

Determinants of Well-Being among Amanah Ikhtiar Malaysia (AIM) Participants: The Role of Livelihood Assets, Socioeconomic Vulnerability and Resilience Strategies

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ABSTRACT

This study investigates the influence of livelihood assets, socioeconomic vulnerability, and resilience strategies on the well-being of participants of Amanah Ikhtiar Malaysia (AIM). Guided by the Sustainable Livelihood Framework (SLF), a quantitative research design was employed using structured questionnaires distributed to 375 micro-entrepreneurs in Hulu Langat, Selangor. Multiple linear regression analysis was used to assess the extent to which the three independent variables predict well-being.

The findings reveal that livelihood asset ownership significantly and positively influences well-being ($\beta = 0.287$, $p < 0.01$), while socioeconomic vulnerability ($\beta = 0.087$, $p = 0.083$) and resilience strategies ($\beta = 0.021$, $p = 0.665$) show no significant effects. This suggests that the accumulation and effective utilisation of assets remain the key determinant of participants' well-being, whereas coping strategies and vulnerability factors are less influential in this context.

The results underscore the importance of asset-building interventions and entrepreneurial support as part of Malaysia's poverty alleviation strategies under the Eleventh and Twelfth Malaysia Plans. Future research could incorporate moderating variables such as gender, education, and business sector, and adopt a mixed-method or longitudinal approach to capture more nuanced and dynamic livelihood experiences.

Keywords: sustainable livelihood framework, asset ownership, socioeconomic vulnerability, resilience strategies, well-being, microcredit, Amanah Ikhtiar Malaysia.

INTRODUCTION

Microcredit programmes have played a pivotal role in poverty alleviation strategies across developing countries. In Malaysia, Amanah Ikhtiar Malaysia (AIM) has been a key institution in enabling low-income households, particularly women, to participate in entrepreneurial activities, thereby enhancing their livelihoods. Over the years, AIM's programmes have been aligned with Malaysia's national development strategies, including the Eleventh and Twelfth Malaysia Plans, which emphasise inclusive economic growth, household income security, and the strengthening of social protection mechanisms.

While microcredit provides financial access, its effectiveness in improving well-being depends on more than credit availability alone. Livelihood sustainability is shaped by how individuals and households mobilise assets, manage vulnerabilities, and implement coping or adaptive strategies to improve their living conditions. These dynamics are best understood through the Sustainable Livelihood Framework (SLF), which views well-being as an outcome of the interaction between livelihood assets, vulnerability contexts, and livelihood strategies.

LITERATURE REVIEW

Sustainable Livelihood Framework (SLF)

The SLF developed by Chambers and Conway (1992) and popularised by Department for International

Development (DFID) conceptualises livelihood as the capabilities, assets, and activities required for a means of living. A livelihood is sustainable when it can cope with and recover from shocks and stresses while maintaining or enhancing its assets. This framework identifies five key asset categories:

- Financial assets (income, savings, credit access),
- Human assets (skills, knowledge, health),
- Physical assets (infrastructure, equipment, housing),
- Social assets (networks, social capital, group membership, trust),
- Natural assets (land, environment, natural resources).

In many microcredit studies, emphasis has been placed on financial and physical assets, often overlooking the critical roles of social and natural assets. Social assets enhance participants' ability to mobilise support, share knowledge, and build resilience, while natural assets—though less directly relevant for urban entrepreneurs—can contribute indirectly through access to space, raw materials, or resource-based activities.

Livelihood Assets and Well-Being

Empirical studies consistently demonstrate the positive influence of livelihood asset ownership on household well-being (Al-Mamun et al., 2012; Tasnuba et al., 2019). Asset accumulation enables individuals to invest productively, stabilise income flows, and improve living standards. Social and natural assets, though less frequently measured, have been shown to strengthen coping mechanisms and long-term resilience (Bebbington, 1999; Scoones, 1998).

In the Malaysian context, asset ownership has been linked to improved entrepreneurial performance and enhanced subjective well-being among AIM participants (Saad, 2016; Abdullah et al., 2010). This aligns with national development policies that prioritise asset-building strategies for sustainable poverty alleviation.

Socioeconomic Vulnerability and Well-Being

Socioeconomic vulnerability reflects households' exposure to risks such as income instability, inflation, health shocks, or employment insecurity (Tanner et al., 2005). Vulnerable households may experience reduced resilience, affecting their overall well-being. While microcredit programmes aim to reduce vulnerability, the extent to which reduced vulnerability translates into well-being varies widely (Hulme & Mosley, 1996). Some studies find significant associations, whereas others indicate that vulnerability mitigation alone is insufficient to guarantee improved living standards, particularly if asset accumulation remains limited.

Resilience Strategies and Well-Being

Resilience strategies refer to the coping and adaptive actions individuals undertake to maintain or improve their livelihoods amid economic or environmental shocks. These strategies may include income diversification, reliance on social networks, or asset liquidation during crises (Turunen et al., 2010). Within the SLF, resilience is not a single variable but an outcome of how effectively assets and capabilities are mobilised.

However, evidence is mixed regarding the direct impact of resilience strategies on well-being. In some cases, coping strategies may stabilise households temporarily but do not necessarily lead to sustainable improvements in well-being, especially if they involve short-term sacrifices or asset depletion. This may explain why resilience strategies often have weaker or non-significant effects in quantitative studies.

Gaps in the Literature

Although previous studies highlight the importance of assets and vulnerability in livelihood outcomes, several gaps remain:

1. Limited emphasis on social and natural assets. Most empirical work focuses narrowly on financial assets.

2. Insufficient theoretical explanation for why some dimensions (e.g., resilience) show weak statistical significance.
3. Underexplored confounding factors, such as gender, education, and business sector, which may shape well-being outcomes.
4. Cross-sectional data limitations, which restrict understanding of dynamic changes over time.

This study addresses these gaps by examining how livelihood asset ownership, socioeconomic vulnerability, and resilience strategies influence well-being among AIM participants in Selangor, using the SLF as a guiding framework. While the study adopts a quantitative approach, it provides a foundation for future research to integrate more nuanced and longitudinal analyses.

METHODOLOGY

Research Design

This study employed a quantitative research design to examine the influence of livelihood asset ownership, socioeconomic vulnerability, and resilience strategies on well-being among participants of Amanah Ikhtiar Malaysia (AIM). Guided by the Sustainable Livelihood Framework (SLF), the study utilised multiple linear regression (MLR) to assess the predictive effects of these three independent variables on well-being as the dependent variable.

The MLR approach was selected because it allows for the evaluation of multiple predictors simultaneously and provides information on the relative contribution of each factor, thereby enabling a clearer understanding of which aspects of the SLF are most influential in determining well-being outcomes.

Sampling and Participants

The study involved a total of 375 respondents who were active AIM participants in the Hulu Langat district, Selangor. This district was selected due to its high concentration of AIM micro-entrepreneurs and its socioeconomic diversity, which provides a representative setting for analysing livelihood dynamics.

Participants were selected using purposive sampling based on the following criteria:

1. Active participation in AIM's microcredit programme,
2. Ownership or operation of a microenterprise, and
3. Willingness to voluntarily participate in the survey.

All respondents were women, reflecting AIM's target demographic of female micro-entrepreneurs from low-income households.

Instrumentation

Data were collected using a structured questionnaire developed based on the SLF framework. The instrument comprised five sections:

- Section A: Demographic profile — including age, marital status, household size, business operation period, borrowing frequency, and years of AIM participation.
- Section B: Livelihood asset ownership, measuring financial, human, physical, social, and natural assets.
 - Financial assets: access to credit, income stability, savings.
 - Human assets: education, skills, health status.
 - Physical assets: equipment, infrastructure, housing conditions.
 - Social assets: strength of social networks, participation in group activities, trust and mutual support.

- Natural assets: access to land, environmental resources, or space supporting microenterprise operations.
- Section C: Socioeconomic vulnerability — exposure to risks such as unstable income, health issues, inflation, or shocks.
- Section D: Resilience strategies, coping and adaptive behaviours, such as diversifying income sources, seeking informal support, or adjusting household expenditure.
- Section E: Well-being, subjective assessment of quality of life, satisfaction, and perceived economic security.

All items were rated on a five-point Likert scale ranging from 1 (strongly disagree) to 5 (strongly agree). Content validity was ensured through expert review involving three academic specialists and two AIM field officers. A pilot test with 50 respondents yielded Cronbach's alpha values above 0.80 for all constructs, indicating good internal consistency.

Data Collection Procedure

Data were collected through face-to-face survey administration conducted by trained enumerators familiar with AIM's operational context. This approach enhanced response accuracy and supported participants with limited literacy. Participation was voluntary and anonymous, with informed consent obtained prior to data collection. Ethical approval was secured from the university's research ethics committee.

Data Analysis

The data were analysed using IBM SPSS Statistics. Descriptive statistics were first computed to profile respondents and summarise key variables. Subsequently, multiple linear regression was conducted to examine the predictive relationships between:

- Independent variables: Livelihood asset ownership, Socioeconomic vulnerability and Resilience strategies
- Dependent variable: Well-being

Model significance was tested using the F-test, while the relative contribution of each predictor was assessed through beta coefficients and p-values. A significance level of $p < 0.05$ was adopted.

RESULTS

Model Fit and Overall Significance

A multiple linear regression analysis was conducted to examine the influence of livelihood asset ownership, socioeconomic vulnerability, and resilience strategies on the well-being of Amanah Ikhtiar Malaysia (AIM) participants.

The overall regression model was statistically significant, $F(3, 371) = 13.110$, $p < 0.001$, with an R^2 of 0.096.

This indicates that the three independent variables collectively explain approximately 9.6% of the variance in well-being among AIM participants.

Although the explained variance is modest, this result is meaningful in the context of social science research, where multiple social, economic, and individual factors typically influence well-being.

Model Summary	Value
R^2	0.096
Adjusted R^2	0.089

F	13.110
p-value	< 0.001
N	375

Effects of Livelihood Assets, Vulnerability, and Resilience

The regression coefficients indicate that only livelihood asset ownership significantly predicts well-being, while socioeconomic vulnerability and resilience strategies show positive but statistically non-significant effects.

Predictor Variable	B	Std. Error	Beta	t	p-value
Constant	1.502	0.393	—	3.825	0.000
Livelihood asset ownership	0.505	0.088	0.287	5.762	0.000
Socioeconomic vulnerability	0.082	0.047	0.087	1.741	0.083
Resilience strategies	0.026	0.060	0.021	0.434	0.665

These results suggest:

- Livelihood asset ownership has a significant and positive impact on well-being. Participants with higher asset ownership levels report better perceived quality of life and economic security.
- Socioeconomic vulnerability, while positively related, is not a significant predictor at $p < 0.05$. This suggests that lower vulnerability alone may not be sufficient to enhance well-being without simultaneous asset accumulation.
- Resilience strategies also show no significant effect, indicating that coping mechanisms alone may not directly translate into improved well-being.

The final regression equation is:

$$\text{Well-being} = 1.502 + 0.505(\text{Assets}) + 0.082(\text{Vulnerability}) + 0.026(\text{Resilience})$$

Interpretation of Findings

The results confirm that livelihood assets are the primary determinant of well-being among AIM participants, aligning with the core assumptions of the Sustainable Livelihood Framework (SLF). In contrast, socioeconomic vulnerability and resilience strategies appear to have weaker and non-significant direct effects on well-being.

This pattern is consistent with previous research (e.g., Al-Mamun et al., 2012; Saad, 2016), which shows that asset ownership plays a more central role in improving living standards than short-term coping strategies. Vulnerability reduction and resilience may influence well-being indirectly through their interaction with assets but may not exert strong direct effects.

DISCUSSION

The Central Role of Livelihood Asset Ownership

The results demonstrate that livelihood asset ownership is the only significant predictor of well-being among Amanah Ikhtiar Malaysia (AIM) participants in Hulu Langat, Selangor. This finding aligns strongly with the core principles of the Sustainable Livelihood Framework (SLF), which emphasises assets as the foundation for improving and sustaining livelihoods.

Participants with higher levels of financial, human, physical, social, and natural assets reported significantly

better well-being outcomes. These assets enable micro-entrepreneurs to generate more stable income streams, access productive resources, and strengthen their household economic security. This result supports previous empirical evidence showing that asset accumulation contributes to income stability, greater entrepreneurial capacity, and subjective well-being (Bebbington, 1999; Al-Mamun et al., 2012; Abdullah et al., 2010).

Importantly, this finding highlights the transformative potential of microcredit when it translates into real asset ownership rather than short-term liquidity. While access to credit is a starting point, the accumulation of tangible and intangible assets, such as equipment, skills, networks, and natural resources, appears to be the critical factor that improves the quality of life for AIM participants.

Socioeconomic Vulnerability: Weak but Contextually Relevant

Although socioeconomic vulnerability showed a positive but non-significant relationship with well-being, its role should not be dismissed. Vulnerability reduction is often an indirect pathway to improved livelihood outcomes. Previous studies have noted that reducing exposure to shocks such as income instability or health crises can strengthen household resilience over time (Tanner et al., 2005; Hulme & Mosley, 1996).

However, the absence of a significant direct effect in this study may reflect two possibilities:

1. Vulnerability reduction alone is insufficient without parallel increases in asset ownership; or
2. AIM participants remain exposed to external structural factors (e.g., inflation, market fluctuations) that microcredit cannot fully address.

This finding underscores the importance of integrating social protection policies with microfinance programmes. While AIM provides financial access, broader systemic support is needed to buffer households against external economic shocks.

Resilience Strategies: Limited Immediate Impact

The non-significant effect of resilience strategies suggests that short-term coping mechanisms may not directly enhance well-being. Although strategies such as borrowing from family, cutting expenditures, or diversifying income help participants navigate crises, they may not produce sustainable improvements in living standards.

This aligns with Turunen et al. (2010), who argue that coping strategies often stabilise households temporarily rather than fostering long-term well-being. Moreover, many of these strategies can involve trade-offs—such as reducing food intake or selling assets—that may weaken future resilience.

Within the SLF, resilience is best understood as an outcome emerging from strong asset bases, not a substitute for them. Strengthening assets first is therefore more effective for improving well-being than relying on reactive strategies.

Theoretical and Policy Implications

These findings make a valuable contribution to the application of the SLF in the Malaysian context. While most microcredit studies focus narrowly on financial assets, this study highlights the holistic importance of all five asset dimensions, particularly human and physical assets, in enhancing well-being.

From a policy perspective, AIM and related institutions may consider:

- Designing programmes that prioritise asset-building pathways (e.g., skills training, infrastructure support, savings accumulation) beyond credit disbursement.
- Enhancing social asset mobilisation through group networks, peer mentoring, and community business platforms.

- Integrating microcredit with vulnerability mitigation measures (e.g., insurance, social safety nets, inflation buffering mechanisms).
- Moving beyond short-term financing to strategic long-term livelihood planning for entrepreneurs.

By framing interventions through the SLF, microfinance institutions can shift from credit-centric models to resilience- and asset-based development strategies.

Limitations and Directions for Future Research

This study's cross-sectional quantitative design limits its ability to capture the dynamic and temporal nature of livelihood change. Longitudinal research would help examine how assets, vulnerability, and resilience interact over time. Furthermore, qualitative methods such as interviews or focus groups could provide deeper insights into lived experiences, particularly regarding how resilience strategies are applied in everyday entrepreneurial contexts.

Future research could also:

- Explore moderating variables such as gender, education, and business sector, which may shape the asset–well-being relationship.
- Extend the study beyond Hulu Langat to enhance generalizability across different Malaysian states.
- Investigate how policy interventions interact with asset ownership to produce different well-being outcomes among vulnerable populations.

CONCLUSION

This study examined the influence of livelihood asset ownership, socioeconomic vulnerability, and resilience strategies on the well-being of Amanah Ikhtiar Malaysia (AIM) participants in Hulu Langat, Selangor, guided by the Sustainable Livelihood Framework (SLF). Using multiple linear regression, the analysis revealed that only livelihood asset ownership had a significant and positive impact on well-being, whereas socioeconomic vulnerability and resilience strategies did not exert significant effects.

These findings highlight the central role of assets in improving quality of life among micro-entrepreneurs. While access to credit is important, sustainable well-being is more strongly linked to the accumulation and utilisation of tangible and intangible assets, such as financial capital, skills, physical infrastructure, networks, and natural resources. This underscores the need to strengthen asset-building pathways rather than relying solely on short-term coping mechanisms or credit access.

From a policy perspective, these results suggest that microfinance programmes should move beyond credit provision to incorporate strategies that enhance asset accumulation, mitigate vulnerability, and support entrepreneurial maturity. This approach is consistent with Malaysia's Eleventh and Twelfth Malaysia Plans, which emphasise inclusive economic growth and poverty reduction through human capital and entrepreneurship development.

The study's contribution lies in advancing the application of the SLF to a Malaysian microfinance context, offering empirical evidence of the primacy of assets over vulnerability and resilience in predicting well-being. Nevertheless, the study is limited by its cross-sectional design and reliance on quantitative methods. Future research should adopt longitudinal and mixed-method approaches to capture the dynamic interplay of assets, vulnerability, and resilience over time, and to deepen understanding of participants' lived experiences.

In conclusion, asset ownership is not only a determinant of economic security but also a foundation for sustainable livelihood transformation. Strengthening this dimension through targeted microfinance interventions can significantly enhance the well-being of AIM participants and contribute to Malaysia's broader poverty alleviation and inclusive development agenda.

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