

## ASSESSMENT OF THE IMPACT OF ECER HUMAN CAPITAL DEVELOPMENT PROGRAMMES ON THE LOCAL COMMUNITIES

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**Abstract:** Over the past four decades, regional development policies and strategies in Malaysia have promoted the reduction of significant regional income disparities and equitable growth among regions. Following government inspiration, in the Ninth Malaysian Plan (2006-2010), the East Coast Economic Region (ECER) and four other regional economic corridors have been established. In addition to high-impact projects implemented in the region, ECER also focuses on human capital development programmes to reduce socioeconomic disparity, eradicate poverty and improve the local community's income. This study assesses the socioeconomic impact of various human capital development programmes implemented for the past ten years. Mixed method research was conducted in this study utilising quantitative and qualitative approaches. A total of 263 participants of human capital development programmes took part in this study, followed by in-depth interviews with 12 key informants from the decision-making and implementation levels. The findings revealed a moderately positive impact of various human capital development programmes implemented by ECER, which improved the socioeconomic status of the local community on the east coast of Peninsular Malaysia. This study has contributed to eliminating poverty in rural areas of less developed states in Malaysia (Goal 1 of SDG) and reducing inequalities between western and eastern parts of Peninsular Malaysia by creating more employment opportunities and empowering their standard of living (Goal 10 of SDG).

**Keywords:** East Coast Economic Region (ECER), human capital development programme, regional development, rural development, socioeconomic impact.

### Introduction

Promoting balanced regional development and closing the gaps in development across areas in a country is a global challenge (Deng *et al.*, 2022). Over the last 40 years, the main focus of Malaysia's regional development strategies and policies has been to reduce inter-regional disparities and underdevelopment. Over this period, most of the infrastructure and resources were concentrated in the west coast region of Peninsular Malaysia, while the states in the east coast part recorded high poverty and unemployment rates. Jeevan *et al.* (2019) suggested that regional development authorities should plan effective regional development practices for better socioeconomic growth.

Moreover, they should devise economic and social approaches to achieve a shared regional development vision.

In a few reports, the Organisation for Economic Cooperation and Development has also indicated the importance of policies for balanced regional development to utilise the potential of regional growth potential (OECD, 2019) where the government has introduced a 5-year development plan as one of the measures to address this issue (Habibullah *et al.*, 2012). Apart from that, the creation of regional economic development was among the strategies taken by the regional development policy to improve socioeconomic development,

particularly in less developed states (Eskandarian & Ghalehtemouri, 2011).

In the Seventh Malaysian Plan, the main thrust of regional development is to attain a balance between economic and social development across the states and regions in Malaysia. Other than that, it is targeted to improve the living standard and life quality of the local populace (Krimi *et al.*, 2010). The efforts to raise the living standard and quality of life and achieve a balanced social and economic development continued in the Eighth Malaysian Plan. As a result, all states in Malaysia recorded growth in the economic aspect as well as in the standard of living of urban and rural areas.

Nevertheless, the development gaps between the states and urban-rural disparities widened during the Eighth Malaysian Plan period. There was a huge difference in the national Gross Domestic Product (GDP) value between the central and eastern regions in 2005. The accounted GDP for the central region was 41.1%, while the eastern region only contributed 11.5% of the national GDP. In addition, poverty incidence remained high in the less developed states such as Sabah, Kelantan and Terengganu (Malaysia Economic Planning Unit, 2006).

The government was concerned with regional development imbalances in the Ninth Malaysia Plan (2006-2010). Through the third phase, the government aimed at constructively and productively addressing the issue of socio-economic disparities between states and regions in Malaysia. There was an increased allocation for the development of rural areas as a strategy to close the gap between rural and urban areas as well as between the less developed and more developed regions. The key priorities were the eradication of the most poverty-stricken regions and overall poverty reduction. Throughout this period, the government started to be concerned with evaluating the effectiveness of past policies and programmes (Ngah, 2012).

In line with government aspiration, five regional economic development corridors, including the East Coast Economic Region (ECER), were established during this period.

ECER deals with the states within the east coast of Peninsular Malaysia comprising Pahang, Terengganu, Kelantan and Johor (district of Mersing). Geographically, ECER covers 51% of Peninsular Malaysia, with a total area of over 66,000 square kilometres. Regarding this matter, the East Coast Economic Region Development Council (ECERDC) was established in 2008 as a statutory body under the East Coast Economic Region Development Council Act (Act 688) to drive the implementation of the ECER Master Plan. ECERDC plays a vital role in producing a proper direction, suitable policies and dynamic strategies related to the development of this region.

In addition to the high-impact projects implemented in the region, ECER also focuses on human capital development programmes to reduce socioeconomic disparity, eradicate poverty and improve the income of the local community. Since 2009, several human capital development programmes have been implemented in ECER with different target groups (ECERDC, 2019). Empower ECER is an entrepreneurship and skills training involving participants among disadvantaged adults such as aspiring youths, single mothers, unemployed and underemployed people. Besides, Entrepreneur ECER is a collaboration programme with several agencies to increase Bumiputra entrepreneurs as well as those of other communities. This programme targets existing entrepreneurs who have the potential to grow their businesses. The agropolitan project is an initiative to eliminate poverty among hard-core poor participants in rural areas of the region. This project uses agriculture platforms where participants are employed in agriculture plantations and provided with custom-built houses and conducive neighbourhood areas. Besides that, the Suri@Home programme is specially designed for women in ECER. The participants are housewives and single mothers with mobility constraints who are involved in home-based businesses to earn regular additional income for their families. Another programme is Terminal Jahitan, which is located in Johor. It is a tailoring outfit operated and managed

by GIATMARA. ECERDC helps in providing start-up financial capital. This terminal serves as a training centre that conducts apprenticeship courses to enhance employment opportunities among single mothers and youths (Latip *et al.*, 2020).

Recently, the government and stakeholders are increasingly concerned about the need for the impact of public policies. Rabe *et al.* (2013) mentioned that it is important to study the impact of regional economic development towards achieving balanced socioeconomic development. The achievement of regional planning and its development differs depending on the pattern of development and growth. Assessing the impact will help to identify the issues and problems with the current regional development strategies besides some recommendations that can be made to address them. In another study, there was a lack of findings related to the impact of regional development towards the local people in Malaysia, particularly on the social factor, as there was a strong connection between economic growth and social well-being (Ulengin *et al.*, 2011). Ngah (2015) in his study discussed the new inclusive regional development in Malaysia stating that one of the important pathways is an emphasis on inclusivity in the process and impacts of the development. This has to be clearly understood by the government as every development programme must be effectively implemented and monitored on the ground to ensure that the local community receives maximum benefits to increase their standard of living and reduce rural-urban gaps.

In the context of regional development, apart from physical development, human capital development is also an essential indicator to achieve sustainable development. Human capital is defined as the knowledge, skills, attributes and competencies exemplified in an individual that facilitates the establishment of personal, social and economic well-being (OECD, 2001). The investment of the government in training and education contributes to the socioeconomic development in the region, particularly in

enhancing the potential of disadvantaged adults such as the unemployed, underemployed, single mothers and aspiring youths. Many scholars discussed the impacts of development projects and programmes in improving the socioeconomic status of the local community. These include various human capital development programs such as agriculture projects and skills and training programs. Investment in knowledge and skills increases the employment rate (Vinokur *et al.*, 2000). Other than that, a study discovered a positive correlation between investment in education as well as economic growth and development (Olaniyan & Okemakinde, 2008). Human capital development is the key to achieving social and economic development instead of physical, material, and capital resources.

Naveed (2013) showed the association between investment in human capital development and benefits to association. It was understood that investment in training and development programmes can contribute to high employee productivity, which directly helps achieve high organisational performance. In this matter, human capital development plays a vital role in regional economic development by providing education and training to local people to increase their knowledge and skills. Later, this added knowledge will help them find good jobs and positions besides offering them many employment opportunities.

Furthermore, the transformation in areas such as access to employment, information and communication networks can mitigate regressive social norms only if they can penetrate domestic gender relations and not 'stop at the household doorstep' (World Bank, 2012). Education and training are among the most important elements in socioeconomic development as participants will gain knowledge, skills and self-confidence that are vital to actively participate in the development process. In this study, participants were empowered by being involved in training courses on the road to becoming successful entrepreneurs. According to Alam *et al.* (2012), involvement in entrepreneurship

activities would allow participants to escape the poverty trap and enhance their financial stability, contributing to the nation's economy. In addition, skills and training help to create vibrant economic activities, especially in the domestic arena (Zarina & Zuraidah, 2016).

A study conducted on the participants of development initiatives in Kelantan, Malaysia, has shown a positive impact of access to working capital and training programmes on household income and level of economic (Mustapa *et al.*, 2018). The empowerment of the local community through social capital has a significant positive effect in enhancing the socio-economic well-being of Malaysian local women. It improves business performance among low-income local women and access to information, knowledge and professional advice (Ekpe *et al.*, 2015). Apart from that, a study by Rohana *et al.* (2013) demonstrated the significant contributions of development programmes in increasing local people's income and providing financial support to improve their business performance. The programmes have lifted their quality of life and empowered them with personal qualities such as skills and knowledge, confidence level, and attitude.

Ahmad *et al.* (2014) studied the participants of the Agropolitan Project in Pahang and Kelantan and found a positive impact of this project in improving their quality of life. Their income upon joining this project had significantly increased. Currently, the participants have a fixed source of income and fixed jobs. This agriculture-based project managed to reduce poverty in rural areas of Pahang and Kelantan. In addition, it enhances work opportunities among the hard-core poor people. Their wives can also be involved in secondary activities while their schooled children receive free tuition to improve their academic performance.

Moreover, an evaluation study has been conducted on the impact of public investment programmes towards the regional socio-economic development in Russia. The finding suggested a positive impact of the programmes in reducing the unemployment issue and improving

export activity. However, it also contributed to the negative impact on social inequality in the region (Limonov & Nesena, 2019). Latip *et al.* (2020) discovered an improvement in occupation and income among the female participants in human capital development programmes. Generally, the participants of these programmes were empowered and contributed to the socioeconomic development of the rural community in the east coast region of Malaysia.

Another study shows the relationship between human capital development and poverty reduction in implementing government empowerment schemes in the agricultural sector. The weaknesses of human capital development practice have affected the outcomes of this scheme (Ukeje *et al.*, 2020). This finding is supported by Berkhout *et al.* (2018), who found the outcomes of human capital development programmes that failed to achieve their target when the elite groups took the opportunity of the public resources. Masters *et al.* (2018) study findings demonstrated the importance of a sound human capital development practice in improving the socioeconomic status of local communities in rural Africa. The weak implementation of the empowerment programme has affected the outcomes and the rural communities continue to live in poverty.

In a recent study by Rahim *et al.* (2021), human capital development was found to synthesise the economic growth of a region. In the study, human capital development contributed to mitigating the resource curse effect. It indicated the significance of boosting investment in human capital development in achieving better economic growth. The impact will later accelerate improvement in the socioeconomic condition of people in the country. After all, lack of attention to human capital development is one factor that influences the high poverty rate in developing countries and is among the root causes of creating a "poverty trap" (Shen, 2022).

Studies on the impact of regional development programmes, particularly on regional economic corridors in Malaysia, mainly



focus on the Iskandar Development Region. For instance, Osman *et al.* (2015) analysed the local people's perceived socioeconomic impacts of Iskandar Malaysia's development, limited to the three main socio-economic factors: Age, education level and household monthly income. Latip *et al.* (2020) assessed the impact of human capital development programmes in the east coast states of Peninsular Malaysia but mainly focused on agriculture projects. Diebolt and Hippe (2022) found regional human capital as the key to explaining regional innovation and economic disparities but focused on the secondary source dataset. Hence, this article aims to assess (1) the changes in income and occupation of the participants after joining ECER human capital development programmes and (2) the impact of these programmes in improving the socioeconomic status of the local community in ECER states.

### Methodology

This study involved participants of ECER human capital development programmes. It comprised participants from the Agropolitan Project, Empower ECER, entrepreneur ECER, Suri@Home Programme and Terminal Jahitan Programme. This study has employed primary and secondary data in answering the objectives. An integrative approach was used for primary data, which applied quantitative and qualitative methods. As for the quantitative method, the convenience sampling strategy involved an on-site self-administered questionnaire distributed to over 400 respondents (between April and June 2017). A total of 307 questionnaires were returned, of which only 263 were usable for analysis.

The participants were mostly females (55.9%). Most of the participants were between the ages of 38 and 54 (50.2%). About half of the participants (50.2%) resided in Pahang. About 26.6% of the total participants resided in Terengganu, followed by 17.9% in Kelantan and 5.3% in Johor (Mersing). Apart from that, most of the participants (70%) resided in rural areas. The majority of the participants (38.4%)

were involved in Empower ECER, followed by Agropolitan Project (36.9%), entrepreneur ECER (16.3%), Suri@Home Programme (5.3%) and Terminal Jahitan Programme (3.1%).

For measuring the first objective, occupation changes and income progress of the participants were assessed before and after joining these programmes. In the second objective, the impact of these programmes was measured by participants' perception of how these programmes affect their lives in terms of economic and social. The questionnaire was designed on a positive scaling rate, in which 1 represents the lowest rate and five represents the highest. The questionnaire also included a few open-ended questions to gain their view on their experience upon joining these programmes, any problems or issues, and their opinion about the ECERDC as the programme initiator. Statistical Package for Social Science (SPSS) software was utilised to analyse the data. Meanwhile, the descriptive analysis, crosstab analysis and paired sample T-test were used to answer the objectives.

This study also involved a qualitative approach, which included in-depth interviews with 12 key informants at the decision-making level, implementation level and participants of human capital development programmes. The policy-making level comprised the Director of Outcome Evaluation at the Implementation Coordination Unit (ICU), the Director of the Regional Development Section from the Economic Planning Unit (EPU) of the Prime Minister Department and three officers from the EPU in the states of Terengganu, Pahang and Kelantan. The interviews were then translated and transcribed. Each interview session took 45 minutes to one and a half hours the researcher recorded all the conversations. This study used thematic analysis to organise the qualitative data systematically by coding and coordinating the data into themes. In systematically evaluating the transcriptions, the semantic method was used to analyse the content of the statements from the key informants. This method is useful to scrutinise, interpret and understand the issue

examined in a study. The coding process in this study focused on the transcribed data and included the data from official reports, journals, books and field notes from observation. In the end, the themes created were capable of answering the objectives of this study.

**Results and Discussion**

**Occupation and Income Changes**

The following Figure 1 depicts the occupation of participants before and after joining the human capital development programmes. Before joining the programmes, most participants (51.7%) were self-employed; 32.7% were jobless; 8% were full-time housewives; 6.5% worked in a private organisation; 1.1% worked in the government sector. After joining the programmes, only 0.8% remained unemployed due to their health condition. Meanwhile, the

number of participants who worked in the private sector significantly increased by 36.5%, especially among those who participated in the agropolitan project. The number of self-employed people also increased by 4.5%, attributed to their involvement in the Empower ECER. Currently, many of them are involved in entrepreneurship activities. For example, selling ready-to-eat and frozen foods from home, barber, as well as repairing handphones and electronic equipment.

Referring to Figure 2, most of the participants initially had no income (39.5%) before joining the human capital development programmes, while 18.6% earned below RM500.00 and RM1,000.00 each. Only 7.2% of the participants earned above RM3,000.00 monthly. After joining these programmes, the participants who earned nothing drastically declined to below 1%. The participants with an

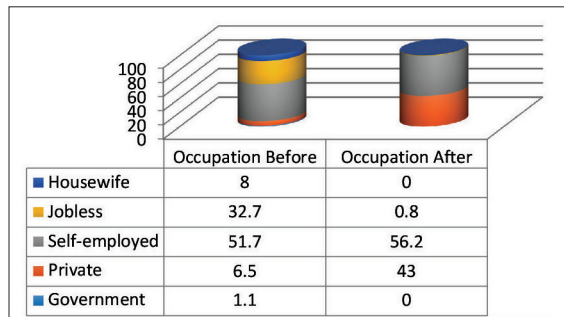


Figure 1: Occupation of participants before and after joining human capital development programmes

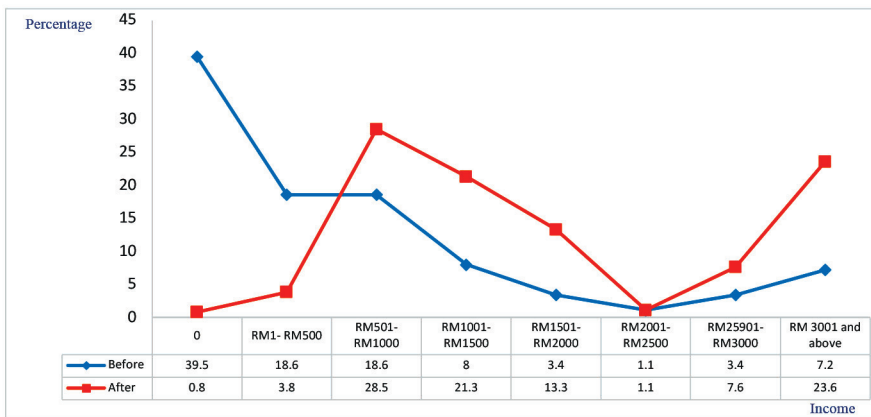


Figure 2: Incomes before and after joining human capital development programmes

income between RM501.00 and RM1,000.00 per month increased by almost 10%. At the same time, the number of participants who earned between RM1,001.00 and RM1,500.00 increased by 13.3%. Similarly, the number of participants who earned RM3,001 and above increased by 16.4%. On average, the income of participants before and after being involved in these programmes positively increased.

Meanwhile, referring to Table 1, the mean differences between the income of respondents before and after joining human capital development programmes were statistically significant ( $t = 7.411, p < .05$ ). In other words, the average income of respondents after joining human capital development programmes was significantly higher than that before joining human capital development programmes.

**Socioeconomic Impacts of Human Capital Development Programmes in ECER States**

Figure 3 illustrates the economic impact of human capital development programmes in ECER states. Most participants (55% in Terengganu state admitted that these programmes significantly increased their economic status. These programmes have offered more opportunities for the local people to increase their income as well as the productivity and profitability of their businesses. Furthermore, numerous youths who seek job opportunities have benefitted through these programmes. The initiatives taken by ECER have attracted more local and foreign investors, which have contributed to promoting and bringing these local products to the international level. Meanwhile, most of the participants in

Table 1: Paired sample T-test for income before and after joining human capital development programmes

	Paired Samples Test						
	Mean	Std. Deviation	Std. Error Mean	95% Confidence interval of the difference		t	Sig. (2-tailed)
				Lower	Upper		
Income (before) income (after)	-4151.19392	9083.52666	560.11425	-5254.09232	-3048.29551	-7.411	.000

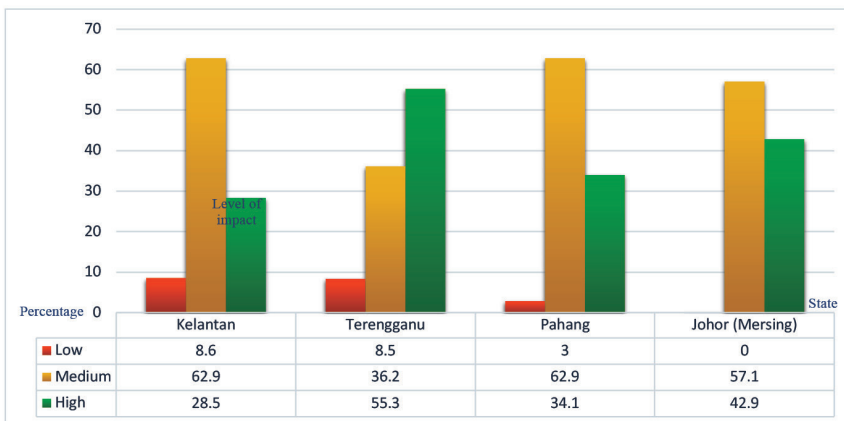


Figure 3: Economic impact of human capital development programmes in ECER states

other states believed that these programmes have greatly impacted their economic aspect.

Figure 4 depicts the social impact of human capital development programmes in ECER states. Most of the participants agreed that these programmes have contributed a medium impact on their social aspect. Through these programmes, especially the agropolitan project, the access to public facilities and the development of infrastructures in the local area were improved. The poverty eradication programme has positively improved their social well-being and lifestyle. Adding to that, the involvement of youths in the empowerment programme has reduced the social and crime problems in these states. All participants receive the same chance to be actively involved in these programmes.

Meanwhile, an Indian participant from Empower ECER viewed this programme as impactful for the local community in Johor. His socioeconomic status improved after joining the programme. Not only that, but the programme also has boosted his confidence level to consider entrepreneurship as a full-time job. He knows how to manage the business through the knowledge he gained during the course, particularly through bookkeeping. This programme has opened his mind to be more creative and innovative. When ECERDC

saw potential in his business, he also received assistance from the government to increase his productivity.

*“I join this programme in 2013. Before this, I just did a small business at my home. I bought Muruku from outside, repacked and I sell it back. Currently, after I finished this course, I can make my own brand of Muruku and supply it to the local market. I also opened a Muruku shop beside my house. I could earn up to RM1,500 a month by selling Muruku and sweets. Before joining this programme, my income was just about RM400 a month. Only now do I have the confidence to make this business my full-time job? There was so much entrepreneurship knowledge that I learnt from this program. I am very satisfied as this programme really empowered me. I also received a TERAJU grant, which is a Muruku maker machine from ECER. It is very helpful to increase the volume and productivity of my products.”*

(Informant No. 10, Johor)

At the implementation level, one of the service providers for Empower ECER expressed that this programme has positively impacted the local community in Terengganu. Based on the

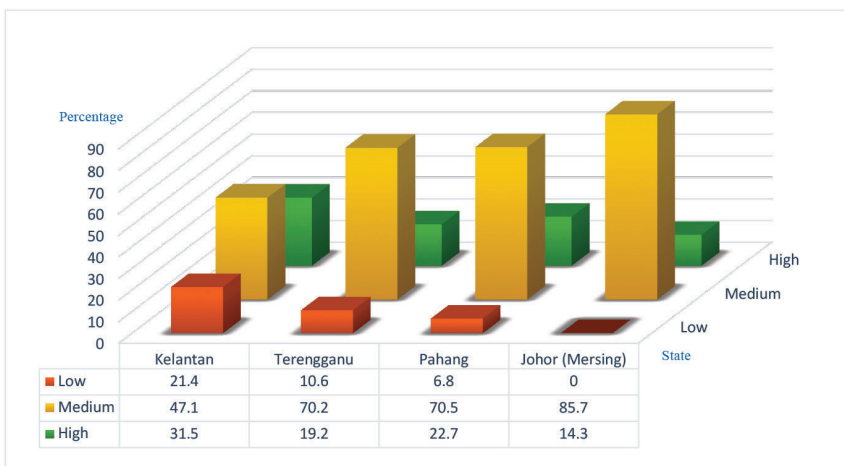


Figure 4: Social impact of human capital development programmes in ECER states



participants' performance, this programme was deemed a successful programme, whereby 93% of the total number of participants managed to become entrepreneurs after completing the course. Some were found to open restaurants and food stalls, while others actively sell their products from home. Through the skills and guidance given, most participants know how to promote their products online through social media platforms, including Facebook and Instagram. The inclusive policy has succeeded in attracting the disabled community to participate in this program; surprisingly, the disabled participant was found to be doing well. The following insights of the Project Manager of Empower ECER on the above notion are presented as follows:

*“The Empower ECER has given positive impacts on the local community in Terengganu. Out of 43 participants involved in this area, only three participants were still doing nothing. The disabled participant also started a small business. Our participants are villagers that just stay at home and do nothing before this. We gave them 60 hours of training and another 30 hours for entrepreneurship and soft skills. We put together motivational sessions and basic bookkeeping to help them survive after this programme finished. We wanted to transform them from being a seller to an entrepreneur. Some of them managed to open food stalls in front of their house. At least they can do both, taking care of their children and earning additional income for their family. Overall impacts, we can say that this programme was very meaningful to the local community. From just a housewife with no income, now they can earn something to increase their household income.”*

(Informant No.11, Terengganu)

Meanwhile, the Agropolitan Project has also managed to eliminate extreme poverty among the participants. Currently, the income

of these participants remains under RM1,000.00 per month. Despite that, ECERDC continuously implements several initiatives to increase household income. This may be due to the low level of palm oil production. However, the participants do not have to pay for their home since ECERDC provides accommodation and even transportation for their children to go to school:

*“As for agropolitan in Kelantan, currently, we have about 625 participants. The target is to reach an average monthly income of RM1,300 or RM1,500 but so far, this project has provided job opportunities to the participants. Our final target is to reach RM5,000 a month. Before this, they earned about RM30 to RM33 a day but it has increased to RM36 a day. If in a month they are working about 22 days, they could earn around RM792. It was due to the low level of palm oil production. It was not enough but we also helped them with secondary activities such as cocoa, banana and chilli planting in their residential area. Currently, we managed to get a contract with M. H. Mohamad to supply about one tonne of fresh red chillies a week. It gave a maximum of RM300 additional income for them. This is our initiative to help the participants and their families”.*

(Informant No 6, Kelantan)

Almost a decade after the establishment of ECER, a great achievement in the people's economy is demonstrated through the socioeconomic transformation that has positively impacted more than 960,000 people within this region, directly or indirectly. The transformation has created 108,400 job opportunities and 31,200 entrepreneurship opportunities. Apart from that, 490,000 people within the region have benefitted from the implementation of human capital development programmes, such as Empower ECER, entrepreneur ECER, Agropolitan project, Suri@Home programme

and Terminal Jahitan programme, whereby 97.0% of them were from the low-income group (ECERDC, 2018).

A holistic approach was used to benefit the community, including *orang asli*. The Empower ECER has transformed about 68,400 lives in this region, where 17,000 participated in empower skills programmes and earned an additional monthly income of up to RM10,000.00 using the acquired new skills. Meanwhile, 8,105 entrepreneurs have benefitted from the implemented Entrepreneur ECER programme with the cooperation of SIRIM, Maybank and Agrobank until they can earn a monthly income of between RM10,000.00 and RM300,000.00. Besides, more than 25,000 job opportunities are available for people in the local community (ECERDC, 2018).

Meanwhile, the implemented human capital development programmes in Kelantan, especially Empower ECER, have positively impacted the socio-economic status of the local community. The handholding period after the completion of training appeared to be rather effective in monitoring these participants. As part of the Key Performance Indicator (KPI) that the service provider must achieve, numerous participants felt motivated and successfully registered their businesses. About 90% of the participants in Bachok succeeded in starting their businesses. Conclusively, the overall socio-economic impact of this programme was deemed very positive, as revealed by the General Manager of ECER Kelantan:

*“If we wanted to talk about human capital development programmes in Kelantan, empower programme is among the most successful ones. As you can observe in Bachok, one of the KPIs was they needed to teach and monitor the participants until they managed to open their businesses. It was very effective. If you look at the participant’s backgrounds, they were single mothers, unemployed people and those coming from lower-income groups. Once we provided them with training, the*

*participants started to open a small business. It was not easy to change their mindset and of course, we are so proud to see them today as successful entrepreneurs. As for Kelantan, we can conclude that out of 40 participants, about 36 of them managed to open their own business, even some of them currently have a proper shop and many of them continued with online service”.*

(Informant No 7, Kelantan)

Overall, the initiatives ECER took in implementing human capital development programmes were deemed impactful in improving the region’s socio-economic development. Most participants were highly satisfied with what they acquired from the programmes. Additionally, an inclusive policy has reached the targeted groups effectively. Most participants expressed their gratitude for the free courses provided, as they could not afford the participation fees, if there were any. The implemented human capital development programmes have improved the standard of living and brought about positive changes to the local community.

Nevertheless, despite its achievement, there are still a few issues that must be addressed so that these programmes can achieve their objectives. The finding showed the differences in income between the programme participants among states. Based on the findings, the income of Agropolutan project participants in Pahang was higher than that of Kelantan participants. Through observation, the output from the site project in Pahang was far higher, which was the main factor that contributed to the better income earned by the participants. The same situation occurred for the participants’ income of the Suri@Home programme in Pahang and Terengganu, in which the participants in Terengganu earned a better income compared to the participants in Pahang due to the high demand for *Songket* in Terengganu. The participants in Terengganu were also very active in producing *Songket* and their buyers came from all over the country. The

participants in Pahang were still not confident of producing a higher volume of *Songket* due to the high cost of producing a quality *Songket*.

The findings revealed a high economic impact of these programmes in Terengganu compared to the other states. Based on the findings, the participants in Terengganu were highly satisfied with the impact brought by these programmes in improving their economic condition. It was mainly contributed by the participants of Empower ECER and the Suri@Home programme. Most participants were very grateful for the knowledge and skills training these programmes gave and successfully applied them to boost their business productivity. Some created new job opportunities for the local community as their business performance improved.

The findings of this study are consistent with those of Mustapa *et al.* (2018), who found a positive impact of access to working capital and training programmes on household income and the level of the economy. In this study, the positive impacts of human capital development programmes increased employment opportunities in the East Coast region and significantly contributed to increased incomes among the participants. The platforms provided also enhanced their skills and offered them opportunities to participate in the socio-economic development in the region.

Limonov and Nesena (2019) found a positive impact of public investment programmes in reducing unemployment and improving export activity. The positive impacts of human capital development programmes by ECER demonstrated a significant contribution towards achieving a sustainably developed region. Human capital development was deemed an impactful element as important as physical development.

The findings obtained from this study were similar to the study conducted by Alam *et al.* (2012), which found that investing in entrepreneurial activities or programmes enabled participants to escape the snares of poverty and improve their financial stability.

Many participants from this study were unemployed before. Some of them who were self-employed were also faced with adversities to improve their income due to their inadequate skills and knowledge in entrepreneurship. After joining the programmes, most of them could start small businesses and participate actively in entrepreneurial activities. The skills and knowledge acquired helped them create a wide range of opportunities. Hence, they know what they should do to improve their business performance. The new entrepreneurs who developed from these programmes were very grateful as they could finally escape poverty and their lives had changed for the better.

This study also supported the findings from Latip *et al.* (2020), which further observed significant improvements brought about by the agropolitan project implemented by ECER that enhanced the socio-economic status of the participants living in the rural areas of Kelantan and Pahang. Furthermore, this study included the participants of Terengganu in the agropolitan project. Apart from that, it was found that the Orang Asli participants in the agropolitan project were a tool to reduce severe impoverishment among the rural communities across the ECER states. As such, this project succeeded in helping remove their names from the E-Kasih list as they finally had a permanent job and source of income. They were also provided with a fully-furnished house and a harmonious residential area without having to pay a single cent for the house. Ultimately, they can also own a landed property, specifically a house, as promised by ECERDC.

According to Osman *et al.* (2015), the young respondents perceived the socioeconomic impacts of development programmes in the Iskandar region more positively. However, this study discovered that the human capital development programmes implemented have greatly impacted the participant's socioeconomic status regardless of the age group. It shows that the implementation of these programmes in ECER managed to reach all age groups, and most respondents have experienced the positive

impact of these programmes on their life well-being. Any age group can actively participate in the development programmes designed as long as they are still productive and can contribute to the region's economic growth.

## Conclusion

This article has highlighted the significant impact of human capital development programmes in improving the occupation and income status of the participants. Findings from this study revealed that the participants from Terengganu have experienced a significant economic impact. Other than that, the participants from all participating states viewed that human capital development programmes have greatly impacted their social and economic aspects.

The findings from this study could give valuable input for ECERDC as the responsible authority in monitoring and evaluating their development programmes towards ECER states. They should consider the findings in improving their performance as these programmes involve public money. The impact will help the government to assess the effectiveness of the regional development policy, particularly in improving the well-being of the people. At the national level, these human capital development programmes could be replicated and implemented in other regional economic regions as they have been proven effective in improving the socioeconomic status of the local communities. In achieving the 2030 agenda for sustainable development, this study has contributed to the efforts to eliminate poverty in rural areas of less developed states in Malaysia (Goal 1 of SDG) and reduce inequalities between west part and east part states of Peninsular Malaysia by creating more employment opportunities and empowering their standard of living (Goal 10 of SDG).

There were also some limitations in this study. This research was undertaken using samples from only human capital development programmes. Thus, the result cannot be generalised to all development programmes implemented in ECER. In future, a study should

be conducted to evaluate the sustainability of these programmes in empowering the local community. It is vital to ensure that every government programme can successfully benefit the participants, not only for the short term but also for building community resilience in combatting poverty.

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