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RESEARCH ARTICLE

THE ROLES OF BANK SIMPANAN NASIONAL (BSN) TO THE SOCIO-ECONOMIC DEVELOPMENT IN PERLIS

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ABSTRACT

Bank Simpanan Nasional (BSN) was launched on December 5, 1974 without lines five key goals that are relevant and key principles existence to this day is to promote and extend savings, especially from depositors small storage, inculcate good saving habits and save money, provide a channel for the general public to save money, the usage of the Bank's funds for investment, including financing the development the country's economy and to protect the interests of investors and other customers. In response to the Government's call to improve the quality and quality of life rural communities and provide banking access to those who need, BSN continues to grow and strengthen its banking network of agents (EB). At the end of 2014, BSN had 5,700 trained agents for serving the local community. BSN has also appointed agents in the area city / suburbs as another alternative channel for those who doing banking after office hours. This conceptual paper would like to identify the most effective roles of Bank Simpanan Nasional (BSN) to the socio-economic development in Perlis.

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INTRODUCTION

In 2014, the Bank continued to upgrade the Branch at strategic locations to the "Business Branches" (BB) branch. These branches offer various services including loans and financing, deposits and even services advice on various Property Management Services. At the end of 2014 the number of BBs has increased from 19 branches to 28 branches. To promote savings, the Bank continues to undertake Certificate promotion efforts Premium Savings (SSPs) throughout the year; the amount of savings in the CNS up to end-December 2014 totaled over RM2.7 billion with an increase of over 2.1 million depositors. In order to promote a debt-free lifestyle among the people youth, the Bank continues to encourage the use of "Visa payWave" debit cards. At last In December 2014, BSN successfully achieved the marketing target of "1 million Visa Debit Cards in 1 year. The year 2014 was very significant for the Bank as it celebrated 40 years of banking outstanding on December 6. With this historic event the Bank has move into a new era of technology and remain committed to providing the product and the best service in line with the wishes and tastes of the people customers. BSN continues to work with Metro Daily in a program for helping orphans, single mothers and poor families throughout the month Ramadan. BSN also conducts this activity on a part-time basis for providing fast

breakfasts, distributing Hari Raya essentials and bring orphans shopping. BSN has also organized a mini carnival - the 'BSN Breeding Adventure' is a community outreach program around Pendang, Kedah. Here is a joint initiative between BSN and BNM to encourage the community using micro financing facilities. This initiative is also encouraging. The mission of the National Savings Bank is to become a financial services supervisor comprehensive and national ranking and is a top choice for Malaysians. Vision it is to improve the economic well-being and quality of life of the people Malaysia by promoting storage, investment and management practices smart financials that are actively involved and make the facilities available for this purpose. The main objective of BSN is always to promote development savings and investments among Malaysians from all walks of life. use of banking channels provided in areas with limited access banking like in Pendang. This service also helps people and entrepreneurs to gain access to basic banking services and access to their business financial services.

Problem Statement: The National Savings Bank (BSN) also acknowledged that the affairs management agency economics at either the central or state level is recognized as an important institution in economic development and development. However, there are impressions community regarding service delivery that describes agencies as not functioning effectively. In fact, it is well recognized that the affairs management agencies the country's economy is still lagging behind in terms of organizational structure, human and financial resources and the skills of its workforce.

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It's because of the source people in banking agencies need to be proficient in two areas, namely management and entrepreneurship sciences. Efforts to strengthen that aspect needs to be done thoroughly. It will also be able to generate planning and implementation of entrepreneurial programs more efficiently and effective to achieve a set goal, while also being able to place images management of economic affairs in a proper position.

Research Questions

- How successful is the involvement of the community in entrepreneurship activities of social banking institutions in Perlis in order to increase the number of entrepreneurs?
- What are the successful social entrepreneurship activities of the institution banking in Perlis in order to increase the number of entrepreneurs?

Research Objectives

- To analyze the effectiveness of community involvement in entrepreneurship activities social banking institutions in Perlis in increasing the number of entrepreneurs
- To define the best social entrepreneurship activities for banking institutions in Perlis to increase the number of entrepreneurs.

Scope of Study: This study involved three parliamentarians in Perlis who are active in development social entrepreneurship through banking programs proposed by the Bank National Savings Bank (BSN). This study focuses on the management of banking institutions and society regarding information gathering and discussion.

Literature Review

Economic Development: Development and economic growth are two very important terms when discussing the concept of economic development. Economic growth is a prerequisite for economic development in the quest for identity formation a country from an economic perspective. By Berger (In Hazil (1990: 18) "... In the broadest sense, 'development' is understood as a process that causes a poor country to become rich. Sometimes rich countries become richer ... 'What is important here is that both terms have a goal for improvement in the standard of living as it involves the conditions as well conditions to improve the overall development of society economic development perspective. Therefore the economic development of a country should not be equated with an increase in per capita income, production or export volume alone, but it is should be associated with quality of life of people, problem solving ability poverty, human need, capacity to shelter, the ability to find employment, the ability to send children to school, clean environmental conditions and other social indicators associated with the atmosphere of perfect living and the enjoyment of human life (Nor Aini et.al, 1996). The above view makes it clear that income distribution must be balanced and the poverty rate must be reduced so that the quality of life can be improved. According to Bartelmus (1994), economic development is actually for improve the quality of life or welfare of the people of today and next.

New Economic Policy: The main goal of the New Economic Policy (NEP) is to achieve national unity through its two-pronged two-pronged strategy, reducing and thus eradicating

poverty among the people regardless of race, and restructuring Malaysian society so that they are no longer recognized based on economic and residential characteristics. The socioeconomic gap has created a great deal of dissatisfaction among the people. There are significant economic differences between rural communities. The majority of Malays undertaking self-sustaining economy, with urban communities comprising the Chinese carry out commercial economic activities. These differences can be detrimental to unity country. Various efforts have been made to eradicate poverty implementation of the NEP. Among these efforts are:

- Open and develop land areas for those who do not owned land by government agencies such as FELDA and FELCRA.
- Build and improve infrastructure in rural areas.
- Improve and improve the quality of life of the people through education, exercise, health and more.
- Increase productivity and income.

The strategy of community restructuring is expected to eliminate identity people based on economic and residential activities. Purpose of compilation re-use of energy is to show the population Malaysia is made up of many different ethnicities. This restructuring can also provide an opportunity for all races to enjoy the wealth of the nation and create it harmony among all races in Malaysia. Through restructuring society, it is hoped that shareholding in Malaysia will symbolize composition people in this country.

The Achievement of New Economic Policies: In general, the goal of reducing poverty has been achieved. The poverty rate of the Malaysian population has been successfully reduced from 42.4 per cent in 1970 to 17.1 percent in 1990. The actual average income of the people bumiputera increased from RM172 per month (1970) to RM940 per month (1990). In terms of ownership of the capital of the bumiputera community increased from 2.4 percent (1970) to 12.5 percent (1980) and 19.3 percent (1990). However, the target of 30 percent was unsuccessful. Capital ownership by the Chinese increased from 34.3 percent (1970) to 46.8 percent (1990), an achievement beyond the target of 40 percent. In terms of development of new cities, 28 new cities have been developed in the area regional development in Southeast Johor, South Kelantan, Southeast Pahang and Central Terengganu.

Concepts of Social Entrepreneurship: The concept of social entrepreneurship is long overdue exists but has gained major attention and is a global phenomenon. The terminology of social entrepreneurship began to be used for the first time in writing in the 60s and 70s and began to apply widely on 80s and 90s by Bill Drayton (founder of the Ashoka Foundation). If it's a statement previously accepted, the concept was born of Western civilization and later is expanding to the East.

For examples of well-known NGOs are related to the concept of social entrepreneurship are Grameen Bank (Bangladesh), SIX-S (West Africa), Amanah Ikhtiar Malaysia (AIM), Islamic Economic Development Foundation (YaPEIM) and Waqaf al-Nur Clinic (Malaysia). All bodies / NGOs are driven by innovative social activists to bring about social change and social impact through the merger approaches to business practices, social work and welfare (Nicholls, 2008). And so it is a hybrid concept that combines the concept of entrepreneurship and social.

Social entrepreneurship is a business that gives priority to the social objective of the surplus of profit earned will be invested back in business for the benefit of the community compared to to maximize profits for both the holders and the owners business (Anthony Sibillin 2010). Marwan Ismail (2014) concludes that the concept of social entrepreneurship is embodied of the four (4) key areas of opportunity, social innovation, social business and social value.

Micro-Financing as a Social Entrepreneurship Mechanism:

The shariah-compliant micro-finance component of the shariah cannot be detached from the micro finance in general because both have the same goals and objectives that is serving community groups that do not have access to financial resources. Micro finance not only providing lending services, but also savings and insurance services to customers who do not have access to formal financial institutions (Ledgerwood 1999;Joan Parker 2000). Conroy (2002) states that micro finance is financial services for poor and low income households and micro enterprise. The World Bank defines micro financing as a service small-scale finance, especially credit and savings provided to farmer or fish farmer, who runs a small business or enterprise micro; providing services; who works for wages; earned income from renting a small amount of land, vehicles, animals, or machines and equipment; and to individuals and other groups at the level local developing countries, both urban and rural (Robinson 2001). Bank Indonesia formulated micro loans as loan services small scale with maximum loan amount of Rp. 50 million for micro or small businesses self-employed people for their business activities. Micro finance is a developmental approach that provides financial and social services. The goal of micro finance is to provide appropriate financial services for individuals and households out of the formal financial system.

Micro finance works by opening up opportunities for the poor to work on their own (Moss,2003). By having their own business, the poor will have resources to generate revenue and the revenue to be used for expanding businesses, funding families, and covering needs at times difficult (Ledgerwood 1999; Littlefield et al. 2003; Robinson 2001). A number of definitions micro finance, largely describes how and for whom micro finance provider institutions are working. A broader perspective of finance micro is described by Ledgerwood (2000), who is not just from a perspective economic, but also social aspects. Micro finance as a tool economic development benefits consumers low, which not only provides financial intermediary services including such as loans, savings, insurance, payments and more, but also social mediators such as group formation, self-esteem development, financial literacy training and management skills among team members. Here shows that micro finance has a broad scope of services financial and non-financial.

RESEARCH METHODOLOGY

Research design: This study is a qualitative study. Based on this research method. The research information will be obtained through four main methods of interviewing, analysis documents, focus groups and library studies.

Population and Sample of Study: This study draws on entrepreneurs and communities in the proposed by Bank Simpanan Nasional in Perlis as the study population. The average population of Perlis is about 250,000 people.

The selection of respondents was made based on the active involvement of the financial institution within social entrepreneurship and is specifically recommended by BSN during the year studied.

Methods of Data Collection: Two main sources of reference for this study were primary data and secondary data. Secondary data is obtained from libraries and searches using website (internet). One of the libraries where information is sought is Perlis State Library. The purpose of secondary data collection is to enable researchers to obtain materials that reflect the subject and subject matter that are studied and can provide a clearer picture of the concept of the study and enables the researcher find appropriate materials to support the subject of this study. This secondary data will be obtained from sources, journals, newspapers and magazines something else. Whereas primary data is obtained through interview and focus methods group. Primary data will also be obtained from the analysis official documents of the banking institution. Focus groups are created with BSN management to discuss the issue carefully and the proposals to overcome it

Sampling: In relation to sample sampling, this study used sampling purposive sampling .The objective sampling has been detailed specific features to enable individuals to be selected as study samples (Kothari,2004). The sampling was chosen because the researchers listed the characteristics which is a sample of this study.

RESEARCH METHODS

The study method is selected based on its ability to obtain the research data and in relation that enables researcher to achieve the objectives of the study (Babbie, 2011). However, in the context of this study, the researcher qualitative approach and design a case study selected to carry out this study. Approach selection qualitative requires researchers to use qualitative research methods only. One of the methods that researchers can consider is the interview method, focus group discussions and content analysis. Investigator found that these three methods are suitable for use in this study. The use of case study design in this study requires researchers intensive data collection.

Data Recording: The use of in-depth interviews requires more serious researcher in order to record the data, as it is the primary source of data (Sabitha Marican, 2006). Realizing this, researcher have implemented two forms data recording, which is a note on a field note, and uses a tape recording. With regard to field notes, according to Auerbach and Silverstein (2004), it is one of the compulsory things that researchers need to do conduct in-depth interviews.

Conclusion

This conceptual study is important to determine the successful level of involvement of the community in entrepreneurship activities of social banking institutions in Perlis in order to increase the number of entrepreneurs. Besides that it is also crucial to determine the number of successful social entrepreneurship activities organize by banking institution in Perlis in order to increase the number of entrepreneurs.

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