

Title: ENTREPRENEURSHIP AND THE MALAYS
Event: MARA Forum
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Venue: MARA Headquarters
Speaker: YAB Tun Daim Zainuddin

History of MARA

The history of MARA started as the Rural & Industrial Development Authority (RIDA) which was established by the British colonial administration in 1950. RIDA was the brainchild of Dato Onn Jaffar who during a trip to Britain in 1950, asked the British government for financial help to help the Malays improve their economic situation. He was given £10 million, a very big amount at that time. Dato Onn became the first chairman.

RIDA's role was a program to provide economic assistance and support to Malay farmers and the rural population. RIDA created the Dewan Latihan RIDA (RIDA Training Centre) which was also the inspiration of Dato Onn' Jaafar. The idea was conceived as a result of a study visit to Ceylon (now Sri Lanka) to look into its rural development programme.

Dewan Latehan RIDA conducted several external professional courses offered by established international bodies such as the London Chamber of Commerce, the Australian Chartered Secretarialship, the Australian Society of Accountants and the British Institute of Management. In 1964, Dewan Latehan RIDA held its first convocation and 50 graduates were awarded certificates by the then Deputy Prime Minister, Tun Abdul Razak.

Dewan Latehan RIDA became known as Maktab MARA or MARA College in June 1965. The name change also meant that the college no longer operated under RIDA, and it became the most important unit of the MARA Training Division.

Majlis Amanah Rakyat (MARA), the Council of Trust for the indigenous people, was established on 12 March, 1966 under an Act of Parliament as a statutory body as a result of the first Bumiputra Economic Congress's resolution in the previous year. MARA assumed the objectives of RIDA, basically to aid, train, and guide Bumiputra in the areas of business and industry and to develop, encourage, facilitate as well as to carry out economic and social development in the Federation and in particular the rural areas.

MARA College was officially renamed Institut Teknologi MARA (ITM) on 14 October 1967. This was in response to a crucial need in the country for trained manpower at professional and semi-professional levels among Bumiputras. This shortage was identified in a manpower survey conducted by the government in 1965 in collaboration with the United Nations.

ITM's rapid developments during those years were in line with the requirements of an increasingly demanding job market. When the 1967 Act was amended, ITM became on par with all the universities in the country and was granted all the powers of a university. In August 1999, the then Prime Minister (Tun) Dr. Mahathir Mohamad announced the ITM name change to Universiti Teknologi MARA (UiTM). Following that, a major restructuring exercise was carried out in order to consolidate the University's resources for optimum productivity.

Although all of you here know what MARA's objectives are, let me repeat and reiterate that MARA's corporate mission is "to be the custodian of trusts, to raise the status and dignity of Bumiputra through various economic, educational and social activities." MARA's objective is "to encourage, guide, train and assist Bumiputra particularly those in the rural areas, to enable him to actively participate in commercial and entrepreneurial activities. This is aimed at creating a Bumiputra entrepreneurial community that is strong, professional and resilient.

MARA's strategies in meeting its objectives include:

- Creating and increasing the number of Bumiputra entrepreneurs and improve their level of participation in commerce and industry to develop a strong and successful business community;
- Participating actively in a certain commerce and industry through investments and management of companies as a step towards providing security in order to increase Bumiputra participation in the world of business;
- Increasing, at all levels, the number of trained Bumiputra manpower in various fields, particularly to serve the needs of the commercial and industrial sector, and
- Encouraging the development of other appropriate facilities and services as well as to become custodians of trust, able to assist either in general or specifically towards increasing Bumiputras' economic and social status.

In keeping with its objectives, MARA also offers entrepreneurship courses, vocational training, consultancy services, and assistance in marketing for Bumiputra entrepreneurs. This leads us to the question **what is Entrepreneurship?**

You can read Geoffrey Timmons, Professor Arthur Cole, Peter Drucker, Mitch Lenko, William Bygraves and a host of other authors on the subject of entrepreneurship, the entrepreneurial mind, their qualities and their traits and how to succeed as entrepreneurs. The books are sometimes academic and sometimes personal and I urge all of you here who are responsible for creating entrepreneurs to read all the books you can find on the subject matter. You have to know your subject matter well first, before you can teach, help, assist train and guide the people who seek your guidance and to whom you allocate resources to.

Geoffrey Timmons in his article published in the Harvard Business Review 1993, identified nine essential qualities that entrepreneurs require:

- A high level of drive and energy;
- Enough self-confidence to take carefully calculated, moderate risks;
- A clear idea of money as a way of keeping score, and as a means of generating more money still;
- The ability to get others to work with you and for you productively;
- High but realistic achievable goals;
- The belief that you can control your own destiny;
- Readiness to learn from your own mistakes and failures;
- A long-term vision of the future of your business; and
- Intense competitive urge, with self-imposed standards.

To the above, I would add discipline, commitment, dedication, the ability to allocate available resources according to priorities, the ability to maintain and sustain the business undertaken, self motivation, business knowledge, and the tenacity to overcome obstacles and handle pressure. Entrepreneurs need to be able to manage time, and turn dreams into reality. Dreams do not make you rich. It is always hard work, hard work and more hard work.

A solid education is fundamental and work experience can provide entrepreneurs with invaluable experience and knowledge. One must not be too proud to ask and learn. Starting a business is a very demanding undertaking. There is no time for on-the-job training. If would-be entrepreneurs do not have the right experience, they should both go out and get it before starting their new venture or find partners who have it. Even the best ideas become profitable only because the entrepreneur went through the steps necessary to build a company from the ground up. Successful new ventures do not appear magically – they are planned, created and managed.

The entrepreneur must be realistic and answer hard questions about the potential business as well as his/her own motivations for starting the business. The answers to these questions will provide the framework for the future of his enterprise. In being realistic, you must know your strength and your weaknesses.

Ladies & Gentlemen

You have a heavy responsibility when you are tasked with and responsible for creating entrepreneurs. Entrepreneurship has assumed super importance for accelerating economic growth both in developed and developing countries. It promotes capital formation and creates wealth in a country. It reduces unemployment and poverty and it's a pathway to prosperity.

Given entrepreneurship's potential to support economic growth, it is the policy goal of many governments to develop a culture of entrepreneurial thinking. This can be done in a number of ways: (1) by integrating entrepreneurship into education systems; (2) encourage risk-taking and national campaigns. An example of the latter is the UK Enterprise Week, launched in 2004.

MARA was established before the NEP was introduced. As early as 1951, Dato Onn realized the Malays were left behind and needed help. Unfortunately after Independence, the Alliance

government under Tunku, while it emphasized rural development, adopted a policy of leaving politics to the Malays and the economy to the Chinese and non-Malays, and proclaimed himself as the happiest Prime Minister. Then came the shocking results of 1969 election which gave birth to the NEP and brought about Tunku's retirement from politics.

NEP's objective as we all know was to restructure society to allow Bumiputras to hold 30 percent of the economy. Many agencies were formed – UDA, SEDCs, PERNAS to mention a few. Bank Bumiputra was established earlier in 1965. At the end of the 20-year period, the 30 percent target was not achieved. Then we hear of more agencies being created like VALUECAP, PROSPER, EQUINAS, TEKUN, TERAJU, etc., etc. SEDC, MBSB, SPAN were agencies to assist Bumis and lower income group to own houses, and now the government announced to build 42,000 units for those who have never owned houses before.

MARA also offers loans to entrepreneurs and also constructs infrastructures, such as shoplots and factories, which are rented to Bumiputra entrepreneurs at a subsidized rate. While many of these agencies have succeeded and some have failed, only MARA continues to play its original role and contributes to its statutory objectives. I am not praising MARA because I am here today. MARA greatest achievement has been in the field of education. MARA operates several junior colleges or boarding schools, and two universities – Universiti Kuala Lumpur and Universiti Teknologi MARA. Nobody can doubt its success in this field. Education is key to Bumiputras' future. In this role, MARA has succeeded beyond anyone's expectations but now where does MARA go from here? It has been 60 years from RIDA to today.

My view is that it should retain its role as a social economic agency with adaptation to face globalization. Carry on with its transformation but always minding its role to help the Malays and Bumiputras. Helping the Malays and Bumiputras are national goals. To achieve this objective, MARA's management must be strengthened and supported. Management must be transparent and must have shared values and always bear in mind whatever you do, MARA is Amanah Rakyat. And as MARA has its Board, the Board's role should be confined to draw up policies and allow Management to implement them.

At present, MARA receives funds from the government to carry out its various programmes. It is time the Management be encouraged to find ways to be self-financing. One way to achieve is to explore JVs with successful Bumi companies. In short, MARA must be entrepreneurial.

Don't believe in those who say Malays cannot succeed in business. Before the Portuguese conquered Melaka, it was a very busy entreport that attracted merchants from all over the world. They came to do business with the Malays. We knew how to trade. We were successful. It was the over-success that brought foreigners to our shores. Race therefore has nothing to do with success in business. Neither, should I add gender.

Unfortunately after the British came, they decided to open up the country as they saw tremendous opportunities to make money. To speed up profits, they brought labourers from China and India and confined Malays in planting rice and as fishermen to produce food for the rest. British limited Malays to minimum education. They feared educated Malays would behave like Indians in India, demanding independence. At best they were made to assist in the administration to ensure Malay support and loyalty. Their mistake was to introduce Malayan Union which changed Malay attitude who no longer trusted the British. Only after the NEP were we able to show some success in the economic field and since then we have produced successful millionaires and some billionaires but the number is still small compared to non-Malays. The challenge for MARA now is to relook into its role and see how it can successfully produce entrepreneurs. Millionaires and Billionaires are good but it is the small and medium industries that are the backbone of the economy, and that is where MARA should focus its attention and effort.

But MARA alone cannot carry the burden, Malays must respond too. We need successful entrepreneurs to make sure our country remains politically stable. Only a peaceful and stable country will ensure economic growth. It works both ways. Economic growth ensures political stability and political stability economic growth. The success of Malay business is very important for the future of our country. It helps to narrow economic gap. The Malays must accept this challenging role. Country's survival depends on how Malays succeed in business. I am confident this can be achieved if we put aside the "quick rich" attitude. Instead plan, manage, work hard, and stay disciplined and committed to make sure that our entrepreneurs and their businesses are successful. As I said earlier, success in business has nothing to do with race or gender. It has a lot to do with commitment and hard work and sacrifice. We can't blame the British anymore.

For those who had benefited from MARA and there are many, especially those who have succeeded, I think they should come back to assist MARA in attaining MARA's objectives. The measure of a person's success is how he helps others to succeed. Let us together multiply these numbers to meet the nation's objectives. And to those who are doing well, don't forget to help less unfortunate. They need assistance. One of the five pillars of Islam is to do charity. It need not be in monetary form. The Quran keeps reminding us to do charity and help the poor. There is no need to advertise what we do. Do good quietly. Allah is all-knowing.

I wish MARA all success in its future.

Terima kasih.