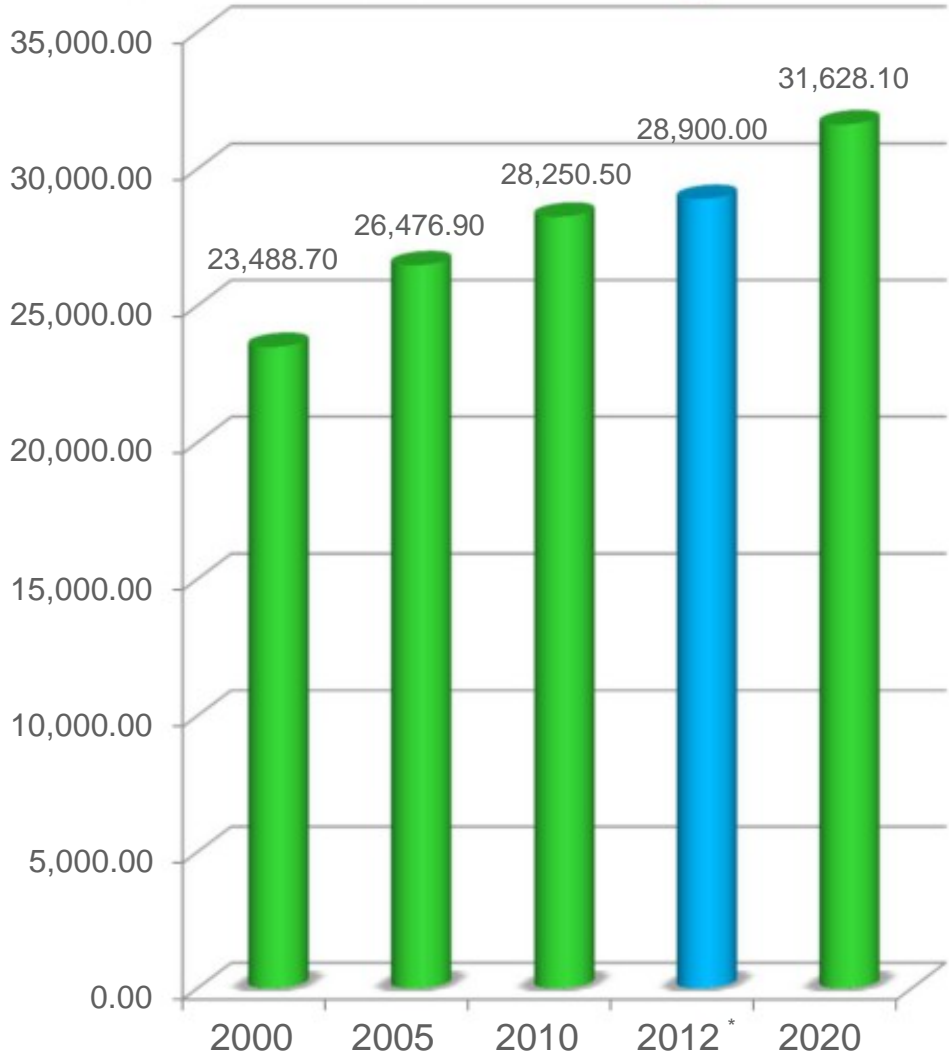


YOUTH EMPLOYMENT IN MALAYSIA; SKILLS DEVELOPMENT AND EMPLOYMENT PROGRAM FOR YOUTH TO MEET DEMAND FOR HIGH INCOME ECONOMY Foundations of Thematic Analysis



Malaysia Population Clock (2012)



- 1** 28,900,000 Current population
- 2** 14,900,000 Current male population (51%)
- 3** 14,000,000 Current female population (49 %)
- 5** -3 896 Net migration this year
- 6** -11 Net migration today
- 7** 157 451 Population growth this year

Note: * As at December 2012
Source: Statistic Department Malaysia

LABOUR MARKET IN MALAYSIA

Characteristics	2011			2012*		
	Total	Male	Female	Total	Male	Female
Population	28.6	14.7	13.8	28.9	14.9	14.0
Working age population	19,326.9	10,027.2	9,299.7	19,684.6	10,200.5	9,484.1
Labour force	12,303.9	7,955.5	4,348.4	12,675.8	8,129.5	4,546.3
Employed	11,899.5	7,707.8	4,191.7	12,284.4	7,889.8	4,394.7
Unemployed	404.4	247.7	156.8	391.4	239.8	151.6
Outside labour force	7,023.0	2,071.7	4,951.2	7,008.8	2,071.0	4,937.8
Labour force participation rate	63.7	79.3	46.8	64.4	79.7	47.9
Unemployment rate	3.3	3.1	3.6	3.0	2.9	3.3

Note: * As at December 2012
Source: Statistic Department Malaysia

DEFINING YOUTH



Youth is defined as those between 15 and 40 years old;



But in the main focus of development programs in the country are those aged between 18 to 25.



YOUTH EMPLOYMENT PARTICIPATION

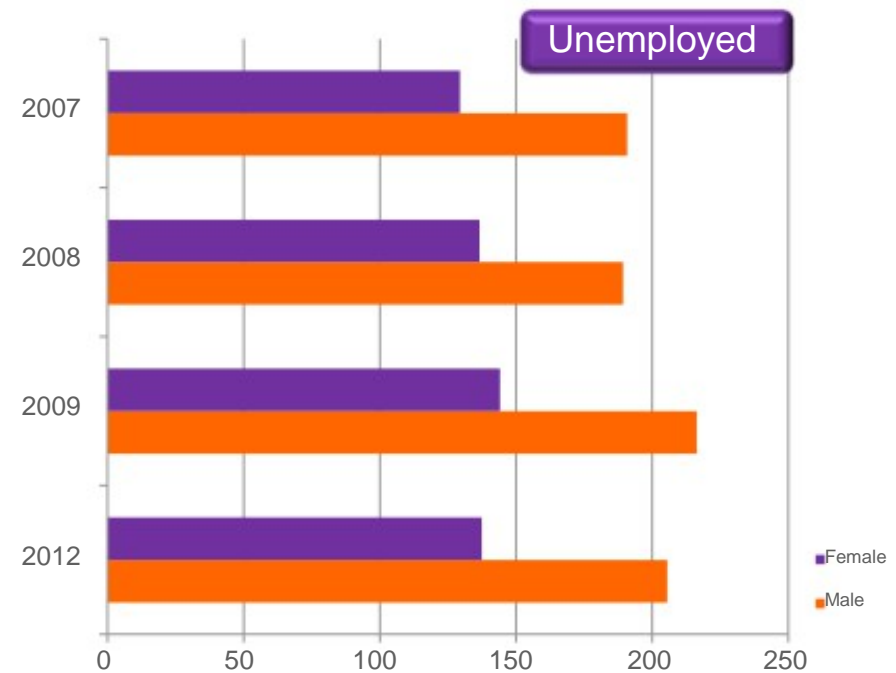
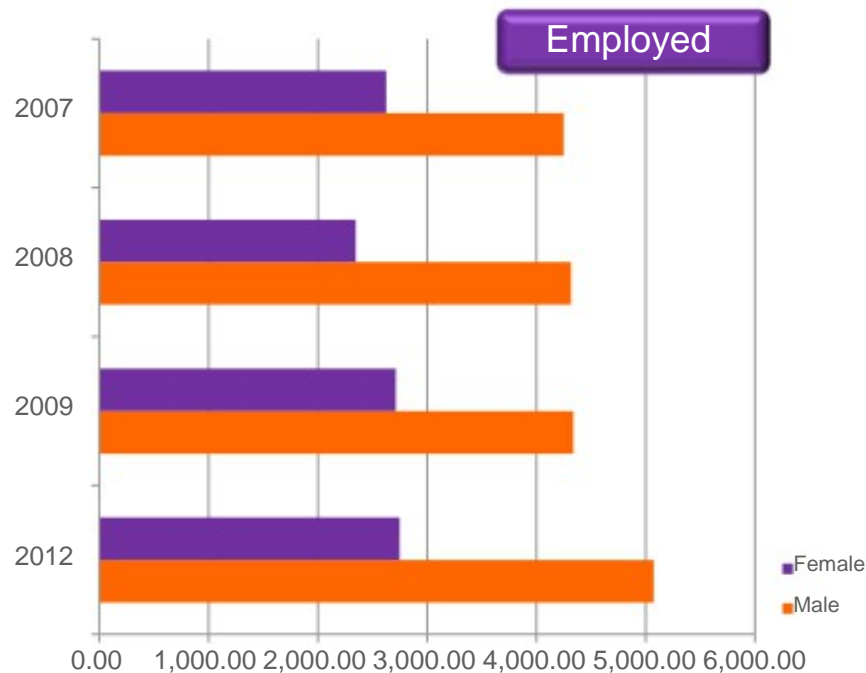
In year 2012, youth represents 61% or 8,171,200 of country's total 12,675,800 labour force.

Youth represents 64% or 7,820,400 of country's 12,284,400 total employment.



EMPLOYED YOUTH VS UNEMPLOYED

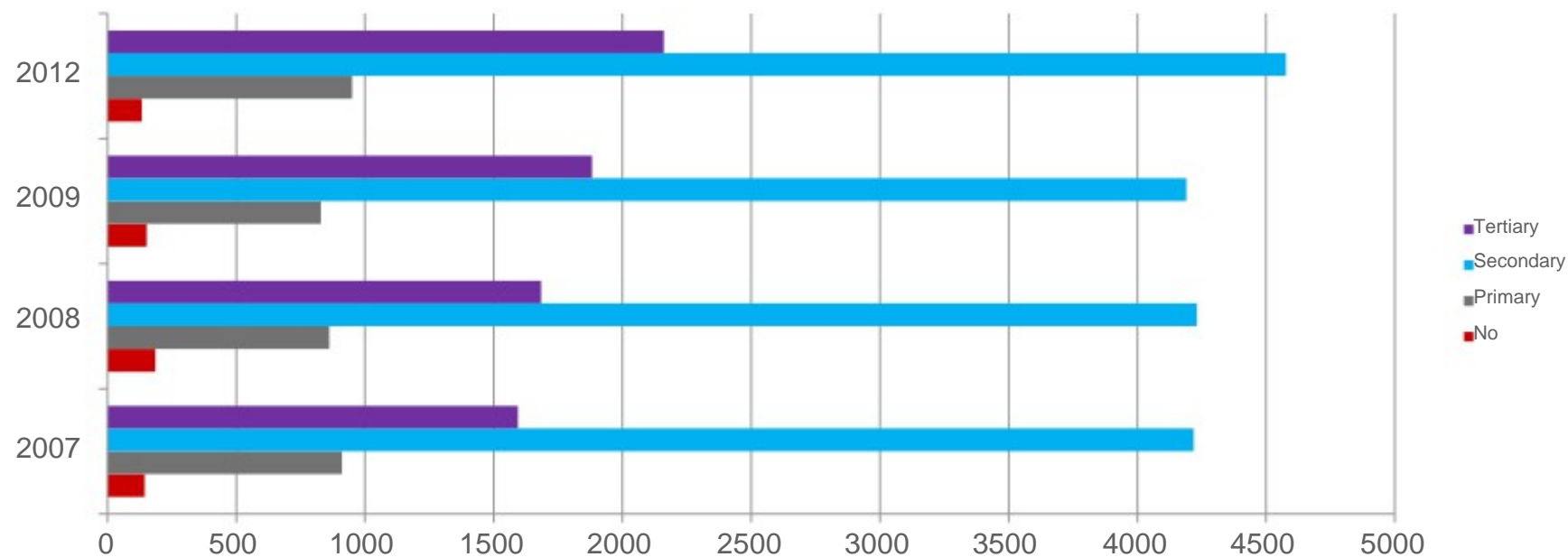
YEARS	EMPLOYED ('000)		UNEMPLOYED ('000)	
	MALE	FEMALE	MALE	FEMALE
2012	5,073.6	2,746.8	205.6	137.4
2009	4,337.8	2,713.2	216.4	144.1
2008	4,315.9	2,345.6	189.3	136.6
2007	4,248.7	2,625.7	190.9	129.4



Note: * As at December 2012
Source: Statistic Department Malaysia

YOUTH EMPLOYMENT BASED ON ACADEMIC QUALIFICATION

QUALIFICATION	2007 (‘000)	2008 (‘000)	2009 (‘000)	2012* (‘000)
No Formal Education	144.5	185.3	151.6	132.9
Primary	910.6	861.8	828.8	950.3
Secondary	4,218.2	4,230.5	4,189.9	4,576.6
Tertiary	1,594.4	1,683.9	1,881.7	2,160.6
TOTAL	6,874.4	6,961.5	7,051.0	7,820.4

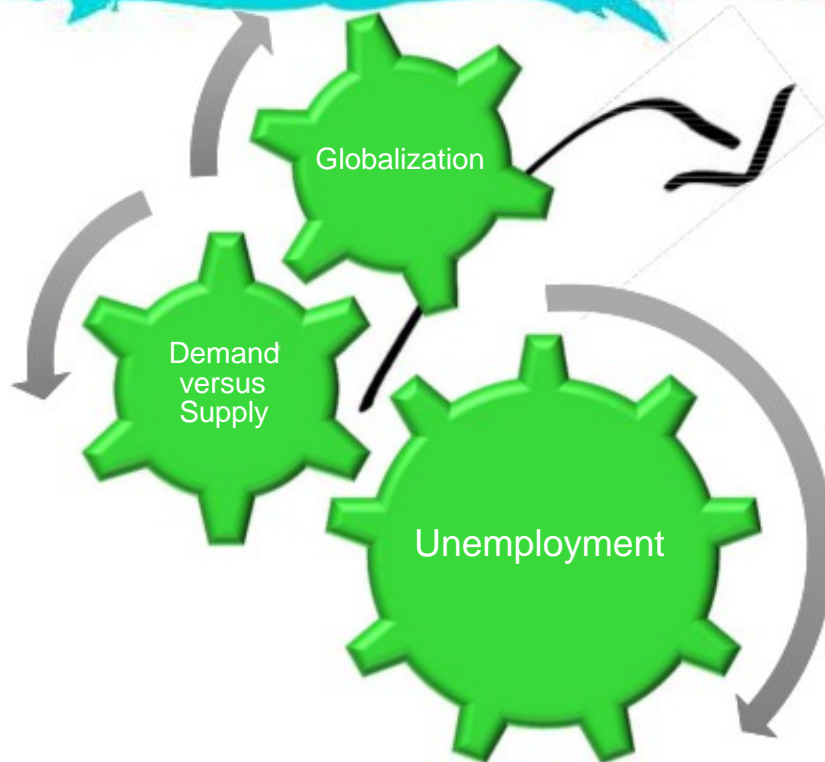


YOUTH EMPLOYMENT BASED ON EMPLOYMENT CATEGORY



EMPLOYMENT CATEGORY	2012 ('000)
	15-40
Law maker, senior officer and manager	506.8
Professional	587.6
Technician and professional	1,451.6
Clerical	871.5
Services, retail and sales	1,254.0
Agriculture and fishery	632.1
Handyman and other related	753.0
Operator and machine installer	1,020.6
General Worker	743.2
TOTAL	7,820.4

GAP AND CHALLENGES



Employment in Malaysia is set back by educational and skill mismatches.

Happens when institutes of learning produce a new workforce that cannot enter the labour market because of the differences in what they perceive is needed in the market and what is actually needed.

Market requires skills beyond subject knowledge to increase employability.

A degree is no longer adequate in today's ever-competitive job market.

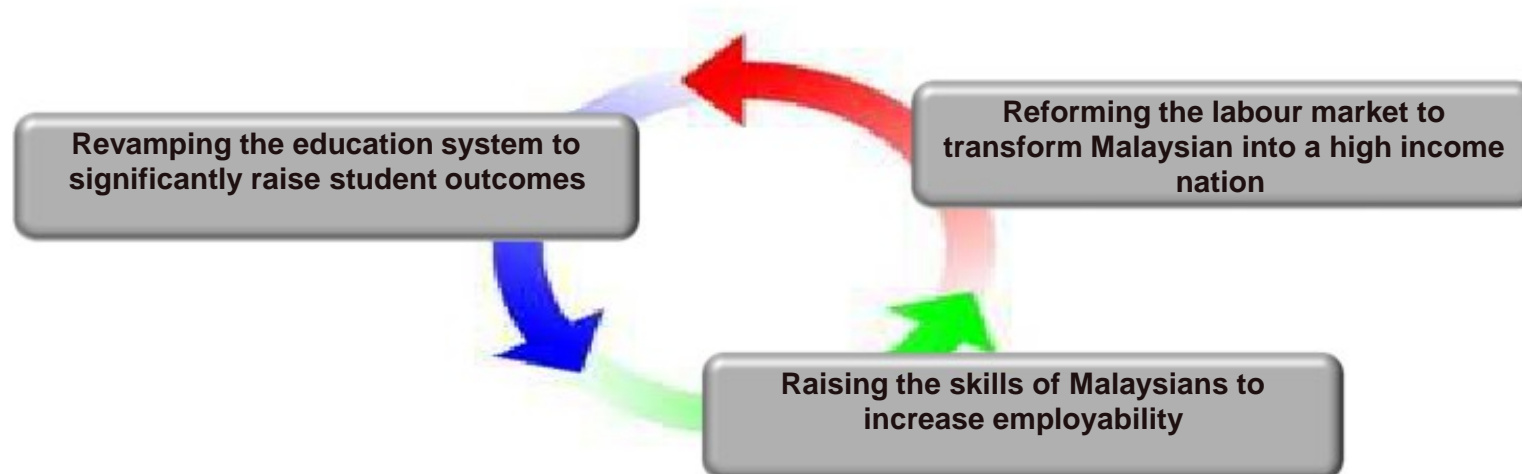
Youth often tend to underestimate the job market while the job market's preference for experience over qualification tends to aggravate the situation even more.

YOUTH EMPLOYMENT - ACTION PLAN

10th MALAYSIA PLAN

...the development of a first world talent base requires nothing less than a comprehensive, all-inclusive national effort from the public and private sectors as well as civil society, to lift the quality of the nation's human capital.

During the Tenth Plan period (2011 - 2015), the **Government will adopt an integrated human capital and talent development framework**. This approach will nurture and develop Malaysians across their entire life-cycle, from early childhood education, basic education, tertiary education and all the way to their adult working lives, specifically by:

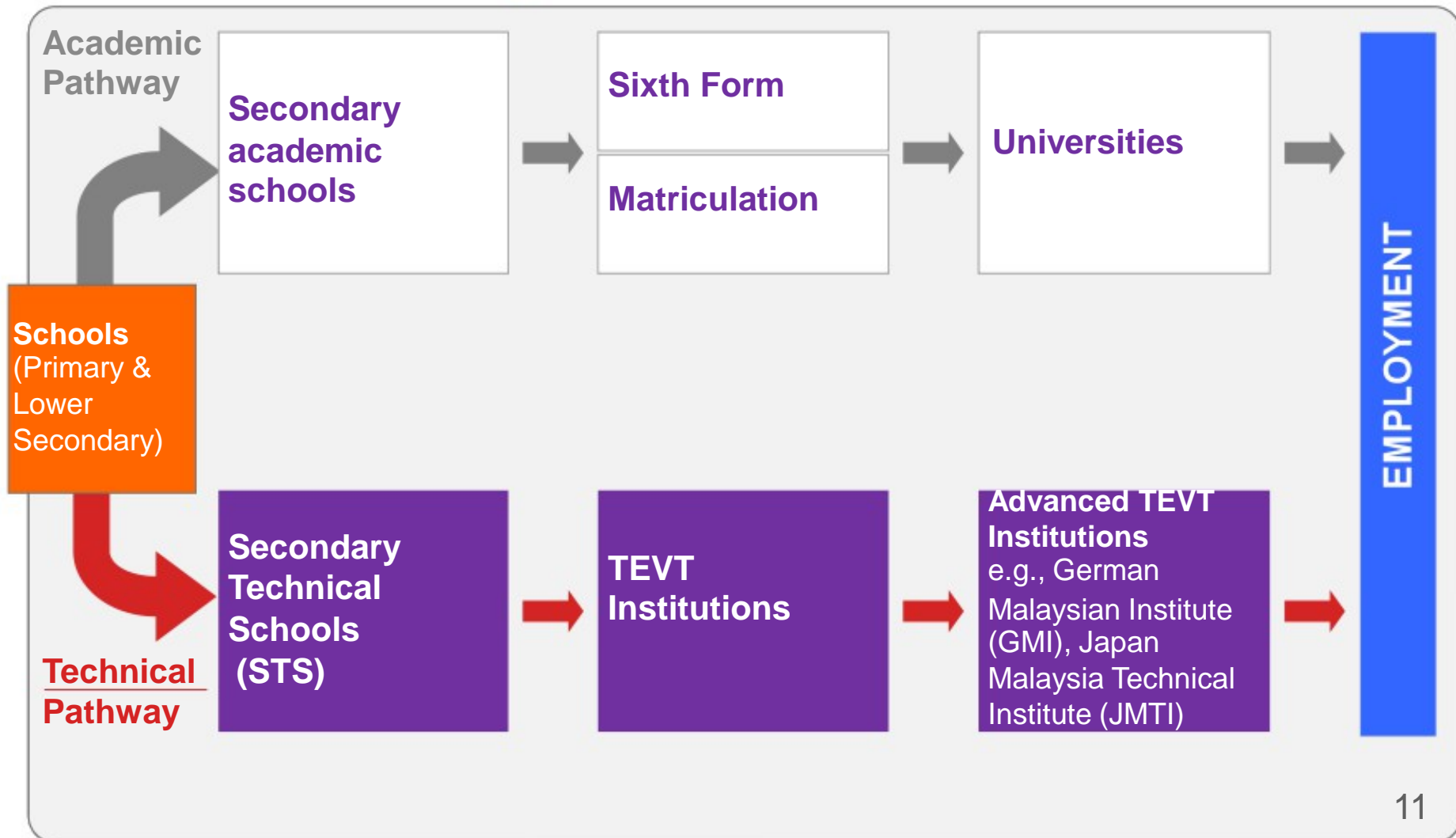


Enrolment in High Education Institutions by Level of Study 2006-2015

<i>Level of Study</i>	<i>Number of Students</i>								
	2006			2010			2015		
	<i>Public</i>	<i>Private</i>	<i>Total</i>	<i>Public</i>	<i>Private</i>	<i>Total</i>	<i>Public</i>	<i>Private</i>	<i>Total</i>
<i>Certificate</i>	44,480	68,442	112,922	40,204	85,885	126,089	25,927	135,822	161,749
<i>Diploma</i>	116,252	123,937	240,189	149,702	225,997	375,699	184,778	347,724	532,502
<i>First Degree</i>	224,298	124,071	348,369	287,354	227,764	515,118	358,791	375,229	734,020
<i>Masters</i>	30,347	6,477	36,824	51,133	15,690	66,823	98,021	34,842	132,863
<i>PhD</i>	8,752	860	9,612	17,425	2,810	20,235	41,233	8,041	49,274
Total	424,129	323,787	747,916	545,818	558,146	1,103,964	708,750	901,658	1,610,408

STRATEGY Ministry of Human Resources)

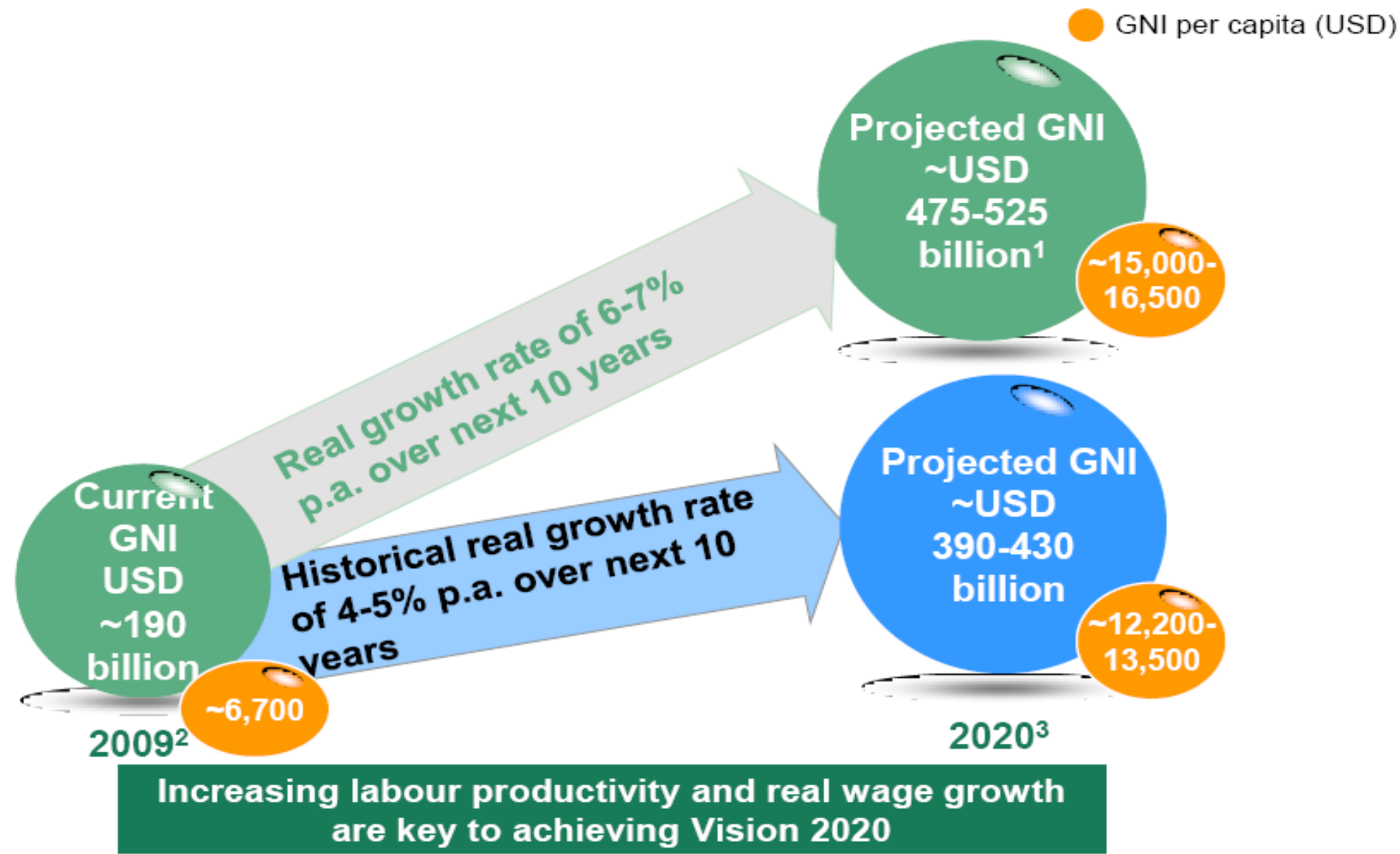
RAISING SKILLS OF MALAYSIANS





SKILLS DEVELOPMENT AND
EMPLOYMENT PROGRAM
FOR YOUTH TO MEET DEMAND FOR
HIGH INCOME ECONOMY

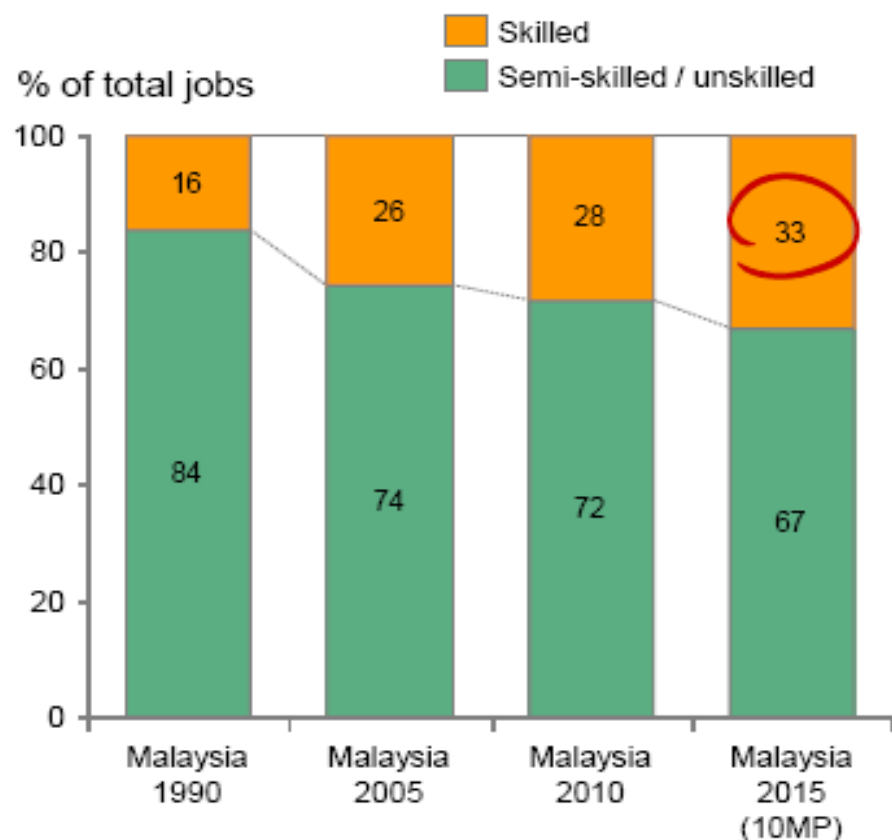
To achieve high-income status by 2020, Malaysia must shift trajectory to grow GNI by ~6 to 7% p.a. over the next 10 years



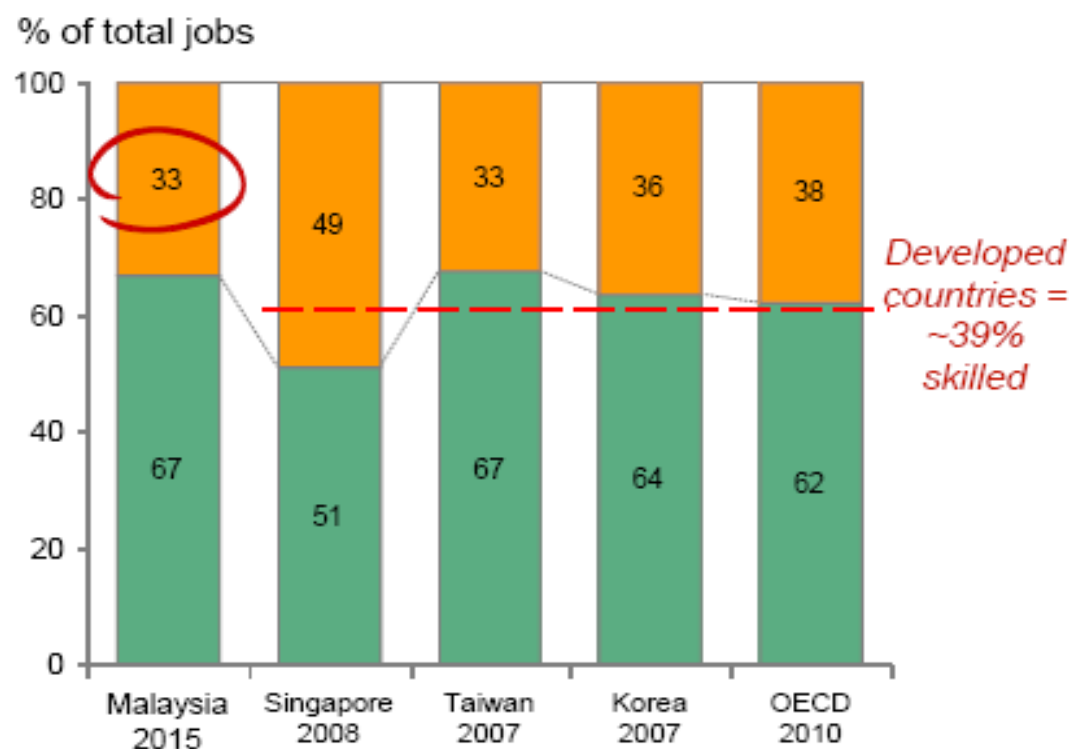
1. At 2020 prices, consistent with EPU assumptions for inflation=2.8% and population growth=1%
2. 2009 population is expected to 27.9 million, 3. 2020 projected population from EPU is 31.6 million
Source: World Bank, EPU, DOS

By 2015, we expect share of skilled positions to increase to 33% of total jobs, approaching developed countries' proportion

Skilled positions to increase to 33% of total jobs from current 28%...

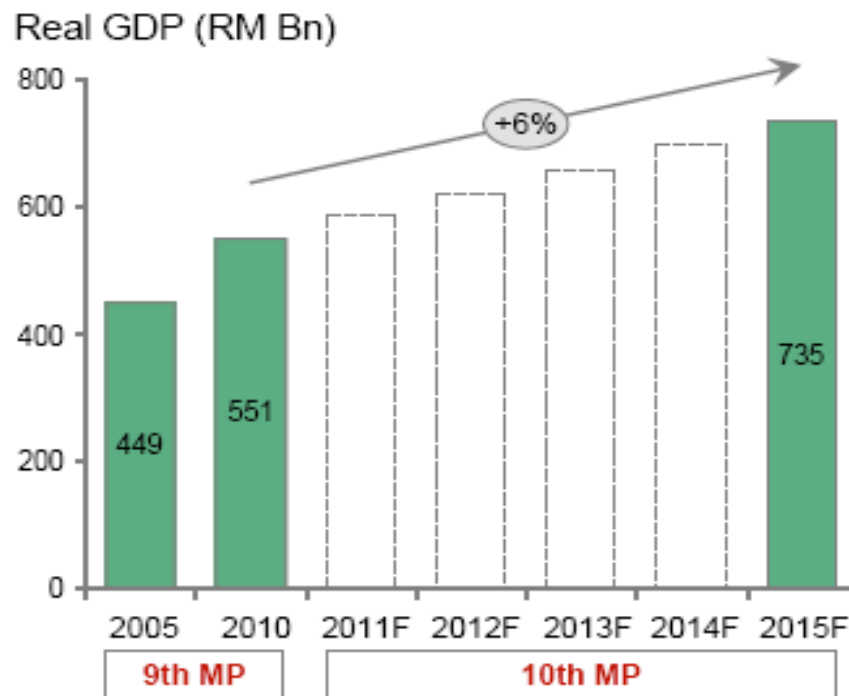


...to approach developed countries' proportion of skilled labour

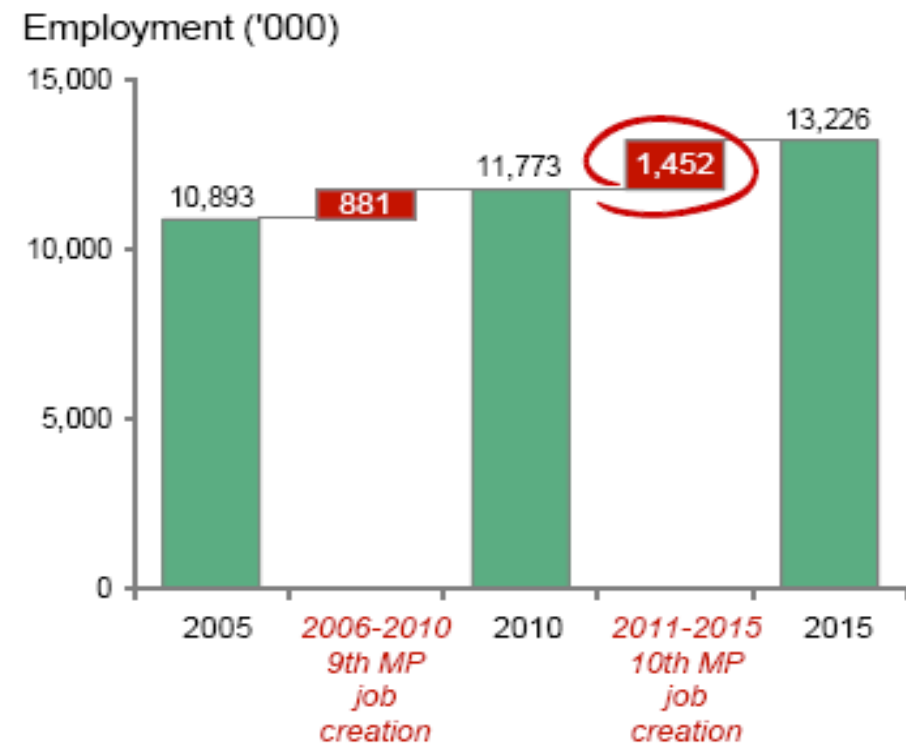


Given this growth trajectory, we expect to create ~1.5Mn jobs over the 2011 to 2015 period (10MP horizon) ...

10MP projects GDP growth of 6% to achieve USD11,550 GNI/ capita by 2015...



... will create ~1.5Mn jobs



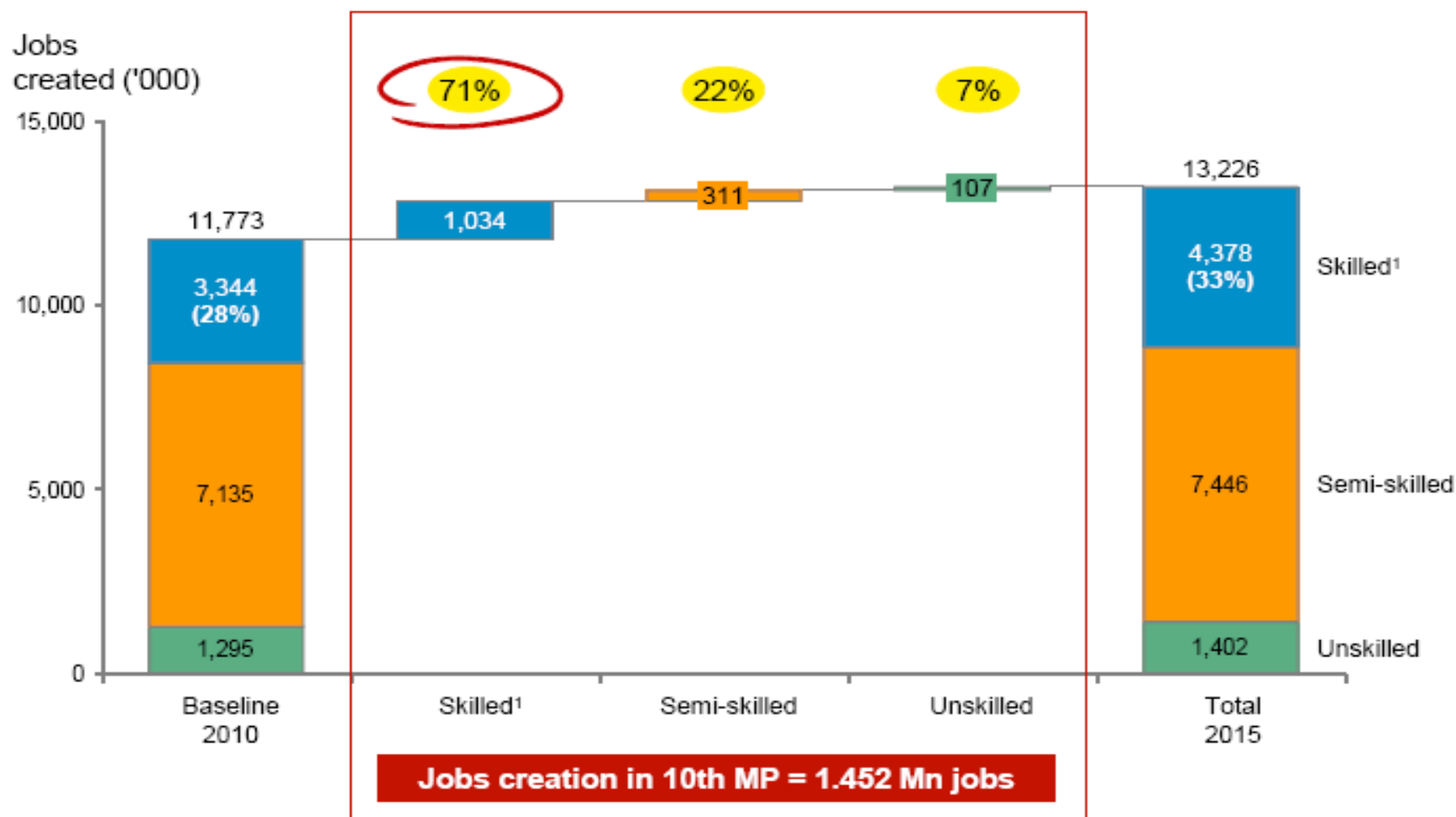
GNI/
capita
(USD)

7,900

+7.9% p.a.

11,550

... where 71% of the jobs created (or ~1.03Mn jobs) will be in the skilled category

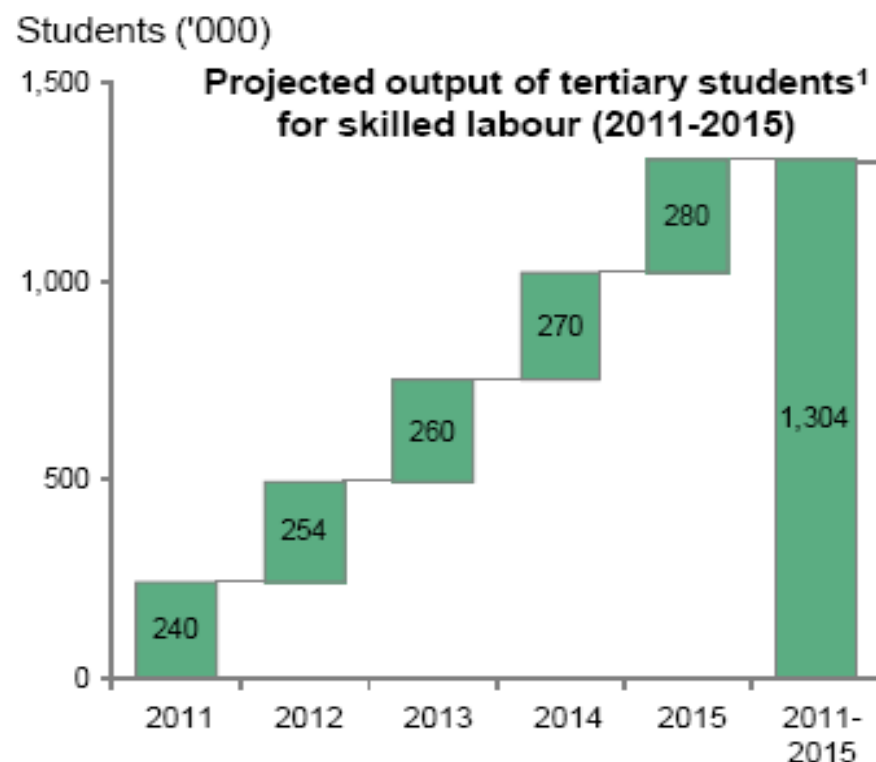


% of total jobs created

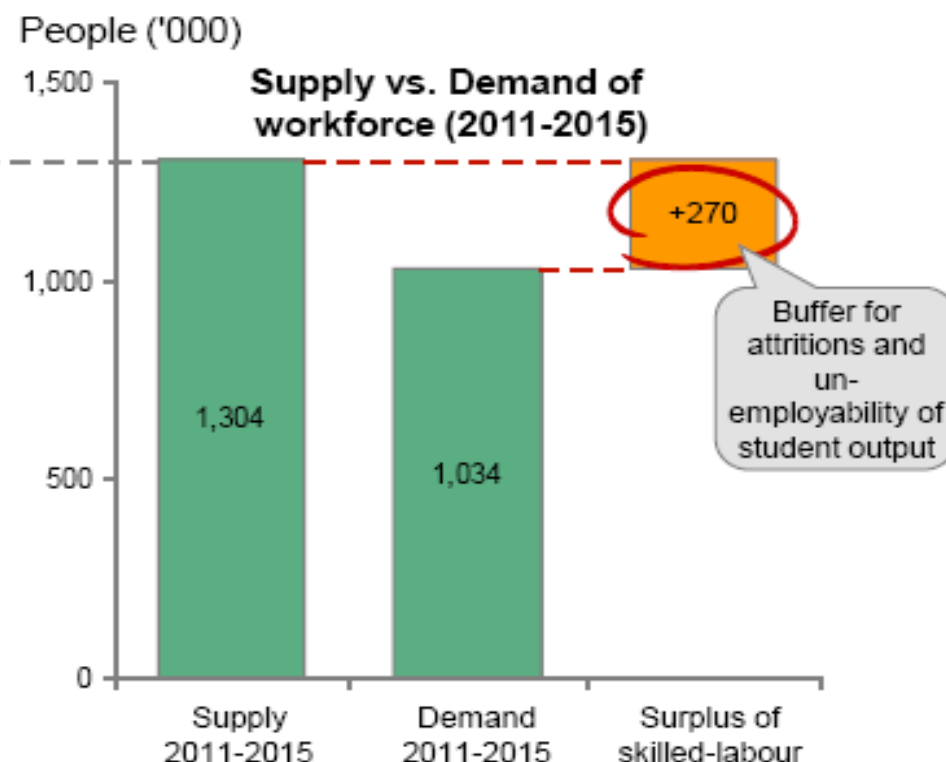
1. Senior officials & Managers, Professionals, Technicians & Associate professionals
Source: EPU 10MP forecast

There will be ~1.3Mn graduates coming on-stream over 2011-15, which is sufficient to meet the expected demand

~1.3Mn tertiary student output expected between 2011-2015...



... to meet ~1Mn skilled² labour demand; with surplus of 270k skilled labour



Although skilled² labour demand in quantity is met, quality of workforce is still an issue

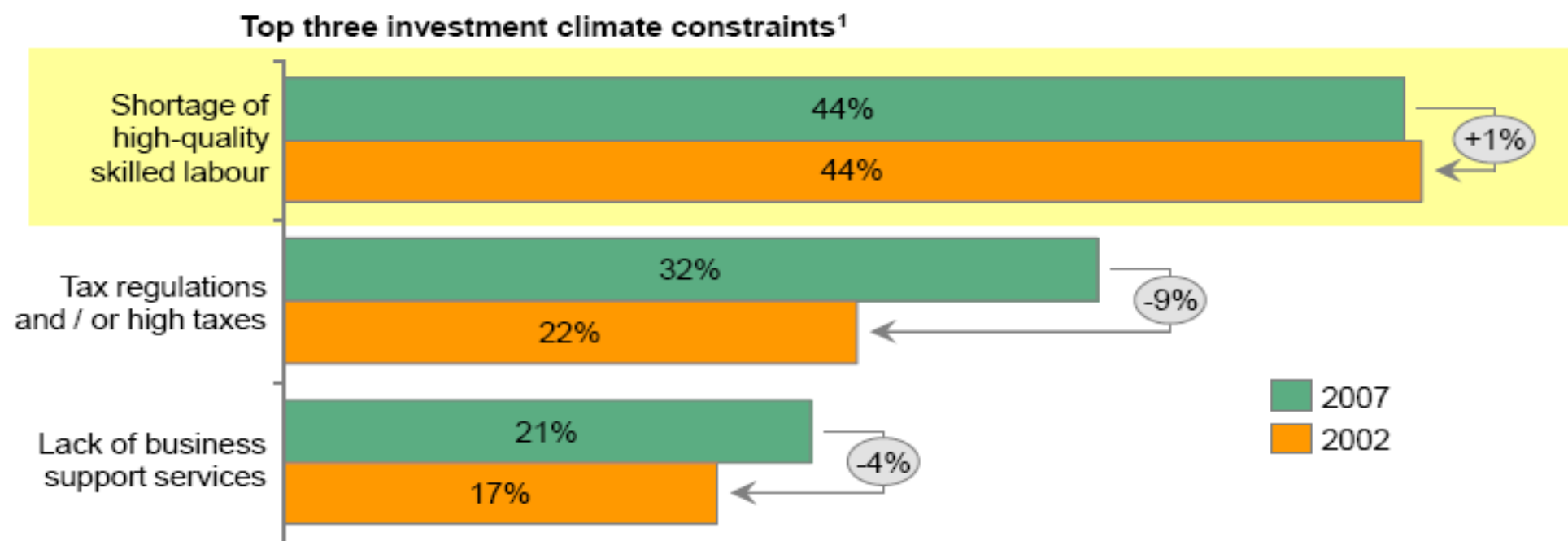
1. Include IPTA, IPG, Politeknik, TEVT Awam, Kolej Komuniti, NATC, IPTS, and Malaysian overseas students (assuming all come back)

2. Senior officials & Managers, Professionals, Technicians & Associate professionals

Source: EPU, DoS, MOE

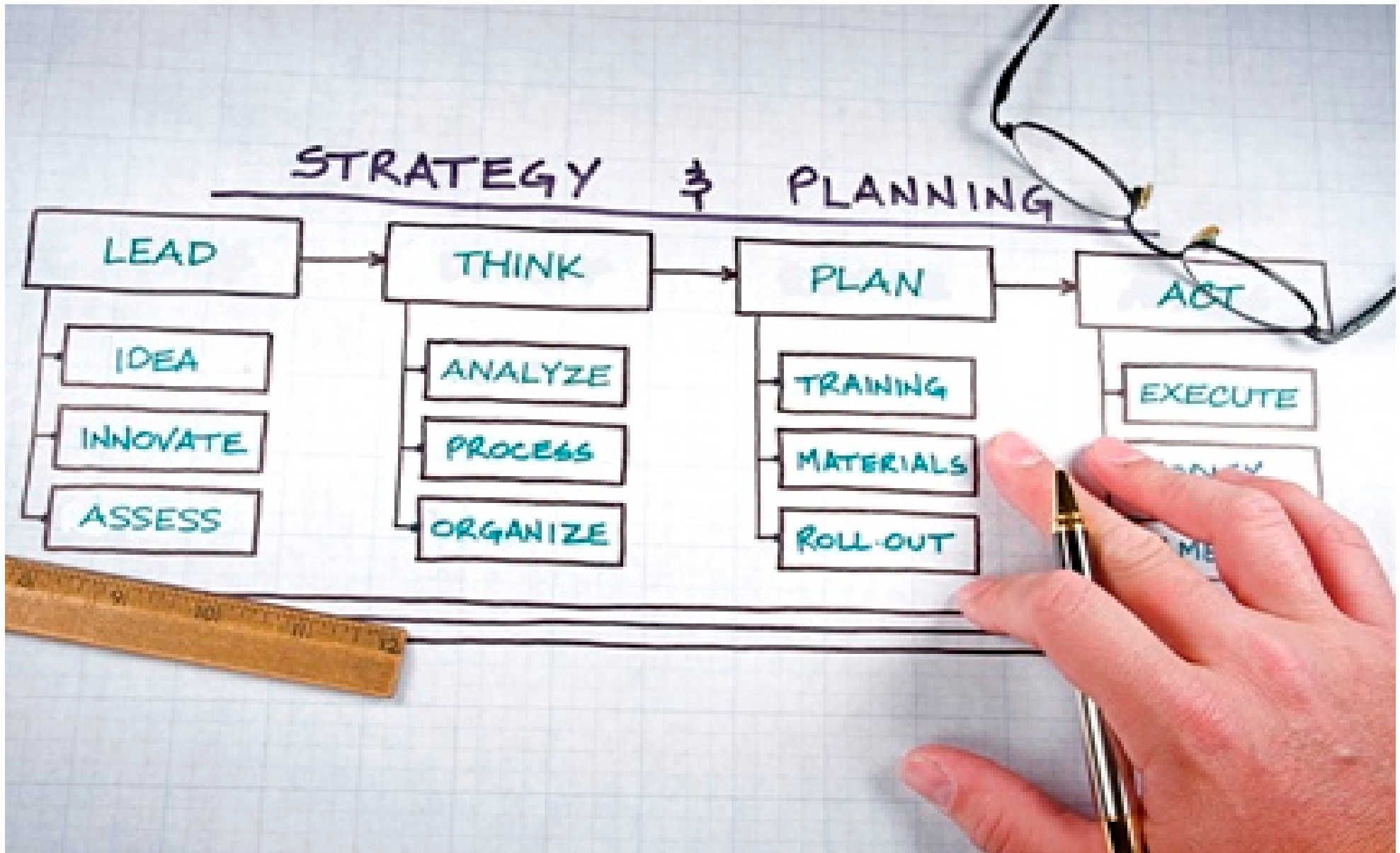
However, continued improvement in the quality of our skilled labour is still needed

Skilled labor shortage continues to be the #1 investment climate constraint, even as other constraints have been eased over time



1. % of firms identifying indicated problem as one of top three concerns
Source: Malaysia Productivity and Investment Climate Update October 2008

STRATEGIC PLANNING FOR YOUTH EMPLOYMENT



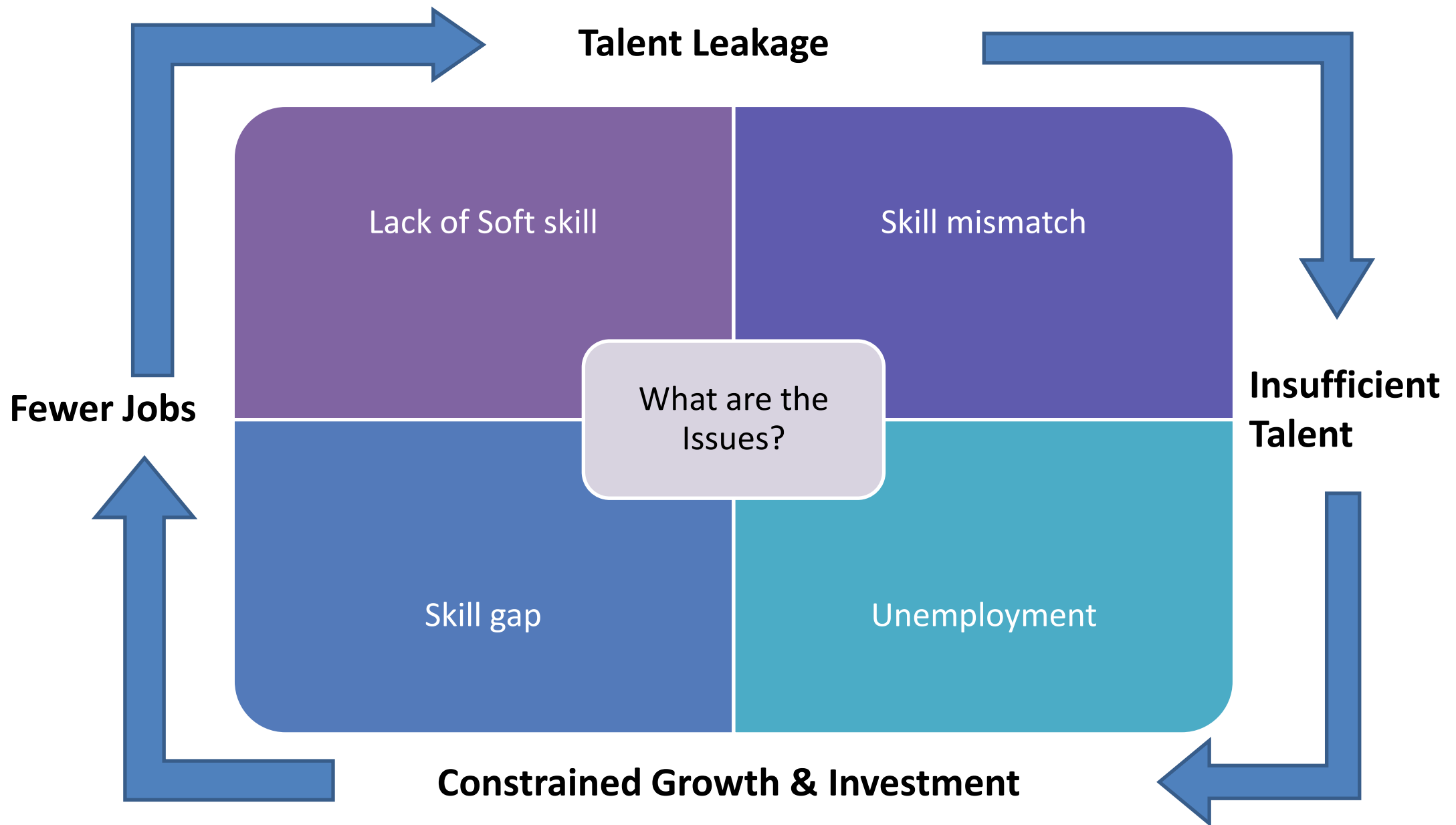
11 industry sectors were prioritised in addition to Greater KL/KV





ISSUES AND CHALLENGES

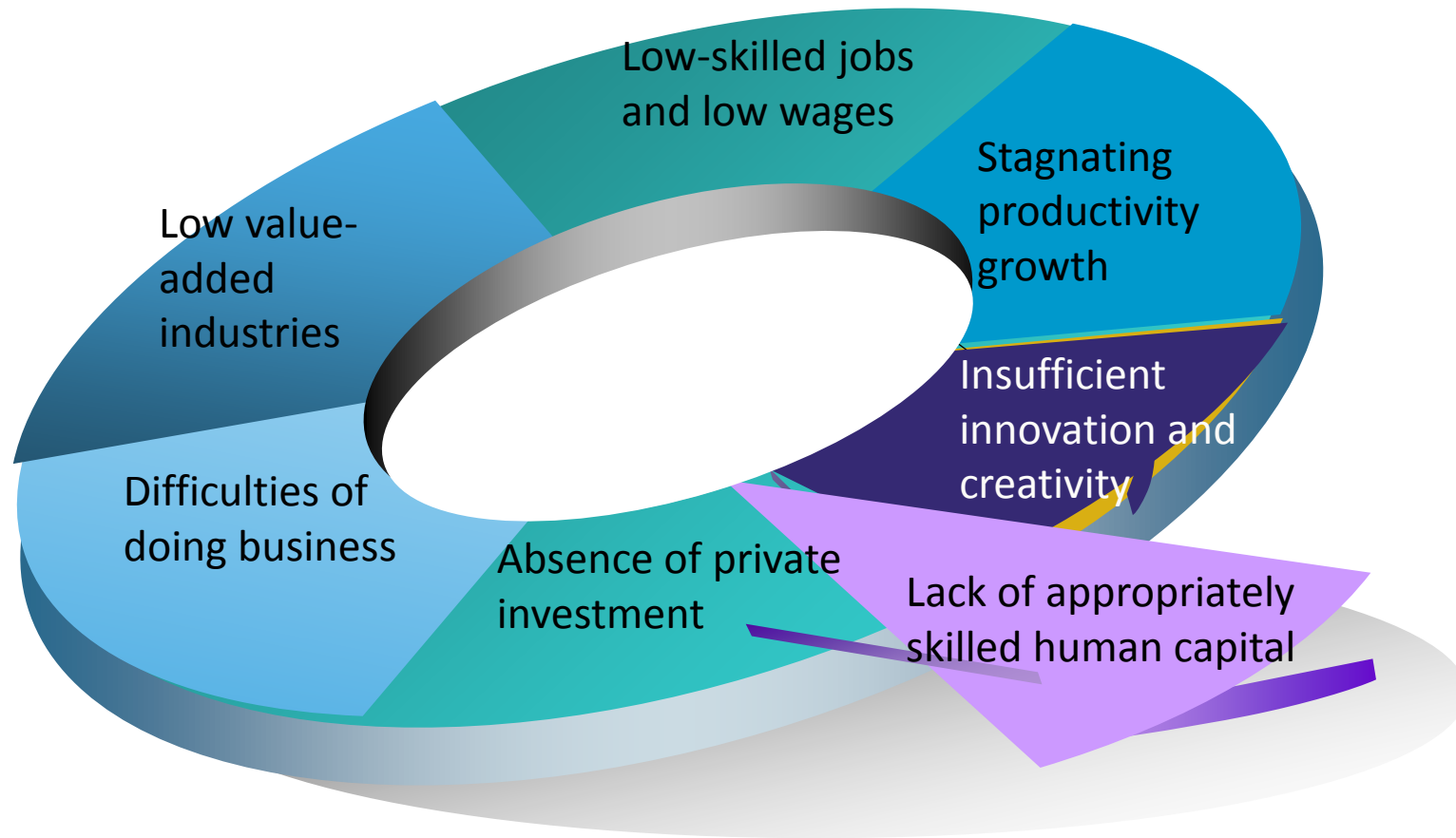
Youth Unemployment



Challenges for Human Capital Development (HCD) in Malaysia

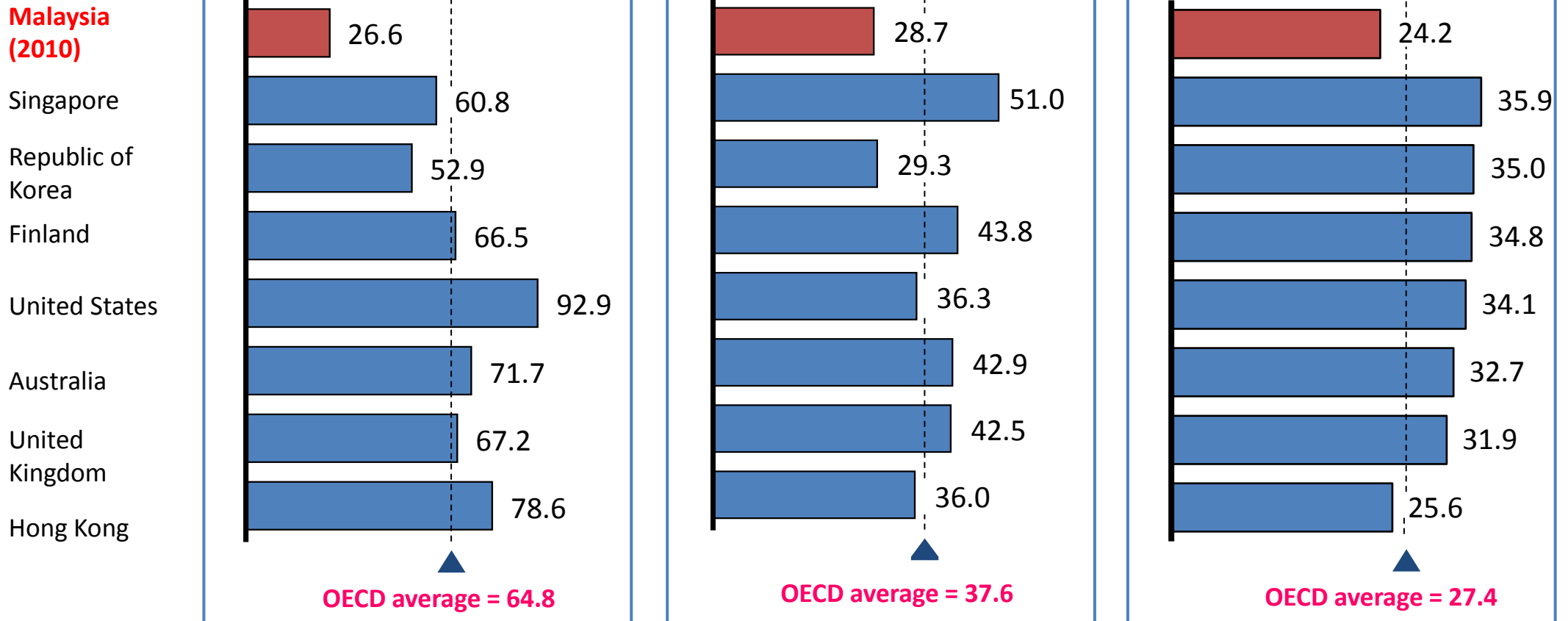
- ❖ In the new strategy to transform Malaysia into a high income economy, human capital development is a critical component to be improved
- ❖ **Malaysia has done much (and better than many of its neighbours) to improve HCD and equalize opportunities for the average citizen**
- ❖ **But to get to the next level, it must address:**
 - **Gaps in some skills critical to boosting productivity**
 - **The needs of those:**
 - **Disadvantaged groups still being left behind and**
 - **With an inadequate safety net against risks of unforeseen income shocks**

The Most Critical Factors Identified For Development Under Tenth Malaysian Plan



.. needs to close the gap to achieve the characteristic of a first-world talent base

Country



1 Adjusted to Purchasing Power Parity

2 Management, professional and other skilled occupations

3 Tertiary education is the educational level following the completion of secondary education, i.e. after 11-12 years of basic schooling. Colleges, universities, institutes of technology and polytechnics are the main institutions that provide tertiary education

Source: World Bank Education Statistics, Economic Intelligence Agency, International Labour Organisation, Korea Ministry of Labour, Singapore Ministry of Manpower, US Bureau of Labour Statistics

Governance

- ❑ Governance of Skills training delivery under the purview of 4 main Acts.

1

Education Act 1996 (Act 550) Ministry of Education

- The main federal legislation regulating the education system in Malaysia is the Education Act 1996 (Act 550) which takes a very broad view of education that clearly encompasses all forms of training including skills, specialised, job-based and continuing training.
- This can be seen from subsection 35(2) of the Act which stipulates that 'technical education' includes the provision of:
 - a) Skills training;
 - b) Specialised training related to a specific job;
 - c) Training for the upgrading of existing skills; and
 - d) Such other technical or vocational training as may be approved by the Minister of Education.

2

The National Skills Development Act (NASDA) [Act 652], Department of Skills Development

- The National Skills Development Act 2006 (NASDA) [Act 652], came into effect on 1st September 2006 after it was officially gazetted on 29th June 2006, with the following mandate:- *“An Act to promote, through skills training, the development and improvement of a person’s abilities, which are needed for vocation; and to provide for other matters connected therewith.”*
- The Act defines “skills training” as:
“work based and industry oriented activities which aim to provide the knowledge, skills and attitude required for effective and efficient performance of a task or job, and includes refresher, further, updating and specialized job-related training.”
- Develop, approve and revise NOSS;
- Accreditation and certification of Malaysian Skills Certification System for Institutions using NOSS

Governance...cont.

3

Malaysian Qualifications Agency Act Ministry of Higher Education

- ❑ The establishment of a new entity which merges the National Accreditation Board (LAN) and the Quality Assurance Division, Ministry of Higher Education (QAD) was approved by the Government on 21 December 2005.
- ❑ Malaysian Qualifications Agency (MQA), was established on 1 November 2007. MQA responsible for quality assurance of higher education for both the public and the private sectors with the coming in force of the Malaysian Qualifications Agency Act.
- ❑ The main role of the MQA is to implement the Malaysian Qualifications Framework (MQF) as a basis for quality assurance of higher education and as the reference point for the criteria and standards for national qualifications. The MQA is responsible for monitoring and overseeing the quality assurance practices and accreditation of national higher education.

4

Private Higher Educational Institution Act Ministry of Higher Education

- Enacted to specifically regulate private higher educational institutions in Malaysia, also adopts the same broad view of education.
- The Act 555 adopts several interpretations which show its intent to treat training as a component of education, albeit higher education, in Malaysia.



Human Capital Development SRI Lab - Lab Members and Syndicate Partners

Modernising Labour
Legislation



15

Enhancing Labour Safety
Net



7

Strengthen Human
Resource Management



17

Labour Market Analysis



19

Leveraging Women's
Talents to Increase
Productivity



11

Thank You!

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