

**THE EFFECT OF SOCIAL DEVELOPMENT
AND GOVERNMENT SUPPORT ON SOCIAL
QUALITY OF RURAL COMUNITIES IN
BALING, KEDAH**

ABDUL AZEEZ BIN ABDUL RAHIM

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SUPPORT ON SOCIAL QUALITY OF RURAL COMMUNITIES IN
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ABSTRACT

Despite the progress made in improving social quality in Malaysia, there are still several challenges and issues that need to be addressed. Some of the key problems include income inequality, ethnic and religious tensions, limited political freedom, environmental degradation and access to health and education. The main aim of this study is to identify the social quality among rural communities residing at Baling in Kedah, Malaysia. This quantitative study used a constructed questionnaire as main tool to collect data on the social quality of the rural communities. There are 363 number of sample size using stratified random sampling technique on the selection of respondents based on the 600 distributed and 400 collected questionnaires. The findings showed that the social quality is most directly influenced by the characteristics of social development indicators; social economic security, social cohesion, and social inclusion, with government support acting as a major mediator and having a considerable impact. In order to improve the social quality of these rural communities in Baling and duplicate them in other parts of Malaysia, recommendations are made in the hopes that the findings will be helpful for developing solutions.

Keywords: Social quality, rural communities, social development, social economic security, social cohesion, social inclusion, government support, income inequality.

APPROVAL

This is to certify that this thesis conforms to acceptable standards of scholarly presentation and is fully adequate, in quality and scope, for the fulfilment of the requirements for the degree of Doctor of Business Administration.

The student has been supervised by: **Prof Dr. Juhary bin Haji Ali**

The thesis has been examined and endorsed by:

Professor Dato' Dr. Sayed Mushtaq Hussain
Professor
Asia e University
Examiner 1

Associate Professor Dr Ahmad Sabri Yusof
Associate Professor
Asia e University
Examiner 2

This thesis was submitted to Asia e University and is accepted as fulfilment of the requirements for the degree of Doctor of Business Administration



Dr. Khairul Nizam bin Mahmud
Asia e University
Chairman, Examination Committee
[27 June 2023]

DECLARATION

I hereby declare that the thesis submitted in fulfilment of the Doctor of Business Administration degree is my own work and that all contributions from any other persons or sources are properly and duly cited. I further declare that the material has not been submitted either in whole or in part, for a degree at this or any other university. In making this declaration, I understand and acknowledge any breaches in this declaration constitute academic misconduct, which may result in my expulsion from the programme and/or exclusion from the award of the degree.

Name: Abdul Azeez bin Abdul Rahim

Signature of Candidate:

Date: 27 June 2023

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LIST OF ABBREVIATION

ICON	Integrated Economic and Community Centre
GEM	Global Entrepreneurship Monitor
UNDP	United Nation Development Programme
ADB	Asian Development Bank
MOHE	Ministry of Higher Education
OECD	Organisation for Economic Co-operation and Development
MeCD	Ministry of Entrepreneurship and Cooperative Development
SDG	Sustainable Development Goal
UN	United Nations

CHAPTER 1

INTRODUCTION

1.0 Background of the Study

Malaysia is aiming to achieve a high-income nation status within the next five years, and its Shared Prosperity Vision by 2030 (MDEC, 2019). Several efforts have been made to expedite the country's development in order to reach this objective. Economic success and quick growth are only two factors that go into classifying a nation as developed; the social quality, as determined by its citizens' well-being, also plays a big part. For instance, developed nations are characterised by higher wages, better educational attainment, better public health, and a longer life expectancy. One of the greatest obstacles for the Malaysian government in achieving their goal is ensuring social equality between all groups and communities, especially between urban and rural areas (Khalid, 2022).

Ferrans & Powers (1985) highlighted how crucial it is to gauge social quality in order to comprehend people's total level of well-being. Assessments of social quality provide researchers with information on variables that affect the social, environmental, and economic elements of a community. Due to its numerous dimensions, assessing social quality is not a simple endeavour. Indeed, a number of studies have been done in Malaysia to quantify social quality at the national and urban levels (Unit Perancang Ekonomi, 2011).

Social quality measurement is an important tool for gaining knowledge about an individual's or society's well-being. Because social quality encompasses a wide range of contexts, there are several social quality studies that employ a variety of methods to assess social quality (Ruggeri et al., 2020). A set of reported attributes is used to

calculate the objective measure of social quality. It entails quantifying indicators and 'materialistic' factors such as income, expenses, assets, and property ownership, as well as 'non-materialistic' components such as health, social inclusion, education, and others (UNDP, 2022). Subjective social quality measurement, on the other hand, is based on self-reported data obtained through a survey, in which individuals rate their current life based on a scaled characteristic linked to social quality domains (Pieper et al., 2019).

The Twelfth Malaysia Plan, 2021-2025, keeps wellbeing as a primary push to foster balanced development with economic growth. Economic, social, physical, and psychological factors all have a role in a person's sense of well-being. Improvements in people's well-being were accomplished during the review period of the Eleventh Malaysia Plan, 2016-2020, via collaborative efforts of multiple stakeholders, particularly in providing quality healthcare and affordable housing (Unit Perancang Ekonomi, 2015).

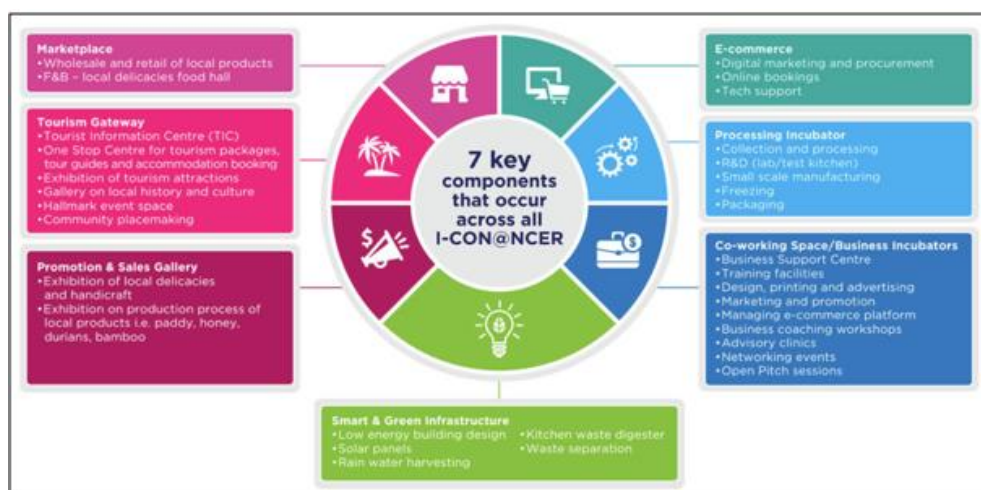
It was also made a safer place to live thanks to the implementation of several crime-prevention and road-safety programmes and the availability of emergency services. Meanwhile, initiatives for social cohesion and solidarity remain a springboard for broader citizen participation and activism. Many Malaysians have joined in on initiatives to promote healthy lifestyles and a sense of national solidarity. The increasing prevalence of sickness, the scarcity of cheap housing, the shift in criminal behaviour, the unsafe habits of drivers, the rifts in society, and the decline in physical activity all remain problems that need to be addressed.

In accordance with the topic of the Twelfth Malaysia Plan and in an effort to alleviate poverty and prevent rural-to-urban migration, the iCON pilot project in Yan and Baling would serve as a platform for rural entrepreneurs and the community to

develop their products into the urban market (Zulkifli, 2022). The Integrated Economic and Community Centre (I-CON@NCER) is an innovative strategy to closing the gap between urban and rural rakyat by utilising the potential of Malay Reserve Land (MRL) and less developed areas (LDAs). This strategy is consistent with the government's Shared Prosperity Vision 2030, which emphasises sustainable development and equitable wealth distribution for all Malaysians.

Pengkalan Hulu in Perak, as well as Baling, Sik, and Yan in Kedah, have been chosen as pilot areas for I-CON@NCER. The I-CON@NCER will propel a rural economy capable of delivering long-term income for residents while also developing new job and entrepreneurship opportunities and reducing out-migration. The key component planned for I-CON@NCER is to offer infrastructure and amenities in the chosen locations. Economic operations in the I-CON@NCER and its surrounding area will be based on the local potential of each respective location, according to the NCER Strategic Development Plan (2021-2025), and will be carried out through the establishment of the following components:

Figure 1.1: I-CON@NCER Strategic Development Plan – 7 key components



The iCON is expected to benefit 600 micro, small and medium entrepreneurs (MSME) while creating 1,000 jobs. The pilot project is spearheaded by the Northern

Corridor Implementation Authority (NCIA). iCON will also spur the enterprising culture among the local community by participating in business activities. NCIA will spearheading people-centric strategic projects and developing new economic initiatives such as iCON, while contributing towards the people's socio-economic wellbeing under the Covid-19 National Recovery Plan.

Therefore, this study is crucial for the development of the rural community in Baling, Kedah, Malaysia. The objectives of the study are to establish the perceived social quality levels of rural communities through an analysis of social economic security, social cohesiveness, and social inclusion. The results of this research are going to be used as a basis for building better rural community development in Baling, Kedah, and their purpose is to serve as a foundation for this improvement.

1.1 Problem Statement

Roads, hospitals, schools, water systems, electricity grids, and telecommunications are all examples of rural social development that contribute to economic growth and the provision of essential services. Investment has often correlated with improved rural development. (Ruggeri et al., 2020). It has been argued that if rural communities had more opportunities to compete with metropolitan ones, they would see faster socioeconomic progress (Koehler, 2020). Economic and social conditions, the reduction of rural poverty, and the development of rural residents are all expected to improve as a result of investments in infrastructure like better schools, cleaner water and electricity, cheaper transportation, better communications, and more accessible information (Pieper et al., 2019).

A series of socioeconomic factors determined the development of the town. Suitable for use in enhancing regional planning efforts, the approach devised by Abbott & Wallace (2012b) for measuring settlement growth at the rural level enabled

reaching the primary index of settlement development in rural regions and defining the significant characteristics. Walker & van der Maesen (2004) discovered that regulation is the most crucial factor in implementing sustainable practises. As a result, the investigation into social quality by means of social development indicators such as social economic security, social cohesion, and social inclusion led to the identification of a first research gap concerning the establishment of social quality variables and their effects on rural community development.

To improve the general socioeconomic situations of rural communities, public infrastructure projects contribute to the improvement of the next generations' sustainability performance. Additionally, it is believed that rural development initiatives help bolster indigenous communities' economic foundations and provide local job opportunities. Increasing agricultural production, expanding job opportunities, and expanding nonfarm employment have all been connected by Malin Arvidson and Helen Kara (2013) to reducing rural poverty and raising rural standards of living. Multiple economic, social, and environmental benefits are thought to result from rural development. Wei & Yan (2018)'s research in rural China shows that rural infrastructure is essential for reducing poverty, fostering community development, and fostering agricultural growth in developing countries. In addition, they identified eight crucial measuring criteria for determining the benefits of investment in rural development that conclude the second research gap; the satisfaction and social quality with regards to education, job, standard of living, accommodation, family life, health and social life on which raising the employment rate, the quality of life, the standard of living, the availability of connected amenities, the benefit to safety, the air pollution index, the degree of surface water pollution, the solid waste pollution level, the effect on water, and the soil loss.

Abbott & Wallace, (2012a) defines rural development as a constant effort to improve the quality of life in rural areas via changes in the social, cultural, economic, and environmental spheres. The key drivers of social and economic development in rural areas are the promotion of economic growth and the alleviation of poverty (Naguib & Smucker, 2009). The only way to alleviate poverty and improve the standard of living for people in rural areas is through economic expansion. For instance, Thangiah et al., (2020), argued that a systems approach may be more suited to assessing the function of rural educational institutions, with "the community system" referring to the combination of relatively objective variables of economic infrastructure and the satisfaction of essential social demands. Unit Perancang Ekonomi, (2015) investigated the impact of community empowerment on sustainable development in rural districts of Malaysia. The authors discovered that the relationship between community empowerment and project sustainability is strengthened by a feeling of community, which in turn helps inhabitants improve their living standard. The standard of living is the degree to which individuals and groups have access to and are integrated into the different institutions and social relationships of everyday life. Like this, a third research gap that was developed on the exogenous backdrop is required on the perception of the social quality of rural communities when looking at social inclusion.

According to a research conducted by Mnguni et al., (2017) the overall improvement in development is judged by a combination of areas of community interest. Societies with a vested interest must choose and agree upon social development indicators (Vasstrøm & Normann, 2019). Smirnovs et al., (2019) determined that the essential interference measures and circumstances must be met to meet a sustainability norm. Community development must take into account the wants

and requirements of the local population if sustainability is to be achieved. Investment strategies at the national level in infrastructure projects and development plans are crucial for community development and will continue to be an important part of a state's strategy with respect to social welfare and economic growth (Gordon, 2012). According to Hussain et al., (2022) sustainable rural infrastructure projects can successfully advance development goals.

Even though academics and researchers have published numerous articles in the past about improving socioeconomic sustainability, there is an absence of study that combines and standardizes the relationship between social development characteristics and social quality in the setting of rural areas, particularly the northern region of Malaysia (BNM, 2020). By presenting and evaluating a conceptual model of how social development indicators can affect social quality in rural areas, this study modifies earlier studies. This study's main goal has been to improve understanding of social quality initiatives from socioeconomic development in order to fill in this knowledge gap (Yee & Chang, 2009). Thus, by examining the impact of social development indicators, The purpose of this study is to fill in some of the gaps left by previous research. These indicators are social economic security, social cohesion and social inclusion, that contributes to social quality which drives the community development in the context of rural territories in Baling, Kedah.

1.2 Research Questions

Based on detail mapping on the theoretical, empirical and statistical gaps on the social quality of rural community as well as social development indicators, four research questions were set up for the current study, representing a structural model that was postulated using a causal effect relationship approach. The first three research

questions investigated the linear or direct relationship between social development indicators as exogenous factors and social quality as an endogenous variable. In addition, the fourth research question contributes to the indirect impact link, which mediates the connection between social development indicators and social quality. The research questions listed below are aligned with the research aims, hypotheses, and conclusions.

RQ1 *Does social economic security give significant direct effect on rural community's social quality?*

RQ2 *Does social cohesion give significant direct effect on rural community's social quality?*

RQ3 *Does social inclusion give significant direct effect on rural community's social quality?*

RQ4 *Does government support mediate between social development (social economic security, social cohesion and social inclusion) and social quality?*

1.3 Research Objectives

The current study established four research objectives, and its clearly established direct and indirect effect relationship between social development indicators and the social quality of rural communities, as well as the mediating effect of government support on the suggested structural model. The following are the specific research objectives that correspond to the problem statement, research objectives, research hypothesis, and research findings.

RO1 *To determine the direct effect of social economic security on the social quality of rural community.*

RO2 *To determine the direct effect of social cohesion on the social quality of rural community.*

RO3 *To determine the direct effect of social inclusion on the social quality of rural community.*

RO4 *To determine the mediating effect of government support between social development (social economic security, social cohesion and social inclusion) and social quality of rural community.*

1.4 Significance of the Study

Social quality refers to the overall well-being and quality of life experienced by individuals within a society, including factors such as access to healthcare, education, employment, social support, and political participation. The study presents contributions to theory, context, and methodology. Similarly, it provides policymakers and practitioners with profound insights for enhancing the social quality of rural communities in Baling, Kedah, and notably in Malaysia via social development indicators.

The effect of social economic security, social cohesion, social inclusion, and government support on social quality is of paramount importance, particularly in the context of the contemporary socio-economic landscape. This analysis is significant for several reasons.

Firstly, it provides an understanding of the role of social economic security in fostering social quality. Economic security is a fundamental aspect of human life, influencing individuals' well-being and their ability to participate fully in society. It is closely tied to the ideas of equality of opportunity and stakeholder society, implying that all individuals should have equal access to the institutions and publicly provided

resources that allow them to obtain capabilities and attain their potential (Roe-mer, 1998, 2002; Ackerman and Alstott, 1998; Wills, 1998).

Secondly, the study sheds light on the importance of social cohesion in promoting social quality. Social cohesion refers to the bonds that bring society together, fostering a sense of belonging and preventing social exclusion. The Council of Europe's Human Dignity and Social Exclusion Project (HDSE, Council of Europe, 2001) characterizes two processes as contributing to economic and social exclusion: high unemployment and job precariousness, and difficulty entering the workforce and lack of access to income and associated social networks.

Thirdly, the study underscores the role of social inclusion in enhancing social quality. Social inclusion is a dynamic concept, focusing on the opportunities and choices individuals face over the long term. It is closely tied to the ideas of identity and attitude formation, with identity playing a crucial role in fostering a sense of inclusiveness among individuals who identify with one another (Akerlof and Kranton, 2000, 2005).

Finally, the study highlights the role of government support in promoting social quality. Government policies can play a significant role in facilitating access to employment, housing, social protection, health, and education, thereby fostering social inclusion and cohesion.

In conclusion, the study of the effect of social economic security, social cohesion, social inclusion, and government support on social quality provides valuable insights into the factors that contribute to social quality and the strategies that can be employed to enhance it. However, it is important to note that this is a complex and multifaceted issue, and further research is needed to fully understand the interplay of these factors and their impact on social quality.

1.5 Scope of the Study

The scope of the study is determined by the parameters under which it will work. This involves establishing the research topic and articulating precisely what the researcher is examining, including the permissible range of variables (Simon and Goes, 2013). Consequently, this study focuses solely on the rural village of Baling, which is located in Kedah, Malaysia. The study would encompass several key areas:

- i. **Social Economic Security:** The study would examine the level of social economic security in Baling, Kedah, including factors such as income levels, employment rates, access to social protection measures, and the stability of these conditions. It would also explore the impact of these factors on social quality in the region.
- ii. **Social Cohesion:** The study would assess the degree of social cohesion in Baling, Kedah, including the level of trust, mutual respect, and sense of belonging among individuals and different community groups. It would also investigate the influence of social cohesion on social quality.
- iii. **Social Inclusion:** The study would evaluate the level of social inclusion in Baling, Kedah, including the extent to which all individuals have an equal opportunity to participate fully in social, economic, political, and cultural life. It would also explore the effect of social inclusion on social quality.
- iv. **Government Support:** The study would examine the role of government support in mediating the effects of social economic security, social cohesion, and social inclusion on social quality in Baling, Kedah. This could include an analysis of relevant government policies and initiatives, as well as the resources provided by the government to enhance these factors.

- v. **Social Quality:** The study would assess the overall social quality in Baling, Kedah, based on the aforementioned factors. This could involve an analysis of various indicators of social quality, such as the level of social participation, social rights, social cohesion, and social inclusion.

The study would likely employ a combination of quantitative and qualitative research methods, including surveys, interviews, and document analysis, to gather data on these factors and their impact on social quality in Baling, Kedah. The findings of the study could provide valuable insights for policymakers, practitioners, and researchers interested in enhancing social quality in the region.

However, it is important to note that the specific scope of the study would depend on various factors, including the research objectives, the available resources, and the specific context of Baling, Kedah. Therefore, further research is needed to fully define the scope of the study.

1.6 Thesis Structure

Chapter 1. Introduction

Chapter 1 developed the problem, research gaps, and problem statement on the basis of epistemological and ontological evidence. The chapter presented study questions and research objectives on the hypothesised model's causal effect connection settings for variables. As the primary purpose of the study, there are four research questions and objectives. As scientific rationale for doing research on the social quality of rural communities as predicted by social economic security, social cohesion, and social inclusion, the significance of the study is offered. Furthermore, the present study proposes government aid as a mediator in the interplay between exogenous and endogenous variables.