

HIGHLIGHTS: MALAYSIA BUDGET 2018

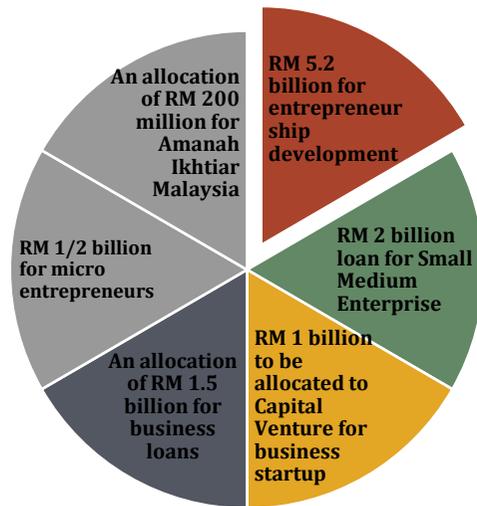


Figure 4: Budget Allocation for Entrepreneurship Development 2018

Source: Malaysia Budget, 2018

- Total Expenditure 2018: RM 280.2 billion
- Proposed budget for entrepreneurship development RM 5.2 billion
- RM ½ billion for strengthening micro entrepreneurs
- An allocation of RM 1.5 billion business loan
- Beneficiaries: Amanah Ikhtiar Malaysia (AIM), TEKUN, Venture Capital

Centre for Poverty and Development Studies (CPDS)

Faculty of Economics and Administration
University of Malaya
50603 Kuala Lumpur, MALAYSIA
W: cpds.um.edu.my
T: +603 7967 3766
F: +603 7967 3662

VULNERABILITY TO POVERTY

Rethinking Poverty & Development Series 2017

Mining the Millionaire Minds:

Malaysian Millennials & Entrepreneurship

**CENTRE FOR POVERTY AND DEVELOPMENT STUDIES
(CPDS)**

Table of Contents

Malaysia's Development Trajectory	1
The Next Era: TN50	2
Challenges: Vulnerability to Poverty.....	3
Millennials and Entrepreneurship.....	4
Inclusive Wealth Creation	5

INCLUSIVE WEALTH CREATION

- 1. Millionaire Mentor: Duplicating Success**
- 2. Millionaire SeedFund: Funding Challenges**
- 3. Wealth Ambassadors: Finding Champions**

MILLINIEALS & ENTREPRENEURSHIP

BEYOND WELFARE

Addressing Group Vulnerability

Role of millennials – promote entrepreneurship opportunities and skill development to enhance livelihood opportunities for this target group.

Millennials and development – a collective action from various stakeholders including financial institutions to assist millennials in providing financial assistance and indirectly address social problems among millennials.

Mitigating Framework

Microcredit as a tool for alleviating poverty and platform for millennials to participate and engage in entrepreneurship by providing funds at low interest rates to develop new potential businesses.

Entrepreneurship & Microcredit

Lending small amounts of money at low interest rates to new businesses in developing countries- microcredit & entrepreneurship - as an instruments for poverty eradication, economic growth and development.

Social Entrepreneurship

Role of individuals or groups in creating new economic opportunities and implement solutions to social, cultural or environmental problems.

MALAYSIA'S DEVELOPMENT TRAJECTORY



Figure 1: Malaysia's Development Trajectory

Summary

Malaysia's development trajectory as set out in various plan documents since the 1970s and more recently the 11th Malaysia Plan (2016-2020) and *Transformasi Nasional 50* (TN50) in 2017.

Malaysia continued to post solid growth rates averaging 5 to 6 % per year after the Asian Financial Crisis 1997-1998 and the Global Financial Crisis 2009. The Commission on Growth and Development in its Growth Report has classified Malaysia as a highly open economy with average growth of more than 7% over a period of 25 years or more (World Bank, 2017).

Economic growth is seen as inclusive, as Malaysia also succeeded in nearly eradicating poverty. A survey conducted in 2014 by the Department of Statistics Malaysia, shows that only 1 % of households were living below the poverty line index or only 300,000 people out of 33.3 million are living in poverty in Malaysia.

MILLINIEALS & DEVELOPMENT

In 2020, Malaysia's population is estimated to reach 32.4 million. Almost 70% of the population will be 15-64 years with 45% comprising of millennials aged between 22-35 years (Department of Statistics, 2017). Out of the 32.4 million, 16.6 million are males and 15.8 million females. However, Malaysian population are expected to increase at a slower rate with annual population growth rate of around 0.8% in 2040.

Malaysia will also be an aging society at the end of TN50 in 2050 combined with an anticipated drop in youth population in 2075. A grand challenge is for Malaysia to create jobs that are suitable for millennials and the aging population in order to achieve its economic and social goals.

THE NEXT ERA: TN50 (2020-2050)

TN50 is a long term transformation process encompassing society, environment, economy, technology and governance. It is seen as a vital step towards refining the aspirations of the young generation in anchoring the future of Malaysia in the next 30 years. TN50 aspires to adopt a grassroots approach in formulating Malaysia's future based on an all-encompassing national aspirations.

Significantly relevant in this context is the role of millennials as the main actors, pioneers, leaders and heirs and in the future development of the nation in the decades to come.

The potential role entrepreneurship including social entrepreneurship and youth in alleviating poverty, creating employment, improving education, and promoting sustainable development could be further strengthened by providing an enabling environment and support required to develop the nation.

CHALLENGES: VULNERABILITY TO POVERTY



Figure 2: Vulnerability to Poverty
Source: Centre for Poverty and Development Studies

Wealth or Welfare? Occupation & Income Stratification

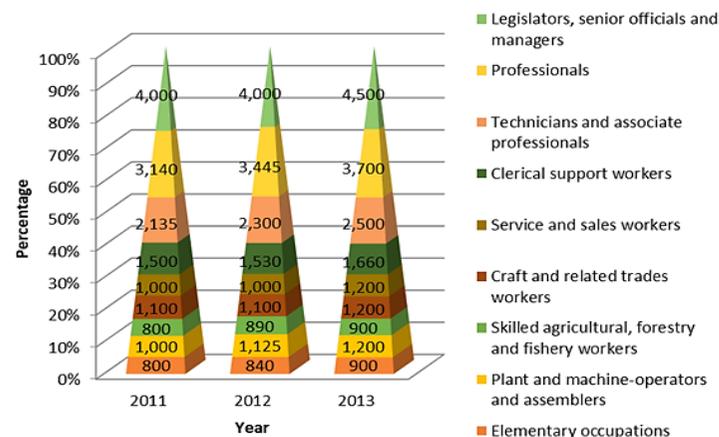


Figure 3: Occupational & Income Stratification
Source: Department of Statistics Malaysia