



Youth Employment Policy Summary

MALAYSIA

Background Figures:

Total population:
30.78 million (2016)¹

**Youth population (%
total):**
5.7 million (2014);
18.9%²

GDP (USD\$): 296.2
billion (2015)³

GDP growth: 5.0 per
cent (2015)³

**Urban-rural
breakdown:**
74.7/25.3 per cent
(2015)⁴

**Net migration rate
(per 1000):**
3.1 (2010-2015)⁴

**Employment by
sector:**
12.6 agriculture; 28.4
industry; 59.0
services (2012)⁵

**% earning less than
\$2/day:**
2.3 per cent (2009)⁴

Source:
1. Worldometers
2. ILOSTAT;
3. World Bank
4. UNESCAP
5. KILM



Source: Infoplease.com

Labour Market Situation of Young People

Approximately 6 million, or 19 per cent, of Malaysia's total population fall between the ages of 15-24. Their labour force participation rate was 41.4 per cent in 2013. The youth unemployment rate has remained relatively stable, hovering around 10 – 11 per cent, which is 6 to 7 times higher than the adult unemployment rate. Young women consistently face higher unemployment rates than young men, and in 2013 this amounted to 11.8 per cent of young women compared to 10.5 per cent of young men being unemployed.

Regarding educational attainment, over the past 15 years, the secondary education enrolment rate has not seen a significant increase from 66 per cent, but the enrolment in tertiary education has increased from 22.7 in 1999 to 36.0 in 2011 ([UNESCAP](#)).

The country has also undergone a large rural to urban shift since 1990, when 50 per cent of the population lived in urban areas compared to 75 per cent in 2015. The unemployment rate by geographic area and sex shows marked differences. Young men are more likely to be unemployed in urban areas (as high as 17.2 for those aged 15-19) rather than in rural areas. Young women, however, are more likely to be unemployed in rural areas than urban areas. In 2013, 19.4 per cent of rural women aged 15-19 and 14.4 per cent of those aged 20-24 were unemployed ([ILOSTAT](#)).

Table 1: Youth Employment Indicators

Indicator	%
Labour Force Participation Rate, ages 25+ (2013) ¹	77.0
Youth Labour Force Participation Rate, ages 15-24 (2013) ¹	41.4
Youth Unemployment Rate (2014) ²	10.2
Youth Unemployment Rate in South Eastern Asia and Pacific Subregion (2016) ³	13.0
Enrolment in secondary education (2013) ⁴	69.0
Enrolment in tertiary education (2011) ⁵	36.0

Source: 1. ILOSTAT; 2. KILM; 3. ILO 2016, WESO; 4. World Bank; 5. UNESCAP

Youth Employment Policy Approach

Malaysia aims to become a high-income country by 2020. Its approach to youth employment and employability has focused on reforms to the education sector, stimulating labour demand and improving the match between labour supply and demand. The *10th Malaysia Plan* and the *New Economic Model* provide the backbone of its policies for development, and the former aims for 2.4 per cent employment growth per year. A large amount of energy and effort has been placed on reforming the education and vocational sector, including increased focus on career guidance and earlier access to vocational education. Youth policies have focused on different target groups amongst the young population, including the unemployed, students, rural youth, dropouts and the indigenous. According to the *National Youth Development Policy*, youth are between the ages of 15 and 40, although those between 18 and 25 are the main focus of programmes and activities.

Policy and Legal Measures

Macroeconomic and Sectoral Policy: The [10th Malaysia Plan](#) lays emphasis on increasing the participation of youth in agriculture and in creating skilled youth in the fields of ICT, engineering and management through the Industrial Skills Enhancement Programme. A fiscal measure in the form of the **human resources development levy** amounts to 1 per cent of an employee's monthly wage. If this is paid, the employer can access the Human Resources Development Fund to provide for further training and development of his own apprentices, trainees and employees.

Enterprise Development: Malaysia's [National Higher Education Action Plan](#) mentions the **Entrepreneurship Critical Agenda Project** which aims to create more entrepreneurs amongst graduates from higher education institutions. This is done first at the institutional level by increasing the entrepreneurship courses offered and increasing university allocations for entrepreneurial activities, and secondly by encouraging programmes which encourage business start-ups and increasing business funds available to students.

Education and Training: The technical education and vocational training (TEVT) sector has undergone reform, particularly in the conversion of technical schools to vocational schools and harmonising the TEVT curriculum with the needs of industry ([10th Malaysia Plan](#)). Other reforms include having vocational education start at the lower secondary level with 70 per cent of the curriculum geared towards vocational training and 30 per cent towards academic education ([Education Blueprint](#)) and strengthening polytechnics as a viable alternative to universities ([Higher Education Action Plan](#)). The indigenous – bumiputera – along with low-income households are targeted in the creation of an **apprenticeship and internship** system in the [New Economic Model](#). In addition, the [10th Malaysia Plan](#) calls for apprenticeships to be provided for rural entrepreneurs and will fund more than 8,000 students. The

Documents containing youth employment policy provisions:

- Blueprint of Enculturation of Lifelong
- Learning 2011-2020
- National Higher Education Action Plan 2011-2015
- Tenth Malaysian Plan 2011-2015
- Children and Young Persons Employment Act 1966
- Education Act 1996
- Human Resources Development Order 2000
- Malaysia Education Blueprint 2013-2025
- Malaysian Qualifications Agency Act 2007
- Malaysian Qualifications Framework 2007
- Minimum Wages Order 2012
- National Skills Development Act 2006
- National Youth Development Policy and Plan of Action 1997
- New Economic Model 2009-2020
- Perbadanan Tabung Pendidikan Tinggi Nasional Act 1997
- Skills Development Fund Act 2004

For more information on the policy documents and their provisions, please visit the [YouthPOL webpage](#).

same *Plan* will expand internship programmes to target unemployed graduates and encourage internships of TVET students in government-linked companies.

Regarding **career education**, according to the [Education Blueprint](#), every secondary school will have guidance and counselling services included in the school timetable by 2013 and by 2018 all lower secondary students will have an individualised career profile prepared. Furthermore, there will be an information campaign launched through radio, television and internet to increase awareness about different education options available to students.

Did you know?

Malaysia has ratified 17 ILO Conventions, including 6 Fundamental and 2 Priority Conventions:

Fundamental Conventions:

- Forced Labour Convention (No. 29)
- Right to Organise and Collective Bargaining Convention (No. 98)
- Equal Remuneration Convention (No. 100)
- Abolition of Forced Labour Convention (No. 105)
- Minimum Age Convention (No. 138)
- Worst Forms of Child Labour Convention (No. 182)

Priority Conventions:

- Labour Inspection Convention (No. 81)
- Tripartite Consultation Convention (No. 144).

There are several possibilities for the provision of **scholarships**. Upper secondary students who enrol in the Science stream can receive a monthly scholarship and their parents receive a tax relief ([Education Blueprint](#)). The Tabung Pendidikan Tinggi Nasional Fund established by the *PTPTN Act* can grant education loans as well as financial assistance to students. The loan can be converted into a scholarship if the student receives a First Class in their course. Trainees can also access financial support through the Skills Development Fund ([Skills Development Act](#)).

The [Malaysian Qualifications Framework](#) is implemented by the Malaysian Qualifications Agency which is responsible for issuing accreditation and maintaining the national register of providers and their programmes and qualifications. The [New Economic Model](#) aims to extend the Agency's standards to all industry sectors.

Labour Demand: Employers in industry will be given incentives through **tax rebates** and priority access to graduates for recruiting to provide on-the-job training to vocational students. This is part of the [Education Blueprint's](#) attempt to make vocational training more industry relevant and provide 200,000 practicum placements by 2020.

Labour Law and Legislation: Provisions related to **occupational safety and health** for children (who have not yet completed 14th year of age) and young people (who have not yet aged completed 16th year of age) include prohibition of working more than 6 days out of 7, of working between the hours of 8pm and 6am (unless in an agricultural

undertaking) and of working more than seven hours per day. Apprentices cannot work more than 8 hours. Young female workers cannot be employed in bars, restaurants, hotels, boarding houses or clubs, unless they are managed by her parent or guardian ([Children and Young Person's Employment Act](#)).

Labour Market Policies: To improve graduates' employability, the [Higher Education Action Plan](#) establishes **Placement Offices** in polytechnics along with an Advisory Committee on Graduate Employability at each polytechnic. Graduate employability is also addressed in the [10th Malaysia Plan](#), which expands the Graduate Employability Management Scheme (GEMS). The GEMS provides **job-matching** as well as preparation for the necessary skills and attitudes for different jobs. The same *Plan* also mentions the dedication of RM 500 million for the upskilling of early school leavers.

Malaysia's [Minimum Wage Order](#) establishes the **minimum wage** rate at 900RM/month for Peninsular Malaysia. Probationers cannot receive less than 30 per cent of the minimum wage rate. Concerning the employment of children and young people across different types of work, if their wages are considered unreasonable the Minister can appoint a Board to examine the issue and if necessary issue an Order prescribing their minimum wage rates ([Children and Young Persons Employment Act](#)).

Structure of Governance and Main Actors

Relevant actors in the field of youth employment include the **Ministry of Education** and **Ministry of Higher Education**. The former is responsible for pre-school up to secondary education including vocational training, and the latter's remit includes management of polytechnics. The **Ministry of Human Resources** and its Skills Development Department also provide TEVT training outside of the formal education sector ([UNESCO, 2013](#)). The Ministry is responsible for the successful implementation of the *National Skills Development Act*, the *Human Resources Development Order*, and oversees the recommendations on the minimum wage. The **Ministry of Youth and Sport** also has a Skill Development Division and focuses on sports and culture. Regarding the *New Economic Model*, the coordination of implementation falls under the responsibility of the Performance Management and Delivery Unit (PEMANDU) and the same agency is also involved in enacting the *10th Malaysia Plan*, along with the Prime Minister's Department.

References:

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Source: www.thehimalayantimes.com