

## Innovative Social Solutions: Social Entrepreneurship For Youth Unemployment

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### Abstract

The presence of a high rate of youth unemployed may potentially result in significant adverse economic consequences. Youth who are unemployed may have challenges in successfully contributing to national economic development, particularly at this critical phase of economic growth. In the pursuit of enhancing societal living standards, the government recognizes social entrepreneurship as one of the vital solutions in addressing economic challenges, since it provides individuals with comprehensive knowledge and skills. Therefore, the primary aim of this research is to highlight the role of social entrepreneurship in addressing the challenge of young unemployment in Malaysia. The second aim of this study is to examine the challenges and prospective opportunities that pertain to young social entrepreneurship within the context of Malaysia. In the present study, the research methodologies include using secondary data sources, including journals and articles acquired from online databases. In summary, the implementation of social entrepreneurship has the potential to mitigate the issue of youth unemployment within the Malaysian context.

**Keywords:** Social Entrepreneurship, Youth, Unemployment, Labour Force, Start-Up

### Introduction

The issue of securing productive employment for young people is a prominent concern among policymakers, irrespective of the economic growth stage. The word "youth" as used in this

indicator pertains to the demographic subset including those aged 15 to 24, whilst those aged 25 and above are classified as adults. These individuals are often referred to as those who indicate that they are unemployed and actively seeking employment. Unemployed youth, are sometimes referred to as those who have engaged in active job-seeking endeavors during the preceding three to four weeks. An additional indicator that becomes valuable, provided that the relevant data is available, is a measure of the percentage of the young population who are "not engaged in education, employment or training (NEET)" rate.

Nowadays, the younger generation encounters a growing array of obstacles, increasing societal and familial pressures. Additionally, they confront significant uncertainty as they transition into the subsequent stage of life, striving to get meaningful jobs and achieve financial autonomy. For some individuals, this particular experience might occasionally evoke traumatic responses, particularly when they are burdened by debt stemming from educational pursuits or constrained by a challenging familial financial context. Given these particular conditions, the occurrence of unemployment might heighten the anxiety levels experienced by youth groups. Consequently, this heightened anxiety may result in the most severe kind of dissatisfaction, ultimately leading to their withdrawal from economic involvement. Therefore, many governments place significant emphasis on implementing coordinated initiatives and strategies aimed at mitigating the issue of youth unemployment in their country.

Currently, several factors provide challenges for the younger generation in securing employment opportunities. Research findings from several global contexts, including their potential applicability to Malaysia, suggest that structural transformations in the labor market have an impact on the youth population. These effects may be further intensified by economic downturns and the pandemic (Liotti, 2020; Lambovska et al., 2021; Aun, 2020; Michael & Geetha, 2020). Therefore, in times of difficulties or economic downturns, organizations often implement the "last in, first out" policy when reducing the number of employees. This approach mostly impacts the younger group within the labor market.

Besides that, it is often seen that a majority of organizations exhibit a preference for employing individuals who possess a considerable amount of experience. The level of job experience among youth group members is comparatively lower in comparison to adults who have accumulated extensive industrial expertise over a prolonged period (Brzinsky-Fay, 2017). Organizations need to provide them with enhanced and comprehensive training opportunities to further refine the knowledge they have acquired via formal education at schools or higher educational institutions. Furthermore, it is also perceived that these individuals are less likely to encounter challenges related to absenteeism. In addition, the job market poses challenges for youth due to their limited acquisition of skills and knowledge that are directly applicable to employment (Claudiu et al., 2018). Therefore, the primary cause of unemployment may be attributed to the mismatches in skills between youth and the requirements set out by organizations (Hossain et al., 2018).

Hence, it is imperative to tackle the issue of young unemployment in Malaysia, since this demographic represents a generation that has the potential to make significant contributions to the nation's economy. Simultaneously, there will be a rise in social benefits due to the mitigation of young unemployment, which has the potential to avoid violence or criminal activities. This reduction in frustration will foster a sense of inclusion within the youth demographic in national policy, therefore diminishing their susceptibility to vulnerability. Employment opportunities play a crucial role in facilitating the liberation of young people from challenges in life and poverty.

The role of entrepreneurship is crucial and critical in propelling Malaysia towards achieving its goal of being a developed country by the year 2030. Entrepreneurship may be seen as a social strategy for Malaysia to overcome the middle-income trap and position itself as an economic hub in the Asian region. The National Entrepreneurship Policy (NEP) 2030 has established six major thrusts to accomplish its objectives. Strategic Thrust 3 focuses on promoting comprehensive and cohesive entrepreneurial development. Strategic thrust 3 is underpinned by a triad of strategies and a total of nine initiatives, all aimed at fostering the development of social entrepreneurship (MEDC, National Entrepreneurship Policy, 2030). Social entrepreneurship has the potential to address social problems and make a significant contribution to the socio-economic development of a country. Therefore, this paper posits that engaging in social entrepreneurship might be a viable strategy for mitigating youth unemployment in Malaysia.

The arrangement of this paper is as follows. It first provides an introduction, background on youth unemployment issues in Malaysia, and the objective of the study. Secondly, it provides an explanation and discussion of the literature review. The literature review discusses the main topic; social entrepreneurship, potential challenges, and opportunities, for social entrepreneurship in Malaysia. Next, it provides the methodology used and finally, the paper concludes with a discussion of future research opportunities.

### **Objective**

- a) The main objective of this study is to highlight social entrepreneurship as a solution to the youth unemployment issue in Malaysia.
- b) The second objective is to examine the potential opportunities and challenges for youth social entrepreneurship in Malaysia.

### **Literature Review**

#### **Youth Unemployment**

The International Labor Organization (ILO) describes unemployment as referring to those people who are unemployed for more than one hour during the short reference period but who are available for and actively seeking work (International Labor Organization (ILO); O'Higgins, 1997). According to the Department of Statistics Malaysia, the term "unemployment" refers to a person who possesses a desire to engage in employment but does not have employment opportunities (Department of Statistics Malaysia, 2023). Unemployment is classified into two distinct categories, namely active unemployed and inactive unemployed. The actively unemployed include all persons who did not work during the reference week but were available for work and actively looking for work during the reference week (Malaysia Labour Force Survey, 2023). In the category of inactively unemployed individuals, there are several subgroups: individuals who refrained from seeking employment due to their perception that no job opportunities were available or because they believed they lacked the necessary qualifications; individuals who would have actively sought employment if they had not been temporarily incapacitated by illness or hindered by adverse weather conditions; individuals who were awaiting the result of their job applications; and individuals who had actively sought employment in the period preceding the reference week (Malaysia Labour Force Survey, 2023). Within this particular context, a significant proportion of young individuals exhibit a high level of engagement and participation. This may be attributed to their status as graduates from various educational establishments such as

schools, and higher institutions and who possess a strong desire to pursue professional opportunities within their chosen fields.

According to the Chief Statistician of Malaysia, the total number of unemployed was 546,600 people in March 2020. Youths are the largest contributor to this percentage 6.9 percent compared to the age group of 31 to 45 years (1.4 percent) and 46 to 64 years (1.1 percent) (Harian, 2020). In 2022 unemployment youth is 11.7 percent of the total labour force ages 15-24 as reported by the International Labour Organization (ILO) (The World Bank Data, 2023). The latest report from the Department of Statistics Malaysia indicates that the unemployment rate for youth aged 15 to 24 years in June 2023 remained at 11 percent recording 312,400 (The Star, 2023). The statistics provide evidence that young people constitute the most challenging demographic group and are disproportionately affected by the issue of unemployment. The primary factor of unemployment is often attributed to the lack of competitive advantage resulting from inadequate relevant qualifications and effective skills. This pertains to a deficiency of professional experience, and technical and soft skills. Nevertheless, a significant contributing factor to the issue of unemployment is the lack of job opportunities in the labor market.

### **Social Entrepreneur**

According to the Ministry of Entrepreneur Development and Cooperatives, social entrepreneurs are individuals driven by a sense of purpose, offering innovative solutions to address society's most pressing social, cultural, and environmental issues. They actively engage in the process of addressing these challenges and consistently generate fresh ideas for creating systemic-level change. Their primary objective is to make a positive impact on the targeted social beneficiaries, communities, or the environment, all while maintaining a commitment to sustainability in their activities (Ministry of Entrepreneur Development and Cooperatives, 2023).

### **Social Entrepreneurship**

Social entrepreneurship is a distinctive form of entrepreneurial activity that revolves around addressing pressing social issues and creating a positive societal impact. It effectively combines commercial endeavors with a commitment to channeling profits into social initiatives and community support (James & Sahid, 2022). This approach places a significant emphasis on conducting social activities that benefit the community and environment, transcending the conventional pursuit of personal wealth and focusing instead on providing solutions to challenges faced by communities.

At its core, social entrepreneurship can be succinctly defined as the systematic process through which individuals, known as social entrepreneurs, proactively devise innovative solutions to society's most pressing social and environmental challenges (Ministry of Entrepreneur Development and Cooperatives, 2023). This involves the creative and strategic deployment of resources with the overarching goal of catalyzing meaningful social change and addressing pressing societal needs. Social entrepreneurs ardently aspire to effect positive transformations within society, aiming to mitigate social problems and enhance the well-being of both individuals and communities. In stark contrast to traditional entrepreneurship's pursuit of profit maximization and economic growth, social entrepreneurship stands out by prioritizing the creation of social value and active engagement in addressing critical social issues (Roslan et al., 2022).

**Youth Entrepreneurship**

Youth entrepreneurship has emerged as a topic of significant scholarly interest and policy relevance. It represents the dynamic process by which young individuals undertake the initiation and management of entrepreneurial ventures. Youth entrepreneurship refers to the involvement of young individuals, typically between the ages of 18 and 35, in entrepreneurial activities. It involves young people starting and running their businesses or ventures, taking risks, and pursuing opportunities for economic and social impact. Youth entrepreneurship is seen as a means to empower young individuals, promote economic growth, and address youth unemployment. It provides young people with opportunities to develop their skills, creativity, and leadership abilities, while also contributing to job creation and innovation in various sectors (Roslan et al., 2022).

The Organisation for Economic Co-operation and Development (OECD), in 2012, contributed to the discourse by characterizing youth entrepreneurship as "the process of identifying opportunities, taking risks, marshaling resources, and striving for success in a competitive marketplace by individuals aged between 15 and 29" (OECD, 2012). This definition underscores the proactive nature of youth entrepreneurship, emphasizing the identification of opportunities, risk-taking, and resource mobilization. The Global Entrepreneurship Monitor (GEM), in its 2022 report, adds depth to the definition by stating that youth entrepreneurship entails "the creation or ownership of new ventures by individuals aged between 18 and 34 years, encompassing start-ups, businesses, or social enterprises" (GEM, 2022). The GEM definition encapsulates the diverse range of ventures young entrepreneurs engage in and the innovative aspects they bring to the entrepreneurial landscape.

The International Labour Organization (ILO), in 2004, offered a succinct yet fundamental definition, stating that youth entrepreneurship constitutes "the process of young people starting and managing their businesses" (ILO, 2004). This concise definition forms the cornerstone for understanding the essence of youth entrepreneurship as an entrepreneurial journey initiated and led by young individuals. In a more recent perspective, the Kauffman Foundation 2023 characterizes youth entrepreneurship as "the process of young people starting and growing businesses to solve problems and create value for others" (Kauffman Foundation, 2023). This definition emphasizes the problem-solving orientation of youth entrepreneurs, their role as value creators, and their potential for positive societal impact.

In conclusion, youth entrepreneurship, as articulated by these esteemed sources, embodies the active involvement of young individuals in establishing and managing entrepreneurial ventures. It catalyzes innovation, economic development, and the generation of employment opportunities. While acknowledging the distinctive challenges faced by youth entrepreneurs, this review underscores the need for continued research and policy support to unlock the full potential of youth entrepreneurship in the global entrepreneurial landscape.

**Youth Entrepreneurship development and participation in Malaysia**

In scholarly circles, youth entrepreneurship continues to garner attention due to its potential to stimulate economic growth and address youth unemployment. Young entrepreneurs confront unique challenges, such as limited access to capital and mentorship opportunities. However, numerous resources and programs have been instituted to alleviate these barriers and empower aspiring and early-stage youth entrepreneurs.

Youth entrepreneurship development and participation in Malaysia is a growing area of interest, as the country seeks to boost its economy and create jobs. The Malaysian

government has implemented several initiatives to support young entrepreneurs, namely; start-up accelerators and incubators, financial assistance, and entrepreneurship education. According to the Global Entrepreneurship Monitor (GEM) 2022/2023 report, the early-stage entrepreneurial activity (TEA) rate among Malaysian youth (aged 18-34) is 17.2%. This is higher than the global average of 12.4% and the Southeast Asian average of 14.0% (Global Entrepreneurship Monitor (GEM) 2022/2023 report). Therefore, these programs under the start-up accelerators and incubators provide young entrepreneurs with mentorship, training, and access to resources to help them get their businesses off the ground.

In terms of financial assistance, the Malaysian government has allocated RM1 billion to support youth entrepreneurship development in 2023 (Malaysian Ministry of Finance, 2023). This funding will be used to provide financial assistance, training, and mentorship to young entrepreneurs. The government is working to promote entrepreneurship education in schools and universities. Until now, there are over 13,000 start-ups in Malaysia, and more than half of these start-ups are founded by young people (Malaysian Global Innovation & Creativity Centre (MaGIC)). Some of the most successful start-ups in Malaysia, such as Grab, Carousell, and iFood, were founded by young entrepreneurs (Forbes Asia, 2023).

In addition to these government initiatives, several private-sector organizations support youth entrepreneurship in Malaysia. These organizations offer a variety of programs and services, such as mentorship, training, and networking opportunities. Some examples of organizations and initiatives that support youth entrepreneurship in Malaysia are the Funderburk, a social enterprise that provides training and support to young entrepreneurs, MaGIC, a government-backed accelerator program that helps start-ups grow and scale their businesses, and MYStartup, a government-backed initiative that provides funding and support to start-ups.

Despite the growing support for youth entrepreneurship in Malaysia, there are still several challenges that young entrepreneurs face. According to a recent survey on youth capital by the Securities Commission Malaysia, the biggest challenge faced by young entrepreneurs is a lack of access to capital, and another challenge faced by young entrepreneurs is a lack of experience and mentorship (Youth Capital Market Survey, 2022). A 2021 survey by the Kauffman Foundation found that Malaysia has a relatively low start-up survival rate (Kauffman Foundation survey, 2021).

## **Methodology**

This research is entirely based on secondary data gathered from various sources. This research is grounded on a solid theoretical framework combined with secondary data. The data has been gathered from a variety of books, new papers, journals, research papers, case studies, and other online databases such as Sage, Science Direct, Springer Link, and Emerald. The study uses the following key terms as a starting point: youth unemployment, youth entrepreneurship, and social entrepreneurship. The present study was undertaken to understand the relationship between Social entrepreneurship and youth unemployment issues in Malaysia. This study also examines the challenges and prospective opportunities that pertain to young social entrepreneurship within the context of Malaysia.

## **Discussion**

### **Challenges in the Youth Social Entrepreneurship in Malaysia**

Development of youth entrepreneurship, particularly social entrepreneurship in Malaysia is not without its unique challenges which if not addressed accordingly, may result in its stunted

development in the long run. Several challenges are being highlighted by MECD (2023) towards youth social entrepreneurship. These boil down to insufficiency of expertise, funding, impact measures, skills, and ability to compete in the market which will be discussed throughout this section.

**Insufficient Expertise And Knowledge.**

Social entrepreneurship, as with any other business venture requires expertise and knowledge as well as business acumen to succeed and sustain the success. Furthermore, social entrepreneurship is created with not just profitability as its objective, but also the positive social impact that it may create or social issues that it is meant to solve (Yunus, 2010). MECD (2023) emphasizes the importance of expertise and knowledge in ensuring the success and sustainability of youth social entrepreneurship as businesses will require a business model that comprises of stable and sustainable source of income, well-designed products and services in line with the market needs, prudent cost management supported with far-sighted management philosophy.

Youth social entrepreneurs are often filled with passion for changing the socio-economic landscape for the better but lack the expertise and knowledge to sustain their business ventures. Deficits in terms of expertise and knowledge in the long run, deplete this passion in light of difficulties and challenges in the business world.

**Lack of Access to Funding**

Youth social entrepreneurs often engage in social businesses which are relatively new in the market. Similar to other start-ups, one of the significant hurdles that these start-ups need to face is a lack of access to adequate funding. Conventional financial institutions often emphasize credit rating scores and availability of collateral before granting any financial assistance. These two important components are often lacking amongst the youth social entrepreneurs which leads to their inability to be granted funding for their social business ventures.

As an alternative to historical credit scores and collaterals, conventional financial institutions may grant financing facilities to start-ups given potential future monetary returns which will guarantee payments to the institutions. This also poses a challenge to young social entrepreneurs as by nature, social entrepreneurs are focusing more on addressing social issues through sustainable business models (Yunus et al., 2010) rather than emphasizing traditional bottom-line financial numbers.

**Lack of Outcomes and Impact Measures**

Traditional business often relies on the financial data obtained through audited financial statements. Despite being a reliable and comprehensive set of data for business performance measurements, reliance on financial data alone may not be sufficient to gauge the level of outcome and impact of youth social entrepreneurship. This is because social entrepreneurship's main focus is not on profit and shareholder maximization, but rather on the positive socio-economic impacts of the business ventures. Currently, there is an absence of comprehensive data being collected to form a standard measure on outcomes and impact footprints for social entrepreneurship (Ministry of Entrepreneur and Cooperative Development (MECD), 2023).

Impact measurements are essential for business, particularly youth social entrepreneurship for the business to ascertain the level of achievement against its

establishment objectives. This will help for better future planning and fine-tuning of business strategies and approaches if need be to optimize the positive impacts of the business towards the socio-economic well-being of the public. Furthermore, the lack of reliable impact measurements may lead to the inability of youth social entrepreneurship ventures to secure sufficient funding, not just from financial institutions, but also from the public through for example, crowdfunding or private equity and venture capital injections.

### **Lack of Skill**

The relatively new breed of social entrepreneurship is meant to challenge the status quo of how business is being carried out, particularly in the capitalistic economy. In going against the natural flow of profit-driven economic activities, young social entrepreneurs are expected to be able to create unique business models accompanied by corporate governance structure and strategies that bridge between limited resources at hand with aiming towards addressing social issues (Seelos & Mair, 2005). Furthermore, entrepreneurs need to be equipped with other related skills such as leadership, problem-solving, and effective communication. Such skill sets are critical in the current economic field in light of the ever-changing landscape amidst globalization through the use of technology and the Internet of Things. Youth social entrepreneurs often lack these essential skills which go hand in hand with their lack of experience in the field which may hinder their success in navigating through the business world.

### **Lack of Ability to Compete**

Youth social entrepreneurs will not be competing in their unique niche areas but often in a business landscape that has been occupied by other profit-driven, well-established businesses. This can be a daunting experience to the youth social entrepreneurs, coupled with a lack of resources for these young entrepreneurs to compete on an equal footing (MECD, 2023). Prolong competition with disadvantages against established businesses may exhaust young social entrepreneurs' ability to sustain their existence which ultimately kills the business in the long run despite the tremendous promise these social business ventures hold towards the betterment of society at large.

## **Opportunities for the Youth Social Entrepreneurship in Malaysia**

### **Government support and assistance**

The social entrepreneurship movement in Malaysia is experiencing increasing significance, necessitating recognition from both the government and society as a whole due to its expanding role in nation-building. Government initiatives and private sector agency efforts aimed at assisting youth social entrepreneurs in Malaysia. The Malaysian government via a newly set-up Malaysian Global Innovation and Creativity Centre (MaGIC) allocated RM20 million to set up a Social Entrepreneur Unit to spearhead the development of the social enterprise sector in the country (Mustaffa et al., 2020). In addition, there has been a notable development in the presence of supportive intermediaries, including organizations such as myHarapan, iM4U, Impact Hub, Tandemic, and Social Enterprise Alliance, as well as local institutions. These entities are actively engaged in raising awareness about social entrepreneurship and providing assistance to the community via a range of social enterprise activities.

Besides that, financial resources play a crucial role in the endeavors of young social entrepreneurs. There are several financial options and possible sources for investment



possibilities. Financial assistance is provided by a range of organizations and agencies to facilitate the establishment and expansion of businesses. Notable examples are SME Corp Malaysia, SME Bank, Tekun Nasional, Bank Rakyat, Perbadanan Nasional Berhad, and Amanah Ikhtiar Malaysia (Ministry of Entrepreneur and Cooperative Development (MECD), 2023).

### **Established Policy**

The development of social entrepreneurship has been included in the broader framework of national entrepreneurship development initiatives. The Malaysian Government has implemented primary policies to serve as guiding principles for social entrepreneurship.

#### **a) Social Enterprise Accreditation Guidelines (2019)**

Towards recognizing social entrepreneurship in Malaysia, the Ministry has developed the Social Enterprise Accreditation which provides certification of legitimate social enterprise status to help them access support and opportunities provided by the various Government Ministries and agencies. There are two types of accreditation within the realm of social enterprise, namely Basic Social Enterprise (SE. Basic) and Accredited Social Enterprise (SE.AC) (SEMy, 2030). As of December 2021, 414 establishments have been registered as social enterprises under the Ministry of Entrepreneur Development and Cooperatives (MEDC), and out of these 48 are accredited.

#### **b) Social Entrepreneurship Blueprint 2030 (SEMy2030)**

The Social Entrepreneurship Blueprint 2030 (SEMy2030) aims to establish an optimal social entrepreneurship ecosystem in Malaysia, fostering a conducive environment for the growth and prosperity of social companies. This plan aims to facilitate the development and advancement of social entrepreneurship in Malaysia, while also fostering an environment that motivates individuals to pursue social entrepreneurship as a career path.

### **Tax Exemption for Social Enterprises**

Social Enterprises are eligible to obtain approval under section 127(3A) of the Income Tax Act 1967 for tax exemption on all Social Enterprise income up to 3 years of assessment subject to the validity period of accreditation approved by the Ministry of Entrepreneurship and Cooperative Development as announced in the 2022 Budget (Ministry of Entrepreneur and Cooperative Development (MECD), 2023). There are specific requirements for Social Enterprises to apply for tax exemption approval under section 127(3A) of the Income Tax Act 1967. Hence, if a social enterprise fulfills the requirements, it becomes eligible for tax exemption, thereby contributing indirectly to its development.

### **Training and Development Opportunities Programmes**

The Ministry of Entrepreneur and Cooperative Development (MEDC) and its agencies are always committed to making the social enterprise capacity development agenda a success. Among the programs carried out are as follows:

#### **a) Basic Social Entrepreneurship Course**

*Institut Keusahawanan Negara (INSKEN)* is an agency under the auspices of the Ministry of Entrepreneur and Cooperative Development (KUSKOP) that offers initiatives to develop the

capacity of entrepreneurs through training and guidance programs. INSKEN ensures that the programs organized are based on the needs and demands of the industry in collaboration with industry practitioners, professionals, and government agencies to strengthen the country's entrepreneurial ecosystem. INSKEN is responsible for providing the Basic Social Entrepreneurship Course program to anyone interested, especially to the youth group.

**b) Recovery Initiative for Social Enterprise (RISE)**

The main objective of the Recovery Initiative for Social Enterprise (RISE) is to Improve technology adaptation, digitization, and automation among Social Enterprises and cooperatives (Malaysian Technology Development Corporation (MTDC), 2023). The target group is locally owned social enterprises that have a basic social enterprise rating. The following business solutions are offered under the Recovery Initiative for Social Enterprise (RISE)

- Accounting system
- Enterprise Resource Planning System
- E-commerce Services
- Management System for Agriculture
- Online Rental System

**c) Program Micro Connector**

The Micro Connector Program is one of the ongoing initiatives by SME Corp Malaysia to develop Micro Enterprises in this country. The Micro Connector Program aims to provide technical support for micro-enterprises to increase productivity and conduct business more efficiently (SMEcorp Malaysia, 2023). The technical support package provided covers areas such as digitization & automation, smart agriculture, financial capacity building, and others. Social Enterprises in the eligible micro-enterprise category are invited to apply to participate in the Micro Connector Program.

**d) Social Entrepreneurship Bootcamps**

The primary objective of this boot camp is to concentrate on the many domains of social entrepreneurship, with a specific emphasis on tackling global challenges in alignment with the United Nations (UN) Sustainable Development Goals (SDGs). The platform serves as a means for social entrepreneurs in their early stages to verify their ideas and facilitate the process of commercialization (MaGIC, 2023). The participants will start their endeavor of establishing Social Enterprises, which will ultimately be directed towards the PUSH Accelerator and Social Enterprise Accreditation (SE.A).

**e) Pemangkin Usahawan Sosial Hebat**

The *Pemangkin Usahawan Sosial Hebat (PUSH)* initiative is a comprehensive program aimed at fostering the growth of social enterprises and enhancing their social influence by providing tailored capacity-building and skills development training (Malaysian Global Innovation & Creativity Centre (MaGIC), 2023). The *Pemangkin Usahawan Sosial Hebat (PUSH)* program will facilitate social entrepreneurs in their pursuit of grants of up to RM100,000.00. This program will serve to support the expansion of their business operations, therefore uplifting the B40 community and optimizing their social and environmental contributions (Ministry of Entrepreneur and Cooperative Development (MECD), 2020).

**A growing community support and loyal customer**

Social enterprises are highly adaptable entities that function at the convergence of commercial activities and the promotion of societal well-being. In addition to offering useful goods and services to localities, businesses also play a significant role in fostering community development, empowerment, and resilience by actively tackling various social and environmental issues. Social entrepreneurship garners significant community support due to its emphasis on solving particular community needs such as education, job creation, and access to sustainable energy. They provide novel resolutions to social and environmental issues.

**Conclusion**

The purpose of this research was to gain insights into the present state of young unemployment in Malaysia and explore the potential of social entrepreneurship as a viable solution to address this pressing concern. Based on the findings, it can be said that social enterprises have a valuable role to play in creating and sustaining civil society, the benefits of which are consumed by the whole of society. This study has identified the main challenges and opportunities for social entrepreneurship in Malaysia. The government and several agencies provide extensive assistance for the active engagement of young people in the realm of social entrepreneurship, therefore facilitating the solution of prevalent social challenges. Furthermore, they have the potential to create job opportunities for others. By using this approach, it is possible to mitigate the issue of youth unemployment in Malaysia.

As a contribution, we seek to inform both the academic community and professional sector with insights into where youth social entrepreneurship is potentially lacking and where it is thriving. Given social entrepreneurship as a solution for the unemployment issue among youth in Malaysia, the implications of this research are imperative for academics and industry professionals to historically understand the direction research has taken about social solutions and social entrepreneurship. By the year 2030, it is anticipated that the social entrepreneurship movement will gain recognition as a substantial contribution to the development of a successful, inclusive, and sustainable Malaysia.

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