



Faculty of Technology Management and Technopreneurship

**EXAMINING THE ROLE OF SOCIAL-CULTURAL
CAPITAL IN YOUTH ENTREPRENEURSHIP: A
COMPARATIVE STUDY BETWEEN MALAYSIA AND LAOS**

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ENTREPRENEURSHIP: A COMPARATIVE STUDY BETWEEN MALAYSIA
AND LAOS**

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**A thesis submitted
in fulfillment of the requirements for the degree of Doctor of Philosophy**

Faculty of Technology Management and Technopreneurship

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2018

DECLARATION

I declare that this thesis entitled “Examining The Role of Social-Cultural Capital n Youth Entrepreneurship: A Comparative Study Between Malaysia and Laos ” is the result of my own research except as cited in the references. The thesis has not been accepted for any degree and is not concurrently submitted in candidature of any other degree.

Signature :

Name :

Date :

APPROVAL

I hereby declare that I have read this thesis and in my opinion this thesis is sufficient in terms of scope and quality for the award of Doctor of Philosophy.

Signature :

Supervisor Name :

Date :

DEDICATION

~My beloved Family~

My boy, Sylas, and to all
of my precious nephews and nieces,
by His grace,
you are the next generation entrepreneurs!

ABSTRACT

This comparative study explores the role of social-cultural capital in youth entrepreneurship through social network between the efficiency-based economy of Malaysia and the factor-based economy of Laos/Lao PDR. Two non-homogenous sovereign contexts are compared to unveil the potent role of social-cultural capital in youth entrepreneurship through social network dynamics. Central to this discussion is the Theory of Social Network with its emphasis on network structure, type and ties coupled with social context within the theoretical frameworks of Bourdieu, Coleman and Putnam etc. A qualitative case study research approach was employed through the strategy inquiry tools of in-depth interviews and focus groups studies in analysing youth entrepreneurship contexts and contents. This preferred approach is focused on garnering in-depth information: thematically rich with meaningful interpretation and significant application. Furthermore, case study method encapsulates, demarcates and facilitates diverse cases for comparison between two sovereign contexts through a comprehensive case study protocol. Key findings emerging from thematic pattern at synthesis level include: the emergence of two tier prominent categories, with the first tier codes such as family members and entrepreneurial ecosystem governing the stimulating or stifling factor of social-cultural capital on youth entrepreneurship, both in Malaysia and Laos. The second tier codes unveil the role of value system, acquaintance, informal groups, culture and community in supporting first tier codes in the actualization of youth entrepreneurship. The ancillary codes such as technology and social media equally affect the governing and second tier codes in influencing youth entrepreneurship. Three types of primary network system are unveiled through the collaboration of these prominent codes and categories including privileged, preferred and laissez faire networks, which dynamically intermingle with four types of social context network ties. The outcome of this study contributes theoretically in asserting the likelihood of comparing two non-homogenous socio-economic contexts in determining the role of social-cultural capital through social network in youth entrepreneurship, at micro-, meso- and macro- level. From practical perspective, this study reveals the capability of social-cultural capital in opening up pathways to the avenues of financial, physical, human and knowledge capitals, making it applicable to the broader regional context of ASEAN which is made up of factor-, efficiency- and innovation- based economies. Further research study is recommended in exploring the possibility of two different sovereign socio-economic contexts sharing the capability of social network system in influencing youth entrepreneurship beyond the pursuit of uniformity in economic status or development.

ABSTRAK

Kajian perbandingan ini menerangkan peranan modal sosial budaya dalam keusahawanan pemuda melalui rangkaian sosial antara ekonomi berasaskan kecekapan di Malaysia dan ekonomi berasaskan faktor di Laos / Laos PDR. Dua konteks berdaulat bukan homogen dibandingkan dengan memperkenalkan peranan modal sosial-budaya yang kuat dalam keusahawanan pemuda melalui dinamik rangkaian sosial. Tumpuan perbincangan ini adalah Teori Rangkaian Sosial dengan penekanannya kepada struktur rangkaian, jenis dan hubungan, ditambah pula dengan konteks sosial dalam kerangka teoretis Bourdieu, Coleman dan Putnam. Pendekatan kajian kualitatif digunakan melalui kaedah penyelidikan wawancara mendalam dan kumpulan fokus kajian dalam menganalisis konteks keusahawanan belia dan kandungan. Pendekatan pilihan ini difokuskan kepada pengumpulan maklumat yang mendalam: dengan tema yang kaya dengan tafsiran bermakna dan aplikasi yang penting. Tambahan pula, kaedah kajian kes merangkumi, menetapkan dan memudahkan kes pelbagai untuk perbandingan antara dua konteks berdaulat melalui protokol kajian kes komprehensif. Penemuan utama yang muncul dari corak tematik pada peringkat sintesis termasuk: kemunculan kategori dua peringkat yang lebih tinggi, dengan kod peringkat pertama seperti ahli keluarga dan ekosistem keusahawanan yang mengawal faktor penimbunan modal sosial-budaya yang menstimulasi atau menyederhanakan keusahawanan belia, di Malaysia dan Laos. Kod peringkat kedua memperkenalkan peranan sistem nilai, kenalan, kumpulan tidak formal, budaya dan komuniti dalam menyokong kod peringkat pertama dalam merealisasikan keusahawanan belia. Kod sokongan seperti teknologi dan media sosial sama-sama mempengaruhi kod pentadbiran dan peringkat kedua dalam mempengaruhi keusahawanan pemuda. Tiga jenis sistem rangkaian utama dilancarkan melalui kerjasama kod dan kategori yang terkenal ini termasuk rangkaian istimewa, pilihan dan laissez faire, yang secara dinamik berinteraksi dengan empat jenis hubungan rangkaian konteks sosial. Hasil kajian ini menyumbang secara teoritis dalam menegaskan kemungkinan membandingkan dua konteks sosioekonomi yang tidak homogen dalam menentukan peranan modal sosial budaya melalui rangkaian sosial dalam bidang keusahawanan pemuda, di peringkat mikro, meso dan makro. Dari perspektif praktikal, kajian ini mendedahkan keupayaan modal sosial budaya dalam membuka laluan ke arah modal kewangan, fizikal, manusia dan pengetahuan. Ini menjadikannya sesuai dengan konteks serantau ASEAN yang lebih luas yang terdiri dari faktor efisiensi dan ekonomi berasaskan inovasi. Kajian penyelidikan lebih lanjut disarankan untuk meneroka kemungkinan dua konteks sosioekonomi yang berdaulat yang berkongsi keupayaan sistem rangkaian sosial dalam mempengaruhi keusahawanan pemuda di luar, mengejar keseragaman dalam status ekonomi atau pembangunan.

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LIST OF ABBREVIATIONS

ADB	-	Asian Development Bank
UN	-	United Nations
PSED	-	Panel Study of Entrepreneurial Dynamics
GEM	-	Global Entrepreneurship Monitor
GCR	-	Global Competitiveness Report
WEF	-	World Economic Forum
SGDI	-	Sach's Growth Development Index
PBCI	-	Porter's Business Competitiveness Index
GLOBE-		Global Leadership and Organizational Behavior Effectiveness
SSC	-	Socially Supportive Culture
PBC	-	Performance Based Culture
ASEAN-		Association of Southeast Asian Countries
ILO	-	International Labor Organization
GET	-	Global Employment Trends
UCWP-		Understanding Children's Work Program
GIZ	-	German International Cooperation Agency

WB	-	World Bank
WBG	-	World Bank Group
GDP	-	Gross Domestic Product
NGO	-	Non-governmental Organization
LNYYCC	-	Lao National Youth Consultative Council
MIRYD	-	Malaysian Institute for Research in Youth Development
EPU	-	Economic Planning Unit (Malaysia)
AEC	-	ASEAN Economic Community
IESS	-	International Encyclopedia of the Social Sciences
YBI	-	Youth Business International
GYE	-	Global Youth Entrepreneurship
MSSD	-	Most Similar Systems Design
MDSD	-	Most Dissimilar Systems Design

LIST OF PUBLICATIONS

1. Tharuma Rajan Pillai, Amiruddin Ahamat, (2018) "*Social-cultural capital in youth entrepreneurship ecosystem: Southeast Asia*", **Journal of Enterprising Communities: People and Places in the Global Economy**, Vol. 12 Issue: 2, pp.232-255, <https://doi.org/10.1108/JEC-08-2017-0063>
2. Tharuma Rajan Pillai, Amiruddin Ahamat, (2018) "*Commodification of social capital in youth entrepreneurship: A critical review of literature*" in the **Turkish Online Journal of Design, Art and Communication**, ISSN:2146-5193: September 2018, Special Edition, p.1999-2011.
3. '*International Research Conference & Innovation Exhibition, 2016*' organized by Malaysian Institute of Industrial Technology ,Universiti Kuala Lumpur: 18-20, October 2016, in Johor Bahru. Awarded "Best Presenter Award" under the category of Management and Entrepreneurship papers (conference proceedings) entitled 'Examining the role of social-cultural capital in youth entrepreneurship: A comparative study between Malaysia and Laos/Lao PDR.'

CHAPTER 1

INTRODUCTION

1.1 Overview

This chapter outlines the subject matter being studied, highlighting its scope and relevance, while its research rationale and significance are examined contextually. The main thesis of this study and the general idea surrounding it elucidate primary research focus, encapsulated within four research questions designed to refine and define the research direction. Research purpose, objectives and questions specifically conceptualize a comprehensive research framework by structuring appropriate qualitative steps of the stated research process.

1.2 Statement of Purpose

The purpose of this research study is to examine the role of social-cultural capital in youth entrepreneurship within and between the Malaysian and Laotian contexts. Social-cultural capital is not an isolated entity but is embedded within a social network system (Lin, 2001; Dekker and Uslaner, 2001), and is deeply entrenched within the structure of social institutions (Coleman, 1988). Entrepreneurship, on the other hand, is an economic process, embedded within a social context (Aldrich and Zimmer, 1986). The socio-economic interlocking between entrepreneurship, social-cultural capital and social network highlights the pursuit of this research study in exploring factors that construct or de-construct youth

entrepreneurship. Past and recent studies conducted from various socio-economic perspective on the influence and impact of social networks on social-cultural capital (Ferragina 2010; Estrin, Mickiewicz and Stephan, 2013; Stam et al., 2014; Tata and Prasad, 2015; Chua et al., 2016; Faccin, et al., 2017; Ferragina and Arrigoni, 2017; Pena-López and Sánchez-Santos, 2017; Williams, Huggins and Thompson, 2018) reiterate its dynamic interdependence in a complex but well-integrated social context. Social-cultural capital is interwoven within the network system of any given social contexts, rendering the relationship between social-cultural capital and social network distinguishable but indivisible. Mason and Brown (2015) maintained that entrepreneurial ecosystem is generally viewed as interconnected potential and existing entrepreneurial actors, entrepreneurial organizations, institutions and entrepreneurial processes which formally and informally coalesce to connect, mediate and govern the performance within the local entrepreneurial environment.

According to Isenberg (2013) the success factor of the entrepreneurial eco-system is in close proximity with the relational dynamics of social context actors, organizations, institutions and the entrepreneurial process. Furthermore, social-cultural capital is acquired and accumulated through the dynamic interplay between social network ties with entrepreneurial pursuits and business start-ups. Thus, the purpose of this study is to examine the localized context of youth entrepreneurship in Malaysia and Laos through the influence and impact of social-cultural capital via the dynamics of social network ties. These sovereign socio-economic contexts are compared to ascertain factors that stimulate or stifle youth entrepreneurial pursuits while identifying its similarities and differences. The importance of entrepreneurship-based social network in stifling or stimulating youth entrepreneurship is further attested by recent observations made by Ferreira et al. (2015), who conducted a bibliometric study on entrepreneurship of a large sample of 1,777 articles

published in 17 highly ranked journals or were published over an extended period of time (1981 to 2010). The study revealed that globally ‘entrepreneurial networks’ or social network through the relational elements of social-cultural capital clearly emerged at the seventh place of top ten issues or subjects in the field of entrepreneurship. Thus, the significance of social-cultural capital in youth entrepreneurship through the relational dynamics of social networks can never be overemphasized as Ferreira et al. (2015) conclusively stated that networks have been shown to be crucial for accessing knowledge (e.g., opportunity recognition) and a variety of resources (financial, technical, physical, informational, reputation) and are thus crucial to the success of the new venture.

1.3 Problem Statement

The purpose of this study is to examine the role of social-cultural capital through social context and social network in stimulating or stifling youth entrepreneurship, particularly within and between two sovereign socio-economic contexts, i.e. Malaysia and Laos. But comparing two divergent or heterogeneous socio-economic contexts posits a challenge since most comparative studies focuses on homogeneous socio-economic contexts (Lindquist and Van Praag, 2012; Kothari, 2013; Kreiser, Patel and Fiet, 2013; Stam, Arzlanian, and Elfring, 2014; Othman and Nasrudin, 2016; Chang-Yun, 2017; Ghalwash et al., 2017; Min-Chun et al., 2017; Fuller and DelliSanti, 2017). In this study, an efficiency-based economy (Malaysia) is compared with a factor-based economy (Laos) through the dynamics of social network and context in determining the role of social-cultural capital in youth entrepreneurship. Entrepreneurship is embedded within a social context (Aldrich and Zimmer, 1986; Carsud and Johnson, 1989) represented by three dimensions of social relation structure such as market relation, hierarchical relation and social relation (Adler and Kwon, 2002). Social network and social context, through which social-cultural capital is realized,