



## Social Entrepreneurship and Agricultural Transformation in Malaysia

Intan Nursyahila binti Mohamad Basri<sup>1</sup>, Mia Aulina Lubis\*<sup>2</sup>

<sup>1</sup>Universiti Putra Malaysia, Malaysia

<sup>2</sup>Universitas Sumatera Utara, Indonesia

\*Corresponding Author: [mialubis@usu.ac.id](mailto:mialubis@usu.ac.id)

---

### ARTICLE INFO

#### Article history:

Received 11 December 2024

Revised 22 December 2024

Accepted 30 December 2024

Available online:

<https://talenta.usu.ac.id/jkakup>

---

E-ISSN: 2829-4793

---

---

### ABSTRACT

---

Social entrepreneurship in agriculture has emerged as a critical strategy to address Malaysia's challenges of food security, sustainability, and rural development. This study explores how social enterprises, such as Poptani Asian, are leveraging technology to promote sustainable farming practices, enhance agricultural productivity, and improve the livelihoods of rural communities. By empowering farmers with innovative tools and resources, these enterprises are contributing to local food production and reducing reliance on imports. The research highlights the significant role of social entrepreneurship in driving Malaysia's agricultural transformation and the challenges faced in achieving widespread impact. The study also discusses the potential for collaboration between the government, private sector, and consumers to overcome barriers and create a sustainable and resilient agricultural ecosystem in Malaysia.

**Keyword:** Social Entrepreneurship, Sustainable Agriculture, Food Security.



This work is licensed under a Creative Commons Attribution-ShareAlike 4.0 International.

<http://doi.org/10.32734/jkakup.v3i2.19209>

---

## 1. Introduction

Social entrepreneurs in Malaysia utilize their skills to address socio-economic issues, often focusing on sustainable agricultural practices (Mason et al., 2022). One of the most well-known examples in Malaysia is Poptani Asia, a social enterprise that leverages technology to improve agricultural productivity and sustainability. By offering data-driven insights and innovative farming strategies, Poptani Asia enables farmers to increase crop yields while minimizing environmental impact.

Poptani Asia uses digital platforms to connect farmers with resources, improving access to modern farming practices. Technology integration helps optimize crop yields and reduce waste,

addressing the high cost of agricultural inputs faced by many farmers (Nabila, 2024). Such initiatives help bridge the gap between economic growth and social good by empowering farmers with the resources and knowledge needed to thrive in an increasingly competitive and environmentally conscious market.

Despite the progress made, social enterprises face challenges such as inadequate infrastructure and market access, which hinder their effectiveness (Azis et al., 2023; Rajah et al., 2023). These social enterprises are also contributing significantly to addressing food security challenges in Malaysia. With the country facing rapid urbanization and a growing population, food production must keep pace with demand.

While Poptani Asia demonstrates a successful model, the broader agricultural sector in Malaysia is still grappling with significant challenges, including climate change and fluctuating market conditions, which require continuous innovation and support from various stakeholders (Pahri et al., 2023). By supporting local farmers through access to markets, training and fair prices, social enterprises help create a more resilient and sustainable food system.

## **2. Research Method**

The research adopts a qualitative approach by analyzing case studies and existing literature to explore the impact of social entrepreneurship on agriculture in Malaysia. Data was sourced from academic articles, government reports, and organizational records to ensure a comprehensive perspective. A specific focus was placed on Poptani Asia as a case study to highlight the integration of technology in promoting sustainable agricultural practices (Salim et al., 2019). The collected data was analyzed thematically, emphasizing key aspects such as food security, sustainability, and rural livelihoods. This method provides a detailed understanding of the challenges and opportunities faced by agricultural social enterprises within the Malaysian context. In this way, more comprehensive research results can be obtained so that in its development it can be used as a reference, comparison, or as an antithesis to the old conceptual framework or in other words as a new conceptual framework.

## **3. Results and Discussion**

The results of the study underscore the growing significance of social entrepreneurship in transforming Malaysia's agricultural sector, particularly in enhancing food security, fostering sustainability, and improving the livelihoods of rural communities. Social enterprises such as Poptani Asia exemplify this transformation, with their use of technology and data-driven strategies to optimize farming practices. By incorporating precision farming techniques, including smart irrigation systems and resource management, Poptani Asia enables farmers to enhance their productivity while minimizing their environmental footprint. These innovations are critical for achieving Malaysia's

long-term sustainability goals, particularly in reducing dependency on imports, improving local food production, and ensuring food security (Hussain et al., 2019). The integration of technology into agriculture not only boosts crop yields but also significantly reduces the carbon emissions associated with traditional farming practices, aligning with global and national environmental sustainability targets.

Furthermore, social entrepreneurship initiatives in Malaysia are increasingly centered around local food production, a crucial strategy to address the challenges posed by urbanization and population growth. According to the Department of Statistics Malaysia (DOSM, 2024), Malaysia's urbanization rate has been steadily increasing, which has heightened the demand for food and, consequently, the country's reliance on food imports. In response, social enterprises like Poptani Asia aim to decrease this dependence by promoting local food production through sustainable farming techniques and improving access to markets and resources. Such initiatives contribute to the strengthening of food sovereignty in Malaysia by ensuring a more resilient, self-sufficient food system that can withstand environmental fluctuations and meet the nutritional needs of the growing population (Tapsir et al., 2019). The focus on diversifying crop production and supporting smallholder farmers is integral to this strategy, ensuring that the agricultural sector remains adaptable and capable of addressing both economic and social challenges.

A key benefit of social entrepreneurship in the agricultural sector is its impact on rural livelihoods. Many of the social enterprises operating in Malaysia's agricultural landscape not only focus on enhancing productivity but also emphasize improving access to markets, fair pricing, and the provision of necessary training and resources. Through partnerships with local farmers, social enterprises enable the adoption of best farming practices and facilitate market access, often leading to better prices for produce. This dual focus on both increasing income and improving social capital is crucial for fostering rural development, especially in remote areas where farmers face challenges such as limited access to credit, technology, and infrastructure (Salim et al., 2019). As a result, social entrepreneurship contributes to strengthening the economic stability of rural communities, reducing rural poverty, and fostering social cohesion. By improving economic opportunities and increasing farmers' incomes, these enterprises help create more sustainable and equitable rural communities.

Despite the positive contributions of social entrepreneurship, several barriers persist that hinder the scalability and sustainability of these initiatives. One of the primary challenges is access to capital, with many social enterprises struggling to secure funding for expansion and investment in new technologies. Salim et al. (2019) highlight that without adequate financial support, many social enterprises are unable to scale their operations or invest in the technology and infrastructure needed to sustain growth. Moreover, social enterprises often face market competition from larger, well-established agricultural businesses, which can make it difficult for small-scale operations to thrive.

The need for continuous innovation in farming methods and business models is another challenge that social enterprises must navigate to remain competitive and relevant. Innovations in production techniques, as well as in the business models that drive these enterprises, are key to maintaining their impact and ensuring their long-term success (Hussain et al., 2019). Despite these challenges, the growing recognition of sustainable agriculture's importance by both the government and private sector creates opportunities for social enterprises to flourish, especially if policies that promote sustainability, market access, and financial support are implemented.

Consumer awareness of sustainable farming practices is also increasing, and this shift presents significant opportunities for social enterprises to expand their market reach. As consumers become more conscious of the environmental impact of their purchasing decisions, there is a growing demand for sustainably produced agricultural products. This presents an opportunity for social enterprises to position themselves in a market that values environmental responsibility and sustainability. In addition, collaboration with the private sector can help social enterprises scale their operations and increase their impact. Partnerships with corporations can provide social enterprises with access to resources, technology, and business expertise that would otherwise be difficult to obtain. Such collaborations are essential for fostering an ecosystem that supports sustainable and socially responsible agricultural practices. Moreover, the Malaysian government's recognition of the role social entrepreneurship plays in addressing food security and sustainability is increasingly reflected in its policies. Salim et al. (2019) argue that government policies focused on supporting social entrepreneurship through incentives, financial aid, and market access can provide the critical support these enterprises need to grow and have a lasting impact on the agricultural sector.

Government initiatives aimed at promoting innovation in agricultural practices, improving market access for smallholder farmers, and providing financial incentives for sustainable farming projects are crucial to fostering a supportive environment for social entrepreneurship. Such policies are essential for ensuring that social enterprises have the resources they need to succeed. Furthermore, government support for research and development in agricultural technology can help social enterprises stay at the forefront of innovation, allowing them to continue improving productivity while minimizing environmental impact. This policy shift is critical for the continued growth of the social entrepreneurship sector and its ability to contribute to Malaysia's agricultural sustainability.

Social entrepreneurship is playing a pivotal role in reshaping Malaysia's agricultural landscape. By offering innovative solutions to key challenges such as food security, sustainability, and rural development, social enterprises are helping to transform the agricultural sector into a more resilient, sustainable, and socially responsible industry. Through the integration of technology and precision farming techniques, social enterprises like Poptani Asia are proving that sustainable agriculture can be both economically viable and environmentally responsible. However, to achieve widespread

adoption of these practices and ensure the long-term success of social entrepreneurship in agriculture, continued support from the government, the private sector, and consumers is essential. By addressing barriers such as access to capital, market competition, and the need for continuous innovation, Malaysia can unlock the full potential of social entrepreneurship in agriculture, ultimately ensuring a sustainable and resilient food system for the future.

#### **4. Conclusion**

Social entrepreneurship has emerged as a transformative force in Malaysia's agricultural sector, addressing key challenges such as food security, sustainability, and rural development. Through initiatives like Poptani Asia, social enterprises are leveraging technology to promote sustainable farming practices, increase agricultural productivity, and reduce environmental impact. These efforts are crucial in ensuring Malaysia's long-term food security by reducing reliance on imports and supporting local food production. Moreover, by empowering farmers with the necessary tools, resources, and market access, social enterprises contribute to improving the livelihoods of rural communities, fostering economic stability, and social cohesion.

Despite the positive impact of these initiatives, significant challenges remain, including limited access to capital, market competitiveness, and the need for continuous innovation. To overcome these barriers, it is essential that the government, private sector, and consumers collaborate to create an enabling environment for social entrepreneurship to thrive. With supportive policies, increased awareness of sustainable farming practices, and strategic partnerships, Malaysia can unlock the full potential of social entrepreneurship in agriculture, ensuring a resilient, sustainable, and prosperous future for both its farmers and communities.

In conclusion, social entrepreneurship in Malaysia is not just about profit generation; it is about creating long-term social and environmental value. As the agricultural sector continues to evolve, social enterprises will play an increasingly critical role in driving the country toward a more sustainable, food-secure, and equitable agricultural system. By addressing the current challenges and capitalizing on the opportunities for innovation and collaboration, Malaysia's agricultural landscape can be transformed to meet the demands of the future.

#### **References**

- Abele, S., & Frohberg, K. 2003. Subsistence agriculture in Central and Eastern Europe: How to break the vicious circle?. *Agricultural Europe Journal*, 32(2), 44-63.
- Ashley, C. & Maxwell, S. 2016. Rethinking rural development. *Development Policy Review Journal*, 19(4), 395- 425.
- Auld, G., Balboa, C., Bernstein, S., Cashore, N., Delmas, M. & Young, O. 2014. The emergence of non-state market driven (NSDM) global environmental governance. *Governance Environment Management Perspectives Journal*, 183(2), 144-161.

- Azis, R. A., Mohamed, N. A., Naseri, R. N. N., Ahmad, A., Abas, N. M., & Ahmad, M. (2023). Rural Women Entrepreneurship in Malaysia: Issues and Challenges. *International Journal of Academic Research in Business & Social Sciences*, 13(9). <https://doi.org/10.6007/ijarbss/v13-i9/18643>
- Cecchini, S., & Scott, C. 2015. Can information and communications technology applications contribute to poverty reduction?: Lessons from rural India. *Technology Development Journal*, 10(2), 73-84.
- Department of Statistics Malaysia (DOSM). 2024. Department of Statistics Malaysia Official Website, Putrajaya, Malaysia.
- Ellis, F. 2006. Agrarian Change and Rising Vulnerability in Rural Sub-Saharan Africa. *New Political Economy*. 11 (4). 387–397.
- GEM (2018) Retrieved Mac 17, 2018, from <http://www.gem.org/> global entrepreneurship monitor. Hampwaye, G., & Hapunda, M. K. (May, 2016). Tracking the performance of food processing sub-sector firms in Zambia, Presented to the SAFIC International Conference, Copenhagen, Denmark.
- Hidayat, Lutfi Fauzi. 2024. Social Entrepreneurship and its Impact on Society: A Qualitative Study Of Business Models And Sustainable Growth. *Journal of Islamic Economic Development*, 1(2).
- Hussain, M. R. M., Yusoff, N. H., Tukiman, I., & Samah, M. A. A. 2019. Community perception and participation of urban farming activities. *International Journal of Recent Technology and Engineering*, 8(12), 341–345.
- Mason, C., Hilmi Wan Ahmad, W. M., & Hashim, F. (2022). The Journey of Social Entrepreneurs in the Malaysian Landscape. *Developments in Corporate Governance and Responsibility*, 259–280. <https://doi.org/10.1108/s2043-052320220000018013>
- Nabila, S. (2024). Food Insecurity: Exploring the Challenges Faces by Youth Agropreneur. *The European Proceedings of Social & Behavioural Sciences*. <https://doi.org/10.15405/epsbs.2024.05.23>
- Pahri, S. D. R., Er, A. C., & Cheah, W. Y. (2023). Social Issues and Challenges among Oil Palm Smallholder Farmers in Malaysia: Systematic Literature Review. *Sustainability*, 15(4), 3123. <https://doi.org/10.3390/su15043123>
- Rajah, N., Amran, A., & Cheah, J. (2023). Determinants that Enhance Resilience and Performance of Social Enterprises in Malaysia: A Conceptual Framework. *Journal of Governance and Integrity*, 5(3), 297–307. <https://doi.org/10.15282/jgi.5.3.2022.8981>
- Rapsomanikis and George. 2015. *The economic lives of smallholder farmers: Food and Agriculture Organization of the United Nations*. Nagayets Oksana Press Publishing.
- Ritzer, George. 2015. *Modern Sociological Theory*. Yogyakarta: Pustaka Pelajar.
- Salim, S. A., Mohammad Yusof, Z., Md Ibharrim, L. F., & Hajar, S. 2019. A Review of Urban Farming Activities: Taxonomy, Challenges, Recommendations and Future Research. *Journal of Building Performance*, 10(2), 28–36.
- Statista. 2023. *Malaysia: Urbanization from 2013 to 2023*. Hamburg, Germany.
- Sugiyono. 2021. *Research Methods Qualitative, Quantitative, and R&D*. Bandung: Alfabeta.
- Tapsir, S., Elini, E., Roslina, E. A., Noorlidawati, A., Hafizudin, M., Hairazi, Z., & Rosnani, R. 2019. Food Security and Sustainability: Malaysia Agenda. *Malaysian Applied Biology*, 48(3), 1–9.
- UNDP (United Nations Development Programme). 2020. *Sudan Country Report: Climate Change, Agriculture, and Conflict*. UNDP.

- Wilson, F., Kickul, J., & Marlino, D. 2018. Gender, entrepreneurial self-efficacy, and entrepreneurial career intentions: Implications for entrepreneurship education. *Entrepreneurship Theory and Practice*, 31(3), 387- 406.
- Woolcock, M., & Narayan, D. 2015. Social capital: Implications for development theory, research, and policy. *The World Bank research observer*, 15(2), 225-249.