TRAINING COURSE UNDER THE STATISTICAL CAPACITY BUILDING (StatCaB) PROGRAMME FOR THE BENEFIT OF GENERAL BUREAU OF STATISTICS OF SURINAME

Labour Market Data Analysis: Linking the data dimensions to inform policy decisions

SESSION 1 - Regular labour data analysis

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Content

1. Alignments with global and national agendas

2. Regular labour statistics

3. Types of labour data analyses for users
Alignments with global and national agendas

GLOBAL AGENDA

Measurements of labour statistics lay across many goals and targets, but is specifically identified in three goals:

1. Quality Education
2. Gender Equality
3. Decent Work and Economic Growth

MEDIUM TERM NATIONAL PLAN

Focus to create skillful, knowledgeable and innovative human capital to meet the requirements of the industry; hence subsequently provide opportunities for quality employment and access to quality education and training towards building a more inclusive, equitable and prosperous nation.

Pillar 4: Human Capital Development
Pillar 6: Strengthening Economic Growth

LONG TERM NATIONAL PLAN

With emphasis to continuous prosperity with specific outcomes including:
- multiplying the size of the economy and increasing added value in the supply chain;
- creating high-paying jobs; and
- increasing labour participation, increasing skilled workers and effective workforce.

RECOVERY INITIATIVES

MOVING FORWARD

Twelfth Malaysia Plan Budget 2022
Regular labour statistics
Regular products on labour statistics

- Quarterly Labour Force Report: 455 indicators
- Quarterly Employment Statistics: 1,562 indicators
- Quarterly Labour Productivity Report: 484 indicators
- Quarterly Labour Market: 519 indicators
- Annual Labour Force Survey Report: 26,920 indicators
- Salaries & Wages Survey Report: 764 indicators
- Graduate Statistics: 1,081 indicators

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#MyCensus2020
#MakeSureYou'reCOUNTED
## Labour force data analyses

<table>
<thead>
<tr>
<th>Frequency</th>
<th>Annual</th>
<th>Quarterly</th>
<th>Monthly</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aggregation</td>
<td>26,920 indicators</td>
<td>455 indicators</td>
<td>106 indicators</td>
</tr>
<tr>
<td>▪ Demography i.e. sex, age group and ethnic group</td>
<td>▪ Selected demographic characteristics i.e. sex, age group and ethnic group</td>
<td>▪ Selected demographic characteristics i.e. sex and age group</td>
<td></td>
</tr>
<tr>
<td>▪ Socio-economy i.e. marital status, educational attainment, highest certificate obtained, occupation, industry and status in employment</td>
<td>▪ Socio-economy i.e. educational attainment, occupation, industry and status in employment</td>
<td>▪ Socio-economy i.e. status in employment</td>
<td></td>
</tr>
<tr>
<td>▪ Geography i.e. urban &amp; rural strata, state and administrative district</td>
<td>▪ Geography at urban &amp; rural strata and state</td>
<td>▪ Provide detail analysis of labour force situation for the month</td>
<td></td>
</tr>
</tbody>
</table>

**Note:** District level statistics are enhancement made in 2020, available for reference period of 2017 – 2019

**Time series availability**

- Annual: 1982 – 2020
- Quarterly: Q1 1998 – Q2 2021
- Monthly: January 2004 – June 2021
# Other labour supply data analyses

<table>
<thead>
<tr>
<th>Publication</th>
<th>Salaries &amp; Wages Survey Report</th>
<th>Graduate Statistics</th>
</tr>
</thead>
<tbody>
<tr>
<td>Frequency</td>
<td>Annual</td>
<td>Annual</td>
</tr>
<tr>
<td>Aggregation</td>
<td>764 indicators</td>
<td>1,081 indicators</td>
</tr>
<tr>
<td>Demography</td>
<td>i.e. sex, age group and ethnic group</td>
<td>i.e. sex, age group and ethnic group</td>
</tr>
<tr>
<td>Socio-economy</td>
<td>i.e. marital status, educational attainment, highest certificate obtained, occupation, industry and status in employment</td>
<td>i.e. highest certificate obtained (with disaggregation of diploma and degree holders), occupation, industry and status in employment</td>
</tr>
<tr>
<td>Geography</td>
<td>i.e. urban &amp; rural strata and state</td>
<td>i.e. urban &amp; rural strata and state</td>
</tr>
</tbody>
</table>
### Other quarterly labour statistics analyses

<table>
<thead>
<tr>
<th>Frequency</th>
<th>Quarterly Employment Statistics</th>
<th>Quarterly Labour Productivity Reports</th>
<th>Quarterly Labour Market Review</th>
</tr>
</thead>
</table>
| **Aggregation** | 1,562 indicators Disaggregation by kind of economic activity & skill for:  
- Jobs  
- Filled jobs  
- Vacancies  
- Jobs created | 484 indicators Disaggregation by kind of economic activity for:  
- Labour productivity per hour worked  
- Labour productivity per employment  
- Employment  
- Total hours worked  
- Value added at constant price | 519 indicators  
- Further analyses and narrative of the three main segments of labour market statistics.  
- One or more article(s) highlighting the most recent labour market issues through statistics or methodologies to strengthen labour market statistics. |
| **Time series availability** | Q1 2018 – Q2 2021 | Q1 2015 – Q2 2021 | 12 quarterly data points until most recent quarter (Q3 2018 – Q2 2021) |
Types of labour data analyses for users

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Labour market indicators release:
A case of Quarterly Employment Statistics

1. Infographic with narrative

- In Q2 2021, total jobs in economic sector was 8.35 million jobs, lower by 6.4 per cent (Q2 2020: 9.21 million). Discontinuance of filled jobs also decreased by 5.5 per cent recording 8.17 million jobs in Q2 2021 (Q2 2020: 8.62 million). In this quarter, the number of diseased and incapacitated workers decreased by 5.1 per cent to 2.9 million; whereas the number of striking workers increased by 3.0 per cent due to lower base number recorded in Q2 2020 (2.49 million). Both rate of filled jobs and job vacancies during the quarter remain at 97.9 per cent and 2.1 per cent respectively.

- More than half of filled jobs were concentrated in the Services sector (53.4%), followed by Manufacturing (29.4%) and Construction sector (9.5%). More than half of filled jobs represented by a share of 4.24 per cent (3.5 million) whereas the filled category less than 4.24 per cent (2.9 million).

- Most of job vacancies were in the Manufacturing sector recording 56.1 thousand job vacancies (9.2%). Majority is in Rubber & plastic products, petroleum, chemical, rubber and plastic products (24.9 thousand) and Food products (21.6 thousand).

- A total of 154.2 thousand jobs were created in the quarter 93.9 thousand (50.1%) in Services, 26.4 thousand (17.1%) in Manufactures, 12.7 thousand (8.3%) in construction and 7.2 thousand (4.7%) in Agriculture sector. 

- Total number of persons engaged in manufacturing, mining and quarrying industries are 0.6 million employees, while construction sector are 0.3 million employees and agriculture sector are 0.1 million employees.

- United jobs which are ready to be filed. Employers are actively seeking candidates having relevant experiences. Among united and engaging with manpower agencies as well as contacting interview in select candidates for the vacancies.

- Jobs created in an organisation which were not previously available. Including every created vacant positions. Jobs created in the provider of existing employees and increases to the number of jobs in the existing structure.

- Source: Employment Statistics (Q2 2021) 2021

2. Stats Alert

- Highlights the key findings of the newly released indicators.

- Is used to disseminate fast information upon released of the report at 1200 hours on the scheduled day.

- Useful to provide preliminary insights into the indicator.
Labour market indicators release: A case of Quarterly Employment Statistics (cont’d.)

3 Summary findings

Labour Demand, Second Quarter of 2021

<table>
<thead>
<tr>
<th>Sector</th>
<th>Q3 2021 Employment</th>
<th>Q2 2021 Employment</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture</td>
<td>8,174</td>
<td>8,383</td>
<td>-203</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>178</td>
<td>186</td>
<td>-8</td>
</tr>
<tr>
<td>Mining &amp; Quarrying</td>
<td>75</td>
<td>82</td>
<td>-7</td>
</tr>
</tbody>
</table>

In Q2 2021, the total jobs in economic sector dropped by 74 thousand to 8,383 thousand jobs as compared to 8,352 thousand jobs in the same quarter of preceding year. The rate of Mined jobs was 97.9 percent comprising 8,141 thousand filled jobs. Meanwhile, the rate of job vacancies accounted for 3.1 percent recording a total of 178 thousand jobs vacancies. Jobs created in this quarter was 16.1 thousand jobs, increased by 18.2 per cent as compared with the same quarter of last year (Q2 2020: 13,87 thousand). [Exhibit 1]

Labour Demand by Skill

<table>
<thead>
<tr>
<th>Sector</th>
<th>Q3 2021 Employment</th>
<th>Q2 2021 Employment</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>General</td>
<td>42.5</td>
<td>41.0</td>
<td>1.5</td>
</tr>
<tr>
<td>Public</td>
<td>29.2</td>
<td>28.9</td>
<td>0.3</td>
</tr>
<tr>
<td>Private</td>
<td>30.2</td>
<td>30.2</td>
<td>0.0</td>
</tr>
<tr>
<td>Foreign</td>
<td>0.2</td>
<td>0.2</td>
<td>0.0</td>
</tr>
</tbody>
</table>

4 Media statement

Embargo: Only can be published or disseminated at 1200 hour, Thursday, 12 August 2021

Media statement

• Key document to get the message across.
• Since 2020, with COVID-19 hitting the country, this document had gone through major changes, prompting increase in media pick-up and making labour statistics more relatable to the nations.
• Instead of reporting trend, it also relates with various factors causing changes in the labour market.

Is a part of the report before the detail tables are provided.

Highlights the key findings in a more detailed manner, supported by charts and graphics.

Often do not include reasoning but will focus on trend (annual and quarterly changes) and pattern (shares).
Labour market indicators release: A case of Labour Force Report

PREVIOUSLY

8-page report, narrating trend in captions focusing on 5 main indicators

NOW

28-page report

- 7-page write-up based on the principal labour force indicators
- 9 additional tables on annual on quarterly statistics on top of a table on monthly statistics
End of Session 1

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TRAINING COURSE UNDER THE STATISTICAL CAPACITY BUILDING (StatCaB) PROGRAMME FOR THE BENEFIT OF GENERAL BUREAU OF STATISTICS OF SURINAME

Labour Market Data Analysis: Linking the data dimensions to inform policy decisions

SESSION 2 - Opportunity for Expansion of Research Area

NUR LAYALI BINTI MOHD ALI KHAN | PRINCIPAL ASSISTANT DIRECTOR
EMPLOYMENT & UNEMPLOYMENT DIVISION | MALAYSIAN BUREAU OF LABOUR STATISTICS
Content

1. Development of new labour market indicators
2. Analysis of labour market issues
3. Development work
Opportunities for expansion of research areas

- Development of new indicators
  - Box articles
- Analysis of labour market issues
  - Box articles
- Development work
  - Presentation in international conferences
  - Presentation in international conferences
Development of new labour market indicators
Development of new labour market indicators
Preliminary Assessment of Underemployment Situation in Malaysia

Objective

Most economies would look at the headline unemployment numbers and rates as the indicators to gauge the labour market situation within the countries. Nevertheless, the unemployment alone is not an indicator that would reflect the hardship of the labour.

Therefore, the article would describe labour force situation in Malaysia by using the LFS data, delving further on time-related underemployment and skill-related underemployment.


- Released in October 2020
- Reissued in November 2020

Preliminary Assessment of Underemployment Situation in Malaysia

Introduction

An labour market is the place where interaction occurs between firms and households, the supply and demand of labour is influenced by the bargaining power of both parties. There always exist interdependence between supply and demand which may result in either excess within firms, or underemployment in the segment of the labour force; or both happening concurrently. (Department of Statistics Malaysia (DOSM), 2020a). In normal circumstances, the labour market would comprise full employment where the maximum potential of Malaysia’s labour force is fully utilised (Organization for Economic Cooperation, 2020). In this situation, the incidence of underemployment among mostly local white people move in and out of jobs in search for better employment opportunities (DOSM, 2020a).

Most economies would look at the headline unemployment numbers and rates as the indicators to gauge the labour market situation within the countries. This might be due to the indicators reflecting the inability of an economy to generate employment for those who want to work but are not working in spite of actively seeking employment (LLO, 2018); thus giving a broad overview of the prevalence of labour supply at a particular point in time.

Nevertheless, the unemployment alone is not an indicator that would reflect the hardship of the labour. Lowes (1995) viewed that there are other factors that could influence economic hardship such as income, savings and social safety net; hence, perceived the unemployment risk could be overestimating the economic hardship if analysed without the other supplementary indicators. This observation is supported by Ham (1982) who stated that besides unemployment, reduced hours worked by firms would also cause employees to work less hours than they were able to and willing to. Thus, leading to lower wages. Blanchard and Portela (2011) found that the duration of unemployment in Portugal was three times longer than the United States, despite both countries recording the same unemployment rate.

Thus, it is pertinent to move beyond those who are not at work, by accepting the recommendation of LLO (2013); that is to further evaluate the extent to which the economy is fully utilising its available labour supply. According to the LLO (2013), labour underutilisation is the mismatch between labour supply and demand, which translates into an unmet need for employment among the population. The statistical indicators that are proposed to be used in measuring labour underutilisation includes, but not limited to: (1) time-related underemployment; (2) unemployment and (3) potential labour force. In relation to this, time-related underemployment when the hours of work or an employed person was less than 30 hours or his/her person was willing and available to work the same hours as reported; and (2) unemployment when the person was not employed at all, and (3) potential labour when the person was not employed at all, but was not actively seeking employment. Lowes (1995) defined skill-related underemployment as a person who were seeking a change in their current employment in order to use existing occupational skills more fully and were available to do so.

Identification of deficiencies and best practices in the labour market is the first step towards designing impactful, strategic and efficient policy formulation that would enhance decent work conditions as well as ensure economic growth. (International Labour Organization, LLO, 2013). Extending further, LLO (2013) argued that the identification would require continuous compilation, organization and analysis of statistical indicators.

According to (Shahrun and Muhammad, 2020) during an economic recession, both the unemployment rate and underemployment rates should be used to complement each other as indicators for future changes in situations of other economic situations. Jensen & Black (2000) also believed that the measure of labour situation should be expanded to account for underemployment, in this regard, they found that the underemployment increased significantly during periods after the 2008 economic recession, averaging 22.4 per cent between 2009 to 2012, as against an average of 15.3 per cent throughout 2002 to 2009.

Wafiqu and Muhammad (2020) attempted to estimate the annual indicators of labour underutilisation in Malaysia for the period of 2010 to 2019 using the Labour Force Survey (LFS) data, it was found that among those who were working less than 30 hours per week, more than half were able and willing, i.e., time-related unemployed.
Development of new labour market indicators
Preliminary Assessment of Underemployment Situation in Malaysia

<table>
<thead>
<tr>
<th>Year/Quarter</th>
<th>Employed (’000)</th>
<th>Working less than 30 hours (’000)</th>
<th>Share of working less than 30 hours to employed (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>11,899.5</td>
<td>503.0</td>
<td>4.2</td>
</tr>
<tr>
<td>2011</td>
<td>12,351.5</td>
<td>520.6</td>
<td>4.2</td>
</tr>
<tr>
<td>2012</td>
<td>12,820.5</td>
<td>589.3</td>
<td>4.6</td>
</tr>
<tr>
<td>2013</td>
<td>13,545.4</td>
<td>645.8</td>
<td>4.8</td>
</tr>
<tr>
<td>2014</td>
<td>13,852.6</td>
<td>534.8</td>
<td>3.9</td>
</tr>
<tr>
<td>2015</td>
<td>14,067.7</td>
<td>580.3</td>
<td>4.1</td>
</tr>
<tr>
<td>2016</td>
<td>14,163.7</td>
<td>502.8</td>
<td>3.5</td>
</tr>
<tr>
<td>2017</td>
<td>14,476.8</td>
<td>413.5</td>
<td>2.9</td>
</tr>
<tr>
<td>2018</td>
<td>14,776.0</td>
<td>437.5</td>
<td>3.0</td>
</tr>
<tr>
<td>2019</td>
<td>15,073.4</td>
<td>337.6</td>
<td>2.2</td>
</tr>
<tr>
<td>Q1 2019</td>
<td>15,010.2</td>
<td>352.6</td>
<td>2.3</td>
</tr>
<tr>
<td>Q2 2019</td>
<td>15,078.2</td>
<td>374.3</td>
<td>2.5</td>
</tr>
<tr>
<td>Q3 2019</td>
<td>15,162.1</td>
<td>326.6</td>
<td>2.2</td>
</tr>
<tr>
<td>Q4 2019</td>
<td>15,254.5</td>
<td>304.0</td>
<td>2.0</td>
</tr>
<tr>
<td>Q1 2020</td>
<td>15,243.5</td>
<td>667.5</td>
<td>4.4</td>
</tr>
<tr>
<td>Q2 2020</td>
<td>14,883.7</td>
<td>700.5</td>
<td>5.3</td>
</tr>
</tbody>
</table>

- Persons who were employed more than 30 hours during the reference week are considered to be in full employment.
- Assessing the hours worked, one indication of reduced hours was by looking at the number and share of employed persons working less than 30 hours per week.
- Between 2010 to 2015, employed persons working less than 30 hours registered the average of 4.3 per cent, reducing to 3.1 per cent between 2016 to 2018 and was at 2.2 per cent in 2019.
- A sudden rise to 4.4 per cent was observed in Q1 2020, with further increase to 5.3 per cent in Q2 2020.
Development of new labour market indicators
Preliminary Assessment of Underemployment Situation in Malaysia

Time-related underemployed as those who were employed less than 30 hours per week due to the nature of their work or because of insufficient work and were able and willing to accept additional hours of work.

- Between 2010 to 2013, the average rate of time-related underemployment was 2.1 per cent. Since 2014, the rate has edged down to below 2 per cent, reducing slowly reaching the lowest rate of 1.3 per cent in 2019.

- While balancing the compliance of the standard operating procedures and business sustainability during MCO, most firms have reviewed their business strategies.

- Among others, this includes reducing operating hours and limiting number of employees working at one particular period. As a result of this, in Q1 2020, the time-related underemployment rate increased sharply to 2.5 per cent, and went up further to 2.8 per cent in Q2 2020. The number in time-related underemployment doubled as against the previous quarter to record 383.3 thousand persons in Q1 2020. The highest number was observed in Q2 2020 at 412.1 thousand persons.
The share of persons who were in skill-related underemployment has been on the increasing trend for the past ten years, from 27.2 per cent in 2010 to 34.4 per cent in 2019. From the labour demand perspective, the share of skilled job vacancies in private sector hovers between 22.2 per cent to 25.3 per cent.

This signalled lower demand of skilled labour as against the supply. If the scenario prolong, may cause those working in the lower skilled jobs to lose the opportunity to improve their skills. In this regards, this group of people may not look for another job and would adjust accordingly to their existing jobs.

In the long term, this may contribute to structural unemployment. The first half of 2020 saw the share of skill-related underemployment moving up, recording the average of 36.4 per cent. The increasing share could be partly attributed by the COVID-19 situation in the country.

The measurement of skill-related underemployment was based on educational attainment as against the principal occupation. Specifically, it was defined as those with tertiary education working in semi and low-skilled occupation.
CONCLUSION

In spite of being widely used to inform the labour market situation at a point of time, the unemployment, when reported as a headline indicator on its own was inadequate to provide the understanding of the overall labour market. The low unemployment rate did not necessarily indicate an efficient labour market. In order to fully comprehend the country’s labour market situation, it is vital to also investigate the underlying issues of employment. In this regards, the measurement of underemployment indicators would give additional insights to inform policy decisions.

COVID-19 pandemic has impacted the global labour market; Malaysia is no exception. The current labour market situation saw the number of unemployed soared. In spite of slight decrease in the number, there are still other issues on labour market that has to be further evaluated. Time-related underemployment has doubled as businesses reduced operation hours and alternate working days to ensure adherence to the standard operating procedures. With lower hours worked would usually result to lower salaries & wages received, particularly, those in semi-skilled and low-skilled jobs. In addition, the issues of mismatched may be addressed by looking at the indicator of skill-related underemployment.
Development of new labour market indicators
Supplementary Measures of Labour Underutilisation

• In line with the recommendation of ILO in 19th ICLS, additional questions has been added in to measure labour underutilization.

• An article try to evaluate early analysis of the additional questions to measure labour underutilisation

Labour Market Review, Second Quarter of 2020

- Released in August 2020

Objective

- In order to ensure formulation and implementation of holistic labour market policies which would simultaneously benefit the workers and progress the economy, it is pertinent to recognise, measure and evaluate the strengths and inefficiencies that exist within that market. In this regard, one of the things that need to be further assessed is the extent to which the economy is fully utilising its available labour supply.

- This article aims to measure the labour underutilisation based on available variables in LFS to provide preliminary statistics of labour underutilisation; and to use this as a basis for identification and strengthening the measurement gap of labour force statistics.
Development of new labour market indicators
Supplementary Measures of Labour Underutilisation

Table A1: The elements of labour underutilisation

<table>
<thead>
<tr>
<th>Elements</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Time-related underemployment</td>
<td>All persons in employment who, during a reference period, wanted to work additional hours, whose working time in all jobs was less than a specified hours threshold, and who were available to work additional hours given an opportunity for more work.</td>
</tr>
<tr>
<td>Unemployment</td>
<td>All those of working age who were not in employment, carried out activities to seek employment during a specified recent period and were currently available to take up employment given a job opportunity.</td>
</tr>
<tr>
<td>Potential labour force</td>
<td>Persons not in employment who express an interest in this form of work but for whom existing conditions limit their active job search and/or their availability.</td>
</tr>
</tbody>
</table>


Table A2: Indicators of labour underutilisation

<table>
<thead>
<tr>
<th>Labour underutilisation</th>
<th>Measure</th>
</tr>
</thead>
<tbody>
<tr>
<td>LU1: Unemployment rate</td>
<td>(unemployment / labour force) x 100</td>
</tr>
<tr>
<td>LU2: Combined rate of time-related</td>
<td>[(time-related underemployment + unemployment) / labour force] x 100</td>
</tr>
<tr>
<td>underemployment and unemployment</td>
<td></td>
</tr>
<tr>
<td>LU3: Combined rate of unemployment and</td>
<td>[(unemployment + potential labour force) / (labour force + potential labour force)] x 100</td>
</tr>
<tr>
<td>potential labour force</td>
<td></td>
</tr>
<tr>
<td>LU4: Composite measure of labour</td>
<td>[(time-related underemployment + unemployment + potential labour force) / (labour force + potential labour force)] x 100</td>
</tr>
<tr>
<td>underutilisation</td>
<td></td>
</tr>
</tbody>
</table>

Development of new labour market indicators
Supplementary Measures of Labour Underutilisation

TIME-RELATED UNDEREMPLOYMENT

<table>
<thead>
<tr>
<th>Year</th>
<th>Employed</th>
<th>Working less than 30 hours</th>
<th>Time-related underemployment</th>
<th>Share of working less than 30 hours to employed (%)</th>
<th>Share of time-related underemployment to working less than 30 hours (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>14,068</td>
<td>580.3</td>
<td>263.0</td>
<td>4.1</td>
<td>45.3</td>
</tr>
<tr>
<td>2016</td>
<td>14,164</td>
<td>502.8</td>
<td>239.3</td>
<td>3.5</td>
<td>47.6</td>
</tr>
<tr>
<td>2017</td>
<td>14,477</td>
<td>413.5</td>
<td>221.5</td>
<td>2.9</td>
<td>53.6</td>
</tr>
<tr>
<td>2018</td>
<td>14,776</td>
<td>437.5</td>
<td>223.9</td>
<td>3.0</td>
<td>51.2</td>
</tr>
<tr>
<td>2019</td>
<td>15,073</td>
<td>337.6</td>
<td>191.6</td>
<td>2.2</td>
<td>50.7</td>
</tr>
</tbody>
</table>

Source: 1. Employed, Working less than 30 hours – LFS various years, DOSM; 2. Time-related underemployment, share of working less than 30 hours & share of time-related underemployed are authors’ calculation based on the LFS

- Those employed less than 30 hours per week due to the nature of their work or because of insufficient work and are able and willing to accept additional hours' work defined as underemployed.
- The share of those working less than 30 hours per week to the total employed persons declined from 4.1 per cent in 2015 to 2.2 per cent in 2019. However, in terms of those who were underemployed, although the number reduced over time, it was observed that the share of underemployed increased from 45.3 percent to 56.7 per cent.

- Unemployed is all persons who did not work during the reference week and include both active and inactive unemployed.
- Unemployed persons increased by 57.9 thousand persons between 2015 and 2019 to 508.2 thousand persons. The unemployment rate during similar period went up from 3.1 per cent to 3.3 per cent.
- However, if measuring actively unemployed, that is those who were available for work and actively seeking for work during the reference week, they comprised between 62.5 per cent to 72.1 per cent throughout the period of 2015 to 2019. The active unemployment rate recorded 1.9 per cent in 2015, and increased 0.5 percentage points to 2.4 per cent in 2019.

UNEMPLOYED

<table>
<thead>
<tr>
<th>Year</th>
<th>Labour force</th>
<th>Active unemployed</th>
<th>Inactive unemployed</th>
<th>Total</th>
<th>Share of active unemployed to unemployed (%)</th>
<th>Rate of active unemployed to the labour force (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>14,518.0</td>
<td>281.6</td>
<td>168.7</td>
<td>450.3</td>
<td>62.5</td>
<td>1.9</td>
</tr>
<tr>
<td>2016</td>
<td>14,687.8</td>
<td>319.3</td>
<td>184.8</td>
<td>504.1</td>
<td>63.3</td>
<td>2.2</td>
</tr>
<tr>
<td>2017</td>
<td>14,980.1</td>
<td>333.3</td>
<td>170.0</td>
<td>503.3</td>
<td>66.2</td>
<td>2.2</td>
</tr>
<tr>
<td>2018</td>
<td>15,280.3</td>
<td>336.3</td>
<td>168.0</td>
<td>504.3</td>
<td>66.7</td>
<td>2.2</td>
</tr>
<tr>
<td>2019</td>
<td>15,581.6</td>
<td>366.2</td>
<td>142.0</td>
<td>508.2</td>
<td>72.1</td>
<td>2.4</td>
</tr>
</tbody>
</table>
Development of new labour market indicators
Supplementary Measures of Labour Underutilisation

POTENTIAL LABOUR SUPPLY

- The element of potential labour force available in the LFS data refer to those who did not carry out activities to seek employment, but wanted employment and were currently available, which was inactive unemployment.
- Those who were not currently available but would become available within a short subsequent period cannot be identified based on the LFS prior to 2019 as this question had only been introduced since then. Furthermore, persons in this category might be underestimated.

- Hence, for the calculation of potential labour force in this article would only refer to inactively unemployed which ranged between 142.0 to 184.8 thousand persons throughout the five-year period.
Development of new labour market indicators
Supplementary Measures of Labour Underutilisation

Based on the indicators of labour underutilisation calculated for Malaysia, the increase in the number of unemployment and the decrease in the number of time-related underemployment influence the overall labour underutilisation indicators.

The time series of labour underutilisation is illustrated in Chart A2.
Development of new labour market indicators
Supplementary Measures of Labour Underutilisation

CONCLUSION & LIMITATION

Conclusion

• As there are many causes of labour underutilisation that goes beyond unemployment, there is no single solution to address the issue. Nevertheless, from the economic perspective, there is a clear need to ensure full capability and capacity of the labour force within a country are understood and properly utilised. Moving forward, strengthening the measure of labour underutilisation through the LFS will provide the necessary information with respect to the labour market, hence providing input to stakeholders as they work towards prescribing remedial actions.

Limitation

• Since the LFS has only begun to adopt partial recommendation of the 19th ICLS since 2019, with further work to fully adopt the recommendation being undertaken, the labour underutilisation indicators analysed in this article may be underestimated and will be revised as and when the most recent measure is available.
Analysis of labour market issues
### Introduction

The year 2020 has brought tremendous changes in the way we live and work. The exponential increase in the COVID-19 cases around the globe have caused countries to put countermeasures in place to protect the population from further risk of infection. As the daily cases surged, most countries have resolved to the Great Lockdown with major restrictions of economic and social activities (International Monetary Fund (IMF), 2020). These containment actions, although aimed to protect lives, have resulted in the depth and magnitude of declines in activities like economic lives (IMF, 2020). While the COVID-19 is fast and fosters a health crisis, but as a consequence, is also an economic crisis.

As this unprecedented event continued to unfold, causing slower economic growth in certain regions and downturns in others, labour as one the factors of production cannot avoid being impacted significantly by the crisis. At the global front, labour market situation has changed dramatically in the first three months since the outbreak of the pandemic. According to the International Labour Organization (ILO) (2020), the global workforce of 3.3 billion were affected by the full or partial lockdown actions either in the form of job losses or reduced hours worked.

### Literature review

Employment is generally a mean to ensure income generation activity for the livelihoods of individuals and households. Raines (1961) and Spenoor (2020) believed that firms would have cut hours of work before reducing employment. Realising the importance of employment retention towards the dynamic of the economic cycle, most businesses would only turn to layoffs as the last and most undesirable options. Thus, to ensure operation sustainability in the time of crisis, reduced operation hours and subsequent reduced hours worked were the best solutions that could protect individuals and firms.

According to Spenoor (2020), during the 2007 - 2008 crisis, Germany, Belgium, France and Italy decreased hours worked to mitigate rise of unemployment and job losses. Farhan, Alman (2009) found that during the 2008 economic crisis, the share of part-time workers rose, signalling shorter working hours. In the meantime, the average hours worked each week by full-time workers in their mean jobs dropped noticeably between the second quarters of 2008 and 2009 (Hijmans, 2009).

Along the same line, Donald & Charman (2020), while looking at the economic impact of this global health crisis towards the employment in Australia found that the hours worked during the past recessions of 1980s and 1990s took a longer time to decline than hours worked during COVID-19 pandemic.

Using the year 2005 as the baseline, the index of total hours worked in the main job for European Union (EU) Member States decreased 5.1 index points to 98.8 index points in Q3 2020 as against 10.9 index points in Q4 2019 (Eurostat, 2020). Further to this, Eurostat (2020) also found that Italy was the most affected of the EU Member states in terms of hours worked during pandemic COVID-19 where the index of total hours worked in the main job dropped 9.7 index points to 89.6 index points in Q3 2020. A smaller impact on actual hours worked were recorded during financial and economic crisis in 2008 for Italy (Eurostat, 2020). On the contrary, Eurostat (2020) reported that the total actual hours worked in Finland during the pandemic increased 0.2 per cent in Q1 2020.

### Objective

- The year 2020 has brought tremendous changes in the way we live and work. The exponential increase in the COVID-19 cases around the globe have caused countries to put countermeasures in place to protect the population from further risk of infection.

- As this unprecedented event continued to unfold, causing slower economic growth in certain regions and downturns in the others, labour as one the factors of production cannot avoid being impacted significantly by the crisis. At the global front, labour market situation has changed dramatically in the first three months since the outbreak of the pandemic.

- Study the scenario of employment and hours worked for Malaysia through quarterly statistics from the period of 2017 up to Q3 2020 to evaluate the impact of COVID-19 containment measures towards the hours worked in the country.
Analysis of labour market issues
The Review of Hours Worked in Malaysia

Labour productivity per hour worked, value added & total hours worked, Malaysia,
Q1 2017 - Q3 2020
(Percentage change from corresponding quarter of preceding year, %)

- As hours worked reduced, it was observed that the performance of Malaysia’s labour productivity measured by value added per hours worked increased 15.5 per cent in Q2 2020 (Q1 2020: 2.1 %).
- The large increase of labour productivity per hour worked during the quarter occurred as hours worked fell at a larger magnitude than the contraction of value added. As both the hours worked and value added registered slower decline in Q3 2020, Malaysia’s labour productivity posted marginal increase of 0.1 per cent.
Analysis of labour market issues
The Review of Hours Worked in Malaysia

DISCUSSION & CONCLUSION

Over time, hours worked in Malaysia grew steadily as employment grew. However, in 2020 hours worked to drop significantly during the first two quarters of 2020 primarily because of order to stop business operations in most industries except for essential services in addition to implementation of strict standard operating procedures as businesses reopen. This include reduced hours of operations as well as limiting number of employees in the premises during business hours in order to ensure physical distancing to mitigate risk of infection to the pandemic.

As business struggled to ensure continuity, there were also pressures to retain employees. In this regards, reduced operation hours can also be an option exercised by firms to avoid more employees losing jobs and subsequent decline in employment and rise in unemployment. This was reflected through higher share of persons working less than 30 hours per week as against lower share of full-employment. The measure, although may cause lower salaries and wages received by employees, was by far the better option to ensure job retention as a mean to drive the economy forward.

Interestingly, as the hours worked plunged, labour productivity measured as the ratio of value added per hour worked rose significantly. The sudden spike in output per hours worked signalled that people were working harder during the limited business hours to ensure that productions and target are achieved.

Hence, in managing labour market efficiency during the crisis and leveraging upon the situation to rejuvenate the economy, it is pertinent to continuously strategise, review and innovate business model to remain relevant in order to increase skilled labour demand as the enabler of a higher value added. Meanwhile, labour force should strive towards increasing agility and adaptability, embracing changes and adopting the right attitude towards lifelong learning inorder to be of high value to the industry.
Analysis of labour market issues
Initial Review of Labour Migration in Malaysia

Labour Market Review,
Fourth Quarter of 2020

• Released in February 2021

Introduction

- Malaysia as a high middle income nation aspiring to accelerate to a high-income status has been registering an upward economic trend prior to the COVID-19 crisis, primarily driven by the Services and Manufacturing sectors. As more than 97 per cent of the businesses are small, medium and micro enterprises, present labour market structure is still predominantly in semi-skilled occupations with gradual increase in the skilled segments.

- From labour migration standpoint, Malaysia is one of the destination countries in Southeast Asia with large numbers of immigrants. Noticeable increase was observed in the number of non-citizens’ employment in Malaysia in 1996, and since then, the share of non-citizen employment in the country ranged between 10 to 16 per cent.

Objective

- To review the presence and roles of non-citizen employment in the country’s labour market based on the statistics produced by DOSM.
Observing the employment situation, in 2019, non-citizen employed persons was 2.2 million persons, comprising a share of 14.8 per cent of total employed persons. Since the last five decades, non-citizen employed persons grew by nearly 10 times as compared to 242 thousand comprising a share of 3.6 per cent in 1990.

The annual growth rate of non-citizen employed persons were higher compared to citizens, with the highest rate recorded for the period of 1995 to 2000.
Analysis of labour market issues
Initial Review of Labour Migration in Malaysia

In 1995, the share of non-citizens employment was concentrated in the Agriculture sector, comprising of 36.1 per cent, followed by 25.9 per cent in the Services sector. In line with the changes in the economic structure with more emphasis given to increase the value added of the Services sector, the share of employed non-citizens in the sector overtook the Agriculture sector, accounting for 32.6 percent in the year 2000. In 2019, the share of employed non-citizens in Services sector encompassed 39.4 per cent, followed by Manufacturing sector with 25.6 per cent and Agriculture sector at 22.0 percent.

The share of employed non-citizens in Manufacturing and Construction sector remained consistent throughout the years. In the meantime, a gradual decline in the share of employed non-citizens is observed in the Agriculture sector.
DISCUSSION & CONCLUSION

Labour migration is expected to raise competition when migrant workers substitutes local workers. It is also foreseen that the substitutions would lead to the declining wages as migrants are usually willing to accept lower wages. However, should the skills of migrants be complementary to those of local workers, this will increase the efficiency and productivity of industries, and subsequently would benefit workers in terms of higher salaries and wages.

Furthermore, local workers in low-skilled occupations might face more competition from migrants because the skills needed for those jobs are easier to acquire and are less specialised. On the other hand, with the increasing number of migrants which translated into the rise of population and subsequently expanding consumer demand for goods and services. Thus, with the increasing demand, it will create more jobs as the businesses may increase production.
Analysis of labour market issues
The Other Side of The Coin: Outside Labour Force and its Potential

Labour Market Review, First Quarter of 2021

Objective

- With the continuous increase in the number of working age population, this article aimed to identify the number and share of this group in and outside the labour force; and subsequently study the trend and characteristics of persons outside labour force. In doing so, it is hoped that we can better locate the potential labour force group among those outside the labour force.

- Additionally, by understanding the trend and pattern of outside labour force will also provide knowledge, insights and understanding for efficient absorption of potential labour supply into the job market.

Box Article 1: The Other Side of the Coin: Outside Labour Force and its Potential


Background

The International Labour Organization (ILO) (2021) stated that working-age population is generally defined as persons aged 15 years and older, though the upper and lower limit may differ between countries as they realign the purposes with the legal and policy framework of the respective countries. For the purpose of comparability across countries, the lower limit of 15 years old is used at the global front.

The ability to earn is more often than not used to monitor a nation’s well-being. In doing this, involvement in the production of goods and services for pay or profit can often provide insights into the health of the labour force. Additionally, the other portion of the labour force not at work but had expressed ability to work and were actively engaged in job search is known as unemployed. A country’s labour market performance is gauged from the widely used and quoted indicator of unemployment.

Further to that, recent revisions in the concepts and definitions by the ILO in the 19th International Conference of Labour Statisticians (ICLS) have allowed for an in-depth analysis of employment situation by measuring the indicators of labour underutilization (ILO, 2013). Many countries have transitioned from the recommended indicators in looking at the well-being of the labour supply, in line with the eighth goal of the 2030 Sustainable Development Agenda to promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all (United Nations, UN, 2021).

Labour force or those actively engaged in employment or seeking to be employed are assessed in terms of the participation of this group in the labour market. Hence, another labour market indicator to measure involvement of the working-age population is the labour force participation rate (LFPR). The ILO (2021, 2016) believed that the LFPR is integral to measure the determinants of a country’s human resources and in making projections of the future supply of labour. Further to this, formulations of labour market and human capital policies and programmes also rely heavily upon the LFPR (ILO, 2018).

Krieger (2017) investigated the declining trend of LFPR in United States of America. Recently, Collison, Groveschenko & Weber (2020) used the LFPR as one of the three indicators of labour market in the United States of America in times of COVID-19 others besides job losses and unemployment. In studying the factors influencing economic growth of North Sumatera Province, Mapita (2020) also included LFPR as one of the indicators of human resource utilisation.

Nevertheless, while assessing the LFPR would definitely provide perspectives of the labour supply, more importance should also be given to the complementary measure of LFPR i.e. outside labour force. ILO (2021, 2016) viewed the growing needs to analyse the characteristics of persons outside labour force in ensuring increased opportunities of decent and productive employment. In their study on Malaysia’s female LFPR, Ryant & Nar Lysall (2015) also recommended that future studies should also examine the characteristics of female outside labour force.

Objective

- With the continuous increase in the number of working age population, this article aimed to identify the number and share of this group in and outside the labour force; and subsequently study the trend and characteristics of persons outside labour force. In doing so, it is hoped that we can better locate the potential labour force group among those outside the labour force.

- Additionally, by understanding the trend and pattern of outside labour force will also provide knowledge, insights and understanding for efficient absorption of potential labour supply into the job market.
Analysis of labour market issues
The Other Side of The Coin: Outside Labour Force and its Potential

Malaysia’s working age population aged 15 to 64 taking up a share of 58.9 per cent.

After 30 years, the population grew at the rate of 2.0 per cent. Meanwhile, the working age population expanded at a higher annual rate of 2.5 per cent, comprising a growing share of 69.7 per cent.

Although both total population and those in the working age posted a slower growth rate over time since the year 2000, working age population increased at a slightly higher growth rate of 1.1 per cent as compared to the population growth (0.9%).
Analysis of labour market issues
The Other Side of The Coin: Outside Labour Force and its Potential

LFPR & Inactivity Rate, Malaysia, 1990 - 2020

- The lowest LFPR recorded in Malaysia between the 30-year period was 63.3 per cent in 2005. Later, LFPR was seen to pick up gradually, until registering 68.7 per cent in 2019.

- Following the unprecedented global health crisis in 2020 which took a toll on the economy and the labour market event, the LFPR was downed by 0.3 percentage points from the year 2019 to record 68.4 per cent in 2020. On the contrary, inactivity rate peaked in 2005 at 36.7 per cent along with the decline of LFPR during the year. In 2020, the rate of inactivity increased marginally to 31.6 per cent.
The number of outside labour force was observed to be on the increasing trend from 3.5 million persons in 1990 to 7.0 million persons in 2010.

However, 2015 observed the number of persons outside the labour force dropped marginally as against 2010 to 6.8 million persons.

Later, throughout 2015 to 2020 the number has expanded at a slower rate of 1.0 per cent annually.
Analysis of labour market issues
The Other Side of The Coin: Outside Labour Force and its Potential

Gender

• **Predominantly females** with a share of 78.0 per cent in 1990.
• Over the years, *the share has been declining* giving way to *increasing share of male* outside the labour force.
• In 2020, a total of 4.9 million females were outside labour force, encompassing a share of 68.3 per cent. Accordingly, the share of male was 31.7 per cent with 2.3 million persons. Interestingly, despite the higher share of female outside the labour force, *the number of male increased at a higher rate compared to female.*

Age

• The **largest share was youth aged 15 to 24 years** which made up 42.0 per cent in 1990, and later increased to 48.2 per cent in 2020.
• The share of those in the 25-34 years’ age group shrank from 20.9 per cent (1990) to 12.3 per cent (2020). Meanwhile, the composition of older age group i.e. 55 to 64 years continues to grow, recording 17.9 per cent in 2020 as compared to 12.0 per cent in 1990.
• Among **male population outside the labour force, youth dominated** to record more than 70 per cent throughout the years, except in 2020 where this group comprised of 69.2 per cent.
• In comparison, the **share of youth among females outside labour force ranged between 30 to 40 per cent.**
Analysis of labour market issues
The Other Side of The Coin: Outside Labour Force and its Potential

Outside labour force by educational attainment, Malaysia, 1990 - 2020

- Looking at the educational attainment of those outside the labour force, a remarkable shift is observed whereby the share of those with tertiary education experienced gradual increase from 5.3 per cent in 1990 to 27.6 per cent in 2015. Although the share decreased slightly to 24.4 per cent in 2020, it was relatively higher than the proportion recorded in 2010.

- Those with secondary education which made up the largest share of persons outside labour force also illustrated a steady rise from 48.5 per cent (1990) to 62.4 per cent (2020). Meanwhile, the shares of outside labour force with primary education and no formal education were seen to decline over time.

Source: LFS, DOSM
Analysis of labour market issues
The Other Side of The Coin: Outside Labour Force and its Potential

CONCLUSION

A relatively high number of persons outside labour force have a vast potential of joining the labour force, specifically to be in employment.

The collaboration of key parties such as the government, industries and academia are vital in realising this potential.

Nevertheless, carefully thoughts and well-planned strategies should be set in place to ensure continuous efforts to empower both supply and demand sides i.e. high-quality labour supply coupled with high demand and absorptions of skilled labour.
Analysis of labour market issues - Exploring the Relationship Between Investment of Fixed Assets and the Labour Market: An Experimental Study

Labour Market Review, Second Quarter of 2021

- Released in August 2021

Objective

- Domestic investment is essential to increase employment and output in a country. Income received by people employed in the private sector is used in their daily consumption, which becomes profits for the businesses. These intensify the businesses to increase their production of output, which will contribute to national economic growth.

- As the global economy continued to be disrupted due the prolonged public health crisis, Malaysia as an open economy had borne a fair share of quandaries, prompting us to evaluate our strengths and weaknesses to sustain business operation and retain employment. Hence, attention is turned to the impact of domestic investment on the labour market.

- Thus, this article will assess the various points of economic growth and the corresponding growth in GFCF, employment and unemployment; and later investigate the relationship of domestic investment and Malaysia’s labour market based on annual statistics from 2001 to 2020..
That there exists a moderate positive relationship between employment and GFCF with the correlation coefficient of 0.652.

In contrast, the correlation coefficient of unemployment and GFCF was equal to negative 0.710 which indicated a strong negative relationship between the two variables.
Analysis of labour market issues -
Exploring the Relationship Between Investment of Fixed Assets and the Labour Market: An Experimental Study

**Correlation between employment, unemployment and GFCF by type of assets**

<table>
<thead>
<tr>
<th>GFCF by type of assets</th>
<th>Correlation coefficient (r)</th>
<th>p-value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employment</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Structure</td>
<td>0.488</td>
<td>0.065</td>
</tr>
<tr>
<td>Machinery and equipment</td>
<td>0.711</td>
<td>0.003*</td>
</tr>
<tr>
<td>Other assets</td>
<td>0.471</td>
<td>0.076</td>
</tr>
<tr>
<td>Unemployment</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Structure</td>
<td>-0.670</td>
<td>0.006*</td>
</tr>
<tr>
<td>Machinery and equipment</td>
<td>-0.556</td>
<td>0.031*</td>
</tr>
<tr>
<td>Other assets</td>
<td>-0.593</td>
<td>0.020*</td>
</tr>
</tbody>
</table>

Source: Authors’ calculation based on data from DCSM
Note: * p-value < 0.05, significance correlation

- Significant strong positive relationship was found between employment and investment in machinery and equipment.
- Meanwhile, no significant association was identified between employment and the other type of assets. Overall, investment on machinery and equipment is seen to have a profound impact in the long-term growth of employment in Malaysia. It can also be seen that it remained as the important source of growing the economy even in time of crisis.

- On the contrary, the correlation between unemployment and three types of GFCF indicated significant association between GFCF and unemployment with a moderate negative relationship.
- This reflected on the important role of investment in creating demand for goods and services; and subsequently would require for employment creations to cater for the increasing demand.
CONCLUSION

These relationships provided some basis that by increasing the amount of investment may be able to create more employment opportunity. The higher investment and spending will increase consumption and consequently an increase in labour demand, thus reducing unemployment. In this case, the increase in investment indirectly signals a better future labour market position.

However, the findings of this study can only provide preliminary understanding of the labour market behaviour in relation to the investment of fixed asset. This study cannot determine whether investment cause the changes in the labour market or it is the other way around or the strength of the influence. With respect to the economic sector, different industries may have different shares of GFCF by type of assets, depending upon the reliance on labour or capital. In this regards further in-depth analyses are required to understand the lag effect of investments towards the labour market, the types of assets and the economic sectors involved.
Development work
Developing labour account for Malaysia - Framework

A framework to integrate the multiple dimensions of labour market statistics into a coherent and consistent account

- Provides data on the number of jobs, both filled and vacant.
- Describes the relationship between the hours of labour that are supplied by individuals, and the hours of labour that are used or demanded by businesses.
- Provides statistics on persons employed, persons looking for and available for employment, and persons with potential for further employment.
- Accounts for the costs incurred by enterprises in employing labour and the incomes received by people from its provision.

Benchmarking and adoption of the best practice of the Australian Bureau of Statistics

Confrontations and balancing of multiple data sources across sectors to gauge a coherent and consistent insights on the labour market situation
## Developing labour account for Malaysia - Dimension

<table>
<thead>
<tr>
<th>JOBS</th>
<th>PERSONS</th>
<th>VOLUME</th>
<th>PAYMENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Filled jobs</td>
<td>Employed Persons</td>
<td>Employed Persons</td>
<td>Number of Main Jobs</td>
</tr>
<tr>
<td>+ Job Vacancies</td>
<td>+ Number of Secondary Jobs</td>
<td>+ (Total Economy)</td>
<td>(Total Economy)</td>
</tr>
<tr>
<td>= Total Jobs</td>
<td>= Labour Force</td>
<td>=</td>
<td></td>
</tr>
</tbody>
</table>

### Labour Force Components

- **Filled jobs**
  - Number of Main Jobs
  - Number of Secondary Jobs

- **Job Vacancies**
  - Employment Related Costs
    - Payroll Tax
    - Employment Subsidies

- **Total Jobs**
  - Labour Income
    - From Self-Employment

### Hours Worked Components

- **Available Hours of Labour Supply**
  - Hours Sought But Not Worked
  - Hours Sought by Unemployed
  - Additional Hours Sought by Underemployed

- **Hours Actually Worked**
  - Filled Jobs

- **Average Hours Worked Per Job**

### Total Labour Cost

- **Total Labour Income**
  - Compensation of Employees
  - Payroll Tax
  - Employment Subsidies
  - Total Labour Income

### Average Cost Per Hour Worked

- **Hours Worked**
  - Hours Paid

### Average Cost Per Hour Paid

- **Total Labour Income**
  - Employed Persons

- **Ave. Labour Income per Employed Person**
End of Session 2

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TRAINING COURSE UNDER THE STATISTICAL CAPACITY BUILDING (StatCaB) PROGRAMME FOR THE BENEFIT OF GENERAL BUREAU OF STATISTICS OF SURINAME

Labour Market Data Analysis: Linking the data dimensions to inform policy decisions

SESSION 3  - Cross-cutting Labour Market Issues

NUR LAYALI BINTI MOHD ALI KHAN  |  PRINCIPAL ASSISTANT DIRECTOR
EMPLOYMENT & UNEMPLOYMENT DIVISION  |  MALAYSIAN BUREAU OF LABOUR STATISTICS
Content

1. Graduates
2. Youth
3. Small, Medium & Micro Enterprises
4. Gig Workers
Graduates
Graduates Statistics – Concepts & Definition

Graduates

Refers to individual with the highest certificate obtained from universities, colleges, polytechnics, recognised bodies or equivalent, where duration of study is at least two years. Graduates are classified into two categories of certification namely Diploma and Degree.

Diploma

Refers to certificate and diploma or equivalent certificate obtained from universities, colleges, polytechnics, recognised bodies or equivalent. The duration of study to obtain a diploma or certificate is at least two years.

Degree

Degree refers to all university degrees (Bachelor, Masters or Doctor of Philosophy) obtained from recognised public and private institutions of higher learning in Malaysia and abroad.

Graduates labour force participation rate (GLFPR)

\[
\text{GLFPR} = \frac{\text{Number of graduates in the labour force}}{\text{Number of graduates in the working age (15 years and over)}} \times 100
\]

GLFPR is defined as the ratio of the graduates in the labour force to the graduates working age population (15 years and over), expressed as percentage.

Graduates unemployment rate

\[
\text{Graduates unemployment rate} = \frac{\text{Number of unemployed graduates}}{\text{Number of graduates in labour force}} \times 100
\]

Graduates unemployment rate is the proportion of unemployed graduates to the total graduates in the labour force.
Graduates Statistics – Classification

1. ISCED is the reference classification for organizing education programmes and related qualifications by education levels and fields published by United Nations International Family of Economic and Social Classifications.

2. ISCED 2011 rests on three components:
   i. internationally agreed concepts and definitions;
   ii. the classification systems;
   iii. ISCED mappings of education programmes and related qualifications in countries worldwide.

3. **Graduates** refer to persons who had complete tertiary education (level 5 and above) based on ISCED 2011. Tertiary education comprises ISCED levels 5, 6, 7 and 8:

<table>
<thead>
<tr>
<th>Level</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Level 5</td>
<td>Short-cycle tertiary education programmes (at least two years);</td>
</tr>
<tr>
<td>Level 6</td>
<td>Bachelor’s or equivalent first degree programmes (three to four years);</td>
</tr>
<tr>
<td>Level 6</td>
<td>Bachelor’s or equivalent long first degree programmes (more than four years);</td>
</tr>
<tr>
<td>Level 7</td>
<td>Master’s or equivalent long first degree programmes (at least five years);</td>
</tr>
<tr>
<td>Level 8</td>
<td>Doctoral’s or equivalent</td>
</tr>
</tbody>
</table>
Graduates Statistics – Data sources

1. Labour Force Survey, DOSM
   - Year 2016-2020
   - Provide statistics on labour force, employment and unemployment by demographic characteristics at national and states level.

2. Higher Education Statistics, MOHE
   - Year 2016-2020
   - Provide statistics on Intake, Enrolment and Output of students by higher learning institutions.

3. Graduates Tracers Study, MOHE
   - Year 2016-2020
   - Provide statistics on status of new graduates by their convocation times, whether they are working, pursuing their studies, improving skills, waiting for job placement and not working yet.

4. Graduates Tracers Study TVET, MOHE
   - Year 2018-2020
   - Provide statistics on status of TVET graduates by their convocation times, whether they are working, pursuing their studies, improving skills, waiting for job placement and not working yet.

5. Salaries & Wages Survey, DOSM
   - Year 2016-2020
   - Provide statistics on salaries & wages of employed person (full time equivalent) by demographic characteristics at national and states level.
Graduates Statistics – Methodology

1. Imputation

Imputation of graduates data from Higher Education Statistics and Graduates Tracers Study TVET, MOHE, KPT.

2. Estimation

- Data from LFS 2015 is used as baseline data.
- Data for 2016, was estimated by using baseline data and information of output obtained from Higher Education Statistics Report (MOHE), number of oversea graduates returned and number continuing study.
- Data for 2017, 2018 and 2019 was revised by taking into account the estimated of deaths among graduates.

3. Profiling

Profiling of graduates in terms of demography and socioeconomic is based on LFS.

(e.g.: education attainment, sex, ethnic group, strata, state, occupation, industry, employment status)
Graduates Statistics – Key statistics, 2020

Population, 15+
2020 – 25,198.4
2019 – 24,886.3

Outside labour force
2020 – 9,183.9
2019 – 8,984.3

Labour force
2020 – 16,014.4
2019 – 15,902.0

Unemployed
2020 – 718.1
2019 – 509.1

Employed
2020 – 15,296.3
2019 – 15,392.9

Labour force participation rate
2020 – 63.6%
2019 – 63.9%

Unemployment rate
2020 – 4.5%
2019 – 3.2%

Graduates, 15+
2020 – 5,356.4 (21.3%)
2019 – 5,130.0 (20.6%)

Outside labour force
2020 – 800.9 (8.7%)
2019 – 844.0 (9.4%)

Labour force
2020 – 4,555.5 (28.4%)
2019 – 4,286.0 (27.0%)

Unemployed
2020 – 202.4 (28.2%)
2019 – 165.2 (32.4%)

Employed
2020 – 4,353.1 (28.5%)
2019 – 4,120.8 (26.8%)

Labour force participation rate
2020 – 85.0%
2019 – 83.5%

Unemployment rate
2020 – 4.4%
2019 – 3.9%

Note: ( ) is the percentage of graduates out of population 15+.
## Graduates Statistics – Employment by occupations & skill levels, 2018-2020

<table>
<thead>
<tr>
<th>Occupation/ Skill levels</th>
<th>Estimation ('000)</th>
<th>Share (%)</th>
<th>Growth (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Graduates</strong></td>
<td>3,901.3</td>
<td>4,120.8</td>
<td>4,353.1</td>
</tr>
<tr>
<td><strong>Skilled</strong></td>
<td>2,880.0</td>
<td>3,020.0</td>
<td>2,996.9</td>
</tr>
<tr>
<td>Managers</td>
<td>368.6</td>
<td>393.6</td>
<td>469.6</td>
</tr>
<tr>
<td>Professionals</td>
<td>1,769.0</td>
<td>1,858.0</td>
<td>1,777.8</td>
</tr>
<tr>
<td>Technicians and associate professionals</td>
<td>742.4</td>
<td>768.4</td>
<td>749.5</td>
</tr>
<tr>
<td><strong>Semi-skilled</strong></td>
<td>975.9</td>
<td>1,054.3</td>
<td>1,258.1</td>
</tr>
<tr>
<td>Clerical support workers</td>
<td>384.0</td>
<td>415.5</td>
<td>417.3</td>
</tr>
<tr>
<td>Service and sales workers</td>
<td>383.2</td>
<td>391.7</td>
<td>517.6</td>
</tr>
<tr>
<td>Skilled agricultural, forestry, and fishery workers</td>
<td>29.1</td>
<td>32.8</td>
<td>50.8</td>
</tr>
<tr>
<td>Craft and related trades workers</td>
<td>107.9</td>
<td>125.4</td>
<td>147.2</td>
</tr>
<tr>
<td>Plant and machine-operators and assemblers</td>
<td>71.7</td>
<td>89.0</td>
<td>125.1</td>
</tr>
<tr>
<td><strong>Low-skilled</strong></td>
<td>45.4</td>
<td>46.5</td>
<td>98.1</td>
</tr>
<tr>
<td>Elementary occupations</td>
<td>45.4</td>
<td>46.5</td>
<td>98.1</td>
</tr>
</tbody>
</table>
## Graduates Statistics – Unemployment by duration, 2018-2020

<table>
<thead>
<tr>
<th>Duration of Unemployment</th>
<th>Estimation (‘000)</th>
<th>Share (%)</th>
<th>Growth (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Graduates</td>
<td>158.4</td>
<td>165.2</td>
<td>202.4</td>
</tr>
<tr>
<td>Active unemployed</td>
<td>113.3</td>
<td>123.6</td>
<td>158.4</td>
</tr>
<tr>
<td>Less than 3 months</td>
<td>56.4</td>
<td>63.8</td>
<td>71.4</td>
</tr>
<tr>
<td>3 months - less than 6 months</td>
<td>33.9</td>
<td>36.4</td>
<td>47.6</td>
</tr>
<tr>
<td>6 months - less than 1 year</td>
<td>13.5</td>
<td>13.5</td>
<td>23.5</td>
</tr>
<tr>
<td>More than 1 years</td>
<td>9.5</td>
<td>10</td>
<td>16</td>
</tr>
<tr>
<td>Inactive unemployed</td>
<td>45.1</td>
<td>41.6</td>
<td>44.0</td>
</tr>
</tbody>
</table>
## Graduates Statistics: Outside labour force by reasons, 2018-2020

<table>
<thead>
<tr>
<th>Reasons for Not Seeking Work</th>
<th>Estimation ('000)</th>
<th>Share (%)</th>
<th>Growth (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Graduates</strong></td>
<td>793.7</td>
<td>844.0</td>
<td>800.9</td>
</tr>
<tr>
<td><strong>Schooling</strong></td>
<td>242.0</td>
<td>232.8</td>
<td>243.9</td>
</tr>
<tr>
<td><strong>Housework</strong></td>
<td>273.9</td>
<td>310.4</td>
<td>315.7</td>
</tr>
<tr>
<td><strong>Going to further studies</strong></td>
<td>16.7</td>
<td>8.3</td>
<td>12.8</td>
</tr>
<tr>
<td><strong>Disabled</strong></td>
<td>12.4</td>
<td>12.0</td>
<td>13.2</td>
</tr>
<tr>
<td><strong>Not interested</strong></td>
<td>28.1</td>
<td>27.5</td>
<td>9.5</td>
</tr>
<tr>
<td><strong>Retired</strong></td>
<td>220.5</td>
<td>253.0</td>
<td>205.8</td>
</tr>
</tbody>
</table>
Youth
Youth Statistics – Concepts & Definition

As defined in the Youth Societies and Youth Development (Amendment) Act 2019, youth refers to individual aged between 15 and 30 years. For statistical purposes, the United Nations defines youth as those individuals between the ages of 15 and 24 years, without prejudice to other definitions by Member States.

This statistics are supplied regularly to Ministry of Youth and Sports and Institute for Youth Research Malaysia specifically for policy development. Principal statistics supplied for both age 15 to 24 years and 15 to 30 years comprising:

i. Total number youths
ii. Labour force
iii. Employed
iv. Unemployed
v. Outside labour force
vi. Labour force participation rate
vii. Unemployment rate

Chart 1: Classification of population by age

<table>
<thead>
<tr>
<th>Age Range</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-14</td>
<td>Young 15-24</td>
</tr>
<tr>
<td>15-64</td>
<td>Working age 15-64</td>
</tr>
<tr>
<td>65+</td>
<td>Old 65+</td>
</tr>
</tbody>
</table>

Youth 15-40
### Youth Statistics – Main indicators for aged 15-24 years

<table>
<thead>
<tr>
<th>Principal Statistics</th>
<th>15-24 years ('000)</th>
<th>Growth (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total</strong></td>
<td>6,016.3</td>
<td>6,087.6</td>
</tr>
<tr>
<td><strong>Labour force</strong></td>
<td>2,567.2</td>
<td>2,613.7</td>
</tr>
<tr>
<td><strong>Employed</strong></td>
<td>2,293.7</td>
<td>2,340.4</td>
</tr>
<tr>
<td><strong>Unemployed</strong></td>
<td>273.6</td>
<td>273.4</td>
</tr>
<tr>
<td><strong>Outside labour force</strong></td>
<td>3,449.1</td>
<td>3,473.9</td>
</tr>
<tr>
<td><strong>Labour force participation rate (%)</strong></td>
<td>42.7</td>
<td>42.9</td>
</tr>
<tr>
<td><strong>Unemployment rate (%)</strong></td>
<td>10.7</td>
<td>10.5</td>
</tr>
<tr>
<td><strong>Rate of not in employment, education or training (NEET) (%)</strong></td>
<td>12.3</td>
<td>11.7</td>
</tr>
</tbody>
</table>
## Youth Statistics – Main indicators for aged 15-30 years

<table>
<thead>
<tr>
<th>Principal Statistics</th>
<th>15-30 years ('000)</th>
<th>Growth (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total</strong></td>
<td>9,793.3</td>
<td>9,885.1</td>
</tr>
<tr>
<td>Labour force</td>
<td>5,783.8</td>
<td>5,888.8</td>
</tr>
<tr>
<td>Employed</td>
<td>5,409.4</td>
<td>5,487.5</td>
</tr>
<tr>
<td>Unemployed</td>
<td>374.3</td>
<td>401.2</td>
</tr>
<tr>
<td>Outside labour force</td>
<td>4,009.6</td>
<td>3,996.4</td>
</tr>
<tr>
<td>Labour force participation rate (%)</td>
<td>59.1</td>
<td>59.6</td>
</tr>
<tr>
<td>Unemployment rate (%)</td>
<td>6.5</td>
<td>6.8</td>
</tr>
<tr>
<td>Rate of not in employment, education or training (NEET) (%)</td>
<td>13.5</td>
<td>12.9</td>
</tr>
</tbody>
</table>
Youth Statistics – Main indicators for aged 15-40 years

<table>
<thead>
<tr>
<th>Principal Statistics</th>
<th>15-40 years ('000)</th>
<th>Growth (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>14,411.5</td>
<td>14,607.8</td>
</tr>
<tr>
<td>Labour force</td>
<td>9,674.0</td>
<td>9,856.0</td>
</tr>
<tr>
<td>Employed</td>
<td>9,251.2</td>
<td>9,386.5</td>
</tr>
<tr>
<td>Unemployed</td>
<td>422.8</td>
<td>469.6</td>
</tr>
<tr>
<td>Outside labour force</td>
<td>4,737.5</td>
<td>4,751.7</td>
</tr>
<tr>
<td>Labour force participation rate (%)</td>
<td>67.1</td>
<td>67.5</td>
</tr>
<tr>
<td>Unemployment rate (%)</td>
<td>4.4</td>
<td>4.8</td>
</tr>
<tr>
<td>Rate of not in employment, education or training (NEET) (%)</td>
<td>14.5</td>
<td>14.3</td>
</tr>
</tbody>
</table>
Small, Medium & Micro Enterprises
SMEs Statistics – Concepts & Definition

SMEs employment is compiled based on Malaysia’s employment by kind of economic activity according to the Malaysia Standard Industrial Classification 2008.

Percentage share of SMEs employment

\[
\text{Percentage share of SMEs employment} = \frac{\text{SMEs employment}}{\text{Malaysia's employment}} \times 100
\]
### SMEs Statistics – Employment by economic activities, 2015-2020

<table>
<thead>
<tr>
<th>Kind of economic activity</th>
<th>Number ('000)</th>
<th>Share (%)</th>
<th>Growth (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2015</td>
<td>2016</td>
<td>2017</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>6,527.0</td>
<td>6,663.0</td>
<td>6,889.0</td>
</tr>
<tr>
<td>Agriculture</td>
<td>652.0</td>
<td>655.0</td>
<td>758.0</td>
</tr>
<tr>
<td>Mining and quarrying</td>
<td>21.0</td>
<td>21.0</td>
<td>22.0</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>1,072.0</td>
<td>1,095.0</td>
<td>1,139.0</td>
</tr>
<tr>
<td>Construction</td>
<td>694.0</td>
<td>691.0</td>
<td>720.0</td>
</tr>
<tr>
<td>Services</td>
<td>4,089.0</td>
<td>4,200.0</td>
<td>4,249.0</td>
</tr>
</tbody>
</table>
## SMEs Statistics – Share of SMEs to National Employment, 2015-2020

<table>
<thead>
<tr>
<th>Kind of economic activity</th>
<th>Malaysia employment (‘000)</th>
<th>SMEs employment (‘000)</th>
<th>Share to total employment (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>13,992.0</td>
<td>14,180.0</td>
<td>14,459.0</td>
</tr>
<tr>
<td>Agriculture</td>
<td>1,876.0</td>
<td>1,775.0</td>
<td>1,839.0</td>
</tr>
<tr>
<td>Mining and quarrying</td>
<td>79.0</td>
<td>76.0</td>
<td>81.0</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>2,379.0</td>
<td>2,391.0</td>
<td>2,441.0</td>
</tr>
<tr>
<td>Construction</td>
<td>1,517.0</td>
<td>1,498.0</td>
<td>1,497.0</td>
</tr>
<tr>
<td>Services</td>
<td>8,141.0</td>
<td>8,439.0</td>
<td>8,601.0</td>
</tr>
</tbody>
</table>
Gig Workers
Gig Statistics – Research Paper

An Experimental Measure of Malaysia’s Gig Workers Using Labour Force Survey presented during 2020 Asia-Pacific Statistics Week

Research Objective

To identify characteristics of gig employment and subsequently attempt an experimental measure of this group in Malaysia using the Labour Force Survey (LFS) in terms of:

- Sex
- Age group
- Education attainment
- Economic activity
### Gig Statistics – Concepts & Definition

<table>
<thead>
<tr>
<th>19th ICLS, 2013</th>
<th>persons in employment are defined as all persons above a specified age who during a specified brief period, either one week or one day, were in the paid employment or self-employment categories.</th>
</tr>
</thead>
</table>
| 20th ICLS, 2018 | • ICSE 2018 was approved for adoption to measure form of employment based on type of authority or economic risks;  
• ICSE-18-A classified status of employment into ten categories which provides a dichotomy between independent workers and dependent workers. |
| Gig economy     | • related to short-term, project-based and outcome-defined work;  
• work obtained through an online platform with work doled out in bits and pieces (Abraham et al., 2018);  
• include “crowdwork” referred to working activities that imply completing a series of tasks through online platforms, and “work-on-demand via apps” channeled through apps managed by firms (ILO, 2016). |
| Gig workers     | • often labour independently and in direct competition with one another (ILO, 2018);  
• usually not employed on a long-term basis by a single firm to complete a specific work at specific period of time (Statistics Canada, 2019);  
• Don not have an implicit or explicit contract for long-term employment, (BLS, 2016). |
| Gig work        | • associated with or representative of alternative, less structured work arrangements with a specific focus on non-employees;  
• often short term or task-based; with higher presence in and online labour platforms (ILO, 2018). |
Gig Statistics – Methodology

DATA SOURCE
Labour Force Survey (LFS), 2018 conducted by Department of Statistics Malaysia (DOSM)

- Employed persons with respect to **status in employment, hours and worked**
- **Status in employment** employees & own account workers
- Employees who worked less than 30 hours per week (part-timer).
- Own account workers with all hours worked
- Occupation category which are considered **free-lancers and technology based** are considered as gig workers
- **218 unique 6 digit occupations** were identified as gig related occupation.
- Industry that belong to the gig workers are reviewed to identify which industries are heavily dominated by gig workers

LIMITATION
As measurement are only based on variables available in the LFS, there is a possibility of under-counted of persons involved in gig work.
Gig Statistics – Results & Discussion

By sex
Women, especially with family responsibilities tend to join the labour market as gig employment. Development of digital retail platform also creates pathway for women’s involvement in gig economy.

Number of total workers and gig workers by sex, Malaysia, 2018

<table>
<thead>
<tr>
<th>Sex</th>
<th>Total Workers ('000)</th>
<th>Gig Workers ('000)</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>1,858.8</td>
<td>302.1</td>
<td>2,161.9</td>
</tr>
<tr>
<td>Female</td>
<td>1,184.5</td>
<td>257.7</td>
<td>1,442.2</td>
</tr>
<tr>
<td>Total</td>
<td>3,043.3</td>
<td>559.9</td>
<td>3,603.2</td>
</tr>
</tbody>
</table>

Source: Authors’ calculation based on the data of Labour Force Survey 2018, Department of Statistics Malaysia

By age group
Those aged 25 to 34 years were prevalent as gig works since most of them were likely to have had just completed higher education. This might be due to the flexibility of this form of work which allow them to seek for something more permanent. The low share of those age 55 to 64 could indicate that the gig employment was a mean to gain extra income to ensure a comfortable retirement plan ahead.

Number and share of gig workers by age group, Malaysia, 2018

<table>
<thead>
<tr>
<th>Age Group</th>
<th>Gig Workers ('000)</th>
<th>Percentage Share (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>15-24</td>
<td>66.6</td>
<td>11.9%</td>
</tr>
<tr>
<td>25-34</td>
<td>210.4</td>
<td>37.6%</td>
</tr>
<tr>
<td>35-44</td>
<td>135.6</td>
<td>24.2%</td>
</tr>
<tr>
<td>45-54</td>
<td>96.5</td>
<td>17.2%</td>
</tr>
<tr>
<td>55-64</td>
<td>50.7</td>
<td>9.1%</td>
</tr>
</tbody>
</table>

Source: Authors’ calculation based on the data of Labour Force Survey 2018, Department of Statistics Malaysia
Gig Statistics – Results & Discussion

By education attainment
People with secondary education usually earn lower pay than those who have tertiary education. In order to get an extra income, most of them prefer to join gig employment as full-time or part-time workers. Those with tertiary education might do gig work because jobs with satisfactory salaries and benefits were hard to find or unable to secure other positions after completing studies.

Number and share of gig workers ('000) by education attainment, Malaysia, 2018

<table>
<thead>
<tr>
<th>Education Attainment</th>
<th>Gig workers ('000)</th>
<th>Percentage share (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>No formal education</td>
<td>10.1</td>
<td>1.8%</td>
</tr>
<tr>
<td>Primary</td>
<td>39.6</td>
<td>7.1%</td>
</tr>
<tr>
<td>Secondary</td>
<td>281.7</td>
<td>50.3%</td>
</tr>
<tr>
<td>Tertiary</td>
<td>228.5</td>
<td>40.8%</td>
</tr>
</tbody>
</table>

Source: Authors’ calculation based on the data of Labour Force Survey 2018, Department of Statistics Malaysia

By economic activity
Gig employment are incredibly popular within the Wholesale and retail trade and Transportation and storage industries, accommodated by technology development. The rise of various online retail website are very appealing among various segments of the population. Platform such as Grab and MyCar make it convenient for the customers to book a drive only through online application. Some people prefer to do this type of job as a second job in order to supplement their income.

Number of gig workers and percentage share by economic activities, Malaysia, 2018

<table>
<thead>
<tr>
<th>Economic activities</th>
<th>Total ('000)</th>
<th>Percentage share (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture</td>
<td>1.0</td>
<td>0.2</td>
</tr>
<tr>
<td>Industry</td>
<td>15.9</td>
<td>2.8</td>
</tr>
<tr>
<td>Services</td>
<td>543.1</td>
<td>97.0</td>
</tr>
<tr>
<td>Wholesale and retail trade</td>
<td>206.0</td>
<td>36.8</td>
</tr>
<tr>
<td>Transportation and storage</td>
<td>90.9</td>
<td>16.2</td>
</tr>
<tr>
<td>Accommodation and food service activities</td>
<td>10.0</td>
<td>1.8</td>
</tr>
<tr>
<td>Other services</td>
<td>236.1</td>
<td>42.2</td>
</tr>
<tr>
<td>Total</td>
<td>559.9</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Source: Authors’ calculation based on the data of Labour Force Survey 2018, Department of Statistics Malaysia
End of Session 3

nurlayali@dosm.gov.my
TRAINING COURSE UNDER THE STATISTICAL CAPACITY BUILDING (StatCaB) PROGRAMME FOR THE BENEFIT OF GENERAL BUREAU OF STATISTICS OF SURINAME

Labour Market Data Analysis: Linking the data dimensions to inform policy decisions

SESSION 4 - Response to COVID-19

NUR LAYALI BINTI MOHD ALI KHAN | PRINCIPAL ASSISTANT DIRECTOR
EMPLOYMENT & UNEMPLOYMENT DIVISION | MALAYSIAN BUREAU OF LABOUR STATISTICS
Content

1. Labour Statistics Dissemination During Crisis
2. Modification to Data Collection and Analysis
3. Regular and Ad hoc Labour Market Analysis
4. Special Studies
Labour Statistics Dissemination During Crisis

1. Teaser to alert users on latest statistics release date
2. Infographic with additional time series chart
3. Detail report to explain on the labour force situation
4. More elaboration in media statement
5. Stats Alert
6. Video that tell story on labour force
7. Live Streaming on DOSM Facebook
8. Information paper to Economic Action Council to highlight on specific issue related to labour market
Modification to Data Collection and Analysis

Labour Force Survey Questionnaire

Further information are required to evaluate the impact of pandemic and containment measure.

Modifications involved:
1. Identification of reasons for temporary lay-off due to movement restrictions working during the reference week
2. Status of salaries, wages and benefits received
3. Last-job information within MCO period including industry and status of employment

These information is important to inform on the impact of COVID-19 and the containment measures towards the labour force and potential labour force.

To collect relevant information on social and demographic characteristics of the survey population and economic characteristics of the labour force.
Article:
Impact of COVID-19 to the Labour Market
Impact of COVID-19 to The Malaysia’s Labour Market

In March 2020, as the Movement Control Order was first implemented in Malaysia, DOSM initiated efforts to gauge preliminary information to assess the economic and social well-being resulting from the current crisis.

A special online survey was conducted from 23 to 31 March 2020 with convenience sampling involving individuals and firms.

An article was written to combine regular quarterly and monthly indicators with the findings of this survey.

Labour Market Review, First Quarter of 2020

Released in May 2020
Impact of COVID-19 to The Malaysia’s Labour Market

LABOUR SUPPLY

Labour force and LFPR, Malaysia, Q1 2018-Q1 2020

With mobility restricted and social distancing rules, it was observed that in March 2020 the LFPR dropped to 68.6 per cent. During the same period, labour force fell to 15.8 million persons.

The unemployment rate rose noticeably to 3.9 per cent (normal rate between 3.2% - 3.4%) with number of unemployed persons was 610.5 thousand persons.
Impact of COVID-19 to The Malaysia’s Labour Market

LABOUR DEMAND

The number of job vacancies in Q1 2020 decreased by 32 thousand as against the previous quarter, amidst slower economic performance and uncertainties of business recoveries in the short term.

Accordingly, the vacancies rate fell to 1.9 per cent as the demand for job shrunk.
Impact of COVID-19 to The Malaysia’s Labour Market

**FINDINGS OF QUICK SURVEY**

Effect of COVID-19 outbreak towards income by status in employment, March 2020

More than 90 per cent of the self-employed respondents experienced a **decrease in income**, while most of the employees received income as usual.
Impact of COVID-19 to The Malaysia’s Labour Market

FINDINGS OF QUICK SURVEY

Effect of COVID-19 outbreak towards employment, April 2020

<table>
<thead>
<tr>
<th>Employment Status</th>
<th>Percent (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Work from home</td>
<td>42.6</td>
</tr>
<tr>
<td>Take turns to work with full salary</td>
<td>20.3</td>
</tr>
<tr>
<td>Take turns to work with partial salary</td>
<td>2.5</td>
</tr>
<tr>
<td>Fully paid leave</td>
<td>8.4</td>
</tr>
<tr>
<td>Partially paid leave</td>
<td>3.0</td>
</tr>
<tr>
<td>Retrenched</td>
<td>1.5</td>
</tr>
<tr>
<td>Outside labour force</td>
<td>21.6</td>
</tr>
</tbody>
</table>

The survey conducted also found that during the third phase of the MCO in April 2020, most Respondents were working from home (42.6%), but a significant number was also outside labour force (21.6%).
Impact of COVID-19 to The Malaysia’s Labour Market

FINDINGS OF QUICK SURVEY

Length of firm survival if they were to give fully/partially paid leave to their employees, April 2020

- Among firms, more than half of those who responded claimed that they can survive only up to two months if they were to pay their employees on leave either with full or partial salary.
Special Study on the Personnel of Short-Term Employment Programme
| Introduction | In addressing labour market issues including escalating number of unemployment resulting from the public health crisis, one of the measures introduced was Short-term Employment Programme or MySTEP which gives job opportunities on a contract in the public sector and Government Linked Companies (GLC) starting January 2021. |
| Objective | To evaluate the situation of MySTEP personnel working with the federal government agencies; **determine basic demographic characteristics; involvement in secondary jobs; challenges to secure employment; and participation in skill and training programmes.** These findings are complementary of the other official labour market statistics produced by DOSM to **provide more in-depth insights on the situations of labour supply.** |
| Methodology | The study canvassed all MySTEP personnel serving in the federal public sector agencies. Data was collected through the mode of self-administered online questionnaire between 25 June to 7 July 2021. The study adopted non-probability sampling method i.e. convenience sample, whereby questionnaire was distributed to the resource persons in the respective ministries and agencies. In overall, a total of 18,603 MySTEP personnel responded to this study. |
Special Study on the Personnel of Short-Term Employment Programme

SOCIO-DEMOGRAPHIC CHARACTERISTICS

- Majority (68.6%) of the respondents were appointed to filled in the **clerical and administrations positions**. Another nearly one-third (31.4%) were hired in the positions of **Professionals; and Technicians and Associate Professional** positions with the prerequisites of Diploma and Degree.

- A large proportion of MySTEP personnel (60.1%) was in the age group of **25-34 years**. In the meantime, those aged **24 years and below** comprised of 27.6 per cent. In addition, it was found that those **aged 35 years and over** made up 12.2 per cent of the MySTEP personnel employed.

- In terms of the income received on a monthly basis, more than two third of the respondents reported receiving monthly income between **RM1,201 to RM1,400** while another 27.7 per cent received between **RM1,601 to RM2,000** per month.

- By the highest certificate obtained, 74.3 per cent of the respondents stated that they had attained **tertiary certifications**. The biggest composition of 49.3 per cent were **degree holders** including 5.9 per cent with post-graduate degree qualifications. In the meantime, those with SPM or equivalent constituted 15.4 per cent.
MYSTEP PERSONNEL WITH SECONDARY JOB

• A total of 10.6 per cent of the respondents reported that they have a secondary job, 51.5 per cent in employee category while 47.0 per cent were own account worker.

• Almost half (45.9%) were Service and sales workers such as delivery assistant, involved as dropships, as well as cook and cakes and pastry bakers. Meanwhile, a share of nearly a quarter reported to be involved in Professionals occupations such as tuition teachers and instructors.

• One-third reported having received a monthly income of RM501 to RM1,000; followed by 27.6 per cent with income of RM500 and below.
A total of 77.4 per cent MySTEP personnel employed in various federal public sector agencies were identified as graduates.

Among the graduates who were employed as MySTEP personnel, a share of 34.1 per cent have degrees in the field of **Social sciences, Business and Law**. Meanwhile, graduates in Science, Mathematics and Computer studies accounted for 17.8 per cent.
Special Study on the Personnel of Short-Term Employment Programme

The measure introduced by the government to create short-term employment opportunity within the public sector can be part of the solutions to address the issue of unemployment.

The initiative to introduce MYSTEP is beneficial among new entrants into the labour market particularly youth graduates.

The contractual basis of this job offers the pathway for the new entrants to gain experience, knowledge and skills, thus will provide them with the prerequisites of the industry.
The Impact of Full Closure of Social and Economic Sector on Labour Demand: A Quick Survey
The Impact of Full Closure of Social and Economic Sector on Labour Demand: A Quick Survey

Objective

- This study aims to focus on the impact of COVID-19 on Malaysia’s labour demand in the formal private sector particularly in terms of the employment and salaries & wages.

Methodology

- This study was conducted using establishment approach of which the sample was drawn from the Quarterly Employment and Salaries & Wages Survey sample.

- In terms of sampling design, the non-probability sampling: convenience sampling technique was adopted taking into consideration that the respondents are approachable during the period of total lockdown measures.

- It was carried out in two (2) phases within two (2) weeks starting from 4 to 21 June 2021. The number of establishments selected during the first and second phase of study was 2,292 and 1,194 establishments respectively.
The Impact of Full Closure of Social and Economic Sector on Labour Demand: A Quick Survey

Impact of Total Lockdown Towards Employee Reductions and Salaries & Wages Cut

- In terms of salaries & wages, more than 80 per cent of the companies/businesses involved in this survey did not impose salaries & wages cut to their employees. A total of 19.9 per cent of companies/businesses have reduced their employees’ salaries & wages due to the impact that of the total lockdown.

- Only 5.7 per cent companies or businesses declared that there were reduction of employees in their companies. The remaining, which comprised of 93.3 per cent of the total respondents reported that their employees were retained despite of the total lockdown implementation.
The Impact of Full Closure of Social and Economic Sector on Labour Demand: A Quick Survey

- Reduction of employees by economic activities showed that 10.6 per cent of the companies/businesses in **Manufacturing sector** responded that they had reduced employees followed by those in Mining & Quarrying (10.3%) and Agriculture (7.9%). Meanwhile, higher percentage among companies in **Mining & Quarrying** and **Construction sectors** had enforced salaries & wages cut, accounted for 24.1 per cent.

- Looking at separation by category, more than half (66.7%) of the separations were in **quit category**, followed by layoffs and other separations category. More than 60.0 per cent of the separations were due to the **decrease in production/no demand** (35.8%), and **closure of the companies/business** (33.3%).

Impact of total lockdown towards employee reductions and salaries & wages
Cut by economic activities

<table>
<thead>
<tr>
<th>Economic Activity</th>
<th>Employee Reduction</th>
<th>Salaries &amp; Wages Cut</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture</td>
<td>7.9</td>
<td>14.9</td>
</tr>
<tr>
<td>Mining &amp; Quarrying</td>
<td>10.3</td>
<td>24.1</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>10.6</td>
<td>22.0</td>
</tr>
<tr>
<td>Construction</td>
<td>7.4</td>
<td>24.1</td>
</tr>
<tr>
<td>Services</td>
<td>4.0</td>
<td>18.5</td>
</tr>
</tbody>
</table>

Separation of The Employment by Category

<table>
<thead>
<tr>
<th>Reason of the employment separation</th>
<th>Percentage share (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Decreased production/no demand</td>
<td>35.8</td>
</tr>
<tr>
<td>Business closure</td>
<td>33.3</td>
</tr>
<tr>
<td>Operates at loss</td>
<td>13.6</td>
</tr>
<tr>
<td>Termination of contract</td>
<td>11.1</td>
</tr>
<tr>
<td>Business restructuring</td>
<td>6.2</td>
</tr>
</tbody>
</table>
The Impact of Full Closure of Social and Economic Sector on Labour Demand: A Quick Survey

Impact of total lockdown towards employee reductions and salaries & wages cut by economic activities

- Reduction of employees by economic activities showed that 10.6 per cent of the companies / businesses in **Manufacturing sector** responded that they had reduced employees followed by those in Mining & Quarrying (10.3%) and Agriculture (7.9%). Meanwhile, higher percentage among companies in **Mining & Quarrying** and **Construction sectors** had enforced salaries & wages cut, accounted for 24.1 per cent.
Additional Studies
Special Study on Graduates

- The impact of COVID-19 towards graduates’ employment and income
- Conducted via telephone interview from 12 to 14 April 2021.
- Study adopted non-probability sampling.
- 1,546 respondents aged 15 to 64 years who had received tertiary education certification.

The Impact of Full Closure of Social and Economic Sector on Labour Supply

- To collect information on structure and distribution of labour force, employment and unemployment during the ‘Total Lockdown’.
- To measure the impact of ‘Total Lockdown’ implementation particularly on loss of jobs, income reduction, hours work, facility for WFH.
- Study adopted non-probability sampling.
- Conducted via telephone interview from 12 to 14 April 2021
End of Session 4

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THANK YOU

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