanding in this area which is why an integrated system should be in place for the development of CI in Perak. It is also recommended that a special unit, department or agency is assigned to monitor the progress of this rising industry in the country.

It is also hoped that the next few years will see more studies carried out at the state level in order to give a proper description of the actual local scenarios. Through this study, it was found that there were very limited studies carried out at the moment and this is indeed a niche area to study. The other limitation is this study is carried out in a quantitative method, though the researcher has used the face-to-face interview to gauge better response from stakeholders and relevant agencies. In short, this study has managed to obtain relevant information regarding CI in Perak despite its limitations. However, there is still much to contribute to this field of study particularly in terms of identifying and recommending the way forward for CI in Perak.

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RESPONDENT'S INFORMATION SHEET (PRIMARY DATA SURVEY)

STUDY TITLE

Socio Economic Gap Analysis of CI in Perak

INTRODUCTION

The study aims at understanding the grass root needs of the CI in Perak and based on the findings, make the recommendations on interventions. This study is also trying to assess how close and beneficial that exist in the relationship between previous programs and what are the gaps that these programs had failed to address in this industry.

WHAT WILL YOU HAVE TO DO?

If you agree to participate, you will proceed to answer a self-administered structured questionnaire for approximately 10 minutes. The questionnaire is meant to acquire information pertaining to your background and your inputs.

FOLLOW-UP

There will be no follow-up to this study. However, you may be contacted in the near future should there be a need for additional information pertaining to the information that you have provided in the questionnaire.

WHAT WILL BE THE BENEFITS OF THE STUDY?

The results from this study will provide valuable insights to the policy makers, business fraternities, SMEs as well as Local & Foreign Industries in Malaysia and especially in the state of Perak.

ARE THERE ANY RISKS?

There will be little to no risk involved.

CAN YOU WITHDRAW FROM THE STUDY?

Your participation in this study is **fully voluntary** and you may choose to withdraw from the study at any time without giving any reason.

WILL THE INFORMATION AND YOUR IDENTITY REMAIN CONFIDENTIAL?

All information provided by you will remain strictly confidential. Your name or any identifying information will not be written on any part of the questionnaire. Instead, an ID No. will be assigned to protect your identity. If you decide to withdraw from this research, all information will be retained unless otherwise stated.

WHOM SHOULD YOU CONTACT IF YOU HAVE ADDITIONAL QUESTIONS DURING THE COURSE OF THE RESEARCH?

Should you require additional information with regards to the study, kindly please contact:

1. Dr. Kamal Kenny (0123635916)
2. El Sheila (0166910344)

Thank you very much for your time and consideration

CONSENT FORM

RESEARCH TITLE:Socio Economic Gap Analysis of CI in Perak

RESEARCHER: Dr. Kamal Kenny

CO-RESEARCHER : EL SHEILA

I identity card number
..... (emailaddress);
(telephone number) hereby voluntarily agree that I will be
taking part in the questionnaire research specified above.

The nature of the research in terms of methodology and complications has been explained to me (refer to Information Sheet). I understand that I have the right to withdraw from the research at any time without assigning any reason whatsoever. I understand that my participation in this study is anonymous and all information provided concerning my identity would remain confidential.

I agree / disagree * to be contacted should the researchers require additional information pertaining to this study.

* delete where necessary

Signature.....

Signature

(Respondent)

(Witness)

Date:

Name:

.....

IC No.:

I confirm that I have explained to the respondent the nature and purpose of the above-mentioned research.

Date:

Signature

.....

(Interviewer)

Bahagian A Section A

i. Latar Belakang Sosio Demografik

i. Socio demographic background

Arahan: Berikut merupakan beberapa soalan tentang latar anda. Sila menjawab dengan jujur dan segala maklumat yang dibekalkan oleh anda akan dirahsiakan.

Instruction: These are some basic questions about you. Please answer them with honesty and be assured that all information that you provide will remain confidential.

1.	Jantina Sex	Lelaki Male 01 Perempuan Female 02
2.	Tarikh Lahir (hh/bb/tttt) Date of birth (dd/mm/yyyy) __ / __ / ____	
3.	Umur Age _____ tahun years	
4.	Ethnic Ethnicity Malay	Melayu 01 02 Cina Chinese 03 India Indian 04 Bumiputera Sabah Bumiputera Sabah 05 Bumiputera Sarawak Bumiputera Sarawak 06 Lain-lain Others
	Jika Bumiputera Sabah, Sarawak atau lain-lain, sila nyatakan: If Bumiputera Sabah, Bumiputera Sarawak, or Others, please specify:	_____
5.	Agama Religion Islam Islam	01 02 Buddha Buddhist 03 Hindu Hindu 04 Kristian Christian 05 Lain-lain Others 06
	nyatakan: specify:	Jika lain-lain, sila If Others, please _____
6.	Apakah status perkahwinan anda? (Pilih satu sahaja) What is your current relationship status? (Circle one only)	Berkahwin Married 01 02 Bujang Single 03 Bercerai/berpisah Divorced/separated 04 Janda/Duda Widow/widower

7.	Apakah tahap pendidikan tertinggi anda? <i>What is the highest level of formal education you have attained?</i>		
		Tiada pendidikan formal <i>No formal education</i>	01
		Sekolah rendah <i>Primary</i>	02
		Sekolah menengah <i>Secondary</i>	03
		STPM/Matrikulasi <i>STPM/Matriculation</i>	04
		Diploma <i>Diploma</i>	05
		Ijazah Sarjana Muda <i>Bachelor Degree</i>	06
		Ijazah PascaSiswazah <i>Postgraduate Degree</i>	07
8.	Apakah status pekerjaan anda sekarang? <i>What is your current employment status?</i>		
		Bekerja sepenuh masa (sebagai pekerja) <i>In full-time employment (as an employee)</i>	01
		Bekerja sepenuh masa (Menggaji diri) <i>Working full-time (self-employed)</i>	02
		Bekerja sambilan (sebagai pekerja) <i>In part-time employment (as an employee)</i>	03
		Kerja santai/sambilan (Menggaji diri) <i>Casual/part-time work (self-employed)</i>	04
		Tiada pekerjaan/ <i>Unemployed and not working at all</i>	05
		Bersara <i>Retired</i>	06
9.	Pendapatan purata bulanan <i>Average monthly income</i>	RM _____, _____ . _____	01
		Tiada pendapatan <i>No income</i>	02
10.	Apakah jenis produk yang anda hasilkan untuk penjualan? <i>What are the types of products produced for sales?</i>		
		Makanan/Minuman (Food/Drinks)	01
		Hasil Kraftangan (Handicraft)	02
		Lain-lain (Others): _____	03
11.	Dimanakah produk-produk ini dihasilkan dan dijual? <i>Where are these products produced?</i>		
		Di rumah (At home)	01
		Di Kedai (At a Shop)	02
13.	Pekerjaan : <i>Occupation :</i>		
14.	Apakah Status Kesihatan Anda? <i>What is your current Health Status?</i>		
		Sangat Sihat <i>Excellent</i>	01
		Mengalami Sedikit Masalah Kesihatan <i>Have Some Health Problems</i>	02
		Cacat Anggota <i>Physical Disability</i>	03

15.	Adakah anda mempunyai kenderaan sendiri? <i>Do you have your own transport?</i>	Ya <i>Yes</i>	01
		Tidak <i>No</i>	02
Jika tidak, sila nyatakan kemudahan pengangkutan anda: <i>If No, please specify your mode of transportation:</i> _____			

Bahagian B Section B

ii. Persepsi terhadap status sosio-ekonomi

iii. Perception towards socio-economic status

Arahan: Sila beritahu persetujuan anda mengenai kenyataan tentang persepsi terhadap status sosio-ekonomi secara berasingan.

Instruction: Please answer the following statements about your perception towards socio-economic by indicating the extent of your agreement using the following scale.

No.	Kenyataan Statements	Sangat Tidak setuju Strongly disagree	Tidak setuju Disagree	Setuju Agree	Sangat Setuju Strongly agree
1.	Kos menjadi penghalang kepada pembangunan industri desa <i>Cost is a hindrance to CI.</i>				
2.	Susah untuk mencari dana untuk memperluaskan industri desa. <i>Difficult to find a funding to expand CI.</i>				
3.	Saya tahu di mana untuk mendapatkan maklumat mengenai tips perniagaan <i>I know where to obtain tips regarding business.</i>				
4.	Saya telah mendapat maklumat tentang tips perniagaan. <i>I have obtained tips regarding business.</i> Jika ya, sila nyatakan sumber tip yang telah diterima: <i>If yes, please state the sources for the tips you have received:</i> a) _____ b) _____ c) _____ d) _____				
5.	Bantuan pihak berkuasa akan meningkatkan potensi perniagaan. <i>Assistance from authorities will enable me to increase my business.</i>				
6.	Saya kini menerima saluran bantuan dana daripada pihak berkuasa untuk meningkatkan potensi perniagaan. <i>I am currently receiving financial assistance from authorities to enable me to increase my business.</i> Jika ya, sila nyatakan sumber dana yang telah diterima: <i>If yes, please state the financial source you have received:</i> a) _____ b) _____				

Arahan: Sila beritahu persetujuan anda mengenai kenyataan tentang persepsi terhadap status sosio-ekonomi secara berasingan. Instruction: Please answer the following statements about your perception towards socio-economic by indicating the extent of your agreement using the following scale.					
No.	Kenyataan Statements	Sangat Tidak setuju Strongly disagree	Tidak setuju Disagree	Setuju Agree	Sangat Setuju Strongly agree
	c) _____				
7.	Saya telah mendapat bantuan latihan untuk perniagaan. <i>I have received training assistance for my business.</i> Jika ya, sila nyatakan jenis latihan yang telah diterima: <i>If yes, please state the trainings you have received:</i> a) _____ b) _____ c) _____ d) _____				
8.	Saya berpendapat bahawa latihan dan pengetahuan yang diberikan oleh pihak berkuasa akan membantu saya dalam perniagaan. <i>I believe that the training and knowledge transfer from the authorities will help me in my business.</i>				
9.	Saya berpendapat bahawa minat memainkan peranan yang penting dalam meningkatkan perniagaan. <i>I believe that interest plays an important role in my career/business development.</i>				
10.	Banyak program yang telah disarankan oleh pihak kerajaan belum sampai ke peringkat komuniti. <i>Many programmes proposed by the government have not been implemented at the grassroots level.</i>				
11.	Program pembangunan industri desa yang berintergrasi akan memanfaatkan komuniti. <i>An integrated business programme will benefit the community.</i>				

Nyatakan saranan anda untuk pembangunan industri desa pada peringkat anda:
Please state your recommendations for CI development at your level:

Nyatakan 3 latihan (mengikut keutamaan) yang ingin anda hadir untuk meningkatkan tahap kemahiran anda dalam perniagaan industri desa:
State 3 trainings (based on priority) that you would like to attend to increase your skills in your CI business:

a) _____

b) _____

c) _____

😊 **Terima kasih untuk masa anda** 😊

😊 *Thank you for your time* 😊

Questions for stakeholder engagement

1. What are some of the main CI businesses in Perak?
Boleh Tuan/Puan namakan beberapa jenis perniagaan desa di Perak?
2. Has there been any significant progress in the CI (in Perak) in the last 5 years? What are they?
Adakah terdapat perubahan yang signifikan dalam ID (di Perak) dalam tempoh 5 tahun ini?
3. What are some of the major differences in this industry between now and then?
Apakah perbezaan yang signifikan di antara dulu dan sekarang dalam ID?
4. In your opinion, what are the main facilitating factors in the development of CI in Perak?
Pada pendapat anda, apakah faktor-faktor yang menyumbang kepada perkembangan ID di Perak?
5. In your opinion, what are the existing gaps in the development of CI in Perak?
Pada pendapat anda, apakah kekangan-kekangan yang dihadapi dalam membangunkan ID di Perak?
6. What are your recommendations in addressing these gaps and further developing CI in Perak?
Apakah cadangan-cadangan anda untuk menangani kekangan ini demi membangunkan ID di negeri Perak?