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YOUTH ENTREPRENEURSHIP DURING COVID-19 PANDEMIC: DOES THE GOVERNMENT CARE?

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INTRODUCTION

The coronavirus (COVID-19) outbreak has affected people's health and caused a massive impact on businesses among entrepreneurs not only in Malaysia but also around the world. The majority believe that this unprecedented situation will lead to the closure of many firms. Policy mandates, downward demand movements, health concerns, and other issues have forced stores, factories, and many other companies to close (Fairlie, 2020). This can be proven in March 2020, shortly after the Prime Minister of Malaysia announced the Movement Control Order (MCO), a total of 32,465 Small and Medium Enterprises (SMEs) folded due to the proliferation of COVID-19 (Tan et al., 2020). In fact, August set a new high for SME closures with 17,800 SMEs (Free Malaysia, 2020). The former Minister of Entrepreneurial Development and Cooperatives, Wan Junaidi Tuanku Jaafar, reported that a total of 9,675 SME operations ceased during the first phase of the MCO from March 18 to June 9, and 22,794 during the Recovery Movement Control Order (RMCO) phase in June to September (Free Malaysia, 2020). This figure is seen as exorbitant since SMEs are the backbone of the national economy.

According to a report from the official SME website, statistics show 98.5% or 907,065 business establishments are from SMEs. In terms of the scale or size of the business, the breakdown is as follows (SME Corp Malaysia, n.d):

- Micro-businesses 76.5% (693,670)
- Small businesses 21.2% (192,783)
- Medium businesses 2.3% (20,612)

In this regard, it is demonstrated that the majority of SME business establishments in Malaysia are from micro-businesses. Due to the MCO, approximately 79.5% of micro-businesses have closed their operations (The Straits Times, 2020). This can be regarded as more than half of the SME business operations being closed, and the country's economy is bound to become unstable. As a result of this closure, the government has taken the initiative to assist in terms of promotion, marketing and product development training instead of financial assistance, specifically among youth entrepreneurs.

Therefore, this matter should not be overlooked. SME entrepreneurs, especially among the youths, need to remain resilient and competitive to ensure that businesses can be continued in the long run.

YOUTH ENTREPRENEURSHIP

In the face of the COVID-19 outbreak, Malaysia experienced a high unemployment rate. Particularly so when the government announced the MCO in March 2020. This is evidenced from a report by Trading Economics where the unemployment rate in Malaysia increased by 3.9% in March 2020 from 3.4% for the same month in the previous year (Trading Economics, 2020). This is the highest unemployment rate since March 2009, when the number of unemployed increased

by 17.1% year over year to 610.5 thousand. According to a report by the Department of Statistics Malaysia (2021), the unemployment rate for those aged 15 to 24 increased by 0.3% to 13.5% month over month in January 2021. However, the number of unemployed youths aged 15 to 24 had decreased by 17.0 thousand people to 275.3 thousand, compared to the previous month of December 2020 which recorded 312.2 thousand people. Similarly, the youth unemployment rate for those aged 15 to 30 increased by 0.5% to 9.2% in December 2020 by 8.7%.

Based on the above report, it demonstrated that this scenario needs to be considered seriously. One of the last resorts for the unemployed, especially among the youths, is to venture into entrepreneurship even though they have no experience in business. However, the government always encourages the involvement of people in entrepreneurship, especially the youths. Special attention is given by the government and private agencies by providing various support and platforms in the form of programs, financing incentives and entrepreneurial training to attract these people to be seriously involved in entrepreneurship. Entrepreneurs are also urged to be more progressive in advancing their business and to step out of their comfort zones by setting high goals to market products internationally. This is also outlined in the National Entrepreneurship Policy 2030 (DKN) (Entrepreneur Development Ministry, 2019).

Thus, some assistance has been given by the government to SMEs. One of the government's measures to stimulate the Malaysian economy is through the People and Economic Strategic Empowerment Programme (PEMERKASA) 2021 aid package, which includes the following assistance:

- Micro-enterprises and SMEs will be given a one-off assistance amounting to RM1,000 under the Geran Khas Prihatin (GKP 3.0).
- Additional financial funds amounting to RM500 million will be provided for microcredit financing through Bank Simpanan Nasional (BSN), Tabung Ekonomi Kumpulan Usaha Niaga (TEKUN), Majlis Amanah Rakyat (MARA), and SME Corporation programmes

In addition, the government has also taken the initiative to establish a Youth Exporters Development Programme under the DKN. The youth entrepreneur training programme is dedicated to youths aged 20 to 40 years old for those who are interested and have been involved in exporting activities through special training and guidance. Youth entrepreneurship is also an important agenda in the Twelfth Malaysia Plan (RMK 12) (Economic Planning Unit, 2021). To develop youth entrepreneurs into dynamic and inspiring entrepreneurs, a total of 10,812 youths are involved in entrepreneurship programmes. The aim is to improve skills and capabilities in doing business. This program is called the 3K Programme (*Kepimpinan, Kemahiran dan Keusahawanan*) (Leadership, Skills and Entrepreneurship), Smart Youth, Entrepreneur Outreach, and Smart Partnership youth entrepreneurs. Youths in rural areas are also encouraged to be involved in business and programmes are formed to encourage involvement among the local community. Government-linked companies (GLCs) and Government Linked Investment Companies (GLICs) must collaborate with local, regional, and state governments to build competencies and generate commercial opportunities for local leaders.

CONCLUSION

From the results of the assistance, it clearly shows the government's determination in assisting youth entrepreneurs in boosting business activities now and in the future. However, continuous assistance without any effort shown by youth entrepreneurs does not guarantee that the business will be successful. Therefore, the challenges among youth entrepreneurs in conducting business need to be identified. This is to ensure every problem that occurs can be effectively addressed without any prejudice.

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