

Enhancing the Entrepreneurial Intention on the Regulatory Impact Assessment: Evidence from Wholesalers Experiences

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Abstract - The purpose of this paper is to investigate the current status of RIA within the agriculture industry in Malaysia. The study employs a questionnaire-survey approach to obtain the perceptions of wholesalers in Malaysia. The instruments developed have been validated using tests for reliability and validity. Specifically, a cost-benefit analysis has been applied based on the eight options of regulatory impact assessment. This finding found that the majority of the respondents are inheriting the business from their family and being monopolized by Chinese wholesalers. Most of them do not have any contract with agriculture producers and producers or farmers themselves decided the price of agriculture products. Most of them seem not to be well known about grading, packaging, and labeling (GPL) rules, and they do not need these rules due to the proliferation of cost production. Undeniably, the implementation of regulatory analysis can maximize the satisfaction for both; wholesalers and producers. Therefore, the government should provide more incentives to encourage an attitude to implement this new regulation. The study adds solid empirical evidence to the evolving agri-entrepreneurship literature on the impacts of agriculture regulations, especially on regulatory impact analysis.

Keywords - Regulatory impact analysis, Agri-entrepreneurship, Cost-benefit analysis, Asian country

1. Introduction

The purpose of this research is to indicate several solutions about anti-competitive behavior by wholesalers is resulting in a bad outcome for the producer. The literature review is intended to give a

general view of past studies regarding regulatory impact assessment and scenario of the agricultural industry. During the 1990s, many studies were undertaken to demonstrate the effects of anti-competitive practices on wholesalers and producers both in developing and developed countries. In Malaysia, 64% of vegetables and 58% of fruits are channeled through the wholesalers before they reach the final consumers. This practice has implications for the purchasing power of consumers through wholesalers increased prices. There is a need to encourage entrepreneurship skills among Malaysian multi-cultural entrepreneurs [1],[2],[3].

Producers are also affected by anti-competitive practices through a lack of barriers to entry by less restriction on trade of fresh fruits and vegetables. Based on previous studies [4] found that the trade performance of fresh fruits and vegetables (FFV) however has not improved much despite the various incentive programs implemented by the Malaysian government through its Third National Agricultural Policy. Malaysia's country imported about RM 1.17 billion worth of vegetables in 2003. This figure is five times greater than the total value of exports which stood at RM0.2 billion.

The vegetable production sector has responded to the market demand by initiating a planting acreage of between 33,000 to 44,000 hectares in the last decade. These figures reveal the significance of the economic impact of the damages of anti-competitive practices on developing economies. It is worth mentioning that the quantitative effects of anti-competitive business practices are not easy to demonstrate. The most apparent effect of such practices is seen in the form of price increases in markets involving output-restricting or price-fixing cartels and dominant wholesalers abusing their market power. In such cases, producers are the ones who suffer directly [5].

One of the options available to governments to prevent or eliminate anti-competitive practices is the introduction and enforcement of Regulatory Impact Analysis (RIA). The interrelationships

between RIA and other government policies, such as consumer protection, macroeconomic policies, and poverty alleviation, are an important catalyst to economic development and better livelihoods. RIA is used to assess the likely consequences of proposed regulations, and the actual consequences of existing rules, to assist those engaged in planning, approving and implementing improvements to regulatory systems. Its origins, as a formal system of assessment, can be traced back to the mid-1970s and it is currently used, in one form or other, by approximately two-thirds of the Organization for Economic Cooperation and Development OECD Member countries [6]. Its adoption and use in low and middle-income countries, so far, have been much more limited and recent, though it is claimed the resulting development benefits could be very substantial [7].

2. Method

The study employs a questionnaire-survey approach to obtain the perceptions of wholesalers from the central, south, and east coast of Malaysia. The instruments developed have been validated using tests for reliability and validity. Specifically, a cost-benefit analysis has been applied based on the eight options of regulatory impact assessment. This study also applied value chain analysis and Porter Diamond model. As to fulfill the research, an analysis was conducted on the responses regarding Anti-competitive behavior among wholesalers resulting in the unfair outcome of the producer. This study covers a sample of vegetables and fruits wholesalers at Selayang. The total usable questionnaire was 178 out of 200; this represents almost a hundred percent response rate for wholesalers at Selayang. The SPSS Version 14 software was used to analyze the data collected from the survey. A survey on wholesalers was carried out to obtain data on their socio-economic background, total samples of gender, race, marital status, age and level of education were shown in the following tables.

Application of value chain and five forces model

The idea of a value chain was first suggested by Michael Porter in 1985 to depict how customer value accumulates along a chain of activities that lead to an end product or service [8]. Porter describes the value chain as the internal processes or activities a company performs "to design, produce, market, deliver and support its product. Porter describes two major categories of business activities: primary activities and support activities. Primary activities are directly involved in transforming inputs into outputs and in delivery and after-sales support. Value chain analysis is also important from a development perspective means that assessing the

competitive nature of industry from various perspectives.

Porter developed the five forces model as a way to organize information about an industry structure to evaluate its potential attractiveness [8]. Under this model, the profitability of an industry or market measured by the long-term return on investment of the average firm depends largely on five factors that influence profitability. These are the bargaining power of buyers; bargaining power of suppliers; the threat of substitute products or services; the threat of new entrants; and intensity of competition.

Table 1. The application of value chain model

Components	Application
Inbound logistics	Agric-Food supply material handling and warehouse in Malaysia
Operations	Process of transforming the material into final products
Outbound logistics	Distribution of Agri-food supply distributed
Marketing and sales	Prices of the products and channel of marketing
Services	After-sales services provided for the products to protect the consumers

3 Findings

3.1 Business Management Information

Table 2 represents the original owners of the wholesale Market at Selayang or Kuala Lumpur. Based on a survey shown a total of 88.2 percent of the wholesalers stated that they were original owners of wholesales Market at Selayang or Kuala Lumpur while 11.2 percent did not.

Table 2. Original owner of wholesales market at Selayang/Kuala Lumpur

Owner	Frequency	Percentage
Yes	157	88.2
No	20	11.2
No answer	1	0.6
Total	178	100.0

Then, the wholesalers were asked to state their monthly rental if they were owners of Wholesales Market at Selayang. About 86.5 percent shows that their rental was the average amount between Ringgit Malaysia 1501 to 2000, shown in (Table 3).

Table 3. Monthly rental (If Yes)

Rental	Frequency	Percentage
1501-2000	154	86.5
No Answer	3	13.5
Total	157	100.0

As shown in (Table 4) more than 80 percent wholesalers were not answering this question, and about 14.65 percent wholesalers had more than 11 years length of tenure and least of them had a period between 1 to 5 years length of tenure.

Table 4. Length of Tenure

Period	Frequency	Percentage
1-5 years	7	4.46
11 years and above	23	14.65
No answer	127	80.89
Total	157	100.0

The majority of the wholesalers were inheriting the business from their family, which showed 42.1 percent, while 30.3 percent were not, and others were not answering this question based on (Table 5).

Table 5. Are you inheriting the business from your family?

Family business	Frequency	Percentage
Yes	75	42.1
No	54	30.3
No answer	49	27.5
Total	178	100.0

About 52.2 percent of the wholesalers stated that producers or farmers were decided the price of agriculture products. In contrast, the lowest percentage, 3.9 percent shows the Ministry of Consumer and Home Affairs who decides the cost of agriculture products.

Table 6. Who decides the price of agriculture products?

Decision maker	Frequency	Percentage
FAMA	14	7.9
Ministry of Consumer and Home Affairs	7	3.9
Own decision	13	7.3
Wholesaler Association	10	5.6
Producers/farmers	93	52.2
Other	16	9.0
No Answer	25	14.0
Total	178	100.0

Based on the survey, 68.4 percent of the wholesalers did not have any contract with agriculture producer while 24.2 percent answering yes, whereas others about 7.3 percent did not respond to this question.

Table 7. As a wholesaler, do you have any contract with agriculture producers?

Contract	Frequency	Percentage
Yes	43	24.2
No	122	68.4
No answer	13	7.3
Total	178	100.0

Based on (Table 8) most of the wholesalers shown about 22.5 percent who had a contract with agriculture producer because they want to get a constant supply of agriculture product followed by 18.0 percent of who wants to control the price while 8.4 percent shows that they want to maintain quality of the product and the rest about 4.5 per cents of wholesalers want to get longer credit.

Table 8. If yes, why (answer more than one) or

Reason	Frequency	Percentage
To get a constant supply	40	22.5
To control the price	11	18.0
To get longer credit	8	4.5
To maintain quality product	15	8.4

The wholesalers indicated that 27 percent who had agriculture product average 10,001 to 20,000 of metric tons of agriculture product that they sell in a month compared the lowest percentage which is 4.5 percent shown that only 50,001 to 70,000 tons agriculture product that they sell in a month shown in (Table 9).

Table 9. How much you (metric ton) that you sell in a month?

Tone	Frequency	Percentage
10,000 and below	22	12.4
10,001 – 20,000	48	27.0
30,001 – 50,000	11	6.2
50,001 – 70,000	8	4.5
70,001 – 100,000	22	12.4
100,001 and above	19	10.7
No Answer	48	27.0
Total	178	100.0

Based on (Table 10) total sales in a month shows that 43.8 percent of total wholesalers that have a transaction in Ringgit Malaysia 50,000 and below,

22.5 percent have total sales in a month around Ringgit Malaysia 50,001 to 100,000.

Table 10. Total sales in a month (transaction)

Sale	Frequency	Percentage
50,000 and below	78	43.8
50,001 - 100,000	40	22.5
No Answer	60	33.7
Total	178	100.0

Based on the wholesalers, medium farmers were their main supplier which contributes about 46.1 percent followed by commercial farmers 20.2 percent and lastly small farmer from the village which shows about 1.7 percentages, (Table 11).

Table 11. Your main supplier?

Main Supplier	Frequency	Percentage
Commercial farmers (larger scale)	36	20.2
Medium farmers	82	46.1
Small/ farmer from a village	28	15.7
No answer	32	18.0
Total	178	100.0

There was about 60.1 percent of wholesalers indicates that wholesalers themselves who pay the transportation cost compared to farmers who have 21 percentage and the rest did not answer this question which is shown in (Table 12).

Table 12. Who pays the transportation cost?

Payer	Frequency	Percentage
You	107	60.1
Farmers	39	21.0
No answer	32	18.0
Total	178	100.0

Based on the management information, most of the wholesalers selected to rental transportation from other companies it shows in (Table 13) followed by using their lorry as main transportation which shows 36 percent and 28.1 percent respectively.

Table 13. If you pay the transportation cost, what is the main transportation that you use?

Transport	Frequency	Percentage
Your lorry	50	28.1
Rental from other company	64	36.0
No Answer	64	36.0
Total	178	100.0

In terms of product, 47.8 percent of the wholesaler in Selayang bought Chilies from farmers and supply to consumer followed by cabbage, beans, mustard, cucumber, spinach, Kale, Radish, Eggplant, Okra, Tomato, Gourd and Bitter which shows 18 percent, 13.4 percent, 11.8 percent, 11.3 percent, 9.6 percent, 8.4 percent, 7.9 percent, 6.2 percent, 4.5 percent, 2.2 percent, 2.0 percent, and 1.7 percent respectively.

Table 14. The main product that you bought (rank)

Product	Frequency	Percentage
Chilies	89	47.8
Cabbage	32	18.0
Beans (green/long)	24	13.4
Mustard (<i>Sawi</i>)	21	11.8
Cucumber	20	11.3
Spinach	17	9.6
Kale (<i>Kangkung</i>)	16	8.4
Radish (<i>Lobak</i>)	14	7.9
Eggplant (<i>Terung</i>)	11	6.2
Okra	8	4.5
Gourd (<i>Kundur</i>)	5	2.0
Tomato	4	2.2
Bitter (<i>Peria</i>)	3	1.7

As wholesalers in Selayang, about 38.2 percent prefer cash as payment methods when dealing with the farmer, whereas 32.6 percent prefer a credit to a bank account and about 2.2 percent shows the lowest percentage prefer by wholesalers by using an advance contract as their payment methods.

Table 15. Payment methods

Payment Method	Frequency	Percentage
Cash	68	38.2
Credit to a bank account	58	32.6
Advance contract	4	2.2
Other methods	16	9.0
No Answer	32	18.0
Total	178	100.0

This study shows that about 46.6 percent wholesalers prefer the one-week length of payment, second-highest shows the one-month length of payment for wholesalers pays back to supplier or farmer. In contrast, two weeks' length of payments shows the lowest percentage, which is 13.5 percent.

Table 16. Length of payment

Length of payment	Frequency	Percentage
1 week	83	46.6
2 weeks	24	13.5
1 month	35	19.7
No Answer	36	20.2
Total	178	100.0

Level of Knowledge and Acceptance of Wholesale Regulation and Rules for Agriculture Management System

Table 17 provides the knowledge towards Grading, Packaging, and Labeling (GPL) to the wholesalers. Most of them seem not to be well known because as on the average about more than 45 percent did not know about GPL and only 15.2 percent of wholesalers know and others did not respond to this question.

Table 17. Do you know about GPL?

GPL	Frequency	Percentage
Yes	90	15.2
No	81	45.5
No Answer	7	39.3
Total	178	100.0

The highest percentage answered by wholesalers shows 48.9 percent who is FAMA the decision-maker on the GPL rules, followed by the producer which is 4.5 percent and wholesaler which is 0.6 percent, (Table 18)

Table 18. Who actually makes a decision on the GPL rules?

Decision maker	Frequency	Percentage
FAMA	87	48.9
Producer	8	4.5
Whole seller	1	0.6
No Answer	7	46.1
Total	178	100.0

Based on the wholesalers, only 46.6 percent of the producer who supplies the product to wholesaler follow the GPL rules whereas 4.5 percent of producers that supply agriculture product to wholesaler did not follow the GPL rules.

Table 19. Does the producer who supplies the product to you follow the GPL rules?

GPL rule	Frequency	Percentage
Yes	83	46.6
No	8	4.5
No Answer	87	48.8
Total	178	100.0

Table 19 shows about 34.5 percent wholesalers answering yes while 12.4 percent of wholesalers answering that wholesaler were not inform the stock needed from the wholesale market.

Table 19 Does the wholesaler was informing the stock needed from the wholesales market?

Stock	Frequency	Percentage
Yes	61	34.3
No	22	12.4
No Answer	95	53.4
Total	178	100.0

Wholesales markets in KL do not make any decision for the price of the product for both wholesales market in KL and Selangor based on (Table 20) which shows 43.8 percent while only 4.5 percent of wholesalers answering yes.

Table 20. Does the wholesales market in KL makes a decision for the price of the product for both the wholesales market in KL and Selangor?

Decision	Frequency	Percentage
Yes	8	4.5
No	78	43.8
No Answer	92	51.7
Total	178	100.0

Refer to (Table 21) about 16.3 percent wholesalers stated that the range between 6 to 100 percent of the price had been decided compared with 9 percent of wholesalers answered that the wholesale market had decided 5 percent of the price in KL.

Table 21. If yes, how many percent of the price have been decided?

Price %	Frequency	Percentage
5%	16	9.0
6-100%	29	16.3
No Answer	133	74.7
Total	178	100.0

The majority of the wholesalers which is 53.4 percent answering wholesales Market in KL does send agriculture suppliers to other wholesales markets whereas 20.2 percent answering no.

Table 22. Does Wholesales Market in KL sending agriculture supplier to other wholesales market?

Market	Frequency	Percentage
Yes	95	53.4
No	36	20.2
No Answer	47	26.6
Total	178	100.0

Table 23 provides the enforcement of Grading, Packaging, and Labeling (GPL) to the wholesalers. Most of them seem not to be well known because as on the average 50 percent did not know about GPL, and 50 percent of wholesalers know about this enforcement.

Table 23. Do you know the enforcement of GPL?

GPL	Frequency	Percentage
Yes	89	50.0
No	89	50.0
No Answer	-	-
Total	178	100.0

Based on the questionnaire (Table 24), producers show the highest percentage, which is 47.1 percent, followed by others 33.1 percent and wholesaler, which is 19.7 percent.

Table 24. Who actually bare all cost of labeling (Tag) enforced by FAMA?

Payer	Frequency	Percentage
Wholesalers	35	19.7
Producers	84	47.1
Others	59	33.1
Total	178	100.0

In this section, most of the wholesaler does not need GPL rules in their business because more than 71.9 percent who prefer no rather than yes (28.1%).

Table 25. Do you need the GPL rules?

GPL rule	Frequency	Percentage
Yes	50	28.1
No	128	71.9
Total	178	100.0

Refer back to (Table 26) they need GPL rules because they want to ensure the quality of their product compared to gain customer confidence, it can be shown as below:

Table 26. If yes, why?

Reason	Frequency	Percentage
To ensure the quality of the product	38	76.0
To gain consumers' confidence	12	24.0
Total	50	100.0

Wholesalers who did not need GPL rules due to increase cost of their production show the highest percent, which was 46.9 percent in (Table 27).

Table 27. If no, why?

Reason	Frequency	Percentage
Increase production costs	60	46.9
No under responsible for wholesaler	58	45.29
No answer	10	7.81
Total	128	100.00

Based on the question in (Table 28) it shows wholesales license is needed which is about 63.5 percent who agreed with this statement shown the highest percentage, compared to others wholesale 3.4 percent who did not agree with it.

Table 28. Does wholesales license is needed?

License	Frequency	Percentage
Yes	113	63.5
No	6	3.4
No Answer	59	33.1
Total	178	100.0

Refer back to (Table 29) wholesalers need a wholesale license because they can control unregister wholesalers' activities which 51.1 percent of wholesalers preferences, followed by only 7.9 percent of wholesalers who can overcome exploitation of price, 3.9 percent of wholesaler who can overcome monopoly, and lastly easy to get information from FAMA fewer preferences which are about 0.6 percent and it can be shown below:

Table 29. If yes, why?

Reason	Frequency	Percentage
Can control unregistered wholesalers' activities	91	51.1
Easy to get information from FAMA	1	0.6
Can overcome exploitation of price	14	7.9
Can overcome monopoly	7	3.9
No answer	65	36.5
Total	113	100

One hundred percent of the wholesalers who did not need a wholesale license agreed that implementing a wholesale license can increase the cost of their production. (Table 30).

Table 30. If no, why?

Reason	Frequency	Percentage
Increase in production costs	6	100.0
No answer	-	-
Total	6	6

Table 31 shows that the wholesaler had to answer how much fees should be charged to each wholesaler. Most of them seem to prefer an average of 26.4 percent having fees RM 10 and below compared to the highest price, which only 1.7 percent of wholesalers prefer price between RM 71 to RM 100.

Table 31. If wholesales license is implemented, how much fees should be charged to each wholesaler?

RM	Frequency	Percentage
10 and below	47	26.4
11 to 50	30	16.9
71 to 100	3	1.7
No answer	80	55.1
Total	178	100.0

Table 32 shows that wholesalers had to answer, regarding the importation of vegetables from overseas either need to be controlled or not. Most of them prefer the importation of vegetables need to control, which shows more than 56 percent compared to only 12.4 percent who did not agree with this statement.

Table 32. Does the import of vegetables from the overseas need to be controlled?

Import	Frequency	Percentage
Yes	100	56.2
No	22	12.4
No answer	56	31.5
Total	6	6

Refer back to (Table 33) government need controlled importation of vegetable from overseas due to certain factors such as avoid an oversupply of agriculture product which shows the highest percentage 42.7 percent, followed by to control the price of agriculture product, to protect local producers' interests, to control the quality of the product, to control the safety of the product and lastly to avoid monopoly which shows the lowest percentage only about 7.9 percent of the wholesalers agreed with the statement; it can be shown below:

Table 33. If yes, why? (Answer more than one)

Reason	Frequency	Percentage
Oversupply of agriculture product	76	42.7
To control the price of agriculture product	60	33.7
To protect local producers' interests	51	28.7
To control the safety of the product	19	10.7
To control the quality of the product	37	20.8
To avoid monopoly	14	7.9

Refer back to (Table 34) wholesalers think that the government does not need controlled importation of vegetables from overseas because it will impact the price of agriculture products enable them to control supply and stock. Lastly, it can reduce the income of producers and whole sellers which are shown below:

Table 34. If no, why (answer more than one)

Reason	Frequency	Percentage
Price of Agriculture product will be decreased	22	12.4
Enable control supply and stock	22	12.4
Reduce the income of producers and whole sellers	22	12.4

Based on the wholesalers shown in (Table 35), 55.1 percent did not need auction system compared to 6.7 percent of wholesalers need auction system to be implied in the wholesale market.

Table 35. Is the auction system is needed?

Auction	Frequency	Percentage
Yes	12	6.7
No	98	55.1
No answer	68	38.2
Total	178	100.0

Refer back to (Table 36) wholesalers need auction system to be implied in the wholesale market due to certain factors such as to stabiles market prices, reduce transportation cost, ensure high quality of the product, increase productivity most of this answer have the same average of percentage which is 4.5 percent it shown below:

Table 36. If yes, why (Answer more than 1)

Reason	Frequency	Percentage
To stabiles market prices	8	4.5
To reduce transportation cost	8	4.5
To ensure a high quality of product	8	4.5
To increase productivity	8	4.5

Refer back to (Table 37) wholesalers do not need auction system to be implied in the wholesale market due to certain factors; firstly, 37.6 percent of wholesalers agreed it would lead to market manipulation, followed by 32.6 percent stated that they would face difficulties to manage the auction system. Only 18.5 percent stated it would be affecting their business profit.

Table 37. If no, why? (Answer more than 1)

Reason	Frequency	Percentage
Difficult to manage	58	32.6
Lead to market manipulation	67	37.6
Effect of business profit	33	18.5

About 87.6 percent of the wholesalers do not want to implement contract farming in agriculture business and the rest vice-versa shown in (Table 38).

Table 38. Is contract farming is needed?

Contract farm	Frequency	Percentage
Yes	22	12.4
No	156	87.6
Total	178	100.0

About 12.4 percent of the wholesalers want to implement contract farming in agriculture business as shown in (Table 39) because 15.2 percent of the wholesalers want to ensure a constant supply of agriculture product, followed by 6.7 percent want to ensure the quality of agriculture product, about 4.5 percent of wholesalers stated that they want to ensure the safety of agriculture product and to avoid monopoly of agriculture product, it can be shown below:

Table 39. If yes, why? (Answer more than one)

Reason	Frequency	Percentage
To ensure a constant supply of agriculture product	22	15.2
To ensure the quality of agriculture the product	12	6.7
To ensure the safety of the product	8	4.5
To avoid monopoly	8	4.5

Refer back to (Table 40) about 87.6 percent of the wholesalers do not want to implement contract farming in agriculture business because it indicated that 42.1 percent of wholesalers had to face difficulty in getting producers who can be trusted, followed by 23 percent of them state they had limited choices of agriculture product and least of them with only 15.2 percent stated it would effecting their business profit.

Table 40. If no, why? (Answer more than 1)

Reason	Frequency	Percentage
Limited choices of agriculture product	41	23.0
Difficult to get producers who can be trusted	75	42.1
Effect of business profit	27	15.2

In this section the activity that most preferable by the wholesalers were wholesalers licensing scheme

which showed more than 50 percent agree with that statement, follow by GPL rules, Anti-competitive rules, as for contract farming and auction system both of them had the same percentage with 2.8 percent preferable by wholesalers and the lowest percentage was DBKL rules, only slightly 0.01 percent of wholesalers prefer to be rank in the list of wholesalers preferences. All of this data was shown as below:

Table 41. Preferred activity rank by whole seller preference

Activity rank	Frequency	Percentage
Wholesalers licensing scheme	102	57.3
GPL rules	20	11.3
Anti-competition rules	13	7.3
Contract farming	5	2.8
Auction system	5	2.8
DBKL Rules	1	0.01
No answer	47	26.0
Total	178	100.0

4. Conclusion

The study contributes to a solid empirical evidence to the evolving agri-entrepreneurship literature on the impacts of agriculture regulations. Specifically, this study also adds to the dearth of evidence on the efficacy of the introduction of regulatory impact analysis in a developing country. The domestic marketing of vegetables and fruits under the retail level is distributed or sold through multi-layered intermediaries via a consignment basis to the wholesalers. This caused inefficiency of fragmented markets and hence poor price discovery mechanism of goods. Therefore, this study wants to improve the structure of the wholesale market in Malaysia by implementing regulatory impact analysis based on respondents' preferred and point of view. This finding found that the majority of the respondents are inheriting the business from their family and being monopolies by Chinese wholesalers. This supported by [9] that group effectiveness may improve the productivity of tasks given. Most of them do not have any contract with agriculture producers, and the price of agriculture products was decided by producer or farmer itself. Wholesales in Selayang's Market choose medium farmers as their main supplier with an average of 10,001 to 20,000 metric tons of agricultural products being sold in a month. Most of them seem not to be well known about grading, packaging, and labeling (GPL) rules, and they do not need these rules due to the proliferation of cost production.

On the other hand, wholesalers choose to implement a licensing scheme because it can control unregistered

wholesalers' activities; the government needs controlled importation of vegetables from overseas due to certain factors such as avoid an oversupply of agriculture product. By doing this, wholesalers and producers will know the market demand needed by the consumer; thus, it will increase the level of vegetables and fruits sufficiency in Malaysia. Undeniably, the implementation of regulatory analysis can maximize the satisfaction for both; wholesalers and producers. Therefore, the government should provide more incentives to encourage an attitude to implement this new regulation [10].

Having said that, wholesalers and producers are not only measured by financial performance but also by an improved corporate identity [11] and reputation [12]. Future studies may investigate the correlation between corporate engagement and community [13] concerning the implementation of regulatory impact analysis.

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