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AM228

THE EFFECTIVENESS OF TEKUN PROJECT TOWARDS THE
ENTREPRENEURS IN KOTA SAMARAHAN, SARAWAK

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**The Effectiveness of Project TEKUN towards the Entrepreneurs in Kota Samarahan,
Kuching, Sarawak**

CHAPTER 1: INTRODUCTION

1.0 Introduction

This chapter focused the background of the study which is on the TEKUN projects towards the entrepreneurs. It also emphasized on how can TEKUN helps those entrepreneurs in their business. Section 1.1 discusses the background of the study. Section 1.2, explains the problem statemen and section 1.3 states the research objectives. Section 1.4 states the research questions and section 1.5 is on the research hypothesis. In addition, section 1.6 is on the scope of the study, section 1.7 about the significance of the study and the last one in this chapter is about the terms and concepts.

1.1 Background of the study

Micro-credit is the process of lending capital to poor people in order for them to invest in self-employment. Professor Muhammad Yunus experiments in Bangladesh with the poor through the simple act of trust in lending without collateral and minimal conditions have demonstrated that the poor are thrustworthy and reliable. Yunus is regarded as the father of micro-credit and there are currently many efficiently run Grameen replications around the world.

There has been much expansion in the past 20 years in Asia in this respect. In Malaysia too the number of non-governmental organizations (NGOs) provide financial services to the poor and low income earners. It has six micro-finance programs are identified, namely Amanah Ikhtiar Malaysia (AIM), Yayasan Usaha Maju (YUM), Koperasi Kredit Rakyat (KKP), Partners in Enterprise Malaysia (PIE) and Project TEKUN (PT).

CHAPTER 2: LITERATURE REVIEW

2.0 Introduction

This chapter provides a review of the literature on some related links on the effectiveness of TEKUN Project. Literature review is a process of analyzing and summarizing the related materials regarding this topics. Section 2.1 explains on the microfinance. While 2.2 discusses on Small and Medium Enterprises (SMEs) and section 2.3 explains about entrepreneurs. While section 2.4 and 2.5 was about subsidies and microcredit.

2.1. Microfinance

“The basic principle of microfinance as succinctly expounded by Muhamad Yunus which is the founder of Grameen Bank Bangladesh and the recipient of the Nobel Peace Prize in 2006 that credit is a fundamental human right. The primary mission of microfinance is therefore, to help poor people is assisting themselves to become economically independent. Credit or loan is given for self-employment and for financing additional income generating activities. The assumption of the Grameen model is that expertise of the poor are under utilized. In addition, it is also believed that charity will not be effective in eradicating poverty as it will lead to dependency and lack of initiative among the poor. In the case of Grameen Bank of Bangladesh, women comprised of 95% of the borrowers and they are more reliable than men in terms of repayments”⁴

In order to make the loan process become easier, especially for the poor, loan will be given without collateral or guarantor and it is normally is based on trust to them. Microfinance is an alternative for loan because the conventional banking system recognized

⁴Gibbons, D and Kassim, S. (1990), Banking on the Rural Poor in Peninsular Malaysia, Center for Policy Research USM, Penang.

CHAPTER 3: RESEARCH METHODOLOGY

3.0 Introduction

Research method section of a report explains or outlines the procedures followed in gathering the data necessary for the analysis to meet the research objectives. It consists research design, unit of analysis, sampling sizes, sampling technique, data collection and data analysis

3.1 Research Design

Research design will be conducted to achieve the objectives of the research, which is to investigate the effectiveness of TEKUN Project towards the entrepreneurs. The research design will be cross-sectional and inferential which are through distributing the questionnaires and also through interview sessions.

3.2 Unit of Analysis

The sampling units used is in populations. The sample units is 100 TEKUN's entrepreneurs and also TEKUN Officers.

3.3 Sampling Sizes

It is important to select the most appropriate respondents in order to get better result for the study. The sampling sizes is 2 TEKUN officers and also 100 of TEKUN entrepreneurs. All the respondents is among the entrepreneurs in Kota Samarahan area while the TEKUN officers is one from Satok branch and the other one is from Kota Samarahan branches.

3.4 Sampling Technique

This will be done by contact them and discuss about the process, which is about distributing the questionnaire of the research. Then will get the permission from them to do the research.