

# Small economic activity in rural area

Economics



**ASSIGN  
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## **Background of the study**

Economic activity refers to the consumption of goods and services and activities in which money is exchanged for product or services (Hendricks, 2017). It was performed for the purpose of making money, gaining wealth, creating and producing items that can be offered to the public for sale. Pavlov (2000) also argued that economic activity defined as any activity consisting in offering goods and services on a given market. The outcome of economic activities is measured monetarily (Hendricks, 2017).

According to Fisher (1933), economic activities classified into three main sectors which are primary sector (consisting of agriculture), secondary sector (formed by industry) and lastly is the tertiary sector which are incorporating all other activities that did not fit in the first two sectors. Cari data statistic ekonomi Malaysia? In business scope? There are several types of economic activities including business, professions and employment.

Restaurants, large retailers and even small businesses engage in economic activities every day. Business is one of the economic activity. Whether it is a formal business, an entrepreneurial venture or a small lemonade stand in the front of yard, the economic activity of business is any activity where goods and services are exchanged for the earning of money. High cost living? Rural area refers to nonmetropolitan areas (United States Department of Agriculture, 2003).

According to Office of Management and Budget United States (2013), nonmetropolitan areas are outside the boundaries of metropolitan areas and

have no cities with 50, 000 residents or more. Department of Statistic Malaysia (2010) stated that Lawas, Sarawak only had the total population of 38, 385 in 2010. It can be categorized as the rural area because the total population less than 50, 000 populations. In the next 10 years, the total of population in Lawas, Sarawak expected will be increase in 2020 (Population and Housing Census of Malaysia, 2010).

According to Malaysia Labour Force Survey Report (2002: 17), rural area defined as all the gazetted areas consisting of less than 10, 000 people and all of the areas that are not gazetted. It also argued by the Ministry of Rural and Regional Development which simply defined rural as an area with population of less than 10, 000 people. In 2002, out of nine main economic activities in rural areas, agriculture-related activities including hunting, forestry and fishing contributed 38. 5% of the employment as compared to 18. 2% in manufacturing and 9. 8% in wholesale and retail trade (Malaysia - Labour Force Survey Report, 2002).

Problem statement Business growths in Lawas town lead to raise the economic development in rural area. However, there are some issues that are often said. The local authority gives less attention to small-scaled business especially retailing business. This has been a challenge to small business owners to develop their businesses because of competition from large-scale business. Additionally, the lack of special sites for traders, particularly in stall business and renting business, has resulted in irregularities.

It causes the huge problems for the urban environments such as creating a less attractive, hygiene problems and congestion, especially in Lawas town.

These problems occur due to the weakness of local authorities in implementing the regulatory, guidelines planning, standards of planning, control activities, employee attitude and lack of financial. The local authorities mostly give attention to the issues of getting the appropriate site, the size of the building site, the provision of the perfect garbage disposal facility, the absence of special units or sections to implement the rules thoroughly in the context of actual planning.

Informal businesses operating not only in town areas but also occurred in the village area. There are several issues that viewed from the informal sector businesses such as stalls and hawkers. It found that several stalls and hawkers had physically dilapidated conditions, built in unsafe business area and the absence of adequate public facilities have affected the unpleasant scenery. Several stalls or hawkers were too close to the road reserve.

The selection of a location informal business has to take seriously. It is because, informal sector mostly happen found on parking lot area, roadside and in sidewalk of the stores. To improve this situation, the Lawas District Council will take enforcement action such as seizing business equipment, revoke licenses or impose fines. Occasionally, the Lawas District Council also handed over enforcement notice to close business or relocate stalls and hawker centers temporarily in a more organized and secure area.

## Research questions

Research objectives The purpose of this study is aimed to analyst and evaluates the problems and growth of small-scale business in Lawas. Thus, consideration should be given to this aspect when discussing and evaluating the challenges of development.

The objectives of the study are as follow:

- To identify the need of small-scale business in an economy
- To determine the various problems faced by the local communities in the study areas from the perspective of the small-scale business
- To suggest more appropriate and effective ways to overcome this problem.

The findings of this study will help the policy makers in identifying problems relating to the institutional arrangements of rural development agencies.

Consequently, it will help in introducing more effective institutional arrangements in delivering or implementing rural development programmes in order to tackle rural development problems. Significance of study There are three factors that have driven the researcher to engage in the research. Firstly, there is a need for balance in development between rural and urban areas.

Secondly, rural development is particularly important for the political stability of a nation, and thirdly, rural communities that typically form the majority of population in most developing countries are mostly poor.

Therefore, rural development is part and parcel of the nation's development.

It cannot be sidelined even though it possesses diverse and complex problems.