

# Understanding Entrepreneurship: Tawau's Stateless Children

## A Case Study

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### 1.0 Introduction

Stateless and undocumented children's education in Malaysia, specifically in Sabah, illustrates the complex relationship between human rights, legal status, and social norms. The Universal Declaration of Human Rights guarantees free, compulsory primary education for all (Loganathan, Chan, Hassan, Ong & Majid, 2022). The Convention on the Rights of the Child emphasises equal education for all. Malaysia's objection to Article 28 paragraph 1 (a) of the CRC has led to discriminatory policies, denying non-citizen children public schooling (Selvakumaran, Tie & Mohd Yusuff, 2022). Many must rely on civil society, faith-based, and private benefactors for informal education at alternative or community learning centres.

Stateless and illegal children in Sabah confront many issues. Without national recognition or legal paperwork, they face systemic impediments to marginalisation. Recent Statistics Malaysia estimates show a large non-citizen population in Sabah, including 250,000 impoverished children (Loganathan et al., 2022). Being excluded from formal schooling and employment makes these children exposed to begging and substance abuse, underlining the terrible repercussions of their exclusion (Razali, Duraisingam & Lee, 2022).

The future for these youngsters is shockingly gloomy (Loganathan et al., 2022). Lack of identity documents or citizenship hinders their access to post-secondary education and formal jobs, perpetuating poverty. Political will and public empathy for non-citizen children without Malaysian lineage are lacking in policy (Loo & Lagason, 2022). Even local-born and bred undocumented people are socially excluded as outsiders competing for scant resources and wrongly blamed for societal problems.

The study was conducted among children residing in Kampung Batu 4, Tawau, Sabah, without legal documentation. The population of this distant village consists of individuals who lack official national identity credentials. Kampung Batu 4 Pangkalan is a small aquatic settlement in the region of Tawau, Sabah, located in East Malaysia. The location of the area is close to the Celebes Sea coastline. Tawau, the third most populous urban centre in the state of Sabah, possesses an important geographical position due to its proximity to the Indonesian province of North Kalimantan and the Sulu islands of the Philippines.

Furthermore, the coastal region under consideration is encompassed by many islands and islets, constituting integral components of the sovereign territories of the Philippines, Indonesia, and Brunei. Therefore, it can be considered a significant hub for transporting passengers and cargo and a prominent migration route between Malaysia, the Philippines, Indonesia, and Brunei. The fluid borders of East Malaysia among various nations give rise to unrestricted migration. The East Malaysian coastline has witnessed an increase in unauthorised entry into Malaysia, prompting concerns and discussions.

The school was founded in 2019 to provide educational opportunities for undocumented students. The school was established through a collaborative effort involving Borneo KOMRAD, PERKALAS, Sekolah Jalanan Tawau (Kelas Ikat), and SALAM. The establishment of this alternative educational institution was motivated by offering tuition-free education to youngsters residing in the area who lack legal documentation. This educational institution places significant importance on cultivating reading, writing, and arithmetic (3M) abilities and acquiring fundamental life skills encompassing commerce, agriculture, sewing, and cooking. To date, the student population of this educational institution comprises 48 individuals, encompassing a diverse age range from 4 to 18 years old. Notably, all students in this cohort are stateless.

## **2.0 Entrepreneurship Understanding**

Entrepreneurship among stateless children is a concept that holds great potential for addressing the challenges and opportunities faced by this marginalised population. Stateless children often face significant barriers to accessing education, healthcare, and employment opportunities ((Loo & Lagason, 2022). These barriers can hinder their development and limit their potential for a better future. However, by fostering an entrepreneurial mindset among stateless children, we can empower them to overcome these barriers and create opportunities for growth and self-sustainability.

Instilling independence with entrepreneurship can influence the children's mindset and develop their creativity, empowering children to be independent and capable of making their business opportunities (Paco & Palinhas, 2011). Entrepreneurship among stateless children can provide a pathway towards economic empowerment and poverty alleviation. Promoting entrepreneurship

among stateless children can also help in their integration into society. By developing entrepreneurial skills, stateless children can become active economic participants and contribute positively to their communities. Entrepreneurship can also serve as a means for stateless children to gain financial independence and improve their well-being. Moreover, entrepreneurship can give stateless children a sense of purpose and hope for the future. It can empower them to take control of their lives and work towards a better future despite their challenges.

### 3.0 Methodology

In this study, our goal is to evaluate students' proficiency in entrepreneurship through two segments: firstly, understanding basic entrepreneurship concepts, and secondly, grasping fundamental concepts in business financial management (see Table 3.1). During our initial interaction with the students at the school, our conversations with teacher and adolescents revolved around their firsthand experiences in entrepreneurship. The teacher revealed that a cohort of 13 students, aged between 16 and 18, had been introduced to the core principles of entrepreneurship as part of their academic journey. Among the curriculum offerings, the "*kemahiran Hidup*" or Living Skills subject stood out prominently, dedicated to instilling vital life skills encompassing cooking, sewing, farming, and the art of selling. Noteworthy was the school's initiative to market various products crafted by these students—from T-shirts to tote bags, crafts, and delectable food items—channeling the proceeds to support essential financial aspects of the school's operations.

#### 3.1 Entrepreneurs' knowledge and skills

Segment (I)	Basic entrepreneurship concept	<ul style="list-style-type: none"> <li>i. Definition of entrepreneurship</li> <li>ii. Buying and selling concept</li> </ul>
Segment (II)	Basic business financial management concept	<ul style="list-style-type: none"> <li>i. Description of cost of production and example</li> <li>ii. Description of operation expenses and example</li> <li>iii. How to determine the selling price</li> <li>iv. Description of sales and how to calculate it</li> <li>v. Description of profit and how to calculate it</li> </ul>

While the students predominantly concentrated on these items' creative production, they were given a unique opportunity to showcase and vend their creations during the sacred month of Ramadan at the bustling village market. Admirably, the profits from this venture were graciously donated back to the school, reflecting the students' charitable spirit and burgeoning understanding of business and communal support.

Having completed their education at the institution, equipped with proficient literacy and numeracy skills, these graduates now find themselves at a crossroads, poised to chart their trajectories with their teachers' continued guidance and mentorship. A select few have been honoured to assume teaching roles within the school, embodying a cycle of knowledge sharing and mentorship.

However, the challenges for these graduates persist, primarily stemming from their undocumented status, limiting their employment options to physically demanding laborious roles that often offer meagre compensation. Recognising this predicament, we proffered an idea to the teacher—a proposition to empower these graduates to establish their entrepreneurial ventures. The proposal involves leveraging their existing skill sets and elevating their production capabilities while imparting indispensable knowledge in business financial management and adeptness in online marketing strategies.

By nurturing their entrepreneurial aspirations and bridging the gap between skills acquired and market demands, we aspire to pave a pathway for these graduates, steering them towards self-sufficiency and empowerment despite the constraints posed by their circumstances. This initiative aims not only to enrich their lives individually but also to contribute to the larger socio-economic fabric of their community by fostering self-reliance and innovation.

After finishing the examination of the basics of being an entrepreneur, the students move on to the second segment which is understanding basic business financial management. They are divided into small groups and given actual tasks to help them better understand essential finances. By choosing a product to sell, setting a price, figuring out how much it will cost to make and run a business, and predicting total sales and profit, these students learn how to handle a business's money in a real-life setting. With the help of two instructors, they are not just learning theories but also putting what they have learned into practice in real-life examples.

The task is more than just numbers; it connects what they have experienced before and designs it for real life. It gives the students the tools to understand how costs, sales, and earnings work in complex ways. This gives them a basic understanding that will guide them as they become entrepreneurs. Using what they have learned in real life, they learn about money and essential skills like making decisions, analysing things critically, and planning. These activities help these children feel confident when dealing with complicated financial issues later. This way, they can ensure their business has the solid economic base they need to grow and stay in business for a long time.

Over three engaging hours, students enthusiastically presented their innovative business ideas and crafted financial calculations. The list of business proposal as shown in Appendix 1.0. Amidst this productive exercise, it became apparent that the students possessed a keen eye for identifying cost and expense items, such as raw materials and logistics. However, a notable uncertainty lingered regarding the appropriate categorisation of these expenses—whether they fell under the umbrella of cost of production or operational expenses. Furthermore, the students sought clarity on the nuanced concepts of sales and profit, recognising the importance of these fundamental principles in business. Fortunately, the facilitators skillfully guided them through these intricacies, fostering a more profound understanding that the students successfully translated into their compelling business proposals. Seven promising business concepts were passionately shared as the session ended, reflecting the students' newfound understanding of these crucial entrepreneurial elements.

### **3.0 Conclusion**

The program serves as our inaugural engagement with undocumented children with rudimentary literacy skills. However, despite their limited educational foundation, the adversities they have faced in life have remarkably accelerated their maturity, surpassing their actual age. An interactive session within the program involves delving into and exploring the fundamental skills and knowledge of entrepreneurship among the children. The session comprises two distinct segments: initially, assessing the foundational entrepreneurship knowledge among the 13 chosen students through interviews and discussions, then imparting fundamental financial management expertise using tangible business illustrations.

Overall, at the end of the session, the students can articulate their business ideas and finances based on the presented business proposal. Following a day spent with them, it became evident that the undocumented children in the school harbour remarkable talent and an insatiable thirst for knowledge. Hindered by the lack of valid documentation, numerous opportunities remain out of reach.

Nevertheless, thanks to the visionary initiative of individuals versed in the value of education, a school has been established, offering a glimmer of hope for these children's futures. Given the constrained job options, the potential next phase of post-schooling could involve delving into entrepreneurial careers as a viable avenue. AIU is dedicated to providing unwavering support and direction to assist these children in their entrepreneurial endeavours.

## References:

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# Appendix 1.0

## Business Proposal 01

**Baju & Tudung**

**Baju Tshirt**

Beli baju polos = RM 7.00 / helai

$$\begin{array}{r} 7 \\ \times 50 \\ \hline 350 \end{array}$$

Barang pencetak = RM 50.00

Kos keseluruhan (RM 400)

Harga yang dijual RM 30.00 / helai

Penghantaran tengok tempat

**Tudung bawal**

Tudung kosong = RM 5.00 sehelai

$$\begin{array}{r} 5 \\ \times 50 \\ \hline 250 \end{array}$$

Harga dijual RM 15.00

Penghantaran RM 10.00

Kos keseluruhan (RM 250)

**Untung baju**

~~RM 1950~~

~~RM 1482~~

**Untung big tudung**

~~RM 4250~~

~~RM 742~~

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**BAJU Untung mau buat apa ?**

RM ~~1950~~ 1482

beli barang RM 400

Bagi separuh untuk makan minum RM  $400 \div 4 = 100$

Simpangan RM ~~1050~~ 692

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**TUDUNG BAWAL**

RM ~~1250~~ ~~742~~ 742

Beli barang RM 250

Bagi separuh untuk makan minum RM  $400 \div 2 = 200$

Simpangan RM ~~500~~ 92

## Business Proposal 02

**(Baju Kurung)**

- 1.) Kos: RM 620
- 2.) Harga: RM 30
- 3.) 50 helai sebulan
- 4.) Untung: 880

$30 \times 50 - 620 = 880$

Kos keseluruhan RM 1,138

Untung kesemua RM 1,130

**(Produk Skincare)**

- 1.) Yang dijual Skincare
- 2.) Kos RM 500
- 3.) Harga 15 seketak
- 4.) 50 kotak sebulan
- 5.) Untung RM 250

$15 \times 50 = 750$     $750 - 500 = 250$

Untung yang Simpan RM 730



### Business Proposal 03

## Inai Dan Ikat Rambut

### Inai

\* Modal @ kos :  
 = RM 186

Harga produk :  
 = RM 15 = 1 pek @ can inai

\* Produk di jual setiap bulan :  
 = 30 pek

Harga barang  
 = RM 15 x 30 = RM 450

Kemasukan kos Profit @ Keuntungan  
 RM 450 - RM 186 = RM 264

Untung untuk apa?  
 = simpan @ Beli rumah

### Ikat Rambut

\* Modal @ kos  
 = RM 173

\* Harga produk

- Saiz kecil = RM: 5
- Saiz sederhana = RM: 10
- Saiz besar = RM: 16

\* Berapa banyak dijual dalam  
 Satu bulan = 20 Pcs

\* Berapa untung  
 Harga barang kemasukan

RM = 180 = 20 Pcs / bu = 150 - 173  
 = Profit @ Keuntungan = 7

untung untuk apa: simpanan  
 untuk masa depan.

### Business Proposal 04

## Baju dan Kuih


\* Berapa Kos? <sup>RM 1000</sup>  $\frac{1000}{10} = 100$

Harga Baju (RM 1300)

$\frac{1300}{10}$

Penghantaran RM 10

Untung 299



Sekolah Alternatif  
 Tawau

### (Kuih)


\* Berapa Kos: 355

\* Berapa Harga.

- Balang kecil RM 15  
 $15 \times 20 = 300$
- Balang Besar RM 25  
 $25 \times 20 = 500$

Untung = 800

$800 - 355 = 445$



### Business Proposal 05

Kami jual Baju & Seluar

Moaf jika telision kami Jelek (X)

Duit dalam tangan (5.00)

Barangan yang kami beli

harga baju 1 helai RM 25  
 harga Seluar 1 helai RM 30  
 Pengkantaran RM 15

Jual sebulan  
 Seluar 20 set  
~~Baju 20 set~~  
 Baju 10 set

untung kami  
 (8.50 - 3.00)  
 5.50

Barangan yang di beli setiap bulan  
 untung kami mahu beli barangan yang habis

1) Baju 10 helai RM 100  
 2) Seluar 20 helai RM 200  
 3) Jarum 1 kotak RM 15  
 4) Benang 1 kotak RM 20  
 5) Kain Sari 1 set RM 30  
 6) Kain 22 RM 50  
 7) warna baju 1 ton RM 50  
 8) ~~Stitch~~ Solek, P 5 RM 10  
 9) Pisan RM 15  
 10) Kertas RM 10

Kos Semangka (450)

### Business Proposal 06

② unit: 25  
 KOS: RM 249.3

3) Harga Jualon: RM-20-25

- ZIP - RM-10 1 pek  
 - Kain - 1 Helai (5.00) 125  
 - Kain sutera - RM 40  
 - Benang - RM 6.30  
 - Ink - RM 60  
 - Logistik - RM 8.00

(Mahu jual)  
 Tote Beg

① 1) bulan 25 helai tote beg (Dijual)

4) Untung 1 beg (RM-10-15)

5) Untung keseluruhan (25 unit) RM-250-375

Baki untung (tolak kos) RM-118

Business Proposal 07

