

**UNIVERSITI TEKNOLOGI MARA**

**STUDY OF SOCIO ECONOMIC  
STATUS IMPACT AND SUCCESS  
FACTORS OF 1AZAM NIAGA  
PARTICIPANTS OF SARAWAK  
ECONOMIC DEVELOPMENT  
CORPORATION**

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## ABSTRACT

This paper aims to evaluate and assess the impact of 1AZAM Niaga, one of initiatives under Government Transformation Programme (GTP) that is being carried out by Sarawak Economic Development Corporation (SEDC). As there is no research yet to study the impact and success factor of participants of this program, we attempt to provide academically sound analysis on the impact of 1AZAM Niaga towards the low income households target group, determine the factor behind the success of its participants, and also to give recommendation for further improvement.

Using input gathered from the participant of the programme and data from SEDC, improvements of livelihood of participants and factors contributing to the success of participants is analyzed. Through descriptive analysis, it is found that the programme has improved income of the participant and it is significantly correlated with perception towards their improvement. Furthermore, through principal component analysis and binary logistic regression analysis, it is found that “Entrepreneurial Characteristic” and “Entrepreneurial Environment” are significantly contributing to the possibility of participant in agreeing that the programme has improved their livelihood, i.e. increasing the possibility of success of 1AZAM Niaga participant. However, it also found that none of demographic characteristic of participants have significant contribution to their success in this programme.

From the result of the study, it is recommended to SEDC to have more periodical supervision and entrepreneurial training to the participant to increase the rate of success of 1AZAM Niaga. Furthermore, SEDC must address the issue of participant that abused assistance given to them, as our study also found out that some of them sell off the equipment and do not start any business.

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## **CHAPTER ONE INTRODUCTION**

Since the introduction of the First Malaysia Plan in 1970, poverty nationwide has been progressively on the decrease from some 50% in 1970 to 3.8% in 2009 (GTP Annual Report 2011). Yet despite the strong strides forward in fighting poverty since 1970, there are still households in Malaysia that is living in poverty with more than 200,000 household classified as poor and 400,000 household classified as extreme poor (Performance Management and Delivery Unit [PEMANDU], 2011b). In 2010, towards addressing the issue of poverty, the Malaysian government has put the initiative of raising living standards of low-income households (LIH) to be one of the National Key Result Area (NKRA) under the Government Transformation Programme (GTP) and has carried out several initiatives, which includes 1AZAM (Akhiri Zaman Miskin) programme.

The 1AZAM programme centres on providing economic opportunities that could enhance the productive capacity of low-income households so that they are lifted out of poverty and become self-sustaining. There are four initiatives under 1AZAM programme – 1AZAM Tani, 1AZAM Niaga, 1AZAM Kerja and 1AZAM Khidmat. Within the state of Sarawak, Sarawak Economic Development Corporation (SEDC) is appointed as one of the agencies responsible for the verification and implementation of 1AZAM Niaga.

### **1.1 BACKGROUND**

#### **1.1.1 Sarawak Economic Development Corporation**

The Sarawak Economic Development Corporation (SEDC) was established on 1st March 1972 under the Perbadanan Pembangunan Ekonomi Sarawak Ordinance (Sarawak Cap. 35) as a state-owned statutory body. The aim of its establishment is to promote the commercial, industrial and socio-economic development of the State of Sarawak. While it is a statutory body established under the laws of the State of