Introduction

Internal research & collaboration between University of Nottingham, UTS and Sarawak Development Institute

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Period of research: Aug-Dec 2023

Self-funded exploratory research- non-exhaustive objective 'snapshot'

As a stakeholder engagement session: to learn from the audience, encourage adoption, brainstorm on the way forward and to finalise the report for publication

Digital Economy fervor

Many agencies, initiatives and target groups without mapping of initiatives across the state, leaving a gap in the overview of their scope and reach

Faith on entrepreneurship (**RM44bil** Budget 2024) and digital realm as a platform for poverty alleviation without differing IT startups to village sellers

Indications:

- **74%** Malaysian online shopping at least once a month (Visa Study 2024)
- E-commerce contributes **RM239.1 bil GDP** in 2022 (MoE)
- Sarawak e-commerce income **RM35.9 bil** & expenditure **RM30.1 bil** (2021) (ibid.)
- Shopee: **8/10 s**urveyed started selling with the platform, **9/10** still buy online as adopted habit (Survey 2022)
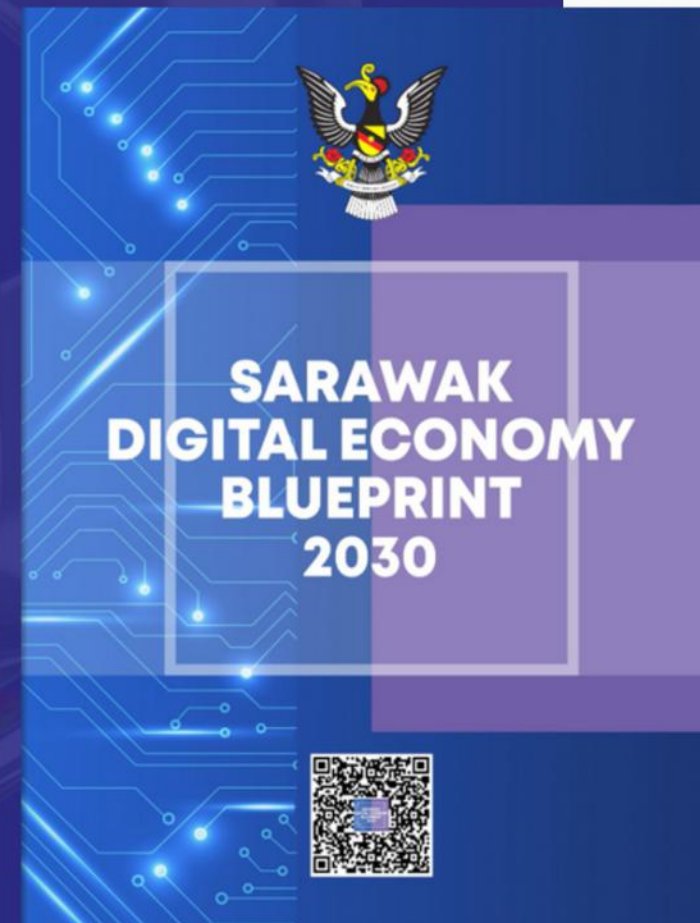
Objectives

Map and document the existing digital entrepreneurial ecosystem in Sarawak to examine the scope of coverage, areas of overlap efforts, and opportunities for collaboration

Understand and evaluate the projects' performance indicators

Assess the efficacy of these initiatives in reaching rural entrepreneurs, particularly those in underserved areas, and identify potential strategies for improvement

Initiatives Ecosystem

Advocates for entrepreneurship in general, identifying opportunities or the creation of new ones to develop and commercialize new products and services (Hitt, 2001).

Entrepreneurship Initiative (EI)

Digital Initiative (DI)

Digital Entrepreneurship Initiative (DEI)
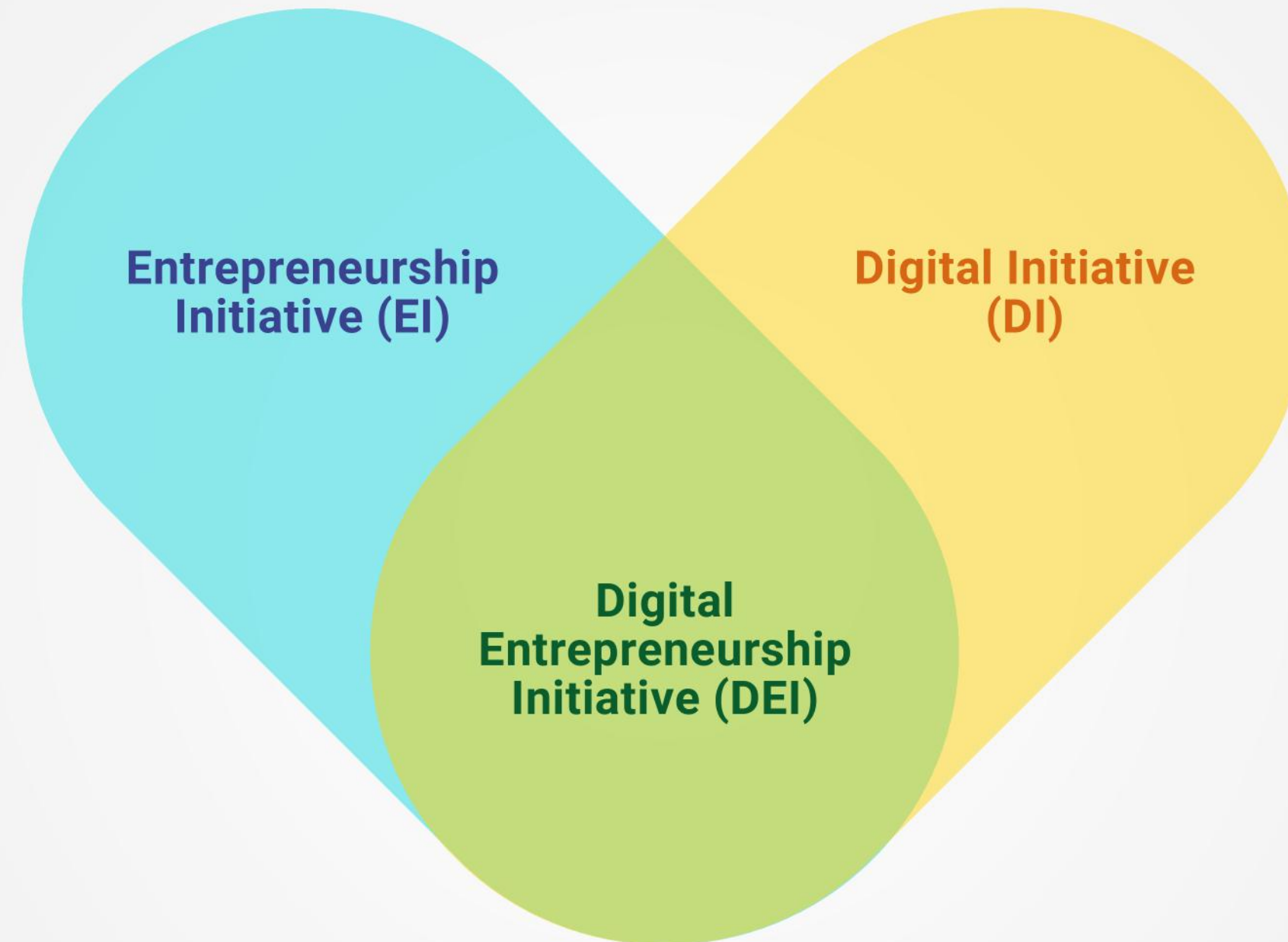
Focuses on digitalisation programmes: self-organizing, scalable and sustainable system composed of digital entities and their interrelations to increase system utility, cooperation and innovation (Li, Du and Yin, 2017)

Focuses on the sub-category of digital entrepreneurship that supports the digitalisation of some or all of [...] what would be physical in the traditional settings using digital technology, or the creation of and transformation of existing business using novel digital technology. (Davidson and Vaast, 2010; European Commission, 2015; Zhao and Collier, 2016).

Methodology

Secondary data

Reviewed a total of 150 initiatives, narrowed to 50 DEIs online searches, compilation and classification

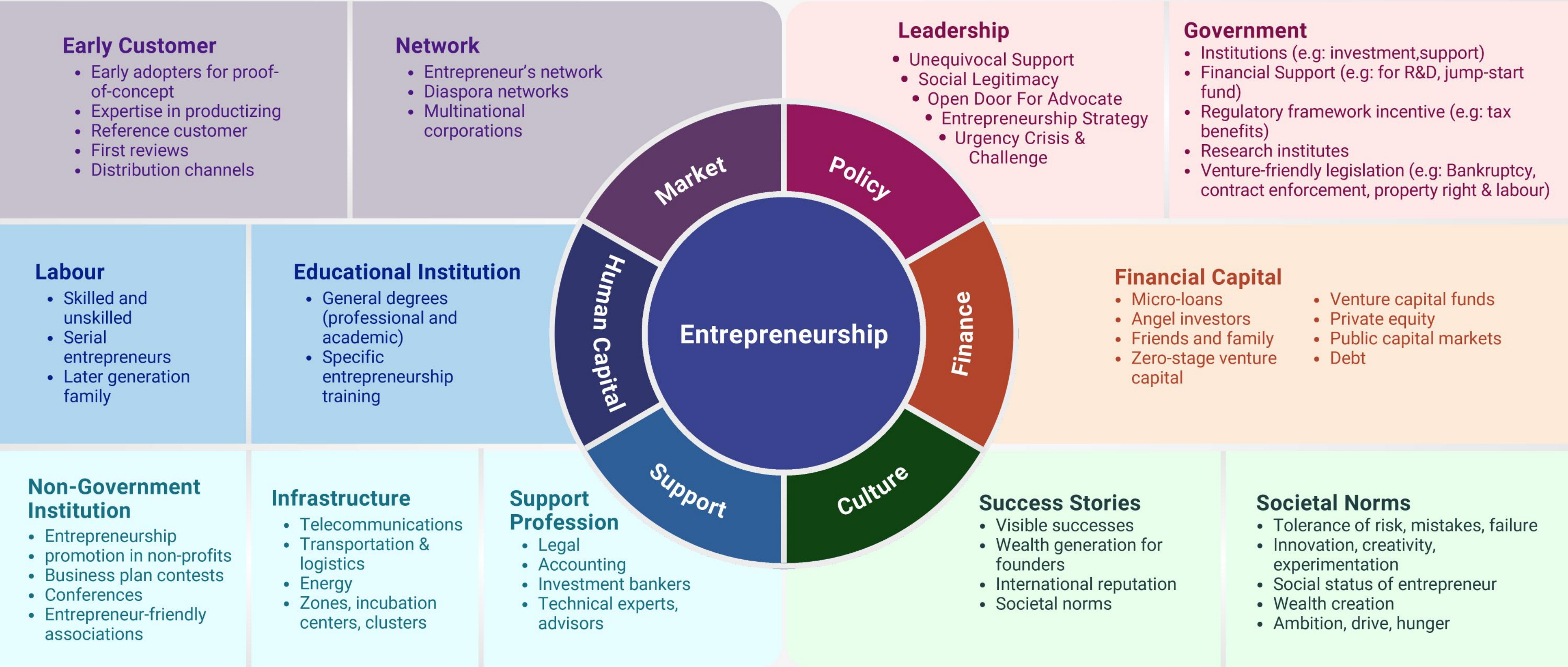Cross-tabulation between- federal vs state, six domains, six target groups

Federal Initiatives

Initiator	KKD		KUSKOP					MOSTI		MTEC		MOTAC	MITI		KKDW		MAFS	MEWC
Implementor	MDEC	MCMC	BPES	INSKEN	MDEC	MDEC, CEDAR	SME Corp	CRADLE	MDC	MTEC	NTIS	Kraftangan Msia	MATRADE	MITF	KKDW	BPEK	MFD8	KKM & PMB
Initiatives	100 Go Digital (MDEC)	PEDi	Program Pemeriksaan Usahawan Wanita (PUAN)	Program Dropship dan Ejen (DNA)	#MyDigital Maker	SME Digital Accelerator Program	Bumiputera Enterprise Enhancement Programme	MyStartup Accelerator program	MDV COMMER-CIALISATION FINANCING	Technology Advisory Service	National Technology & Innovation Sandbox Fund	Craft On The Go	eTRADE Programme 2.0	Soft Financing for Digital and Technology	Desamall	Smart Village Initiative	Incubator Virtualisation Model (IVM)	Pusat Internet Desa/Telecentre (PID)
	eUsahawan Hab						Digital Financing Initiative (Microleap)	MYStartup Bootcamp	MDV Liquidity Financing for Tech Start-ups		Technopre-neur Training Academy	E-Kraf Bazar						
	eUsahawan Komuniti						Micro Connector Programme	MYStartup Dev	MDV TECHNOLOGY ACCELERA-TION			My Craft Shopee						
	eUsahawan Siswa							MYStartup Pre-Accelerator										
	Program eDagang																	
	Shop Malaysia Online																	

State Initiatives

Initiator	SDEC		SMA			KPWK & MDEC	MINTRED		MANRED	SECA & Swinburne	TEGAS	SAINS	Timogah	UTS	WFDS	YPPB
Implementor	SDEC	SDEC, YPPB	SDEC	SMA	TEGAS	KPWK	NRDA TERAJU	SDEC	SAINS	Swinburne & SECA	Hills, WATS, RD	Spay, SAINS	Timogah	UTS & GDAIB	WFDS	TEGAS
Initiatives	Digital Accelerator Village	SME Digitalise!	Digital Innovation Hub	Digital Immersion Adoption	TEGAS Innovation Hub/Village	Digital Kenyalang	Anjung Usahawan	GoDigital	RiGHT	The Sarawak Digital Enabler	SAGO Incubator	dBazaar	Timogah Training	Chinese Cross Border E-Commerse Study Centre	eWanita	TEGAS Tech Immersion Program
	Kamek Digital															

Conceptual framework (Isenberg domains)

Early Customer
- Early adopters for proof-of-concept
- Expertise in productizing
- Reference customer
- First reviews
- Distribution channels

Network
- Entrepreneur's network
- Diaspora networks
- Multinational corporations

Leadership
- Unequivocal Support
- Social Legitimacy
- Open Door For Advocate
- Entrepreneurship Strategy
- Urgency Crisis & Challenge

Government
- Institutions (e.g: investment, support)
- Financial Support (e.g: for R&D, jump-start fund)
- Regulatory framework incentive (e.g: tax benefits)
- Research institutes
- Venture-friendly legislation (e.g: Bankruptcy, contract enforcement, property right & labour)

Labour
- Skilled and unskilled
- Serial entrepreneurs
- Later generation family

Educational Institution
- General degrees (professional and academic)
- Specific entrepreneurship training

Financial Capital
- Micro-loans
- Angel investors
- Friends and family
- Zero-stage venture capital
- Venture capital funds
- Private equity
- Public capital markets
- Debt

Non-Government Institution
- Entrepreneurship promotion in non-profits
- Business plan contests
- Conferences
- Entrepreneur-friendly associations

Infrastructure
- Telecommunications
- Transportation & logistics
- Energy
- Zones, incubation centers, clusters

Support Profession
- Legal
- Accounting
- Investment bankers
- Technical experts, advisors

Success Stories
- Visible successes
- Wealth generation for founders
- International reputation
- Societal norms

Societal Norms
- Tolerance of risk, mistakes, failure
- Innovation, creativity, experimentation
- Social status of entrepreneur
- Wealth creation
- Ambition, drive, hunger

Market
Policy
Human Capital
Entrepreneurship
Finance
Support
Culture

Primary Data Collection

Methodology

Interviews with stakeholders

Semi-structured questions

Data analysis:
thematic-pattern & trends

Emerging themes &
nuances

Policies Supporting Digital Entrepreneurship

MALAYSIA DIGITAL ECONOMY BLUEPRINT
Prime Minister Department (Economic Planning Unit)

NATIONAL E-COMMERCE STRATEGIC ROADMAP
Malaysia Digital Economy Corporation (MDEC)

NATIONAL ENTREPRENEURSHIP POLICY MALAYSIA
Ministry of Entrepreneur Development and Cooperatives (MEDAC)

NATIONAL TOURISM POLICY 2020- 2030
Ministry of Tourism, Arts and Culture Malaysia

RURAL DEVELOPMENT POLICY (DPLB) 2030
Ministry of Rural Development

SHARED PROSPERITY VISION 2030
Ministry of Economic Affairs

THE NATIONAL 4IR POLICY
Economic Planning Unit, Prime Minister's Department

SARAWAK DIGITAL ECONOMY BLUEPRINT 2030
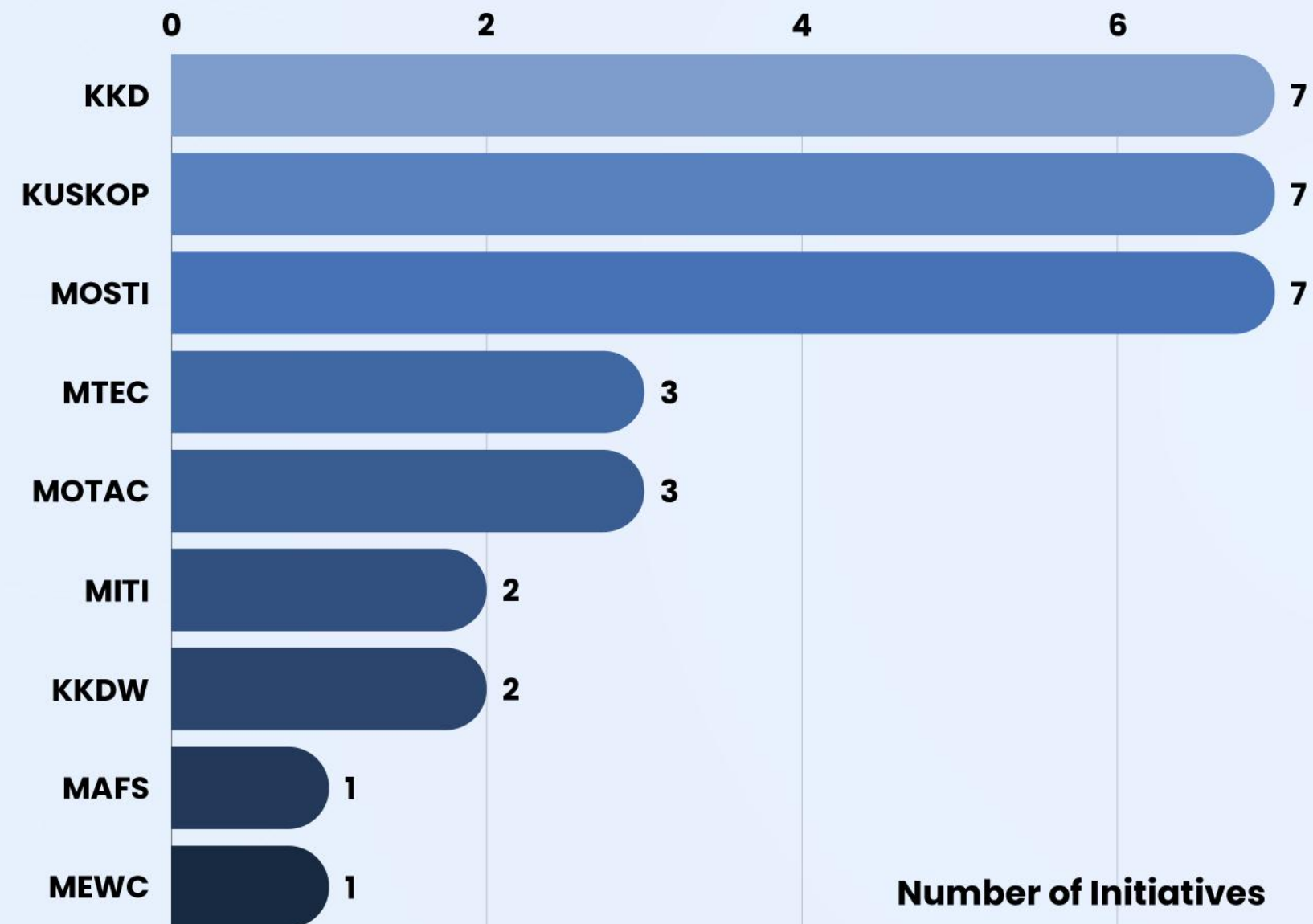Sarawak State Government, Sarawak Multimedia Authority (SMA)
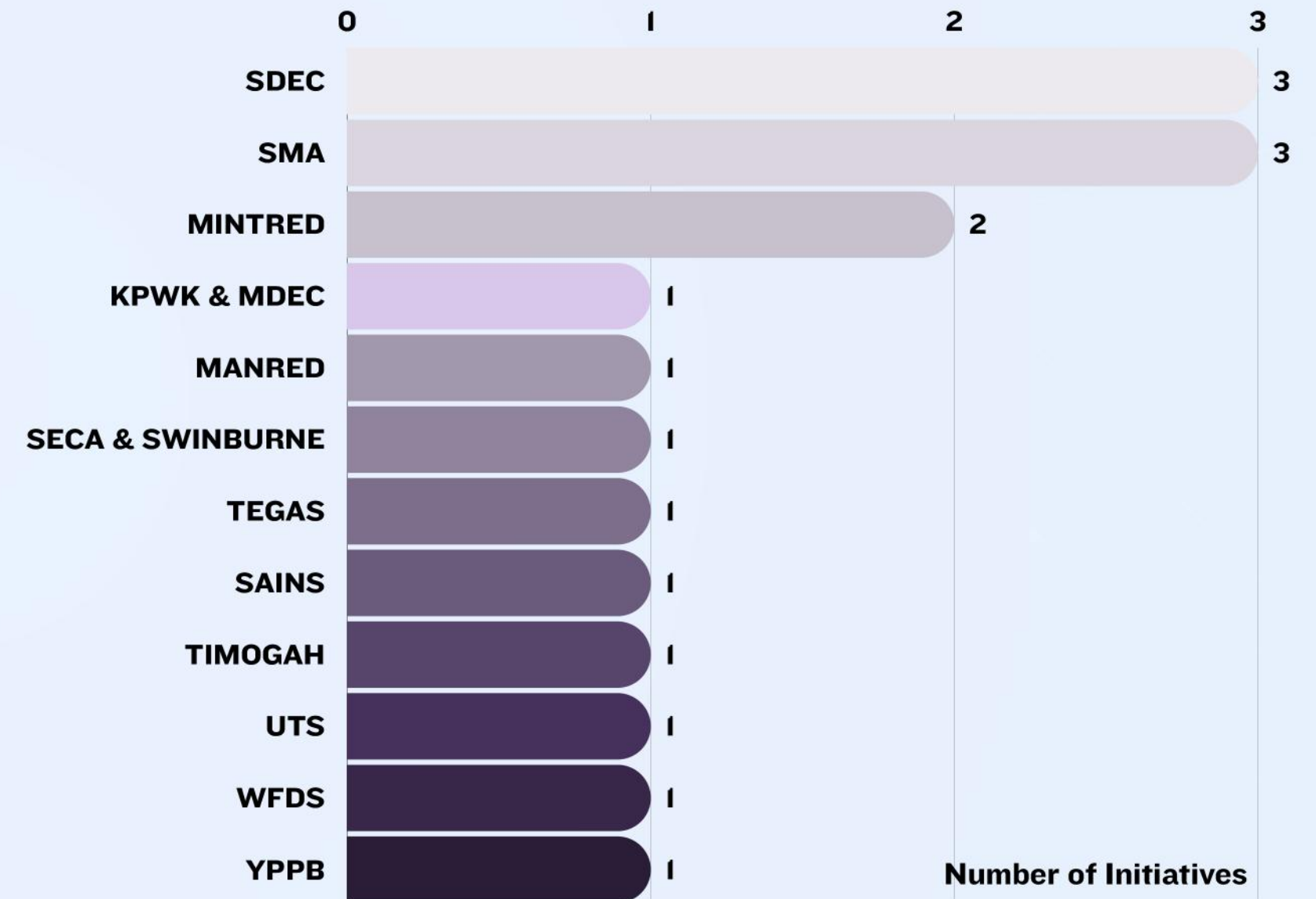
POST-COVID DEVELOPMENT STRATEGY 2030
Sarawak Economic Action Council

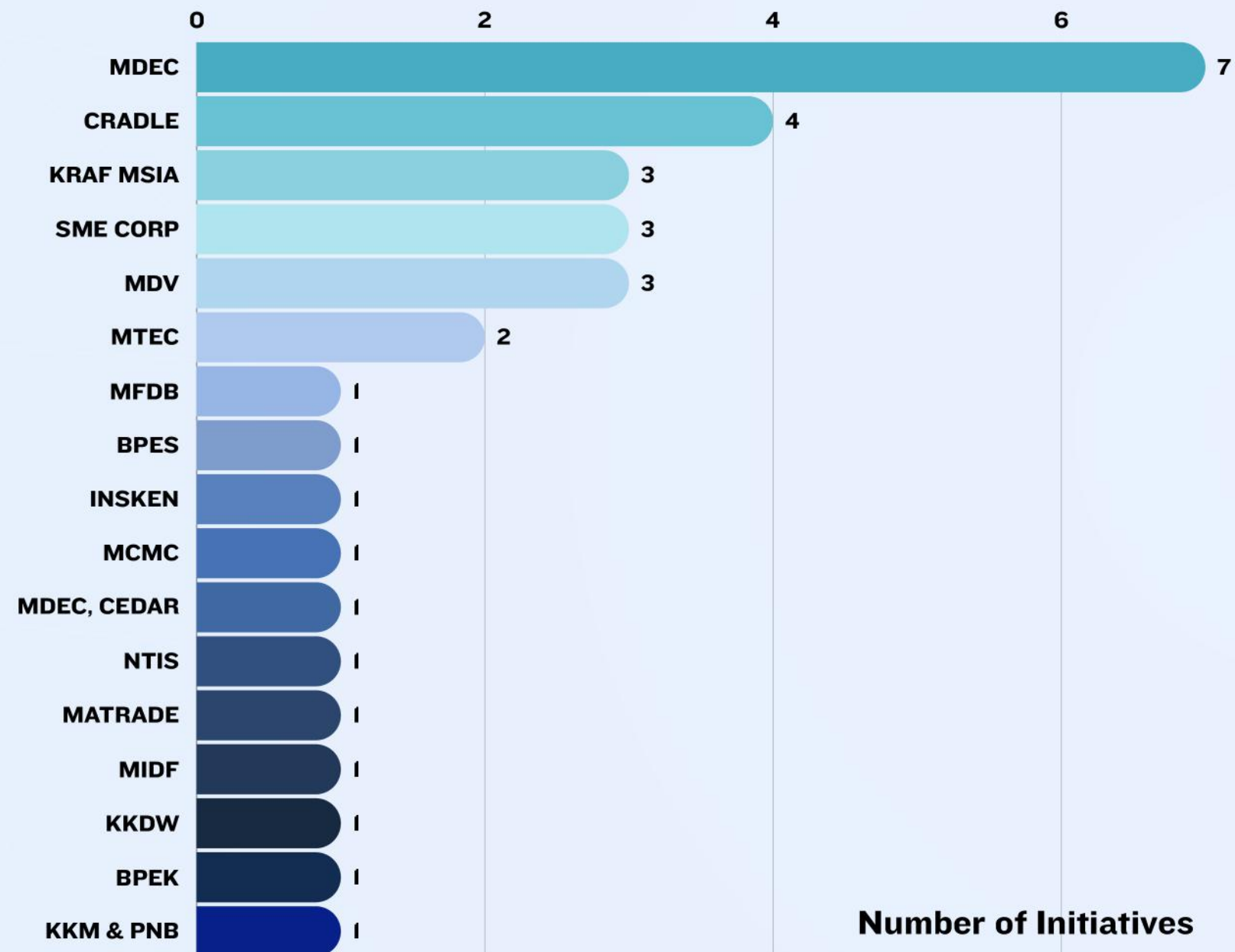# Findings : Initiatives Owners

Federal Ministries /Agencies

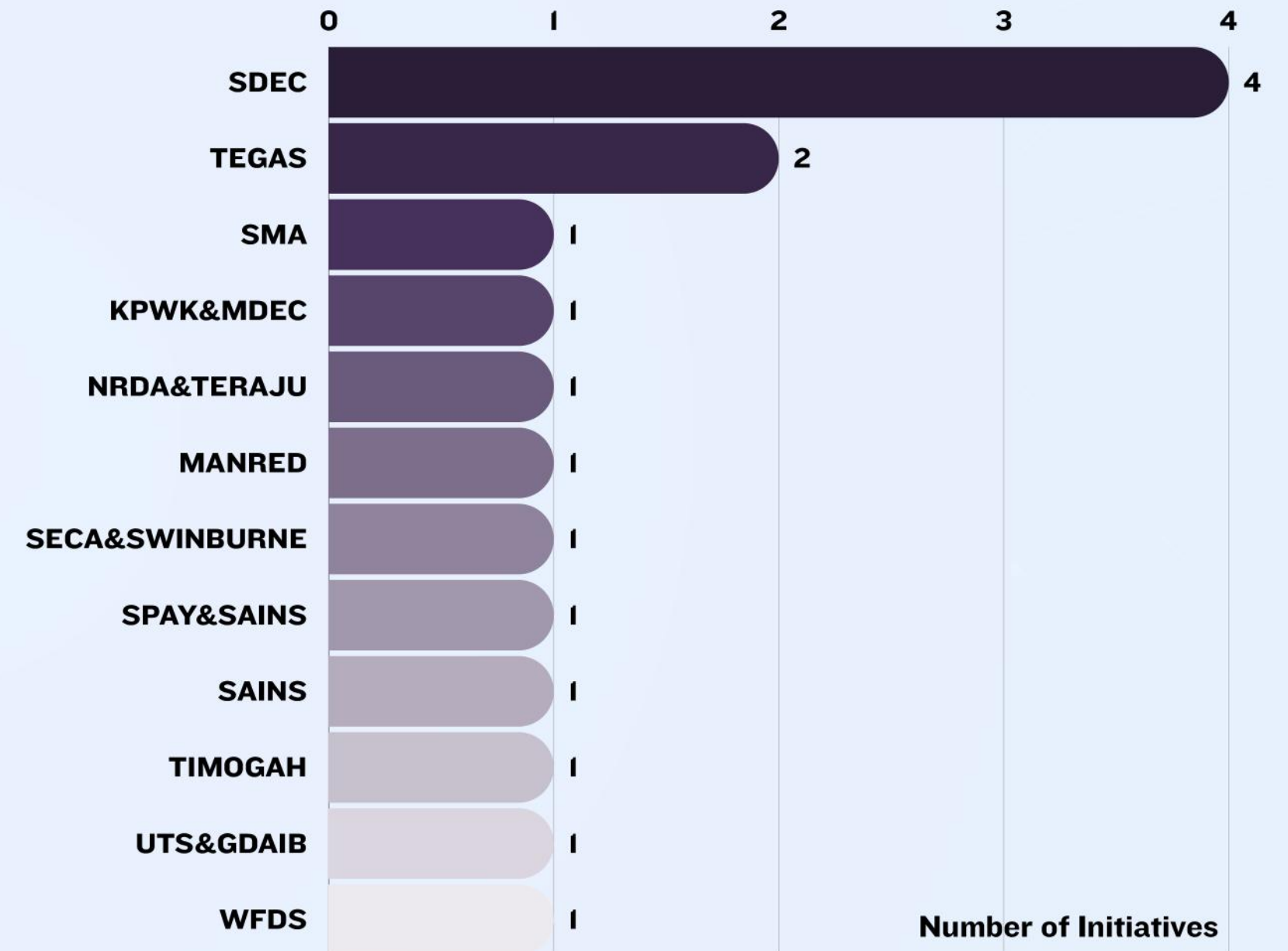| Agency	Number of Initiatives
KKD	7
KUSKOP	7
MOSTI	7
MTEC	3
MOTAC	3
MITI	2
KKDW	2
MAFS	1
MEWC	1

Number of Initiatives

State Agencies

Agency	Number of Initiatives
SDEC	3
SMA	3
MINTRED	2
KPWK & MDEC	1
MANRED	1
SECA & SWINBURNE	1
TEGAS	1
SAINS	1
TIMOGAH	1
UTS	1
WFDS	1
YPPB	1

Number of Initiatives

Findings : Initiatives Implementers

Federal Agencies

Agency	Number of Initiatives
MDEC	7
CRADLE	4
KRAF MSIA	3
SME CORP	3
MDV	3
MTEC	2
MFDB	1
BPES	1
INSKEN	1
MCMC	1
MDEC, CEDAR	1
NTIS	1
MATRADE	1
MIDF	1
KKDW	1
BPEK	1
KKM & PNB	1

Number of Initiatives

State Agencies

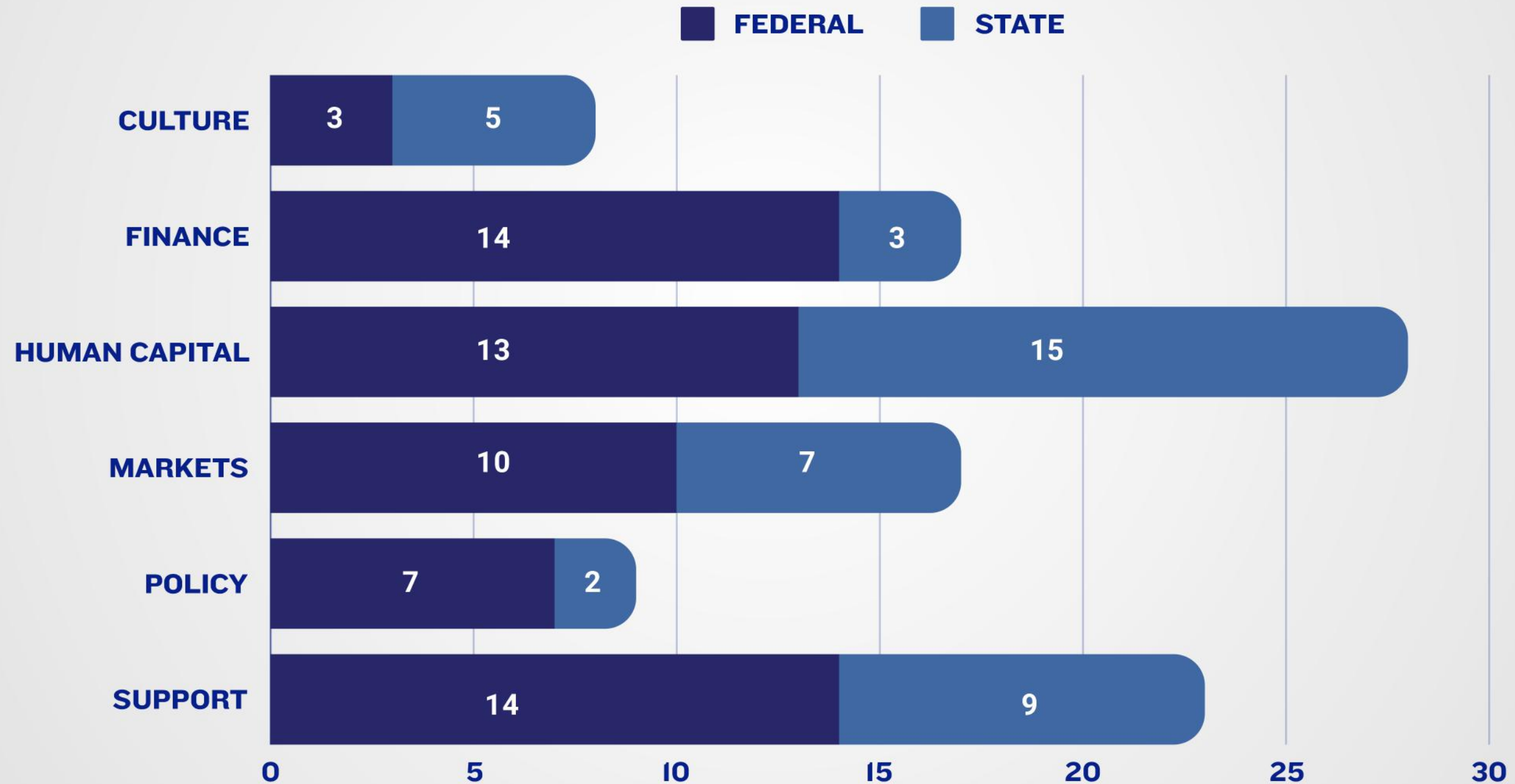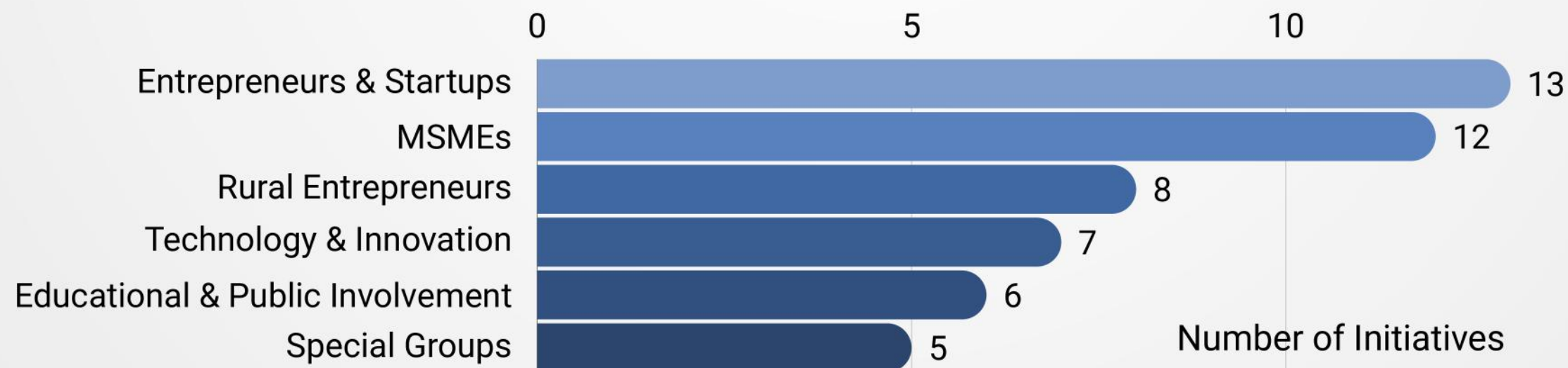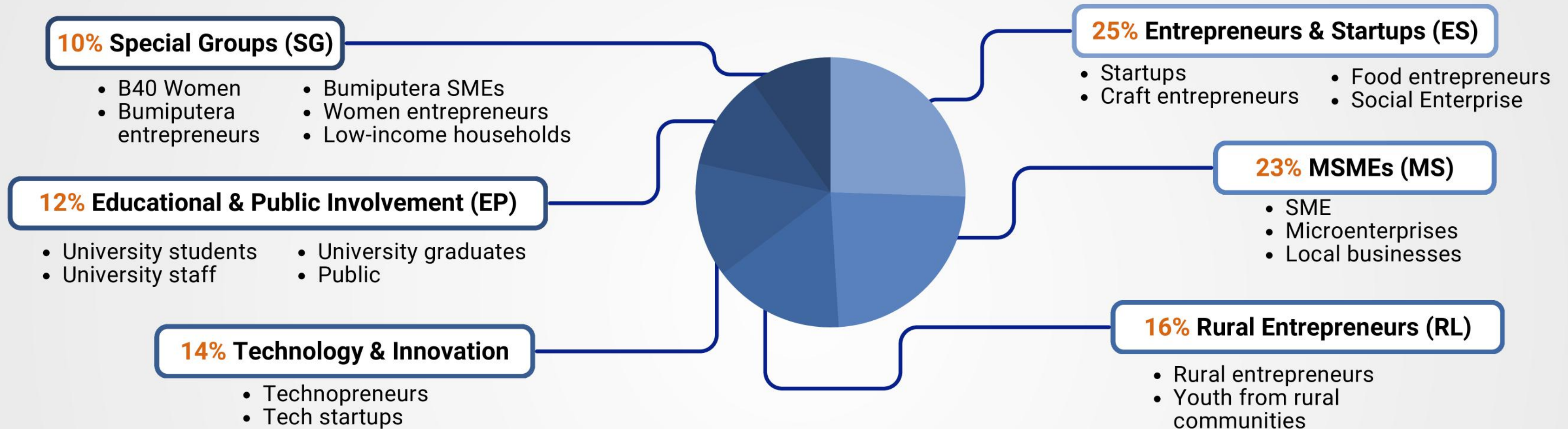| Agency	Number of Initiatives
SDEC	4
TEGAS	2
SMA	1
KPWK&MDEC	1
NRDA&TERAJU	1
MANRED	1
SECA&SWINBURNE	1
SPAY&SAINS	1
SAINS	1
TIMOGAH	1
UTS&GDAIB	1
WFDS	1

Number of Initiatives

Findings : Domains (Isenberg)

Quantity of Federal and State Digital entrepreneur InItiatives (DEI) across six categories

FEDERAL **STATE**

Category	FEDERAL	STATE
CULTURE	3	5
FINANCE	14	3
HUMAN CAPITAL	13	15
MARKETS	10	7
POLICY	7	2
SUPPORT	14	9

Findings : Domains (Isenberg)

Digital entrepreneur Initiatives by target groups

10% Special Groups (SG)
- B40 Women
- Bumiputera entrepreneurs
- Bumiputera SMEs
- Women entrepreneurs
- Low-income households

12% Educational & Public Involvement (EP)
- University students
- University staff
- University graduates
- Public

14% Technology & Innovation
- Technopreneurs
- Tech startups

25% Entrepreneurs & Startups (ES)
- Startups
- Craft entrepreneurs
- Food entrepreneurs
- Social Enterprise

23% MSMEs (MS)
- SME
- Microenterprises
- Local businesses

16% Rural Entrepreneurs (RL)
- Rural entrepreneurs
- Youth from rural communities

Category	Number of Initiatives
Entrepreneurs & Startups	13
MSMEs	12
Rural Entrepreneurs	8
Technology & Innovation	7
Educational & Public Involvement	6
Special Groups	5

Number of Initiatives

Findings : Domains vs Target Groups

Even within some domains, gaps and discrepancies in others:

- Human Capital initiatives benefit ALL of the targeted groups,

- Support initiative plays a supplementary role to human capital development by offering incubators, mentors, working space and other assistance.

- There is a lack of finance DEIs in Sarawak.

- Market initiatives heavily target Entrepreneurs & Startups (8 out of 16) with none focused on Technology & Innovation.
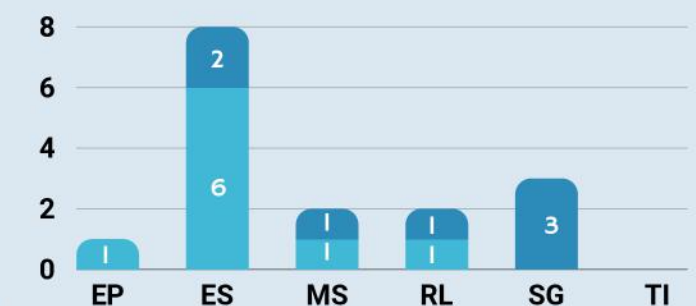
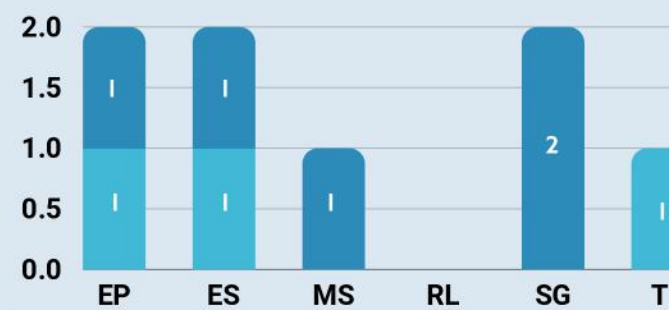## Scope and Target Groups

Legend:
- Federal
- State

Charts: Support, Market, Human Capital, Finance, Culture
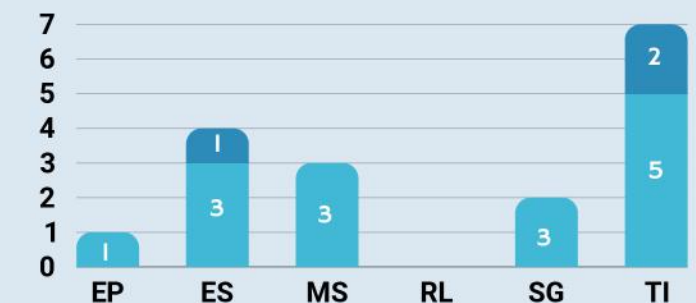
LEGEND :	
EP	Educational Institution & Public
ES	Entrepreneurs & Startups
MS	Micro, Small & Medium Enterprises
RL	Rural Entrepreneurs
SG	Special Groups
TI	Technology & Innovations

Findings
Initiatives Overlaps

Overlaps = opportunity for collaborations

" In Malaysia, we have many agencies that step on other people's toes (i.e. overlaps), some ministries focus on *usahawan* (entrepreneurs), some ministries focus on digitalisation, some focus on *usahawan wanita*. There will be overlap. Now we understand digitalisation is the way forward for everybody, right? So every ministry, every agency, are going towards digitalisation. "

Community-based & Initiative-based

" We do have the programme, we do have the initiative, we do have the knowledge, but they have the community. The combination or the collaboration is very important or the initiative *tak ke mana lah*. "
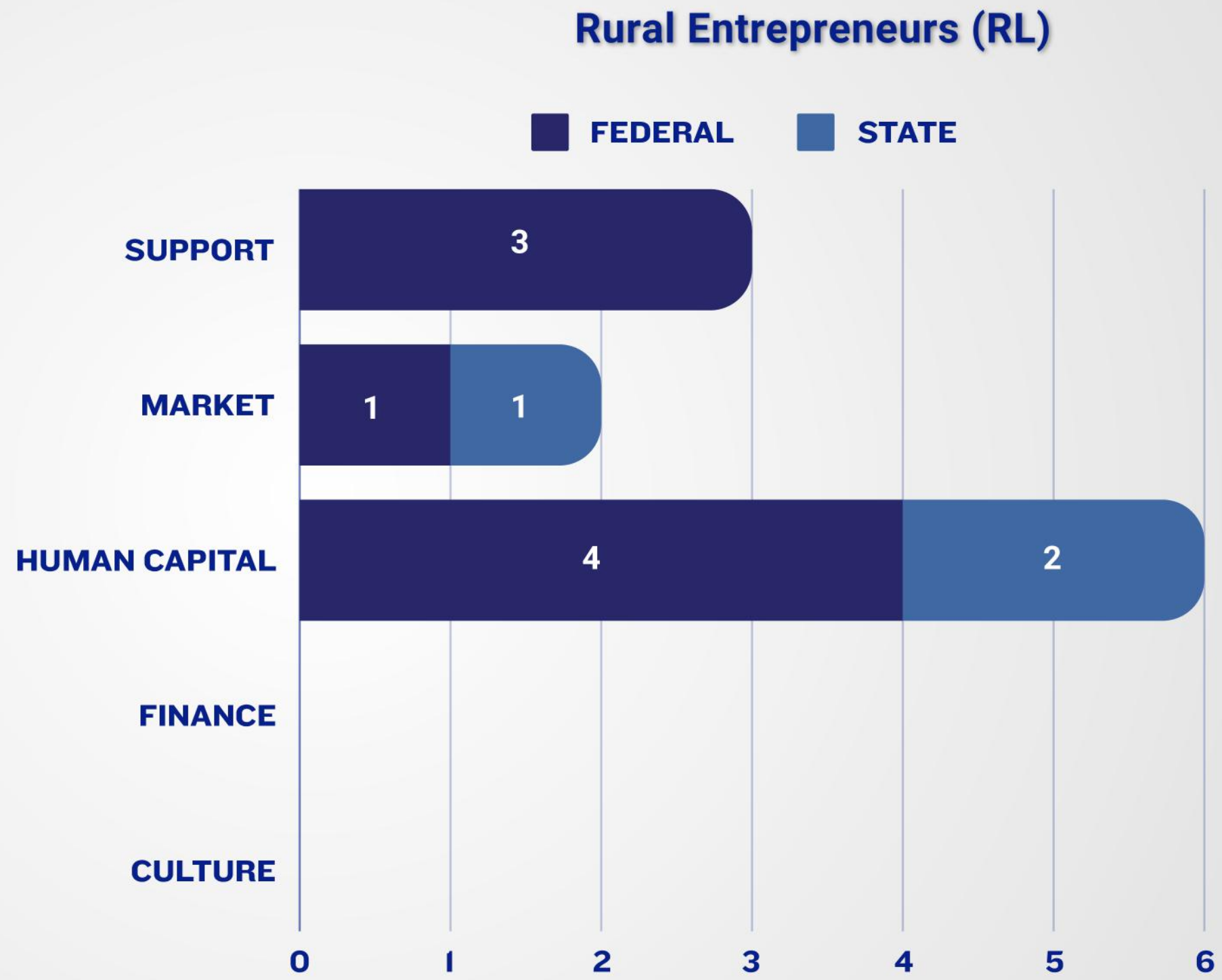
Findings
Rural Entrepreneurs

Rural Entrepreneurs (RL)

Entrepreneurship as poverty alleviation

None in finance and culture for digital entrepreneurship

Rural economy-contextual differences

FEDERAL **STATE**

Category	Federal	State
SUPPORT	3	
MARKET	1	1
HUMAN CAPITAL	4	2
FINANCE		
CULTURE		

0   1   2   3   4   5   6

Rural Entrepreneurship

"Not everything is digitizable"-nature of rural products

- The challenge of rural perishable products
- Need to develop value-added product

Logistics problem in Sarawak

- Main supply chain issue- inter-districts transportation

Digital literacy

- Minimal adoption- Facebook & Whatsapp as advertising platform
- Reliance on third party (middle-person) to participate

Quality of training and trainers

- Need for stringent screening of training providers

Role of Digital Centres

PEDi

DCC

| Rural entrepreneurship | Pick Up & Drop Off (PUDO) | Retail & advertising space | 'Hot desk' office |

Policy Recommendations

Bottom up policy planning & sensitivity to the local context

- Rural-first, not as an afterthought
- Middle-personing? NADI/ DCC as middle person?

Potential for government and business partnership

- Quid pro quo- getting sponsorship for training programme to increase platform users

Consolidation and collaboration

- overlaps between owners of 'community' and 'programme'.
- HRDC's Program Latihan Madani

Scoping down and niche focus

- Focus on other intersections- startups? Women? Youth? Rural?