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**ENTREPRENEURSHIP, ECONOMIC ORGANISATION  
AND THE AUTOMOBILE INDUSTRY: A STUDY OF THE  
ASIAN MODEL AND MALAYSIAN EXPERIENCE**

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**THE INSTITUTE OF  
POSTGRADUATE STUDIES  
UNIVERSITY OF MALAYA  
MARCH 2004**

Perpustakaan Universiti Malaya



A511760446

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**A thesis submitted to  
the Institute of Postgraduate Studies for  
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## PREFACE

The cause for concern for developing nations in the near future are the would-be challenges brought about by the institutionalisation of various international agreements, specifically the arrangements under the ASEAN Free Trade Area (AFTA) and the World Trade Organisation (WTO). These AFTA and WTO are the two forces that would be able to open up our markets to international trade and investment in all economic sectors. If they are not tackled with carefully and wisely, they could jeopardise developing economies and, more specifically, Malaysian own entrepreneurs and entrepreneurship.

Given the potential challenges and mooted by the recommendations of the Post Graduate Committee members at the Institute of Post Graduate Studies (IPS), University of Malaya, this study argues that dynamic entrepreneurship is the best organiser of economic resources and activities, and hence a tool for developing countries, including Malaysia, to further their economic development efforts. Using the literature on entrepreneurship, networks and organisations, and empirical evidences of some developed East Asian countries, a three-in-one framework - Entrepreneurial Network Organisation - has been developed to investigate the role, configuration and characteristics of entrepreneurs within the context of economic development and competitiveness.

Fully capitalising a conducive environment and a several-year experience in research and teaching, the researcher has been able to cope this very demanding interdisciplinary study with considerable confidence. Another advantage for the researcher was his considerable experience in teaching and research work in related areas of the present study. His teaching experience in the two university courses - *The History of Economics Thought and Malaysian Economics* - were very helpful in completing this study. By teaching the first course, at least, the researcher could see the

development of economic theories from 300-400 B.C. to recent periods. Theoretical development is actually not revolutionary but an evolutionary process. It had taken about 2000 years before Adam Smith came up with his book, *The Wealth of Nations*, the work that lay the foundation of the modern economic theory of capitalism. By teaching the second course, the researcher became well-versed with the development of Malaysian economy - economic policies and performance in various macro and micro aspects.

In addition, he received strong support from the supervisor and co-supervisor and took advantage of the facilities at the Faculty of Economics and Administration and University of Malaya to undertake his research. Some encouragement from and informal discussions with faculty colleagues injected some spirit for the researcher to expedite the research and writing process. Discussions related to the automobile industry were also held with government officials and private sector executives. A tight teaching schedule, heavy teaching load and fulfilling several invitations for academic paper writings on this study for publication and seminar presentation were no impediments since they still related to academic work.

Despite the new framework applied to the present study, the researcher's continuous eight-year involvement (since 1992) in various socio-economic studies helped develop various terminologies and conceptual words used throughout the study. His past work has been published in several local and international journals, books, magazines, and other publications. Scholarly comments from numerous professionals before his work accepted for publication assisted the researcher mature academically over a passage of time. Positive comments were also received from participants at a number of seminars where the researcher presented his papers. The latest in October 2000 was the seminar on *Community Development through Vitalisation of Local Craft* that was held in Kuala Lumpur by the Asian Productivity Organisation (APO) of Japan in collaboration with the National Productivity Corporation (NPC) of Malaysia.

The seminar was the best platform for the researcher to apply the framework offered in the present study. The response was very favourable and recognised that even our handicraft industry could be organised as an ENO. The seminar paper proved, even to the researcher, the power of network organisations as potent vehicles for economic development and competitiveness.

Tremendous experiences were also gained when an Australia-based international journal requested the researcher to review a book relating to subcontracting arrangements in Malaysia. Given very limited time (two weeks) by the publisher, but with the guidance of Allah S.W.T, the researcher successfully met the deadline.

Despite the considerable experience, the researcher still had to work day and night for about two years. The most difficult part was to understand the conceptual aspects of entrepreneurship, networks and organisations before they could be crystallised to be presented in this study. To complete the present study, the researcher became obsessed with the work and almost forgot about his own family. To some extent, the researcher mind nearly reached saturation point - a critical point which should be alerted in economics. Continual complaints from the family did not stop the researcher from finishing this volume of study according to plan - by November 2000. After taking into consideration my supervisor and co-supervisor's comments and recommendations, the final draft of this study was completed in May 2001. With the strong recommendations from the examiners in the examination board meeting on 9<sup>th</sup> June 2003, further amendments and corrections to the thesis were made in June and July 2003. A minor amendment was then made in March 2004 on request of the Examination Board which held its second meeting on 10<sup>th</sup> March 2004. Although the study has been completed, the researcher feels that continuous research should be conducted to undertake a more mature approach in this field of study. This means that the researcher would be continuously a knowledge hunter.