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Malaysian Employment Policy

Employment policy is a prerequisite to good employer-employee relations. It should also reflect Government's policy requirements as are announced from time to time. Good planning and efficient use of manpower are important both for the success of the establishment or undertaking and for the security of those employed in it. The employer should, therefore, inter alia,

- i) keep fluctuations in manpower requirements to a minimum by means of advance planning;
- ii) make changes, wherever necessary, with as little disruption as is necessary; and
- iii) where practicable, maintain, in consultation with the employees or their representatives or trade union, as appropriate, a scheme for transferring employees from one job to another within the establishment or undertaking so that unavoidable changes in manpower requirements can be handled smoothly.

Recruitment

Recruitment and selection policy can help good industrial relations by ensuring that workers are engaged for jobs suited to their abilities. The employer should, therefore:

- a) define the qualifications and experience needed for the vacant job;
- b) ensure that selection is based on suitability for the job;
- c) consider filling the vacancy by transfer or promotion before trying to recruit from outside;
- d) explain the terms and conditions of employment to applicants before they are engaged; and
- e) ensure that those who carry out recruitment and selection are competent to do so and that the recruitment and selection methods are regularly checked to be effective.

Training

Adequately trained employees are essential for the success of the undertaking. Training appropriate to his work also helps the individual to develop his potential, to increase the satisfaction he finds in his work and to improve his earning capacity.

Newly recruited employees should be given initial instruction covering:

- a) the organisation, its employment policy and welfare and social facilities that are available; and
- b) specific training in the job to supplement previous training and experience.

Younger persons entering employment for the first time should be given broader basic instructions covering a general introduction to working life.

In appropriate cases, further training should be provided when there is a significant change in the content of the job or in the level of the job being performed.

Payment System

Although payment systems vary according to the nature and organisation of the work, local conditions and other factors, the following principles should be observed so as to ensure that the system of payment is soundly based and thereby reduces the incidence of disputes arising there from:

- a) payment systems should be as simple as possible;
- b) differences in rates should be related to the requirements of the job which should, wherever possible, be assessed by agreed or well established methods;
- c) piece-work rates, incentive bonuses, etc. should be determined by agreed or well established methods; and
- d) rates of payment should be jointly negotiated where a recognised trade union exists.

Security of Employment

Insecurity of employment and fear of the consequences of redundancy and retirement have a major influence on attitudes to work and good industrial relations. Consistent with the efficiency and success of the undertaking, the employer should provide greatest possible stability in terms of job tenure. The employer should also, where practicable:

- a) offer prospects for advancement and promotion within the undertaking with opportunities for any necessary training; and
- b) provide retirement, retrenchment and sick pay schemes to supplement statutory provisions.

Redundancy and Retrenchment

In circumstances where redundancy is likely an employer should, in consultation with his employees' representatives or their trade union, as appropriate, and in consultation with the Ministry of Labour and Manpower, take positive steps to avert minimise reductions of workforce by the adoption of appropriate measures such as:

- i) limitation on recruitment;
- ii) restriction of overtime work;
- iii) restriction of work on weekly day of rest;
- iv) reduction in number of shifts or days worked a week;
- v) reduction in the number of hours of work; and
- vi) re-training and/ or transfer to other department/work.

The ultimate responsibility for deciding on the size of the workforce must rest with the employer, but, before any decision on reduction is taken there should be consultation with the workers or their trade union representatives on the reduction.

- a) If retrenchment becomes necessary, despite having taken appropriate measures, the employer should take the following measures:
 - i) giving as early a warning, as practicable, to the workers concerned;
 - ii) introducing schemes for voluntary retrenchment and retirement and for payment of redundancy and retirement benefits;
 - iii) retiring workers who are beyond their normal retiring age;
 - iv) assisting in co-operation with the Ministry of Labour and Manpower, the workers to find work outside the undertaking;
 - v) spreading termination of employment over a longer period;
 - vi) ensuring that no such announcement is made before the workers and their representatives or trade union have been informed.
- b) The employer should select employees to be retrenched in accordance with an objective criteria. Such criteria, which should have been worked out in advance with the employees' representatives or trade union, as appropriate, may include:
 - i) need for the efficient operation of the establishment or undertaking;
 - ii) ability, experience, skill and occupational qualifications of individual workers required by the establishment or undertaking under (i);
 - iii) consideration for length of service and status (non-citizens, casual, temporary, permanent);
 - iv) age;
 - v) family situation; and
 - vi) such other criteria as may be formulated in the context of national policies.

Employees who are retrenched should be given priority of engagement/re-engagement, as far as is possible, by the employer when he engages workers.

The appropriate measures and objective criteria should comprise part of the establishments or undertaking's employment policy.

Working Conditions

Good physical working conditions help to achieve good industrial relations. The first need is for the employer to ensure that the standards laid down by law are fully complied with. But this is not enough by itself, for most work-places could be made safer, healthier and more pleasant to work in if more care were taken about the working environment-like improving the cleanliness, tidiness and general appearance of the work-place; like reducing strain and monotony involved in the work; like encouraging workers and their representatives to co-operate in improving working conditions and providing for consultation with workers or their representatives on these matters. Workers or their trade union representatives should co-operate with employers in making the best use of the arrangements for consultation in this field.

a) Who is a young worker?

Malaysian's Employment Law defines a child as a person under 14 years of age and a young person as under 16. International Labor Organisation, via Minimum Age Convention 1973 sets a number of minimum ages depending on the type of employment or work. The first principle is that the minimum age should not be less than the age for completing compulsory schooling and in no event less than age 15. The second principle is that a higher minimum age should be set for hazardous work. This age may not be less than 18.

b) Overview on Malaysia's Economy and Employment Policies

Malaysia is rich in natural resources and primary commodities, and the country's economic growth at a very satisfactory rate, 8 % per year from 1988 - 1997. It has reduced unemployment and enjoying full employment rate since mid 1990 though the country has 1.7 % foreign workers (Bank Negara 1998). Malaysia is also a multi racial country with 2 main national groups- Bumiputeras and Non-Bumiputera. Bumiputeras refer to Malays and other indigenous people while Non-Bumiputera refer to other Malaysians of Chinese, Indian, Caucasian or other ethnic origins. It is important to mention in the study that in Malaysian situation race is the key factor that determines businesses, education policy, social policy, cultural policy, entry into educational institutions, discounts to purchasing houses and others as put it by Dr. Kua Kia Soong in his paper 'Racial Eyesores on the Malaysian Landscapes'. Racism, which has its origin in the colonial divide and rule strategy, continues to be used as main pillar of our economic planning. The New Economic Policy (NEP: 1970 -1990) and the New Development Policy (NDP: 1991-2000) as well as the Vision 2020 are all visions, which is based on the foundation of the racial set-up in the country. The vision talks about a single, united and prosperous Malaysia by the year 2020.

Based on the Malaysian government's labour policy, it indicates that employment opportunities are growing in Malaysia but unemployment rate seems to be increasing too. Table 1.1 provides Malaysia's Key Economic Data between the year 1995 to 2000. The National Income based on Real Gross Domestic Product growth shows a 4.4 % decline over the past 6 years.

Table 1.1- MALAYSIA: KEY ECONOMIC DATA 1995-2000

No.	Item	Year					
		1995	1996	1997	1998	1999	2000
1.	Population (million)	20.7	21.2	21.7	22.2	22.7	23.3
2.	Real GDP Growth (%)	9.4	8.6	7.7	-7.5	4.3	5
3.	GNP Per Capita (US \$)		4,543	4,377	3,093	3,255	3,349
4.	Labour Force (thousand)***	8,257	8,641	9,038	8,881	9,010	9,194
5.	Labour Force Growth (%)	5.4	4.6	4.6	-1.7	1.5	2
6.	Employment (thousand)	8,024	8,417	8,805	8,563	8,741	8,920
7.	Employment Growth (%)	5.5	4.9	4.6	-2.5	1.7	2.1
8.	Unemployment Rate(%)***	2.8	2.6	2.6	3.2	3	3.1
* Estimates ** Forecast *** Economic Planning Unit estimates Source : Economic Report 1999/2000							

General Trend Of Changing Positions Of Young Workers In The Changing Labor Market

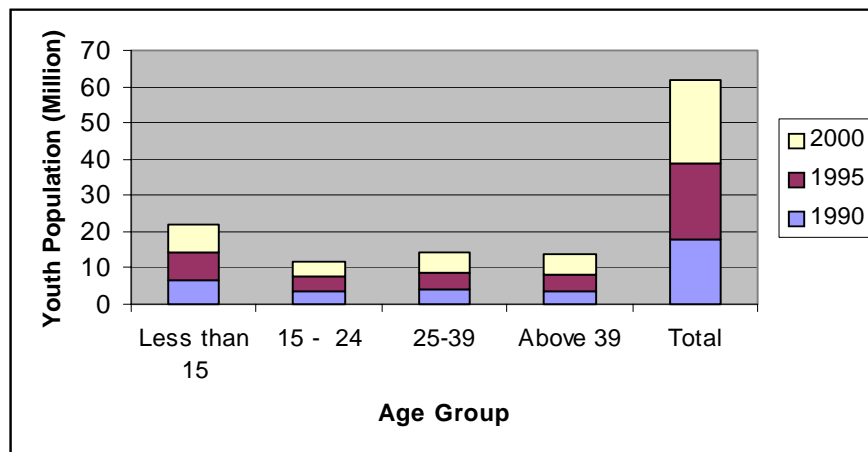
a) Labour Force and Employment Trend, 1990 -2000

According to the seventh (1996-2000) and the eighth (2001-2005) Five year Malaysia Plan, youth population between the age group 15 -24 has increased 2.1 % a year from 3.58 million in 1990 to 3.97 million youths in 1995. A further increase of 1.6 % is recorded from 4.03 million in 1995 to 4.37 million in the year 2000 as stated in the below table. It is estimated that in year 2005, youth population in Malaysia between the age group 15-24 would grow to 4.98 million while those between the age 25-39 would increase to 5.83 million. Youths between the age group 15-39 made up of 42.6% of overall Malaysia's population in 1995 and in 2000, they are reduced to 41.9%, still it is a very high proportion of the population.

Table 1.2- Malaysia: Distribution of Youths by Age Group, 1990-2000 (Million)

Age Group	1990	%	1995	%	2000	%
Less than 15	6.75	37.5	7.33	34.7	7.71	33.1
15 - 24	3.58	19.9	3.97	19.5	4.37	18.8
25-39	3.99	22.2	4.85	24.1	5.4	23.3
Above 39	3.66	20.4	4.54	21.7	5.79	24.8
Total	17.98	100.0	20.69	100.0	23.27	100.0

Source: 7th. & 8th. Malaysia's 5-Year Plan 1996-2005



Following is the distribution of labor force according to age group, which is the total percentage of employed and unemployed workers over a decade, abstracted from the Department of Statistics Malaysia. Both the dispositions shows that youth population between the age group 15-24 is increasing gradually over the year yet the labor force for the same age group is descending, for both male and female in Malaysia compare to those between the age group 25-54.

Table 1.3- Malaysia: Percentage Distribution of Labor Force by Age Group, 1990-2000

Age Group	1990	1992	1993	1995	1996	1997	1998	1999	2000
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15-64	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
15-24	29.2	27.8	26.7	25.4	25.7	25.1	23.8	23.8	23.3
25-54	65.1	66.2	67.6	68.7	68.5	69.1	70.4	70.6	70.9

Source: Department of Statistics, Malaysia

The following table shows a comparison of total labour force by age group and gender for the year 1990 and 2000.

Table1.4- Percentage distribution of Labour Force by Age Group and Sex, 1990 & 2000

Age Group	1990	2000	Difference
Total			
15-19	10.7	6.7	-4.0
20-24	18.5	16.6	-1.9
25-29	16.8	17.0	+0.2
30-34	14.1	14.6	+0.5
Male			
15-19	9.9	6.2	-3.7
20-24	17.2	15.1	-2.1
25-29	16.8	16.8	0
30-34	14.2	15.0	+0.8
Female			
15-19	12.1	7.6	-4.5
20-24	20.8	19.5	-1.3
25-29	16.7	17.5	+0.8
30-34	13.8	13.9	+0.1

Source: Department of Statistics, Malaysia

Table 1.5- Malaysia: Percentage Distribution of Employed Persons By Age Group 1990-2000

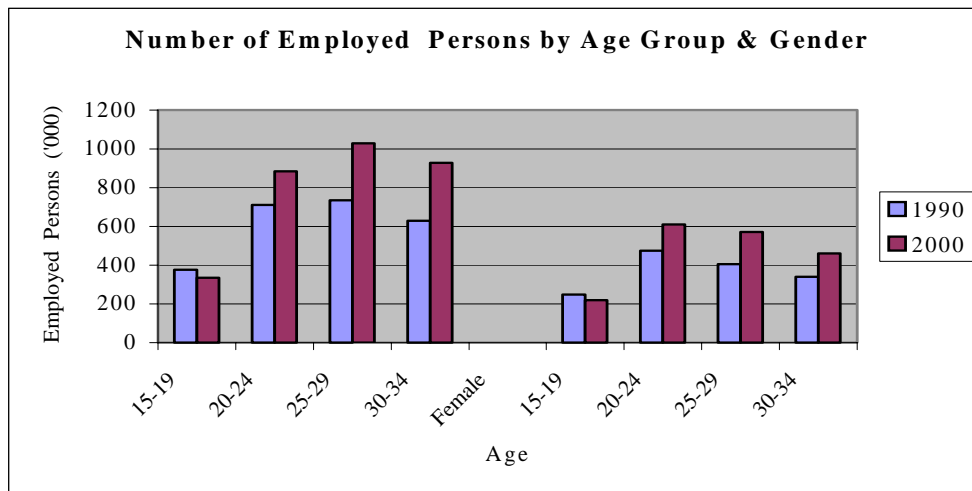
Age Group	1990	1992	1993	1995	1996	1997	1998	1999	2000
15-24	27.1	26.1	24.9	23.8	24.6	23.9	20.8	22.2	21.9
25-34	31.5	31.8	31.9	31.5	31.2	31.3	31.6	31.7	32.1
35-54	35.4	36.0	37.4	38.7	38.3	38.9	41.2	40.2	40.1

Source: Manpower Department

Malaysia's period of EOI industrialization which started since early 1970 caused a large internal migration of youth, especially women from the rural to the more urban areas of the Free Trade Zone. Many of these women workers are generally involved in the labor-intensive manufacturing work (textile, food, and electrical and electronic industries). The participation of women in the labor force has substantially increased over the years 47.8% in 1990 and 46.7% in 2000. Nevertheless compare to men's labor force participation, which is comprised of 85.3% in 1990 and 83.3% in 2000, women participation is considered low.

The following chart shows total number of employed young worker by gender and age in year 1990 and 2000. It clearly demonstrates the number of women young worker in employment is much lower. Total number of male young worker in employment in 1990 and 2000 is 4310.7 and 6,086.2 each respectively compared to female young worker employment 2374.3 and 3,235.5. The proportion of employed men

workers between the age group 15 to 34 compared to the total male employed persons is 43.1 % in 1990 (2451.2) and 47.8 % in 2000 (3175.6). Whereas women workers between the age group 15 to 34 made up of 38.2 % in 1990 (1,468.1) and 42.6% in 2000 (1,857.6). Besides that, the entire group has shown growth between the year 1990 and 2000 except for those aged 15 to 19, which could be due to the factor that job opportunity for them has dropped or they are still in school or training institution.



Source: Department of Statistics, Malaysia

According to the Malaysia's seventh and eighth 5-year plan, number of working youths in 2000 was 2.3 million compared to 1.86 million in 1995 and 1.81 million in 1990. The government suggests that the rest of the youths are either just finished their study or training or still in their tertiary education level. As shown in Table 1.6, percentage of youths working in the agricultural sector has declined from 19.3 % in 1990 to 13.1% in 1995 whereas in the manufacturing sector, there was an increase from 32.8 % to 37.9%. The government also claims that job opportunities in the manufacturing sector are wide since it contains 34.1% working youth in 2000.

Number of working youths in urban area also shows significant increase from 33.6% in 1990 to 56.5% in 1995 which implies growing number of youths migrating from rural to urban area to find a better job opportunities. Government statistics also points changes in employment pattern for instance youths in the professional and technical category has increased from 7.1% in 1995 to 7.4% in year 2000.

Table 1.6: Malaysia-Number of Employed Youths by Sector in 1990,1995 & 2000 (%)

Sector	1990	1995	2000
Agricultural, Forestry, livestock & fishing	19.3	13.8	29.9
Mining & Quarrying	0.3	0.3	0.2
Manufacturing	32.8	36.2	34.1
Construction	6.1	7.0	5.8
Electric, Gas & Water	0.2	0.2	0.1
Transport, Storage & Communication	2.6	3.4	2.5
Wholesale & Retail Trade, Restaurants and Hotels	20.5	19.7	14.5
Finance, Insurance, Real Estate & Business Services	3.4	5.4	2.0
Other Services (Community, social & personal	14.8	14.0	10.9

Meanwhile for year 2003 the number of job seekers registered with the Manpower Department declined by 1% to 37,37,397 the first seven months of 2003. (January-July 2002:37,797). Of this total, almost half of them (18,387) are of age group 20-24 years and 20% of the age group 15-19 years. About 68% (25,245) are holders of SPM and 15% (5,588) are holders of STPM, diploma and degree. A total of 14,152 or 38% of the persons registered were seeking employment in professional and technical occupations as well as production and related occupations. Another 55%(20,484) were seeking employment in lower skilled occupations, such as clerical and related jobs.

b) Labour Market: Unemployment

ILO defines youth unemployment as those people who have not worked for more than one hour during the short reference period (generally, the previous week or day) but who are available for and actively seeking work. The general economic definition of unemployment is defined as a state in which there are qualified workers who are available for work at the current wage rate and who do not have jobs.

From 1995 to 2000, more than 1.3 million persons has entered the labour market with an average of 254,400 persons a year but number of labour force in the age category 15-24 has reduced due to longer universal education period from 9 to 11 years (Eighth Malaysia Plan).

In 1990, 72.4% young workers between the age group 15-24 were unemployed compared to 65.6% in 2000. Meanwhile 16.4% youth between 25 - 34 years old were unemployed in 1990 compared to 18% in 2000. Table 1.7 compares percentage distribution of unemployed young workers in Malaysia, 2000 by gender and stratum. The highest percentage of youths without work is those between the age group 15 - 24 and women young workers are relatively more than men workers without employment. It also indicates that more young workers are unemployed in the rural area compared to urban and young workers between the age group 15-34 made up a large portion, 83.6% out of the total unemployed workers in Malaysia. This suggests that unemployment among young workers is a serious problem to peruse.

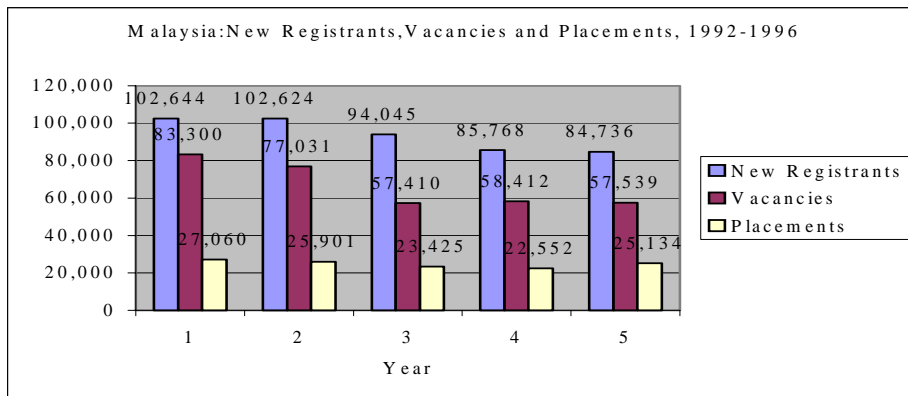
Meanwhile Malaysia's Department of statistics in its report also establishes that in 2000, unemployed young workers between the age group 15-19 are the highest number 48.7%, who have not worked before while 40.3% youth between 20-24 also have not worked before. Those who have worked before are 18.7% and 33.7% for each category. Whereas the adults between 25-29 and 30-34 show 16.4% and 7.2% each have working experience compared to those without working experience only about 7.4 % and 0.7% each.

Table 1.7 - Percentage Distribution of Unemployed Persons Age Group, Stratum and Gender, Malaysia, 2000

Age Group	Total			Urban			Rural		
	Total	Male	Female	Total	Male	Female	Total	Male	Female
15-19	29.5	27.7	32.7	24.3	23.9	24.9	35.1	32.0	40.0
20-24	36.1	33.8	40.1	37.6	34.3	44.1	34.4	33.2	36.4
25-29	13.2	13.1	13.3	13.5	12.9	14.7	12.8	13.3	12.0
30-34	4.8	5.5	3.7	5.1	5.6	4.2	4.5	5.3	3.2
Total	83.6	80.1	89.8	80.5	76.7	87.9	86.8	83.8	91.6

Source: Department of Statistics, Malaysia

The following chart shows that the number of unemployed persons registered with the Manpower Department has lessened from 1992 to 1996 and at the same time job vacancies are relatively lower than new registrants with ratio 1:1.2 in 1992 and 1:1.5 in 1996. The chart displays that placements by the Department are very much lower compared to the number of new registrants.



Source: Manpower Department, Ministry of Human Resource.

Table 1.8- Malaysia: Registered Unemployed and Percentage by Age, Level of Education and Employment Status (1990-1999)

	Total registered unemployed*	Age				Level of Education			Employment Status
		15-19 years	20-24 years	25-29 years	30 and above	Below LCE	LCE	MCE And above	Wholly unemployed
1990	54,387	10.9	56.1	22.3	10.6	19.9	17.4	62.7	88.4
1991	50,159	24.6	47.8	16.6	11.0	20.0	18.2	61.8	86.7
1992	42,344	25.2	46.5	16.5	11.8	19.7	18.9	61.4	85.1
1993	31,617	27.4	44.2	16.0	12.4	18.9	19.4	61.7	85.3
1994	26,445	28.6	42.8	15.1	13.5	19.0	19.6	61.4	83.0
1995	25,546	30.5	42.9	14.0	12.5	18.1	17.4	64.5	80.2
1996	21,668	30.2	44.1	13.2	12.5	14.9	20.7	64.4	
1997	23,762	27.1	44.8	13.3	14.8	9.0	14.3	53.4	81.7
1998	33,345	23.3	46.0	15.6	15.1	11.3	19.1	69.6	81.5
1999	31,830	23.6	46.8	16.7	12.9	9.2	18.3	72.5	78.2

* Covers all registrants with or without work experience and institutional training and those who were employed, self-employed or family workers or wholly unemployed. Source: Manpower Department, Ministry of Human Resource

Based on Table 1.8, total number of unemployed persons registered with the Department has reduced 41.47% from 54,387 in 1990 to 31,830 persons in 1999. The highest numbers of registered unemployed are young workers between the age group 20-24 years old with an average of 46.2%, followed by those aged 15-19 years, 25.14% compared with adults aged 30 and above, only 12.7%. The data also indicates that most of the registered unemployed has better education level and their numbers are growing each year. According to the Ministry of Finance's Economic Report 2000/1, the number registrants (active job seekers) with the Manpower Department within the age group of 20-24 years were the largest in 2000, accounting for 46.4% (16,889 persons) of the total. Those in the age group of 15-19 years, the second largest group

registered a decline of 25.7% (7,866 persons) from 1999 while 20.1% or 7,321 job-seekers were those already in the employment but seeking better job opportunities.

Educational attainment off those unemployed in 2000 shows 65.3% persons have reached secondary school level, the highest compared to those with no formal education 3.7% while those with tertiary education is 15.2%. Overall statistics proves that more men workers have better education opportunities compared to women workers either in rural or urban though relatively in rural area persons with no formal education are higher as well as the women workers in general.

The Human Resource Ministry's Year 2000 Annual Report recited that through the Planning and Policy Research Section (BPPD), information on Labor Market indicators were collected. Among the information are on workers retrenchment, job vacancy, job search, retraining, strike and picket. These reports are then analyzed to provide labor market report for weekly, monthly, quarterly and yearly. According to the data, an increase of 14% or 108,318-job vacancies from 1999 to 123,484 vacancies in 2000 were reported to the Manpower Department. The highest vacancy recorded in year 2000 is in the manufacturing sector 54.6%, followed by Agricultural, Forestry and Fishing, 25.4%. New registrant who is searching for a job and registered with the Manpower Department has decreased 8.2% from 112,835 in 2000 to 122,920 persons in 1999.

The Ministry also reported that retrenchment is showing a downward trend. In 2000, it descended 32.4% to 25,236 persons compared to 37, 357 in 1999. In the year 2000, 55.15% (13,920) workers retrenched are from the manufacturing sector. Though the percentage of women workers retrenched in 2000 has increased, the actual number has dropped to 13,491 compared to 36,284 in 1999. Majority of them is from the manufacturing sector.

Table 1.9- Malaysia: Unemployment Rates (%), 1990 - 2003

Sector	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
Unemployment Rates	5.1	4.3	3.7	3.0	2.9	2.8	2.6	2.6	3.2	3.4	3.1	3.6	3.5	3.6

Source: Economic Planning Unit and Ministry of Human Resource

Under the unemployment category, it is also important to analyze the situation of those labeled as 'outside the labour force'. Malaysia's Statistics Department, defines them as persons not classified as employed or unemployed including housewives, students (including those going for further studies), retired or disabled persons and those not interested in looking for a job. While the author of Youth Unemployment and Employment Policy, 2001 describes Outside Labour Force as "discouraged workers", these peoples are actually wish to work but are not actively seeking job since they see no possibility of obtaining gainful employment. If and when the chances of finding work improve, some of them would return to employment without ever having been classified as unemployed.

Information on part-time, casual or temporary workers in Malaysia is very limited. Anyhow it is a common view that those considered as 'outside labour force' are the ones usually engaged in such part time, and temporary job especially school students waiting for their results or housewives who have children to take care would engage in part time job. Most of the part time or temporary jobs are available in Sales Departmental Stores, in the manufacturing sector, food services, clerical line and so on. There is also a current trend where women workers are being employed in home base manufacturing work, which goes unrecorded and they are part of the cheap labour scheme.

In Malaysia about 33.8% youths between 15 -19 and 11.3% of those between 20-24 are considered outside labour force in 2000 compared to 31.1% and 10.3% each in 1995. Comparing young workers outside labour

force in urban and rural area for those between 15-19 years old, statistics indicates in rural there are more of them with difference within 1.7 to 3.5% in 1995 to 2000. Adults between 25-34 made up an average of 9.6% in 1995 and 8.2% in 2000. Male workers aged 15-19 is the most in outside labour force in year 2000 that is 64.5% compared to women workers only 23.7%.

About 35.2% of those outside labour force are still schooling while about 55.5 % are involved in house work with 72.7% is women. While those not seeking job due to disability are about 1.4% (2000) and 2.1% in 1995 compared to those who are not interested is 0.5% (2000) and 0.9% (1995). Majority of the persons outside labour force has secondary level education (55.7%) and tertiary education (12.2%) and only about 9.3% have no formal education as at year 2000.

c) Skill Training & Career Building

Why is the number of youth unemployment, especially those between the age ranging 15 -24 and those with higher education are higher? Their numbers also high among those who have not worked before under the unemployment data. It shows that the skills level of an individual does effect that person's employment prospects because it contributes in determining the quality of work, impact on wages and in long run in the growth of employment.

In Malaysia, majority of the youths is in the production line as described in Table 2.0, with 43% in 1990 and increased to 44.5% in 1995 and dropped to 39.9% in 2000. The second highest number of youths are working in agricultural, forestry and fishing which has dropped from 19.1% in 1990 to 14.9% workers in 2000. Whereby number of youths working in the professional, technical and related line has grown from 4.8% in 1990 to 7.4% in 2000. Percentages of youths working in the administrative and managerial level are very low. The data indicates that number of unskilled or semi-skilled youth workers in Malaysia are much higher compared to the professionals and skilled workers.

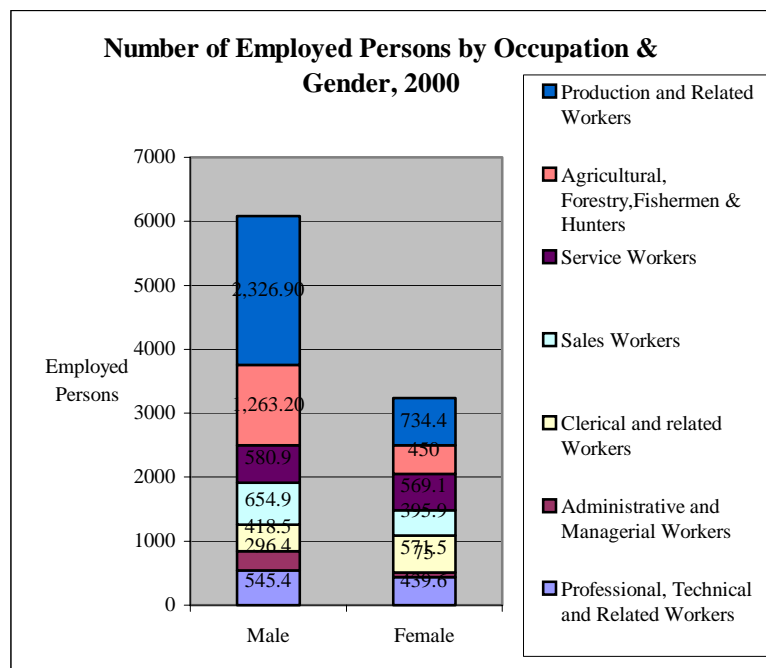
Besides that, it was also found that number of female workers employed in the manufacturing industry has increased from 10.7% in 1957 to 50.7% in 1990. Women workers constitute about 80% of the labour force in the electronic industry and it's followed by textiles and clothing, about 75% in 1990's. The data, which was obtained from a book titled 'Malaysia's Economy in the Nineties' also reported that the proportion of skilled full-time female factory workers since 1973 to 1990 in all manufacturing industry has increased from 42.0 to 62.7%. Unskilled workers too grew from 46.0 to 60.0% while semi-skilled workers rise from 49.3 in 1983 to 53.7% in 1990. The limited data on the proportion of skilled and unskilled workers aren't much available based on age group.

Table 2.0: Malaysia - Percentage Distribution of Employed Youths by Occupation, 1990, 1995 and 2000

<i>Occupation</i>	<i>1990</i>	<i>1995</i>	<i>2000</i>
Professional, Technical and Related Workers	4.8	7.1	7.4
Administrative and Managerial Workers	0.3	0.7	0.9
Clerical and related Workers	10.3	14.4	14.2
Sales Workers	11.3	10.5	11.7
Service Workers	11.2	9.1	11.0
Agricultural, Animal Husbandry & Forestry Workers, Fishermen And Hunters	19.1	13.7	14.9
Production and Related Workers, Transport, Equipment Operators and Labourers	43.0	44.5	39.9

Source: Seventh & Eighth Malaysia 5 Year Plan.

The following chart displays that the total number of employed women workers in 2000 are only fifty percent (3235.5 thousand) of total men workers (6,086.2 thousand). The number of male workers in the production line is higher as well as women workers compared to other occupation. Only in clerical line women workers (571.5 thousand) are more than men (418.5 thousand). It is also interesting to note that number of female and male workers in the professional and technical and the service line are relatively at the same level compared to administrative, agricultural and production line, which has a wide gap. Once again it emphasizes that the number of non-skilled and semi skilled workers are higher in number compared to those skill workers in Malaysia.



Source: Department of Statistics, 2000

Accessible data shows that efforts toward a proper planning and implementation of various programs to provide and supply necessary skills to youth are being conducted for more than a decade. According to the eighth (2001-2005) five year Malaysia plan, the government has reviewed its National Youth Policy enacted in 1985 and replaced it with Youth Development Policy in 1997 in its effort to bring forth the youths potentials especially those between the age group 18 to 25. The government has allocated about RM1, 045.8 to 2,741.6 million for youth programs in the country from 1991 to 2000. Institutions that provide skills training are from Manpower Department, Ministry of Education, Majlis Amanah Rakyat (MARA), Ministry of Youth and Sports, Johore State Welfare Department, Ministry of Agriculture, private institutions and other public training institutions. Between 1995-2000, private institutions have trained about 40,000 youths. It also reported that number of youth organizations has tremendously increased from 3,460 in 1990 to 9,000 in 1995 with membership increase from 500,000 to 1.8 million. They are all affiliated with Malaysia's Youth Council.

Among others leadership training has been given priority. About 60,000 (1990-1995) and 46,340 (1996-2000) youths have participated in the leadership training organized by various government agencies. Programs to encourage entrepreneurship has benefited 1,600 who received loan for their trading projects and also provided jobs for about 3,650 youths (1990-95). While another 16,970 youths has benefited from the similar program in the duration of 1995-2000.

Statistics from National Vocational Training Council (NVTC) under the ministry of Human Resources displays that from 1992 to 1996, total number of candidates passed the skills test administered by the NVTC at basic, intermediate and advanced levels has increased from 26,849 persons to 41,731 in 1995 but it dropped to 33,222 persons in 1996. Nevertheless, the number of candidates enrolled for basic level courses were much higher in that 5 years period, about 124,589 students compared to only 1,858 enrolled for advanced level courses.

Some of the skill programs or activity managed by the government as reported in both the five-year plans are Social Service Program, Youth Development Program, Asia Youth Ship (exchange program with countries like Japan and South Korea), Cultural Program, Sports Program, Skill Malaysia and Active Malaysia Program, Healthy Life-style Program, Rehabilitation Program and Skills Training in both public and private sector to increase job opportunities for youths besides informal short-term workshops and training to upgrade skills. Thousands of youths are reported have gained from all these programs.

According to the Manpower Department's Annual Report, it has increased its students capacity from 4,000 to 17,000 students per year for various long term training via its 20 training institutions throughout the country. The Department's Industrial Training Institute provides some basic 31 courses in 5 main fields such as Mechanical, Production, Electrical and Electronic, Civil and Building and Printing. The courses take between 6 months to 2 years. The number of students enrolled with the Department's institution has increased from 2,704 in 1996 to 3,193 in 2000 and the highest enrollment was in 1999 with 3,479 students. The Department also conducts short-term courses as per the request of the employers from both private and public sector. In year 2000 alone about 304 courses were conducted for 5,614 participants compared to 4,273 in 1999.

In Year 2000, the Manpower Department has set up 4-Advanced Technology Training Centre to boost the number of skilled workers in the Labour Market. One of the training institutes under the Manpower Department is Centre for Instructor and Advanced Skill training which runs a course known as National Instructor Training Programme. It produces teaching forces in the skill training institutions needed for the country. In year 2000, 532 students are following the courses compared to 445 in 1999. Japan-Malaysia Technical Institute conducts technical and vocational training program using latest Japanese technology. In year 2000, it has been training 278 students compared to 135 in 1999.

The Human Resource Ministry set up skill Development Fund in December 2000 and its main purpose is to increase number of skill workers in accordance to the need for knowledge workers for knowledge economy. Most of trainees participating in the skill training are from rural and lower income group, thus the loan helps them to reduce financial burden of the families concern. Anyhow it only started its operation in January 2001. Under the scheme, the ministry plans to provide loan to those from public and private sector and also to those taking up part time or full time course. In 2001, it is expected around 15,000 trainees would apply for the loan.

Human resource development, a prerequisite to the enhancement of productivity and efficiency, was given a further boost with an additional allocation of RM500 million to the Skills Development Fund (SDF) for the provision of loans to students pursuing studies in the vocational and technical fields. A Retraining Fund of RM100 million towards re-skilling of new graduates in fields of ICT and accountancy was also established under the Package. Since its inception in 2001, the SDF has trained about 121,000 persons and, with the extra about 121,000 persons and with the extra funding another 76,000 will be trained this year 2003.

The Government continuously improves the National Occupational Skill Standards (NOSS) as a means of maintaining the quality of training in order to meet industrial needs, As at June there are more than 658 NOSS covering basic, intermediate and advanced training levels. Recognising the need for highly skilled

human resource, in line with the transition to higher value-added industries, a total of 2,380 workers is expected to be trained by the end of 2003 in the areas of electrical and electronic, avionics and automotive-related trades. Training schemes for graduates were also provided by corporations such as Tenaga Nasional Berhad, Petronas, and Telekom Malaysia Berhad, which apart from improving their skills and marketability, also serve to provide temporary relief in graduate unemployment. (*Economic Report 2003/2004*)

An additional RM600 million was given towards retraining unemployed graduates as well as skills training programmes for school leavers under the package. Since numbers of graduates were unemployed the Ministry had allocated RM100 million for the Graduate Training Scheme and graduates who had never been employed since 1999 were qualified to apply. They will also receive an allowance of RM500 and all fees for the courses will be borne by the ministry. The first re-training scheme which was introduced in 2001 had shown positive results with 80% of the 9,000 participants gaining employment upon completion. (*NST, 6&12 Aug 2003*).

The Malaysian government has also taken several steps to secure jobs for workers who have been retrenched. The Human Resource Ministry reported that with the help of Manpower Department and the Labour Department, about 75.23 % of workers retrenched and registered with the Department has been placed in alternative jobs in Year 2000 compared to 88.11% in 1999. According to the Manpower Department, out of 22,785 local workers retrenched in 2000, 6,694 workers registered with the Department. The Department was able to find jobs for 4,917 workers. The number of workers retrenched in 1999 is much higher 35,457 and only 7,548 workers were successfully reinstated.

In 1998, the Ministry also introduced a scheme called Retrenched Workers Scheme, which has an allocation of about RM5 million. In year 2000, financial support was approved for 228 workers compared to 426 in 1999 to complete their training course in diploma and certificate level. To encourage more employers to send their workers for such training, since July 2000, the Ministry has increased its financial support 100% for those in the technical, computer and quality production field. The Ministry also introduced Training Support Scheme for small and medium size trading to encourage employers to send more workers for retraining to improve their skills. The scheme was started in August 2000 and since then 62 training centers have been approved. Human Resources Development Council's data shows that the number of employers registered with the Council especially in the Manufacturing sector has increased from 3,254 in 1993 to 4,393 in 1996. Similarly in Services sector though the numbers are small but they too have shown signs of interest with 778 in 1995 to 1,027 employers in 1996. These would help more employees of these companies to develop and build their careers.

Despite of all these programs and planning, youth unemployment and number of skilled workers in Malaysia are relatively low compared to the number of production workers and labourers. Most of the unemployed youths are also in the secondary level education category, which doesn't guarantee employment. Perhaps, more efforts to place them in vocational education sector and setting up more youth skill training programs in marginalised communities residential areas (long houses, urban settlers, plantation, low cost housing flats and so on) would help the young ones to secure a decent job and a better future.

The youths are expected to be more talented, creative and innovative. The government plans to concentrate in bringing up youths with more positive values and to prepare them with knowledge that would ensure continuous development and economic growth. Emphasis on providing appropriate skills to face the challenge of globalization and development would be the government's main focus. The number of youths involved in professional and technical job categories is expected to increase while youth's entry into the job market is believed to be deferred.

Young workers being the largest proportion of the work force are also seems to be in the largest segment of those in the medium and lowest income group as displayed in Table 2.0 and 2.1. Besides they are also experiencing great hardship when the companies are closed down or forced resignation or pay cut and voluntary retrenchment scheme are imposed on them. Employers Federation in Malaysia believe that the 'continuous economic development will inevitably improve the welfare of wage earners because the increased prosperity will make possible increase in wage.' Unfortunately, in the decade proceeding the economic crisis, at a time when Malaysian companies enjoyed double-digit growth in profits, wages grew in double digits only for professionals and white-collar workers. General workers enjoyed an average wage increase of below 5%, a negligible amount taking into account inflation. Based on the facts obtained, it indicates that contemporary skill training and better education attainment might be one approach for young workers to earn better income and the government must enact a minimum wage law for a stable social development.

a) Working Hours

Malaysia's Employment Act says that the maximum number of working hours permitted is 8 hours in one day or 48 hours in one week. At the same time under mutual agreement, a spread-over period of not exceeding 10 hours in a day is permitted. Further more with the written request from the Director General of Labour, an employer can enter a working contract to the maximum 12 hours a day or 72 hours per week. In Malaysia, shift work which means work need to be carried out continuously appears in 3 shift, usually it's from 7am to 3pm (1st. shift), 3pm to 11pm (2nd. shift) and 11pm to 7am (3rd. shift). The law allows employers to enter contract of service which requires the employees to work more than 48 hours in any one week and more than 8 hours a day up to a maximum of 12 hours a day.

For young workers aged 15 to 16 years old, the Employment of Children and Young Persons Act, 1966 which allows light work in factory, offices, workshop, hotels and so on is permitted in any period of consecutive days to work for not more than 6 days. Besides the law also allows them to work not more than 7 hours a day or 8 hours if he is an apprentice.

Due to the loopholes in the law, employers using various tactics to exploit all young workers (15-34) to gain maximum profit in the name of productivity and quality by forcing the workers to work longer hours. This mostly happens in the manufacturing sector.

Many unpublished data and an informal interview and discussion with factory workers in Selangor by community organisations reveals the following on the issue of long working hours in Malaysia:

- The state has played crucial role in facilitating the process of deregulate the labour law in order to provide so called attractive, cheap and competitive labor force for the sake of globalisation, EOI industrialisation process and the coming of the TNCs into the country. Especially, registration that is related to women was changed several times. Before the seventies, women were not allowed to work after 10.00 p.m. except in the essential services such as nursing. But, the law was amended in 1968 to allow women to work until 11 p.m. After that, the law was changed again (1970) to allow women workers to work 3 shifts in the TNCs with the qualification that the Minister deemed it would not cause inconvenience to these women workers. During the economic boom, the workers even asked to work during the rest day on Sunday and as well as public holidays.
- Most workers have to sacrifice their rest hours and leisure, as they need more money to survive. Most workers do overtime and double jobs to maintain high cost of living or to maintain current lifestyles. It is common for workers to work 12 hours in a row. Practices such as 48 hours work in 4 days and 3 days rest day besides compulsory 12 hours working with forced overtime with only half an hour break is befalling in Malaysia. There are no suitable premises for relation either at work places during work-

breaks. Even the usual rest days that falls on Sunday is becoming a working day. Any one other day in a week become a rest day while in some cases no rest day at all. Amendments have been made to the law to enable less restriction on shift work and calculation of hours of work. Number of annual leave granted to workers in Malaysia is quite low. Only about 8 days for those who worked less than 2 years and 12 days for those working 1-5 years and only 16 days for workers working more than 5 years. The employers are very stringent in even approving the annual leave instead the employers are manipulating the workers to take compulsory annual leave during the

- The government has introduced 5 working days in a week (Saturdays are declared off day), which is not compulsory for all sectors. Only on the first and third week of a month, Saturdays are off day for government sector, which certain service sectors like banking department and semi government departments adopted. While many sectors still practicing the old system whereby Saturday is half-day working day. Unfortunately both the system is not being exercised in the manufacturing and production line except for those working in the office.

Adequate leisure and reasonable working hours is important to any young worker. It's important for them to have the time to spend with their families and friends especially after spending long hours of tiring and straining working conditions. Usually leisure time is also used to acquire better education in various fields including cultural and other social activities, which establishes human bond and healthy human development. Denying the young workers right to a reasonable rest hours and leisure time might lead to other social illness as a diversion from the hectic and restless way of life.

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Malaysia : Active Registrants by State, Gender and Age Group, March 2004

NEGERI State	JANTINA Sex		UMUR/ Age												JUMLAH Total
	Lelaki Male	Perempuan Female	<15	15-19	20-24	25-29	30-34	35-39	40-44	45-49	50-54	55-59	60-64	>65	
Johor	1219	1797	3	441	1839	483	112	57	44	25	3	5	2	2	3016
Kedah	1369	2123	7	399	2076	680	140	71	82	24	3	5	3	2	3492
Kelantan	1483	2111	9	130	2232	1052	118	23	18	7	2	0	0	3	3594
Melaka	713	1038	2	152	1051	359	92	40	32	16	2	5	0	0	1751
Negeri Sembilan	1385	1777	6	269	1743	662	232	110	82	37	13	6	1	1	3162
Pahang	677	1101	3	244	1070	334	63	33	21	6	3	1	0	0	1778
Pulau Pinang	1014	1398	7	192	1416	579	128	46	21	10	6	6	0	1	2412
Perak	959	1696	5	466	1590	379	77	63	49	17	4	1	0	4	2655
Perlis	272	450	2	104	439	112	29	22	10	1	2	0	0	1	722
Selangor	1307	1609	5	223	1681	690	180	65	35	16	11	4	3	3	2916
Terengganu	872	1439	2	113	1543	522	84	26	15	2	2	1	1	0	2311
W. Persekutuan	2510	3873	12	153	3705	2080	280	80	47	18	5	1	0	2	6383
Jumlah Kecil - Sem. Malaysia <i>Sub-Total - Pen. Malaysia</i>	13780	20412	63	2886	20385	7932	1535	636	456	179	56	35	10	19	34192
Sabah	793	1079	4	179	1085	481	75	28	12	4	2	0	1	1	1872
Sarawak	424	655	4	177	627	227	32	8	2	1	0	0	0	1	1079
Jumlah Kecil/ <i>Sub-Total</i> Sabah & Sarawak	1217	1734	8	356	1712	708	107	36	14	5	2	0	1	2	2951
Jumlah Besar <i>Grand Total - Malaysia</i>	14997	22146	71	3242	22097	8640	1642	672	470	184	58	35	11	21	37143

Malaysia : Active Registrants for Professionals by State, Gender and Age Group, March 2004

NEGERI State	JANTINA Sex		UMUR/ Age												JUMLAH Total	
	Lelaki Male	Perempuan Female	<15	15-19	20-24	25-29	30-34	35-39	40-44	45-49	50-54	55-59	60-64	>65		
Johor																
Kedah	276	630	0	5	658	203	27	8		2	2	0	0	0	1	906
Kelantan	371	847	3	3	766	390	40	10		5	0	0	0	0	1	1218
Melaka	816	1255	8	4	1246	743	59	8		2	0	0	0	0	1	2071
Negeri Sembilan	223	452	1	7	459	164	32	9		2	1	0	0	0	0	675
Pahang	276	592	1	3	579	216	42	18		7	1	1	0	0	0	868
Pulau Pinang	193	500	2	3	482	187	15	2		1	0	1	0	0	0	693
Perak	463	836	5	9	828	390	53	8		3	1	1	1	0	0	1299
Perlis	163	466	2	4	462	141	11	4		4	0	0	0	0	1	629
Selangor	38	96	0	1	96	31	4	1		0	0	0	0	0	1	134
Terengganu	487	883	3	2	898	395	50	14		4	1	0	0	0	2	1370
W. Persekutuan	436	916	1	4	939	358	40	6		4	0	0	0	0	0	1352
	1793	2912	10	18	2711	1676	194	49		31	10	3	1	0	2	4705
Jumlah Kecil - Sem. Malaysia <i>Sub-Total - Pen. Malaysia</i>	5535	10385	36	64	10124	4894	567	137		65	16	6	2	0	9	15920
Sabah	29	38	0	0	37	26	4	0		0	0	0	0	0	0	67
Sarawak	123	208	1	0	191	129	9	1		0	0	0	0	0	0	331
Jumlah Kecil/ <i>Sub-Total</i> Sabah & Sarawak	152	246	1	0	228	155	13	1		0	0	0	0	0	0	398

Jumlah Besar <i>Grand Total</i> - Malaysia	5687	10631	37	64	10352	5049	580	138	65	16	6	2	0	9	16318
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Malaysia : Active Registrants for Non-Professional by State, Gender and Age Group, March 2004

NEGERI <i>State</i>	JANTINA <i>Sex</i>		UMUR/ <i>Age</i>													JUMLAH <i>Total</i>
	Lelaki <i>Male</i>	Perempuan <i>Female</i>	<15	15-19	20-24	25-29	30-34	35-39	40-44	45-49	50-54	55-59	60-64	>65		
Johor	943	1167	3	436	1181	280	85	49	42	23	3	5	2	1	2110	
Kedah	998	1276	4	396	1310	290	100	61	77	24	3	5	3	1	2274	
Kelantan	667	856	1	126	986	309	59	15	16	7	2	0	0	2	1523	
Melaka	490	586	1	145	592	195	60	31	30	15	2	5	0	0	1076	
Negeri Sembilan	1109	1185	5	266	1164	446	190	92	75	36	12	6	1	1	2294	
Pahang	484	601	1	241	588	147	48	31	20	6	2	1	0	0	1085	
Pulau Pinang	551	562	2	183	588	189	75	38	18	9	5	5	0	1	1113	
Perak	796	1230	3	462	1128	238	66	59	45	17	4	1	0	3	2026	
Perlis	234	354	2	103	343	81	25	21	10	1	2	0	0	0	588	
Selangor	820	726	2	220	783	295	130	51	31	15	11	4	3	1	1546	
Terengganu	436	523	1	109	604	164	44	20	11	2	2	1	1	0	959	
W. Persekutuan	717	961	2	135	994	404	86	31	16	8	2	0	0	0	1678	
Jumlah Kecil - Sem. Malaysia <i>Sub-Total - Pen. Malaysia</i>	8245	10027	27	2822	10261	3038	968	499	391	163	50	33	10	10	18272	
Sabah	764	1041	4	179	1048	455	71	28	12	4	2	0	1	1	1805	
Sarawak	301	447	3	177	436	98	23	7	2	1	0	0	0	1	748	
Jumlah Kecil/ <i>Sub-Total</i> Sabah & Sarawak	1065	1488	7	356	1484	553	94	35	14	5	2	0	1	2	2553	
Jumlah Besar <i>Grand Total</i> - Malaysia	9310	11515	34	3178	11745	3591	1062	534	405	168	52	33	11	12	20825	