



Persidangan Sumber Manusia

LABOUR MARKET STRATEGIC Twelfth Malaysia Plan 2021 -2015

**Shaftbury Asteria, Cuberjaya
Ministry of Human Resources
10th September 2019**

Outline

Introduction – MTR 11MP

Issues and challenges

Post 2020 Considerations

- Looking inwards : A review of
 - Malaysia's current socioeconomic performance
 - Vision 2020 achievements
- Looking outwards : Who do we want to be by 2030?
 - Characteristics of happiest countries in the world
 - Policy support for enhancing happiness
- Mega trends
- Post-2020: Some Concepts

Work plan and structure

- Proposed Strategy Papers
- TOR of IAPG & TWG
- Timeline and work schedule

PART I

Past Performance,
2016-2017

Chapter 4 Accelerating Human Capital for an Advanced Nation

- Focus Area:
 - Improving labour market efficiency to accelerate economic growth
 - Transforming TVET to meet industry demand
 - Strengthening lifelong learning for skills enhancement
 - Improving the quality of education for better student outcomes and institutional excellence

PART II

New Priorities and Emphases,
2018-2020

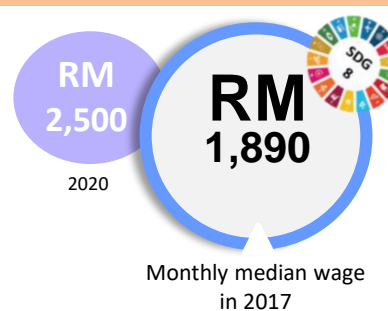
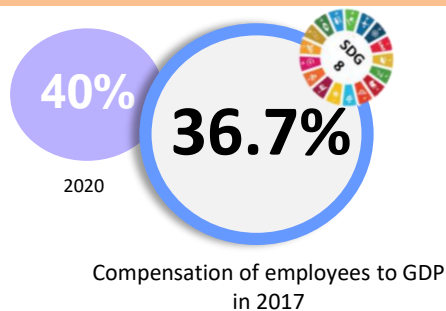
Chapter 13 Pillar 4: Empowering Human Capital



Part I: Past Performance, 2016-2017

Selected Outcomes and Performance

Focus Area A



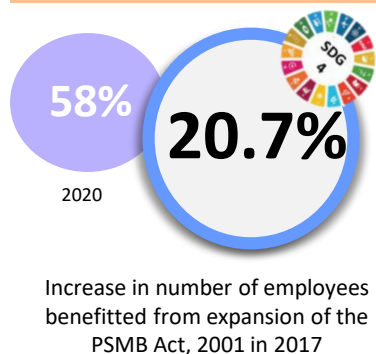
Improving labour market efficiency to accelerate economic growth

Focus Area B



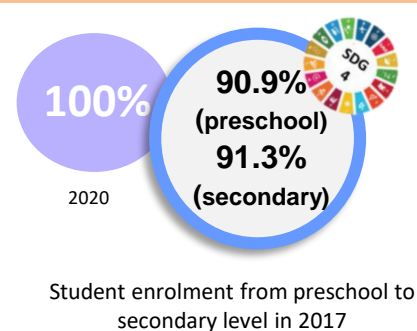
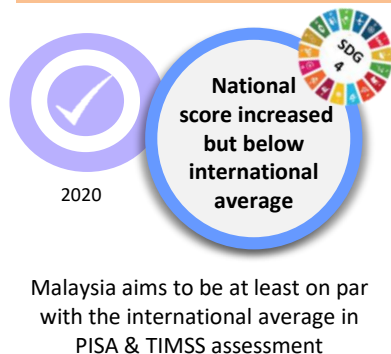
Transforming TVET to meet industry demand

Focus Area C

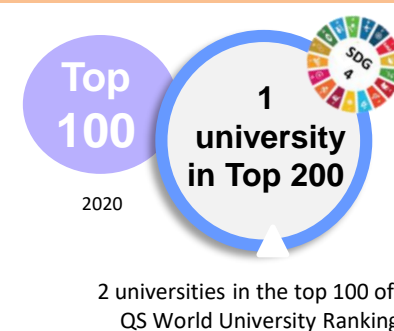


Strengthening lifelong learning for skills enhancement

Focus Area D



Improving the quality of education for better student outcomes and institutional excellence



Original target Performance

Part I: Past Performance, 2016-2017



Issues & Challenges:

Labour Market

- Low creation in skilled jobs category
- Reliance on low-skilled foreign workers
- Youth unemployment
- Graduate underemployment
- Low female labour force participation rate

TVET

- Different accreditation bodies
- Overlapping programmes
- Lack of recognition of TVET graduates/practitioners as professional
- Issues on quality instructors

Lifelong Learning

- Fragmented programmes
- PSMB Act 2001 is not comprehensive and covers limited sectors
- Limited accessibility due to lack of information, promotion & industry involvement

Education

Basic Education

- Enrolment rate below national target
- Lower student performance in TIMSS & PISA
- Dilapidated schools in rural areas

Higher Education

- Issues on quality of graduates
- R&D&I - uncoordinated & fragmented
- Governance - financial sustainability of public universities

PART II

New Priorities and Emphases,
2018-2020

Chapter 13: Pillar 4 Empowering Human Capital

Aim: To nurture quality human capital with good values, relevant skills and knowledge to meet industry demand and spur economic growth through greater industry-academia collaboration



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Part II: New Priorities and Emphases, 2018-2020

PRIORITY AREA			
PRIORITY AREA A	PRIORITY AREA B	PRIORITY AREA C	PRIORITY AREA D
Reforming the labour market	Improving labour efficiency and productivity	Enhancing access to quality education and training	Fostering stronger industry-academia linkages
STRATEGY			
Strategy A1: Generating skilled jobs Strategy A2: Raising salaries and wages Strategy A3: Enhancing management of foreign workers Strategy A4: Improving labour market condition	Strategy B1: Strengthening workers' rights Strategy B2: Increasing female participation in the labour force	Strategy C1: Raising quality of education Strategy C2: Prioritising quality over quantity of TVET Strategy C3: Improving education for all	Strategy D1: Ensuring industry relevant skills Strategy D2: Promoting contributions of society and industry

Pillar 4: Empowering Human Capital

A PRIORITY AREA A - REFORMING THE LABOUR MARKET

Strategy

Areas

A1: Generating Skilled Jobs

- **Encourage automation & innovation**
 - High quality investment
 - Revise industry incentive under Promotion of Investment Act 1986
- **Identify critical skills required by industry**
 - Critical Occupational List
- **Addressing skills shortage**
 - Upskilling & reskilling
 - Revising curriculum of higher education & TVET

A2: Raising Salaries & Wages

- **Continuous review of minimum wage policy** through revising Minimum Wage Order 2016
- **Establishment of National Wage Index (NWI)**
- **Improving labour productivity**
 - Broaden implementation of Productivity-Linked Wage System

A3: Enhancing Management of Foreign Workers

- **Reducing dependency on low-skilled foreign workers**
 - Encourage automation, mechanisation & IBS
 - Introduction of multi-tiered levy system
- **Improving management of foreign workers**
 - Employer Undertaking initiatives
 - Mandatory requirement to credit salary through banking system

A4: Improving Labour Market Conditions

- **Establishment of one-stop job centres**
 - Job matching and career/ training advisory
- **Enhancement of labour market data**
 - Malaysia Bureau of Labour Statistics

Pillar 4: Empowering Human Capital

B PRIORITY AREA B - IMPROVING LABOUR EFFICIENCY AND PRODUCTIVITY

Strategy

Areas

B1: Strengthening Rights of Workers

- **Modernising of labour laws**
 - To be at par with international standards & enhance compliance to International Labor Organization
 - Employment Act 1955
 - Trade Union Act 1959
 - Industrial Relations Act 1967
- **Comprehensive implementation of Employment Insurance System (EIS)**
 - Strengthening social protection for workers
 - Effective implementation of EIS & fund management

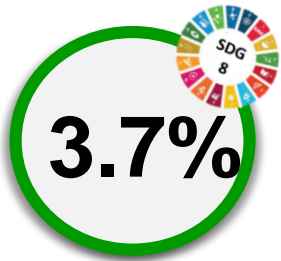
B2: Increasing Female Participation in the Labour Market

- Implementation of **flexible working arrangements**
 - Current labour laws support this policy
- Expansion of **minimum maternity leave** and **increase women's role in leadership**
 - 90 days minimum maternity leave in private sector
 - Regulation on childcare facilities will be improved
 - 30% participation of women as board of directors in GLCs, GLICs, statutory bodies & public listed companies

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Part II: New Priorities and Emphases, 2018-2020

➤ Key selected targets – new and revised targets



National labour productivity growth in 2020



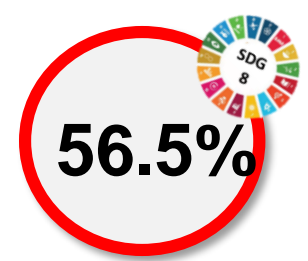
Compensation of employees to GDP in 2020



Monthly median wage by 2020



Monthly minimum wage by 2020

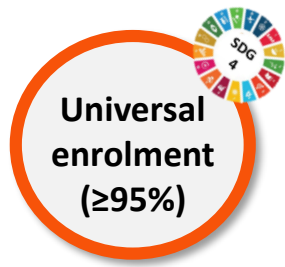


Female labour force participation rate in 2020

Reforming the labour market



Achieve at least on par with the international average in PISA & TIMSS assessment



Student enrolment for preschool and secondary level in 2020



Intake of SPM leavers into TVET programmes in 2020



2 universities in the top 100 of the QS World University Rankings in 2020




Improving labour efficiency and productivity



TVET graduates employed within 6 months of graduation

Enhancing access to quality education & training

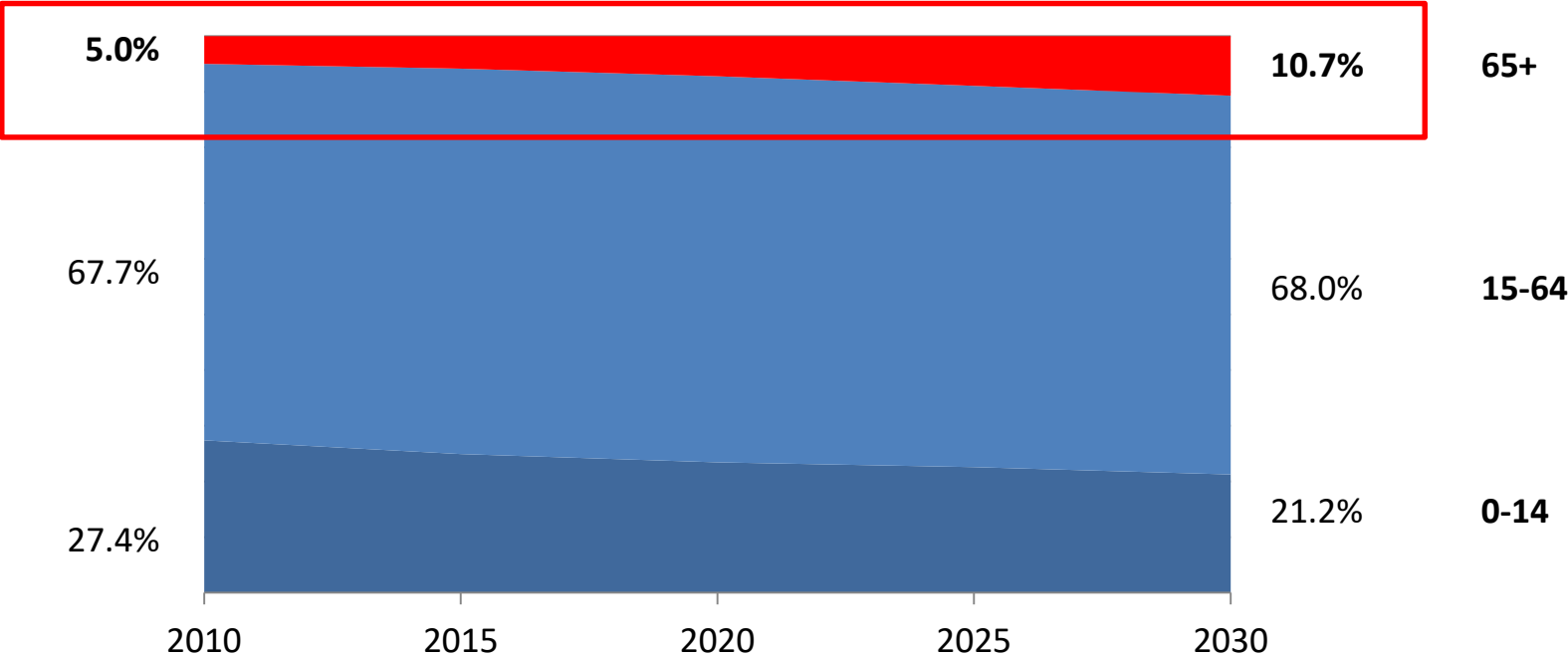
Fostering greater industry-academia linkages

 Original target  Revised target  New target

Issues and Challenges

Population and demographics

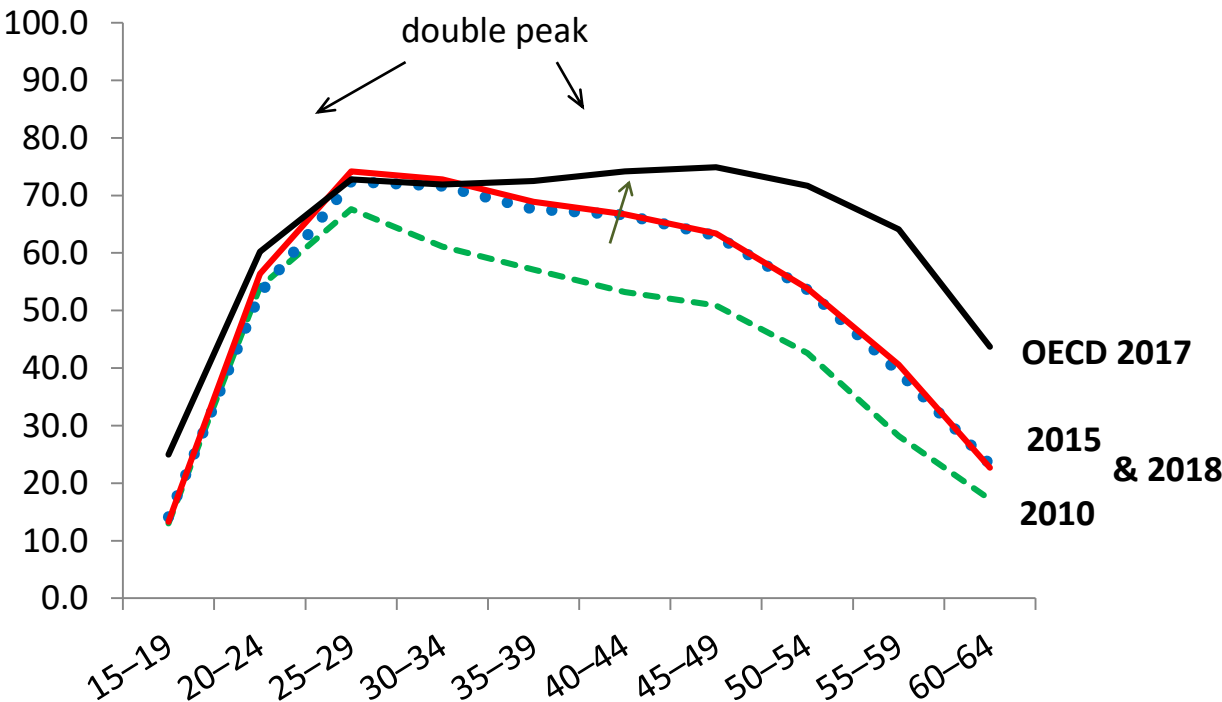
The population of those aged 65+ is expected to increase while those aged below 15 will decrease. These will lead Malaysia into becoming an ageing nation. In time, the working age group would shrink and not be able to support both those aged 65+ and below 15 group of people.



Source: Current population estimates and population projection, DOSM

Female participation in the labour market

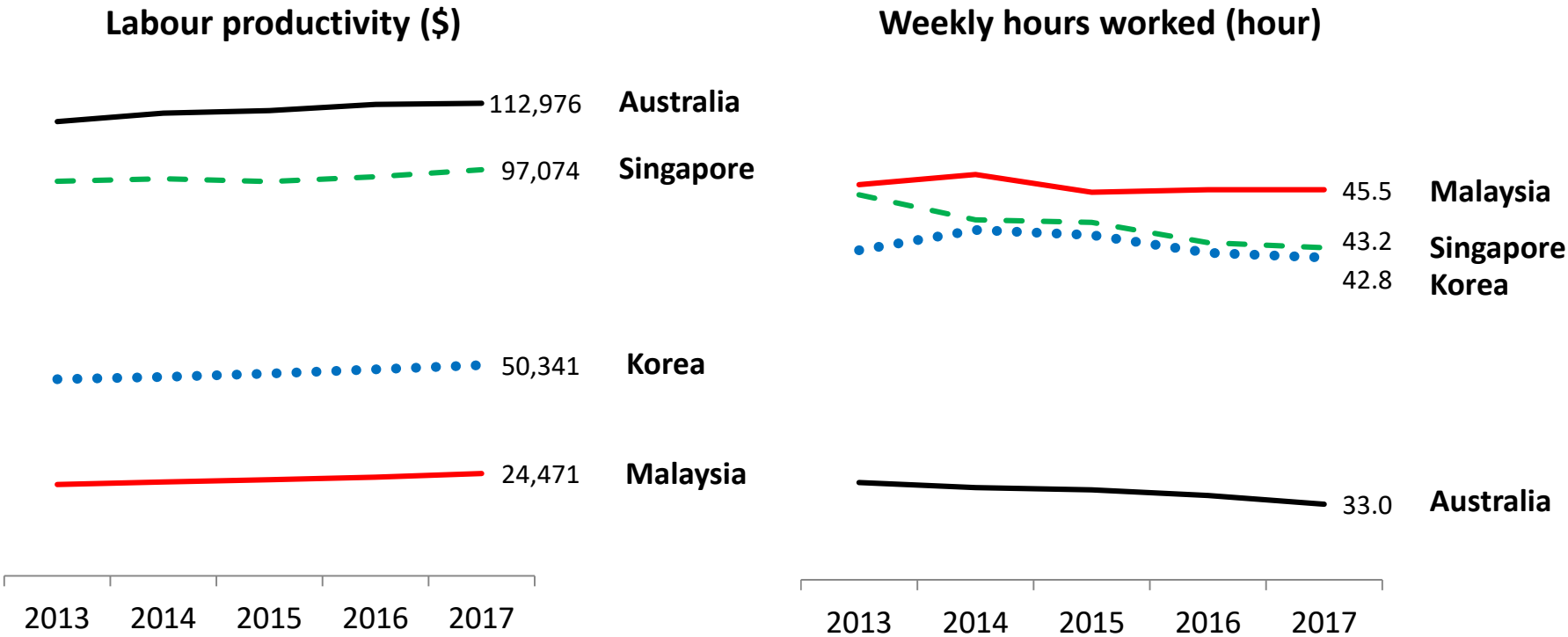
The formation of female LFPR into a double peak pattern has slowed down in recent years. This absence of double peak shows an unfavorable environment for female workers to re-enter the labour market unlike their counterpart in OECD countries.



Source: Labour force survey, DOSM and labour force participation rate, OECD.Stat

Labour productivity

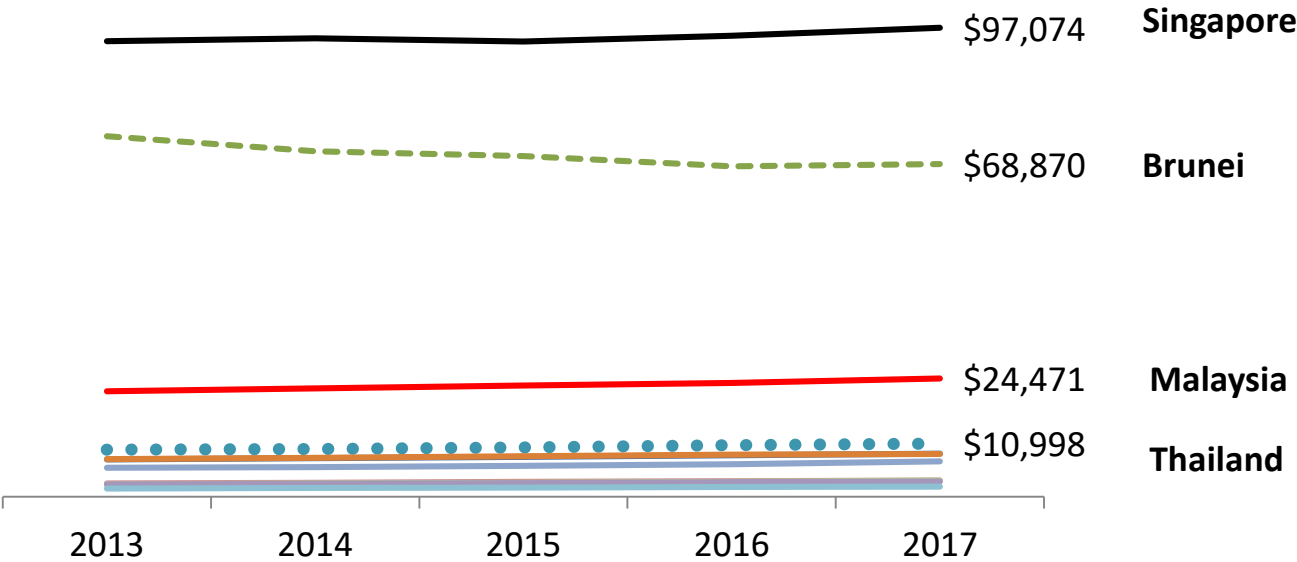
Despite an increasing trend, the labour productivity in Malaysia is very low in comparison to Australia, Korea and Singapore. In terms of hours worked, Malaysians are working longer hours than these countries. In other words, Malaysians are working hard but not producing enough.



Source: Labour productivity and working time, ILO and labour force survey, DOSM

Labour productivity

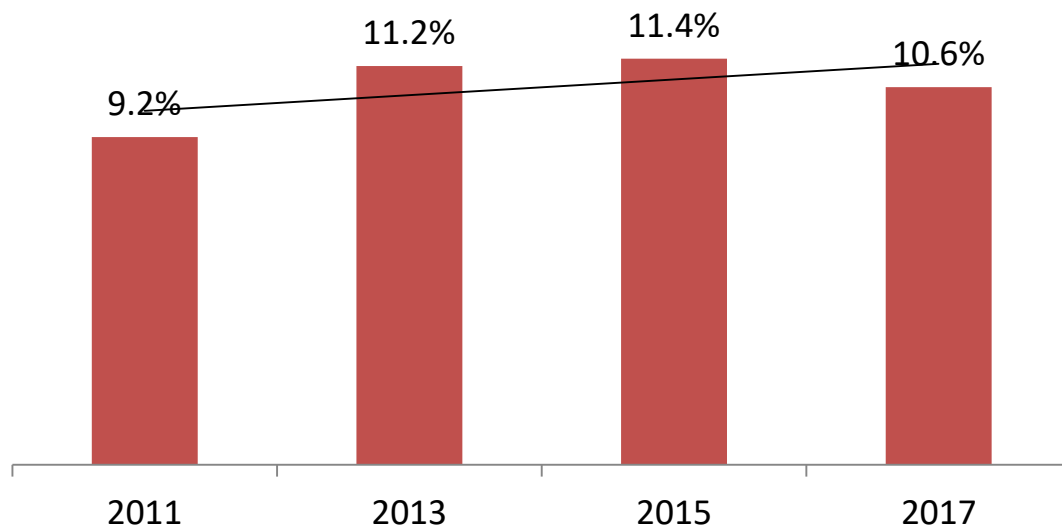
Among ASEAN countries, Malaysia has the third highest labour productivity. However, we are closer to those countries with lower productivity than to Singapore or Brunei.



Source: Labour productivity, ILO

Informal sector

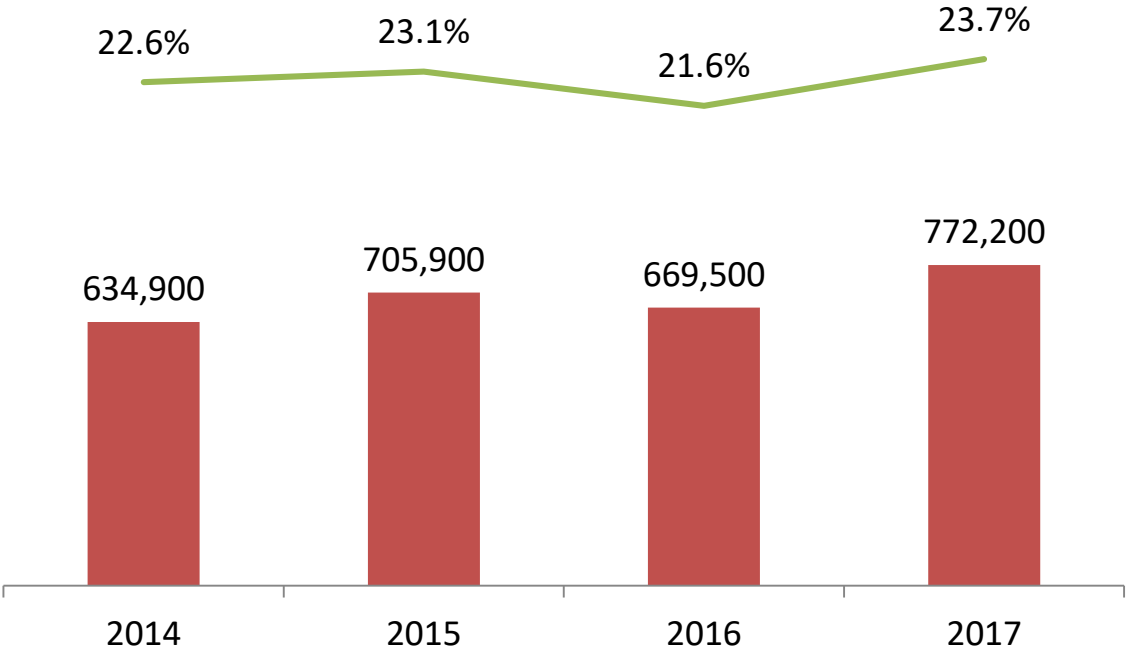
The proportion of the workforce working in the informal sector is increasing. The Government should analyze the need to construct a systematic and structured safety net for the workers for informal sector.



Source: Labour productivity quarterly report, DOSM

Underemployment by skill

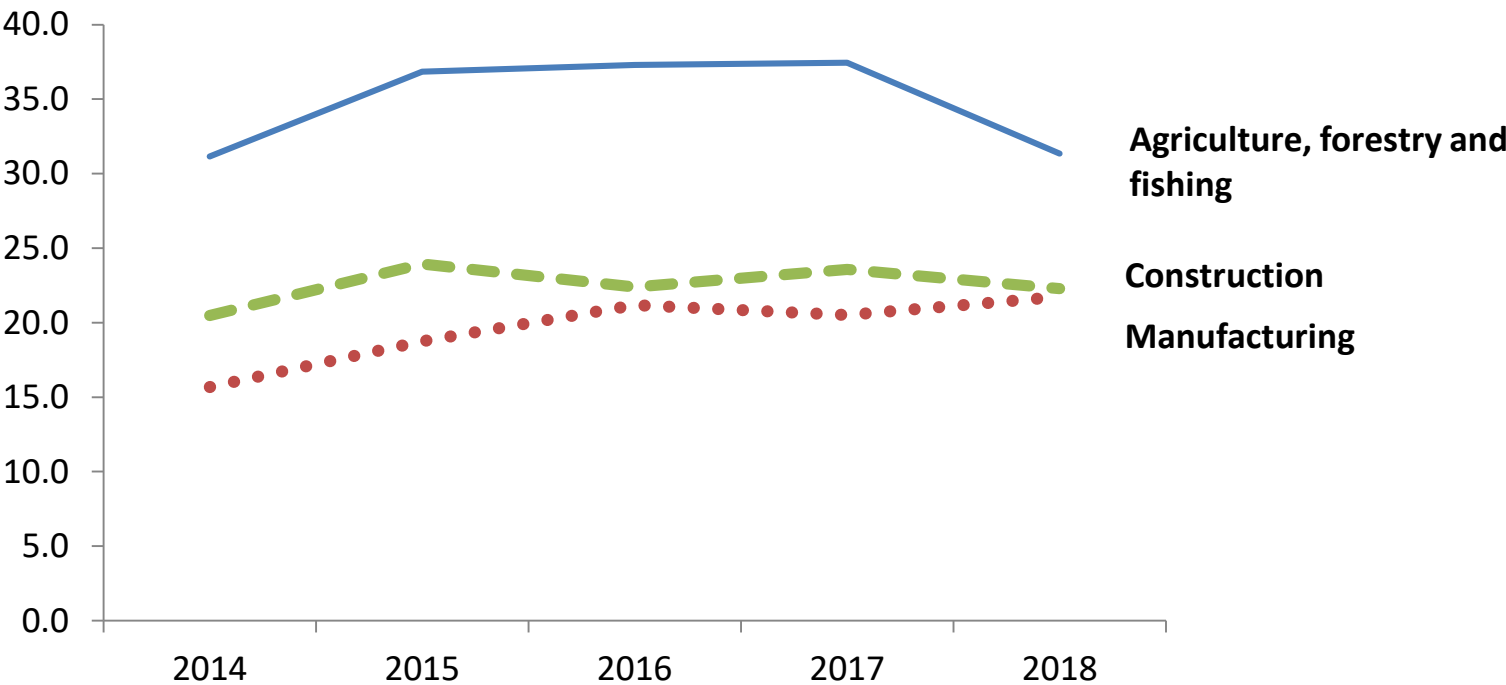
The number and percentage of those underemployed by skill (that is, graduates working in semi-skilled and low-skilled jobs) is slightly increasing.



Source: Labour force survey, DOSM

Dependency on foreign workers

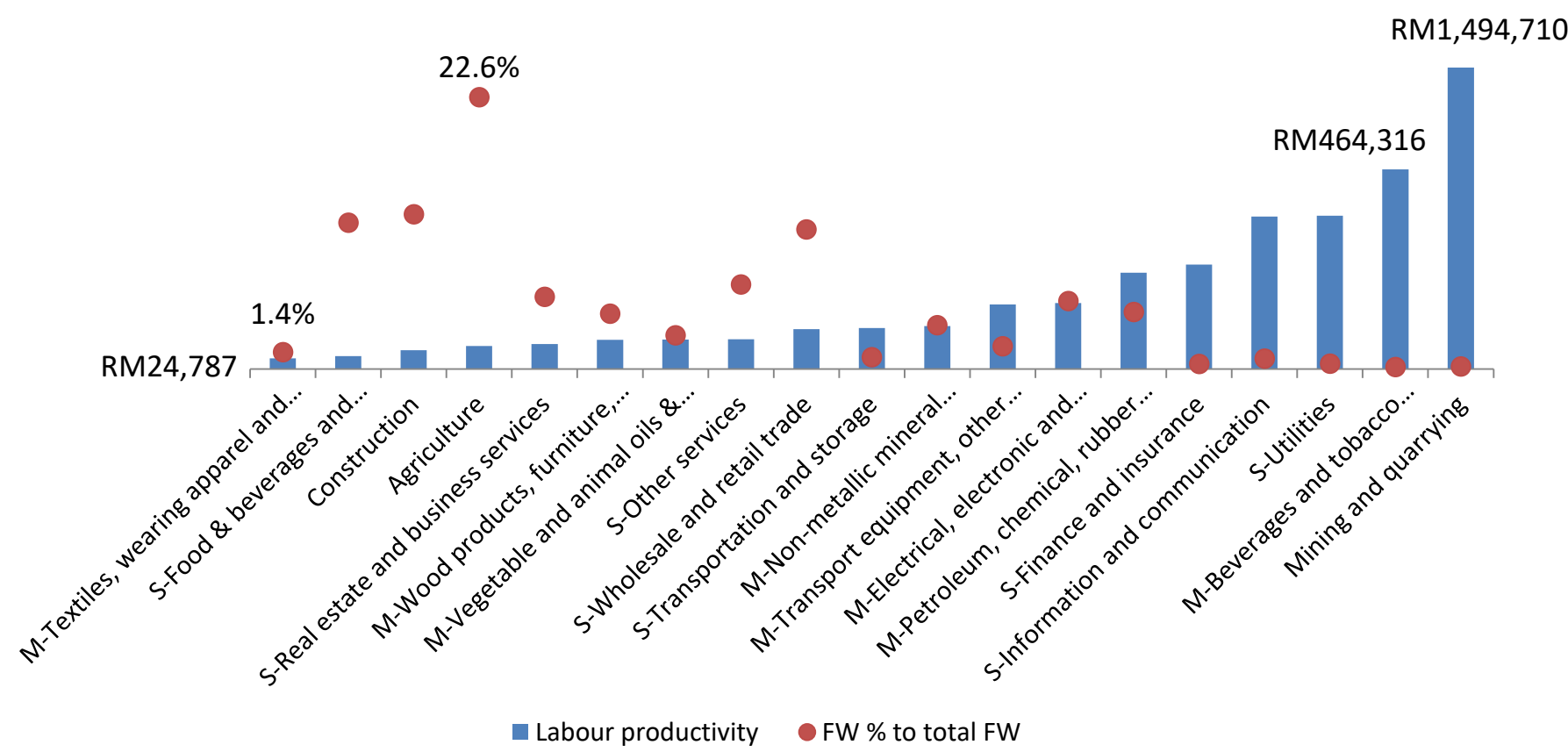
The dependency on foreign workers remains high for the top three sectors that hire foreign workers. These three sectors are Agriculture, Construction and Manufacturing.



Source: Labour force survey, DOSM

Dependency on foreign workers

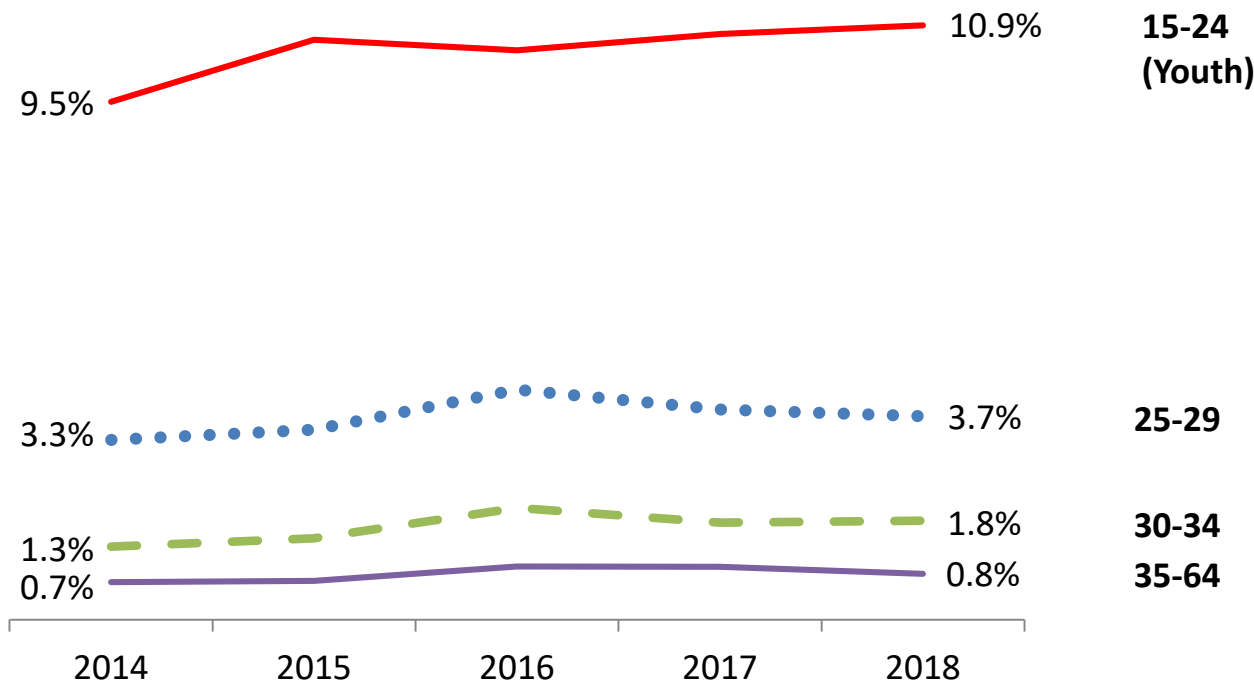
Sectors with the lowest labour productivity have the highest number of foreign workers. This indicates that these sectors are labour-intensive and highly dependent on foreign workers.



Source: Labour force survey and Economic census, DOSM

Youth unemployment

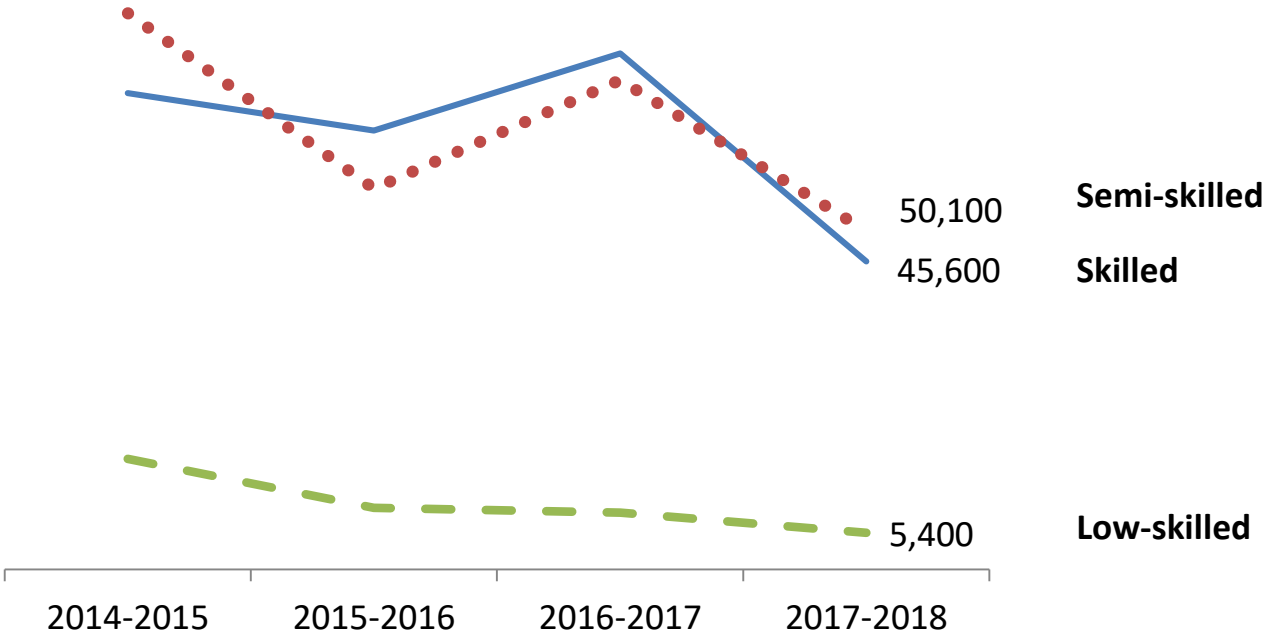
Youth unemployment rate is high in comparison to other labour market participants and rising slightly more than the rest.



Source: Labour force survey, DOSM

Skill occupation

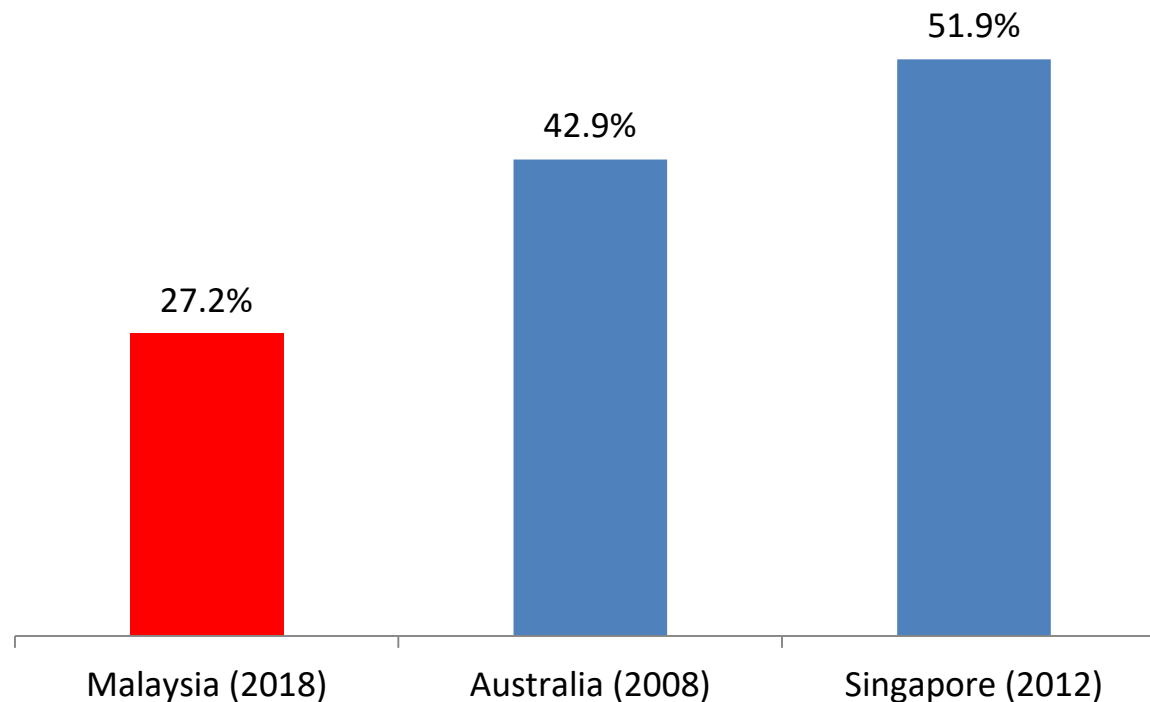
Even though the number of job creation for skilled and semi-skilled jobs are higher than low-skilled jobs in the formal sectors, the number of jobs created for all level of skills are declining.



Source: Employment statistics, DOSM

Skill occupation

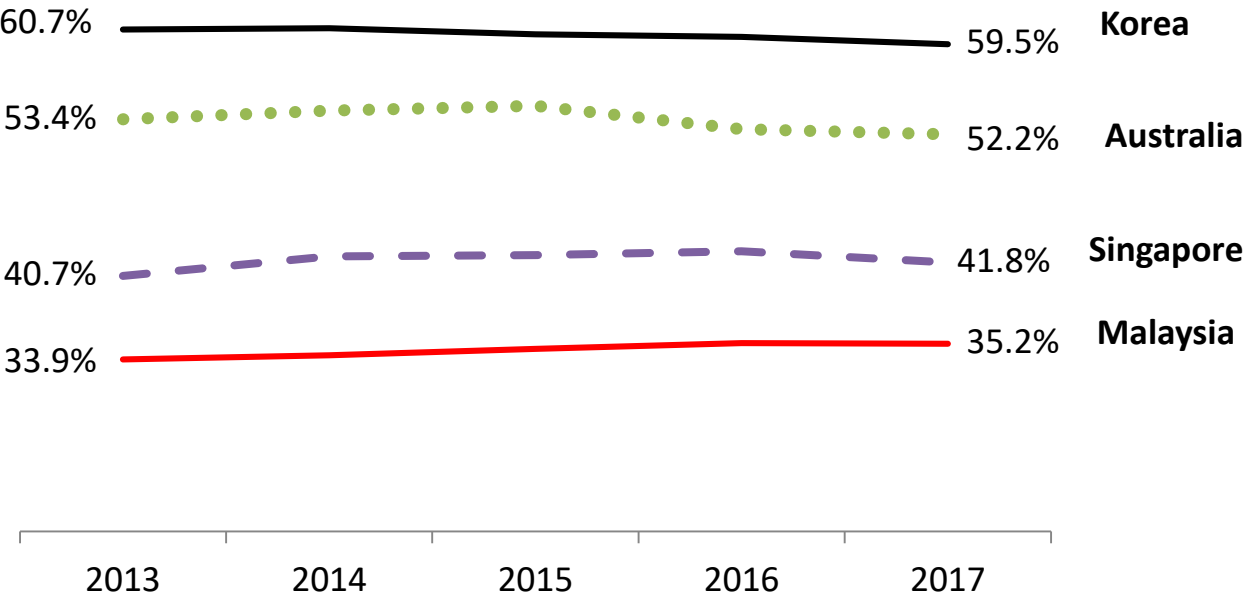
Malaysia's share of skill workers is still low as compared to Australia and Singapore and it is slowing down in recent years.



Source: Labour force survey, DOSM and employment shares by occupation, OECD.Stat

Compensation of employees and wage

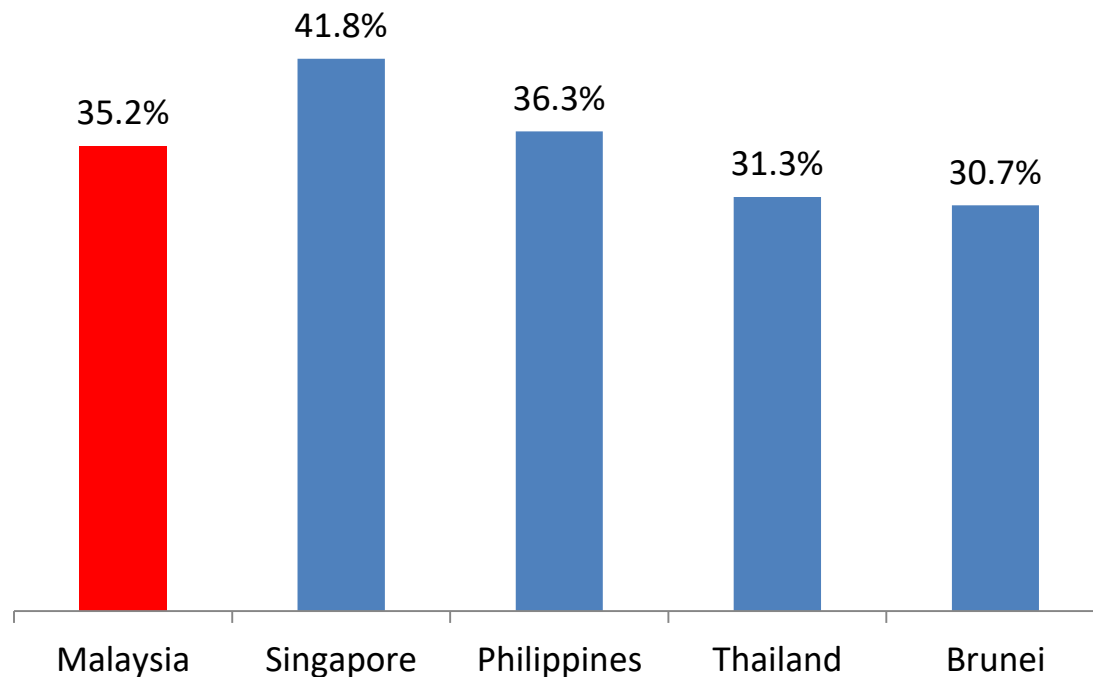
The compensation of employees to GDP for Malaysia is still low in comparison to countries like Republic of Korea, Australia and Singapore.



Source: National account - GDP income approach, DOSM and labour income share in GDP, ILOSTAT

Compensation of employees and wage

Among ASEAN countries, Malaysia is in the middle range in terms of compensation of employees to GDP.



Source: National account - GDP income approach, DOSM and labour income share in GDP, ILOSTAT

Post-2020 Considerations

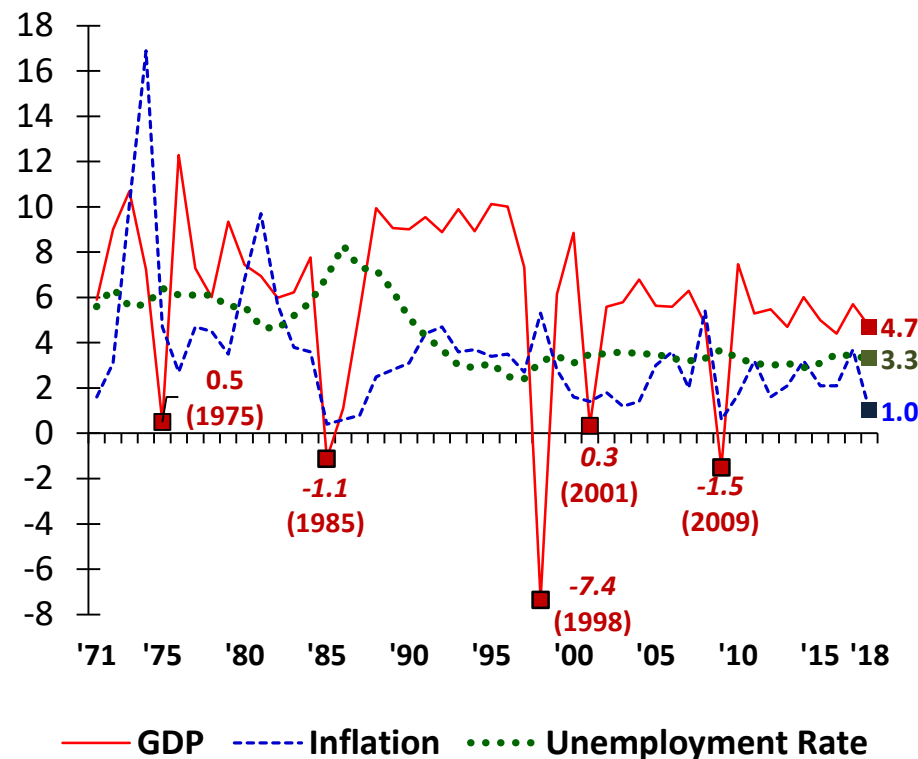
Looking Inwards

A review of

- Malaysia's current socioeconomic performance
- Vision 2020 achievements

At a glance : Malaysia recorded rapid economic growth since the 1970s

Real GDP, Inflation (% p.a.),
Unemployment (%)



% p.a.	2017				2018				'19
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
GDP	5.5	5.6	6.1	5.7	5.3	4.5	4.4	4.7	4.5
	5.7				4.7				

At macro level, economic fundamentals remained intact ...

- ✓ GDP growth for 1971-2018 was among the highest in the world
- ✓ Low and stable inflation rate, full employment since 1992
- ✓ Absolute poverty almost eradicated at 0.4% of households in 2016
- ✓ Still one of the top destinations for FDI
- ✓ Considered as a competitive nation : 25th ranking out of 140 nations in the Global Competitiveness Report, 2018

✓ Malaysia, 1971-2018

- Malaysia recorded **6.1%** in spite of facing 5 economic crises since 1970
- Malaysia has been able to rebound quickly after each crisis due to its economic resilience

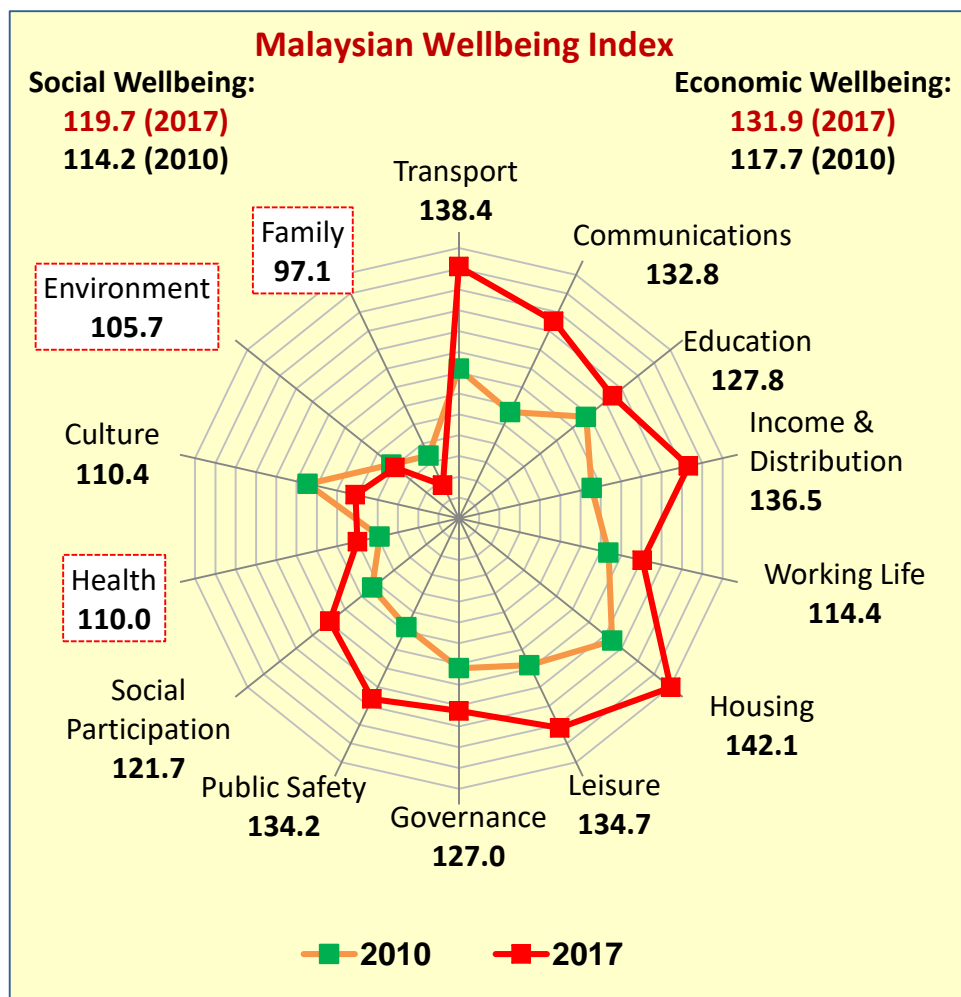
GDP, 1971-2018 (% p.a.)

- World: 3.1
- Advance: 2.6
- Developing: 2.9
- Emerging market: 4.8

Source : IHS

... but social wellbeing is lagging behind economic wellbeing

Deteriorating social wellbeing, particularly for family institution, health and environment



• Family

- Aggravating factors include increased divorce rates, domestic violence and juvenile crimes, aggravated by increasing household debt level

• Health

- Improved life expectancy, declining maternal mortality rate and stagnating non-communicable disease cases
- But affected by increased infant mortality rate and unhealthy modern lifestyle brought by stress, poor eating habits, smoking and physical inactivity

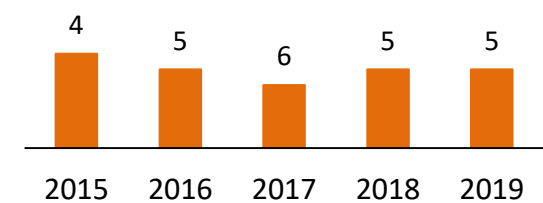
• Environment

- Deteriorated mainly due to fall in air pollution index, water quality index, while quantity of scheduled waste generated increased

Source : Malaysian Wellbeing Index, MEA

International Standing : The Good ...

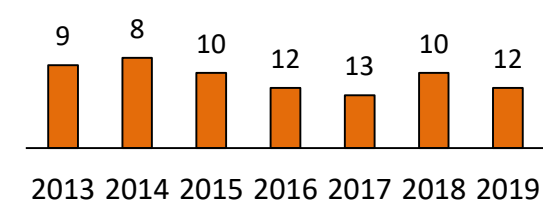
5th best retirement destination in the world...



- **International Living 2019** : Malaysia is ranked 5th in the world for best place to retire based on four aspects - finance, health, lifestyle and governance
- 2019 : Healthcare in Malaysia is ranked No. 1 based on its world-class healthcare services and sophisticated infrastructure

Source: International Living

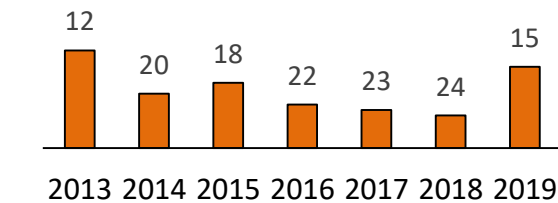
12th most powerful passport in the world...



- **Henly Passport Index 2019** : Malaysia is ranked as the 12th most powerful passport in the world out of 226 countries
- Malaysians can travel visa-free to 179 countries while only 47 other countries require a visa to enter the country

Source: Henley & Partners

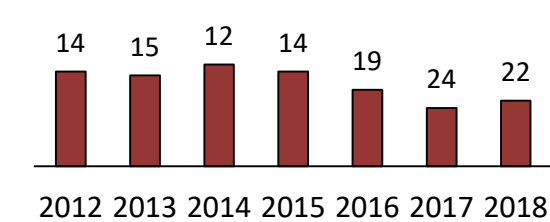
Among the easiest place to do business in Asia...



- **Doing Business 2019** : Malaysia improved its rank to 15th out of 190 countries, with being among the top 5 ranked in three indicators - protecting minority investors, construction permits and getting electricity
- Areas for improvement needed in 'starting business' including procedures, time, cost and minimum capital paid to start a limited liability company in the country

Source: World Bank

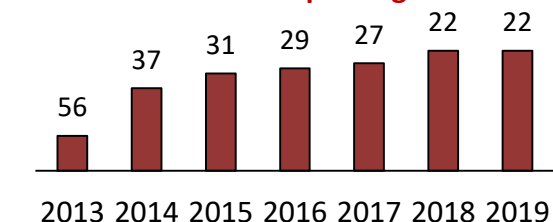
Malaysia's competitiveness remains resilient...



- **World Competitiveness 2018** : Malaysia ranked at 22nd spot with improved scores under economic performance, business and government efficiency
- The infrastructure factor declined for the 4th consecutive year due to lack of improvements in basic infrastructure, technological infrastructure and scientific infrastructure

Source: Institute for Management Development

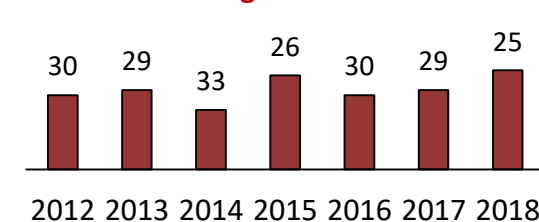
Resource management on capital, goods and investment are improving...



- **Index of Economic Freedom 2019** : Malaysia maintained its rank at 22nd spot, based on improvements in judicial effectiveness, government spending and fiscal health - also outscored the regional and world averages
- Further improvements are required in regulatory efficiency aspects for labor, monetary and trade

Source: The Heritage Foundation

Still considered among the most peaceful countries in the region...

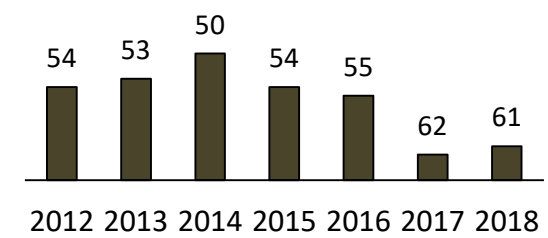


- **Global Peace Index 2018** : Malaysia is 25th out of 163 countries, and remained top 5 regionally and top 30 globally since 2015
- Malaysia's performance has improved in 'ongoing domestic and international conflict' and 'societal safety and security'.
- The 'militarisation' dimension declined, noted by the increase of imported weapons

Source: Institute of Economy and Peace

International Standing : ... the Bad and the Ugly

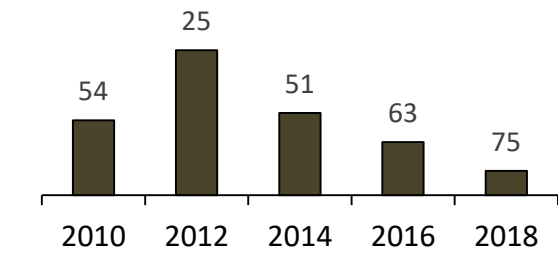
Perceived corruption is worsening ...



- **TI Corruption Perception Index 2018** : Malaysia is ranked at 61 out of 180 countries
- Performance **deteriorated since 2015 due to negative perceptions towards the government** from the public, investors and business community

Source: Transparency International

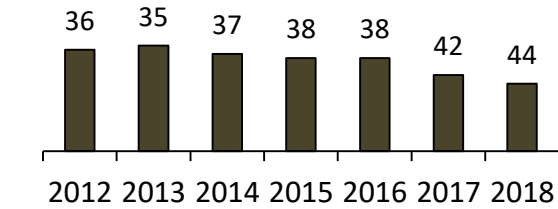
Ranked poorly in terms of environmental management ...



- **Yale Environmental Performance Index 2018** : Malaysia is at 75 out of 180 countries.
- **Malaysia's performance worsened since 2014** due to lower scores in the climate and energy, air pollution and forests pillars

Source: Yale University

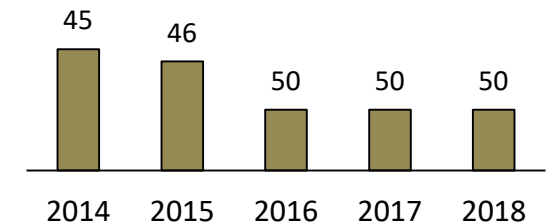
Deterioration in personal freedom, governance, and education ...



- **The Legatum Prosperity Index 2018** : Malaysia is ranked 44 out of 149 countries
- **Scored lower in personal freedom, governance, education, business environment**

Source: Legatum Institute

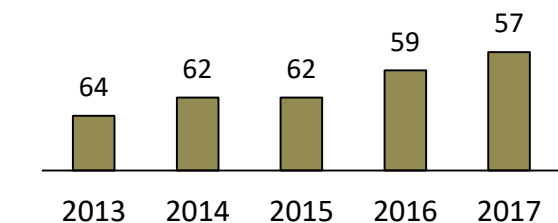
Economic progress has come at the cost of social progress ...



- **Social Progress Index 2018** : Malaysia has shown little progress in the social aspect and **remains stagnated at 50th position since 2016**
- Areas to improve include aspects on personal freedom, access to advance education, personal rights and inclusiveness.

Source: Social Progress Imperative

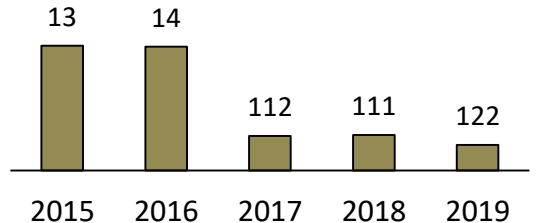
Human development is not progressing as it should be ...



- **UNDP Human Development Index 2018** : Malaysia is ranked at 57 out of 189 countries.
- Although Malaysia's performance has progressed since 2015 with most components continuing to rise (such as life expectancy at birth and GNI per capital), **Malaysia's score is still below the world average**

Source: UNDP

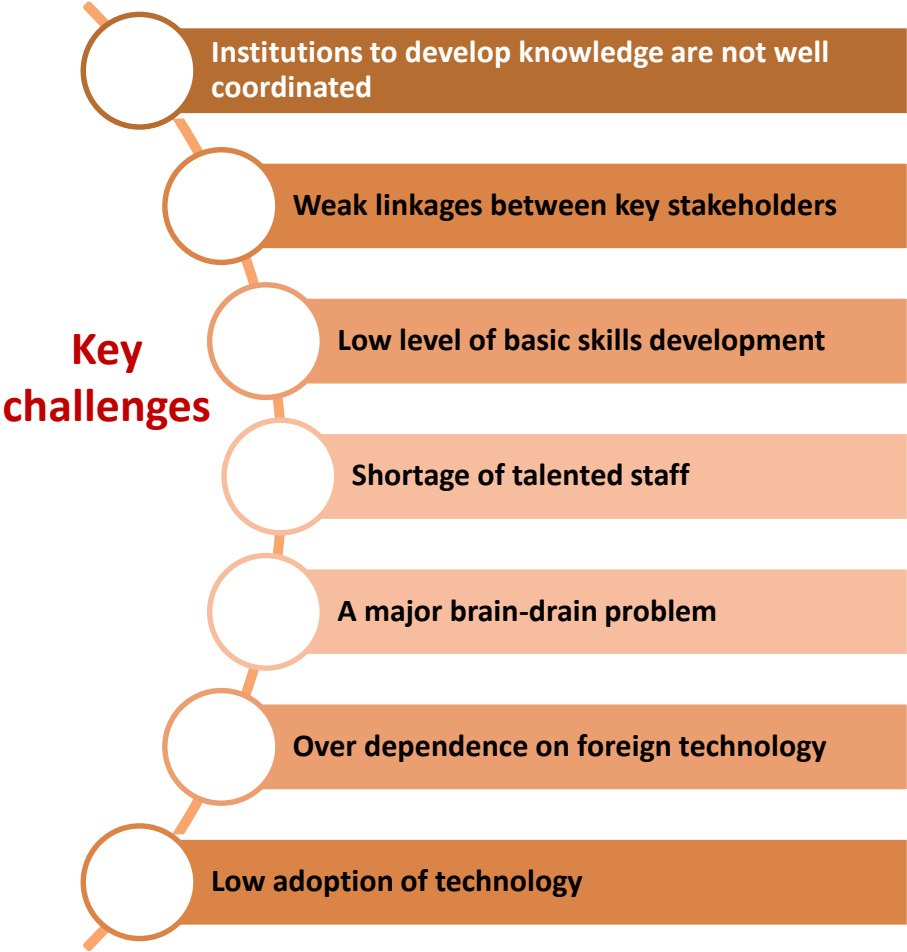
Too many procedures and days taken to start a business in Malaysia ...



- **Doing Business 2019** : Starting a Business indicator for Malaysia fell to the rank of 122 out 190 countries
- There are **9-10 procedures** and **13-14 days** needed to start a business in Malaysia (New Zealand: 1 procedure and 0.5 day)

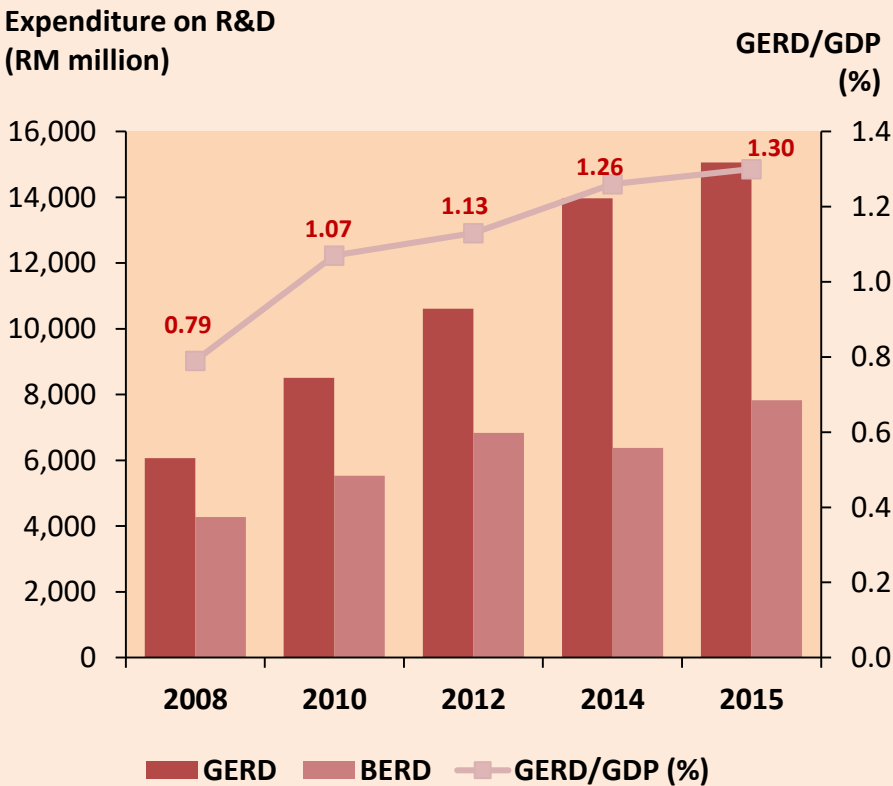
Source: World Bank

Moving towards a knowledge-based economy : Significant progress made in knowledge ecosystems for certain industries, but **many still lag behind industries in more developed countries**



Source: Report on Knowledge Content in Key Economic Sectors in Malaysia Phase 3 (MYKE III).

Malaysia's R&D has increased gradually but is still below the level commensurate with its development level



Source: National Survey of R&D 2016

Vision 2020 : To be developed in our own mould - economically, politically, socially, spiritually, psychologically and culturally

Challenges	Rating	Assessment
Establishment of a United Malaysian Nation made up of one Bangsa Malaysia	Low	Evolving very slowly and remain challenging, especially when divisive politics and race-based policies continue to prevail
Creation of a psychologically liberated, secure and developed Malaysian society	Moderate	With a sizeable educated middle class comprising various ethnic groups, there is partial fulfilment of this goal
Fostering and development of a mature democratic society	Low	Increasing calls for greater decentralization and devolution of power to the state and local authorities
Establishment of a moral and ethical society	Moderate	Perceptions of the achievement of this hard-to-measure aspiration are highly variable and mixed
Establishment of a matured, liberal and tolerant society	Low	General perception that ethnic relations have deteriorated in part due to polarization caused by religious extremism and intolerance
Establishment of a scientific and progressive society	Low	Low R&D level and inadequate pool of scientists, engineers, researchers and technologists
Establishment of a fully caring society	Low	Yet to reach a scale or sophistication that suggests a fully caring society and caring culture
Development of an economically just society	Moderate	Income distribution has recorded significant gains over the decades since the implementation of race-based affirmative policies
Establishment of a prosperous society	Moderate	An upper-middle-income country with a well-diversified economy

Source: Prof. Dr. Yeah Kim Leng, Director of Economic Studies Programme at the Jeffrey Cheah Institute on Southeast Asia, Jan 2018

Post 2020 Considerations

Looking Outwards

Who do we want to be by 2030?

- Characteristics of happiest countries in the world
- Policy support for enhancing happiness

Wellbeing of the *rakyat* needs to be improved in parallel with economic wellbeing ..

1. Internationally, it is also observed that the benefits of economic growth is not equally shared:

- IMF data (2018) shows that global income per capita is very high at \$17,500 per person, but considerable unhappiness remains due to inequality in the distribution of global income – this coincides with the recent wave of populism around the world
- Global market economy is good at producing wealth, but not at sharing it fairly or protecting the environment from vicious greed

2. Enhanced wellbeing is commonly associated with the level of happiness

- Many important tools for assessing multi-dimensional individual wellbeing have been developed around the world, such as self-report surveys, as well as the use of big data (via advancements in AI and machine learning)
- With the publication of the annual World Happiness Report (WHR) by the United Nations Sustainable Development Solutions Network, countries can now be ranked in terms of the level of happiness of its citizens

Source: [Global Happiness and Wellbeing Policy Report 2019](#)

Characteristics of the happiest countries ..

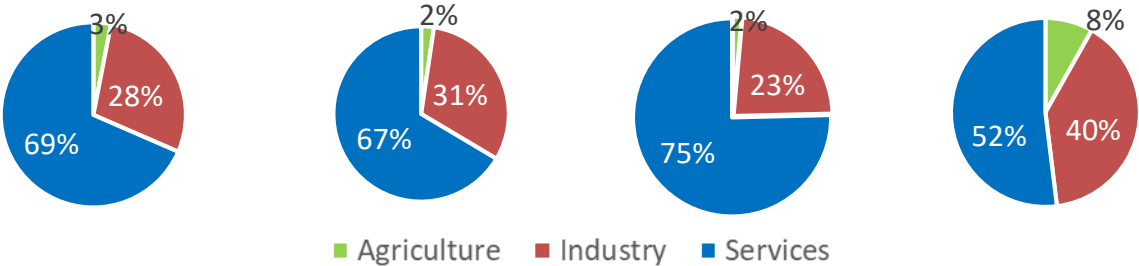
- **The happiest countries are not necessarily the richest**
 - The US has doubled its per capita income in the past 40 years, but its ranking has fallen from 13th in 2016 to 19th in 2019
- **Top three happiest countries are Finland, Norway and Denmark**
 - Scored highly in terms of:
 - Income ○ Social support ○ Trust
 - Healthy-life expectancy ○ Freedom ○ Generosity
 - Citizens in these countries pay some of the highest taxes in the world, but there is wide public support for that because people see them as investments in quality of life for all
- **Finland is the happiest country in the world**
 - Ranked as the most stable, the safest and best governed country in the world
 - Free education, generous parental leave, healthy work-life balance
 - Over 80% of Finns trust the country's police, education and health-care systems
 - Progressive taxation and wealth redistribution
 - Widely considered one of the best places in the world to be a mother, and to be a working woman

Source: [Statistics Finland](#), [Scientific American Magazine](#), [The Economist](#)

Happiest countries have higher labour productivity, income and compensation of employees

Item	Finland	Norway	Denmark	Malaysia
Real GDP (% p.a.)	2.8	1.9	2.3	5.9
Inflation rate (%)	0.8	1.9	1.1	3.7
Unemployment rate (%)	8.5	4.2	5.7	3.3
Fiscal position (% of GDP)	-0.1	-7.7	0.3	-3.2
Population (million)	5.50	5.29	5.75	32.0
GDP per capita (US\$)	45,927	75,389	56,631	9,755
(PPP, current international \$)	44,866	61,414	51,364	29,449
Labour productivity (US\$ PPP)	96,203	136,747	98,543	67,156
Share of Compensation of Employee to GDP (%)	46.8	47.5	51.5	35.2

Economic structure
(% to total real GDP)



Note: 1 CEIC Global Economic Data
2 Industry comprises of Mining, manufacturing, construction and utilities
Source: IMF World Economic Outlook, World Development Indicators, EIU Country Data, and The Conference Board

SULIT

Happiest countries have higher tax rates (except Norway) but provide generous social support

Characteristics	Finland	Norway	Denmark	Malaysia
Income tax brackets	5 income tax brackets <ul style="list-style-type: none"> 0% 6% 17.25% 21.25% 31.25% 	5 income tax brackets <ul style="list-style-type: none"> 0% 1.4% 3.3% 12.4% 15.4% 	3 income tax brackets <ul style="list-style-type: none"> 8% 41% 55% 	11 income tax brackets <ul style="list-style-type: none"> 0% 1% 3% 8% 14% 21% 24% 24.5% 25% 26% 28%
Education	Free for the citizens for all 3 levels of education	Free for the citizens for all 3 levels of education	Free for the citizens for all 3 levels of education	Free for the citizens for primary and secondary levels. Tertiary level apply some cost of tuition fee.
Health services	Free of charge with national insurance subscription	Free of charge up to sixteen years citizens	Free of charge of the citizens	RM1 for outpatient fee and some fees for inpatient
Unemployment allowance	EUR32.40 daily for 5 days per week, for 65 days (must have Kela insurance) Allowance is gradually reduced after 65 days	62.4% of previous income (up to 52 to 104 weeks)	~EUR2500 or ~EUR1700 for full and part time insurance member (up to 2 to 3 years)	Employment Insurance System (EIS). 30% - 80% from the salary up to 6 months
Maternity and paternity leave	Father – max 54 days Mother – max 105 days	Father – 2 weeks Mother – 3 weeks before and 15 weeks after	Father – 2 weeks after Mother – 18 weeks after	Father – 7 days after Mother – 14 days before and 60-90 days after
Trust in the government (2015)	56% confidence in national government	59% confidence in national government	58% confidence in national government	44% confidence in national government

Source: World Health Organization and various sources

Lessons from Countries on Policy Support for Enhancing Happiness

- **Inclusive policymaking** – the happiness effects and policy effectiveness were likely to be greater where there was **greater engagement by all the actors**, as contrasted to cases where the policy interventions were designed in top-down fashion
- **Important to measure subjective wellbeing** – key variables with enough frequency and geographic breakdown to provide subjective wellbeing data at the **level of cities and neighbourhoods**
- **Need to move beyond GDP**
 - **Gradually moving towards subjective wellbeing indicators** from peripheral positions to their more natural roles as overall summary indicators of the quality of life
 - Sweden's 15 New Measures of Wellbeing, recently introduced includes three key subjective indicators among its headline items - life satisfaction, self-assessed health status and social trust

Lessons from Countries on Policy Support for Enhancing Happiness

- **Design an institutional framework flexible enough to facilitate innovation at the lower levels**
 - Important to account for local circumstances
 - Collaborative local engagement
- **Introducing a happiness policy agenda would require major changes in the way policies are designed and delivered**
 - Changes on a scale large enough to threaten many entrenched methods and objectives
 - **Authorities need to foresee and forestall the inevitable objections to these changes**

Source: [Global Happiness Policy Report 2018](#)

Mega trends

GLOBAL TRENDS

PRIMARY FORCES

Hyper Globalisation

- Emerging economy powerhouses
- Rise of digital platforms

Technology

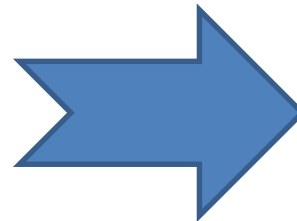
- Digital transformation
- Exponential growth in computing power
- IoT, AI

Demographics patterns

- Widespread aging – fewer births and longer life spans
- Urbanization

Environment

- Food and water scarcity
- Climate change



MEGATRENDS

Human augmentation

Adaptive regulation

Future of work

Global knowledge society

Dynamic technology
and innovation

Scarcity of resources

Source: EY (2018), Roland Berger (2017) and Bernard Marr (2017)

MEGA TRENDS IN THE HORIZON

Major forces shaping the future

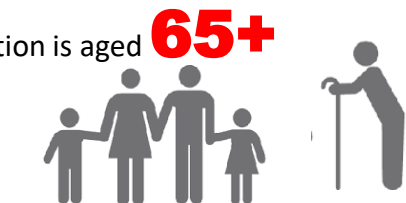
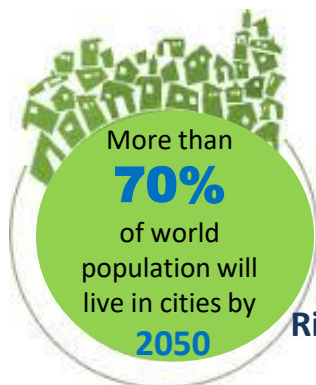
Global

Malaysia

Demographic and social

In 2050 ...

16.7% of population is aged **65+**



Rapid urbanization

Most urban growth will take place in **Africa & Asia**

Rising group of middle income



Population will increase to **42 million** in **2040**

Ratio of elderly over 60



2015 2020 2030 2040

Urbanisation will grow from **75%** in 2010 to **85%** in 2040

Rapid urbanisation

Aged nation by 2030

Resources & Environment



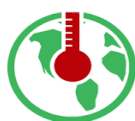
60% ↑ in food production necessary



55% ↑ in water demand



Energy demand on the rise



RAPID CLIMATE CHANGE

50% ↑ in GHG emissions by 2050

10% biodiversity loss by 2050



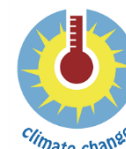
The developing world will have to shoulder **75 – 80%** of adaptation cost (+3 - 4°C) **200m people** could become permanently displaced due to rising sea levels, flooding & droughts



2016: 68 mil tonne

2030: 85 mil tonne

GHG



Challenge: Decoupling the growth of economy from GHG emissions

As Economy grows:

Natural resources consumed
Waste produced

Food Security challenges



Post-2020: Some Concepts

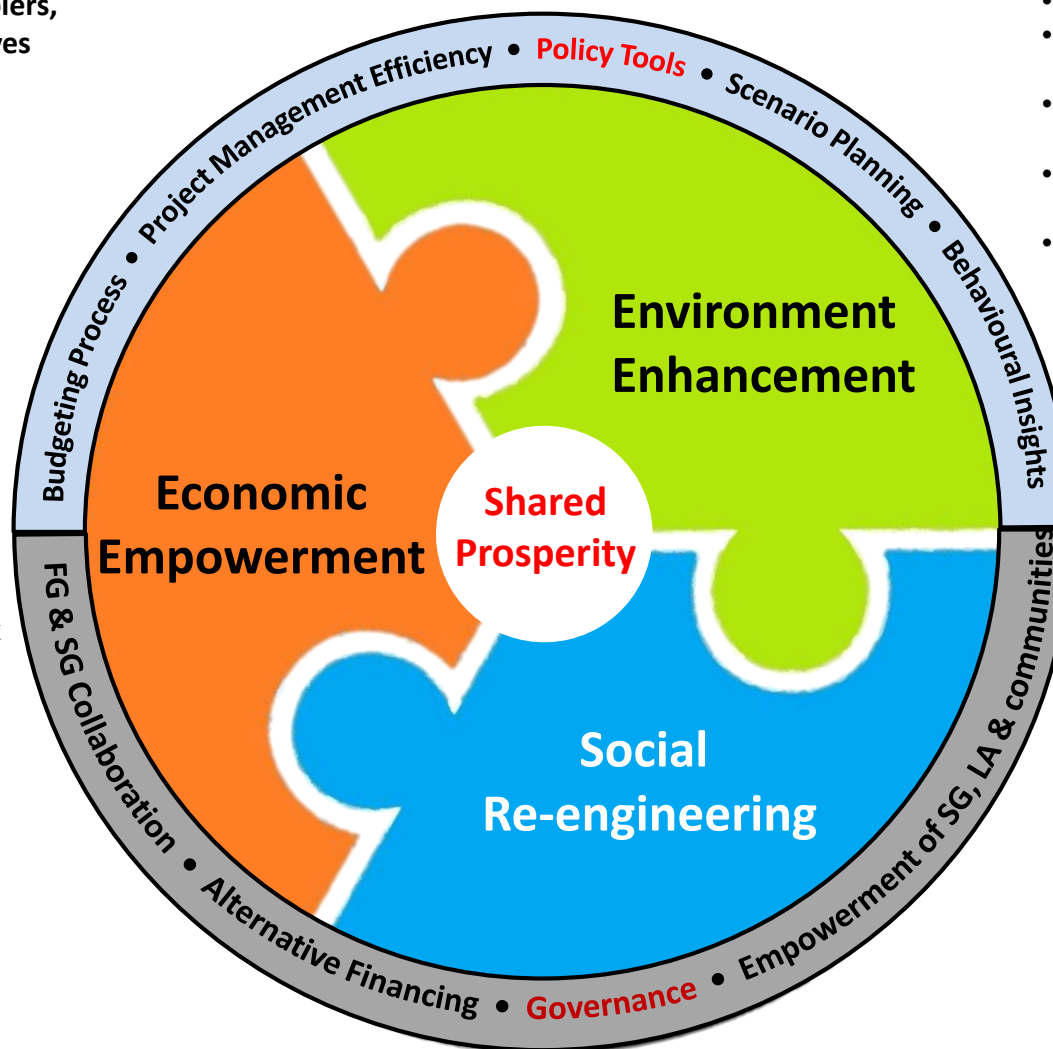
Twelfth Malaysia Plan, 2021-2025 : Development Dimensions

1

Economic Empowerment :

Growth drivers and enablers, ecosystem and imperatives

- **Drivers and enablers**
 - Digital economy
 - Target industries and services (aerospace etc)
 - Growth poles (cities)
 - Collaborative/sharing economy
 - Fourth Industrial Revolution
 - Sustainable energy
 - Greater regional balance
- **Ecosystem**
 - Infrastructure and transport connectivity
 - Progressive fiscal and tax structure
 - Human capital realignment
 - Governance/Regulatory framework
 - Federal-State-Local Authority re-engineering
- **Imperatives**
 - Raising innovation and productivity to next level
 - Boosting trade and private investment



2

Environment Enhancement :

Conservation and preservation

- Addressing climate change
- Management of green and blue economy
- Sustainable forest management
- Managing energy and water resources
- Circular economy – reducing waste and creating value from waste

3

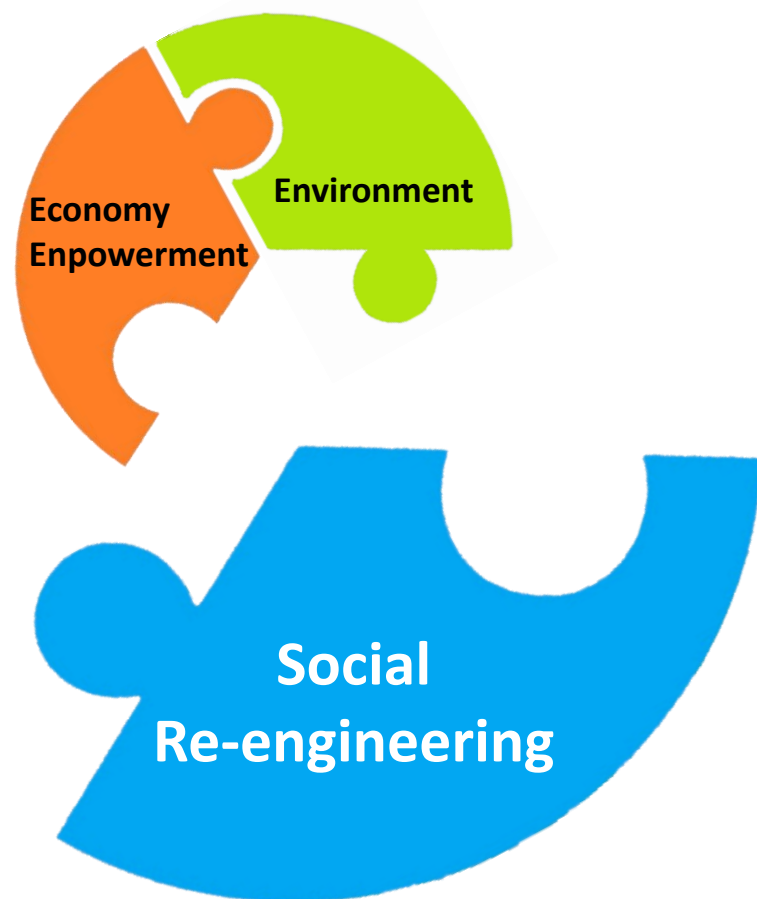
Social Re-engineering :

Enhancing social capital, inclusivity and social cohesion

- Greater income equality with focus on B40 and M40
- National unity and cohesion
- Social protection – disadvantaged, vulnerable and ageing society
- Independent Bumiputera
- Healthy and active lifestyle
- Affordable housing
- Secure nation



Operationalising Post-2020 Plan : Twelfth Malaysia Plan, 2021-2025



Social Re-engineering

1. Cost of Living
2. Purchasing power
3. Diversify sources of income
4. Universal basic income
5. B40 income elevation
6. Social enterprises
7. Affordable housing, health and education
8. Improve poverty measurement
9. Urban poverty
10. Resilient Bumiputera
11. Optimising Malay reserve land
12. Minority groups participation
13. Good ethics and moral values
14. Community development
15. Ageing Society
16. Invigorate healthcare
17. Public safety and security
18. Work-life balance
- 19. Out of school children**
- 20. Structured financial support system for students**
- 21. Regulating industry-academia collaboration in TVET**
- 22. Future of Work**
- 23. Job creation for local**
- 24. Managing foreign workers**
25. Towards smart farming/ precision agriculture

Work Plan and Structure

- Proposed Strategy Papers
- TOR of IAPGs & TWGs
- Timeline and work schedule

Feedback from stakeholders are solicited through Inter-Agency Planning Groups

To prepare for the Twelfth Malaysia Plan (2021-2025), MEA will establish

- **13 Inter-Agency Planning Groups (IAPGs)**
- 46 Technical Working Groups (TWGs)
- Minimum 180 Focus Groups (FGs)

IAPGs

1. Public sector reforms (BKE)
2. Inclusivity – youth, etc (BEQT, BPS)
3. Wellbeing & societal values (BPS)
4. Regional balance (BPW, BPSKA)
5. **Human capital (BPMI)**
6. Environment & natural resources (BEASSA, BINFRA)
7. Sustainable energy (BTE)
8. Agriculture (BTANI)
9. Manufacturing, science and technology, innovation and SMEs (BIPST)
10. Services sector (BIP)
11. Digital economy (BKE)
12. Transport and logistics (BINFRA, BIP)
13. Macroeconomics (BEM)

Tasks

- *Review progress of past policies and programmes*
- *Identify current issues and future challenges*
- *Draft new policies, strategies and programmes to achieve identified targets and outcome*
- *Draft strategy papers*

Output

Strategy Papers

1. Embedding Behavioral Insight in Designing Policy (BKE)
2. Reforming State-owned Enterprise Management (BPKP)
3. Reforming Public Private Partnership Towards Reducing Government Roles in Businesses (BPSKA)
4. Ensuring Sustainability of B40 Household Income (BEQT)
5. Upholding Bumiputera Community Towards a Resilient, Progressive and Bold Society (BEQT)
6. Invigorating Healthcare Towards Progressive Nation (BPS)
7. Towards 2030 : Creating Solutions for the Ageing Population in Malaysia (BPS)
8. Strengthening National Unity (BPS)
9. Ensuring a Safe, Secure and Peaceful Nation (BKKA)
10. Progressing Towards Sustainable Cities (BPW)
11. Transforming Rural Areas to Uplift Wellbeing of Rural Communities (BPW)
12. Strengthening Coordination and Cooperation to Support Regional Development (BPW)
13. **Strengthening Technical and Vocational Education and Training (TVET) to Meet Industry Demand (BPMI)**
14. **Inclusive Labour Market for Prosperous Nation (BPMI)**
15. **Revitalising Education System (BPMI)**
16. **Reinvigorating Higher Education System (BPMI)**
17. Investing in Sustainable and Resilient Growth (BEASSA)
18. Valuing Natural Resources for Socioeconomic Development (BEASSA)
19. Water Sector Transformation (BINFRA)
20. Sustainable Usage of Energy to Support Growth (BTE)
21. Driving Modernisation in Agro-food (BTANI)
22. Delivering Economic and Social Prosperity Through Agri-Commodity (BTANI)
23. Energising Manufacturing Sector (BIPST)
24. Translating Innovation to Wealth (BIPST)
25. Aerospace (BIPST)
26. Fostering a Robust Services Sector (BIP)
27. Digitalising Malaysian Economy (BKE)
28. Making Connections: Seamless Transport System and Logistics (BINFRA)

IAPG on Human Capital Development (BPMI)

IAPG on Human Capital Development (BPMI)

Chairman : Dep. SG (Policy), MEA
Secretariat : Director (Human Capital), MEA

TWG : Education

Chairman : SG MOE
Secretariat : MOE

Focus Groups

1. Pre-College & Employment, Student Learning, System Structure
2. Quality of Teaching, Teachers and School Leadership
3. Quality of Education
4. Governance and Coordination
5. Emerging Technology (Digital Learning)

TWG : Higher Education

Chairman : SG MOE (HE)
Secretariat : MOE (HE)

Focus Groups

1. Enablers of Higher Education
 - Financial Sustainability
 - Empowered Governance
 - Innovation Ecosystem
 - Global Prominence
 - Globalised Online Learning
 - Transformed HE Delivery
2. Outcomes of Higher Education
 - Holistic, Entrepreneurial and Balanced Graduates
 - Talent Excellence
 - Nation of Lifelong Learning
 - Quality TVET Graduates
3. Structured Financial Support System for Students
4. Emerging Technology (New Curricular)

TWG : Technical & Vocational Education & Training (TVET)

Chairman : SG MOE
Secretariat : MOE

Focus Groups

1. TVET Governance
2. Certificate & Recognition
3. Training Funding
4. Strategic Collaboration
5. Quality of TVET Training
6. Promotion
7. Implementation and Rationalisation
8. Emerging Technology (New Curricular)

TWG : Labour Market

Chairman : SG MOHR
Secretariat : MOHR

Focus Groups

1. Population & Demographics
2. Women Participation In the Labour Market
3. Wages & Productivity
4. Labour Law
5. Foreign Workers
6. Future Jobs
7. Reducing Gap (Mismatch, Demand vs Supply)
8. Emerging Technology (Upskilling and Reskilling)

IAPG on Human Capital Development

- 4 Technical Working Groups
- 25 Focus Groups

Note : IAPG = Inter-Agency Planning Group; TWG = Technical Working Group

IAPG on Human Capital Development (BPMI)

Chairman : Dep. SG (Policy), MEA
Secretariat : Director (Human Capital), MEA

TWG : Education

Chairman : SG MOE
Secretariat : MOE

Focus Groups

1. Pre-College & Employment, Student Learning, System Structure
2. Quality of Teaching, Teachers and School Leadership
3. Quality of Education
4. Governance and Coordination
5. Emerging Technology (Digital Learning)
6. Inclusivity

TWG : Higher Education

Chairman : SG MOE (HE)
Secretariat : MOE (HE)

Focus Groups

1. Enablers of Higher Education
 - Financial Sustainability
 - Empowered Governance
 - Innovation Ecosystem
 - Global Prominence
 - Globalised Online Learning
 - Transformed HE Delivery
2. Outcomes of Higher Education
 - Holistic, Entrepreneurial and Balanced Graduates
 - Talent Excellence
 - Nation of Lifelong Learning
3. Structured Financial Support System for Students
4. Emerging Technology (New Curricular)

TWG : Technical & Vocational Education & Training (TVET)

Chairman : SG MOE
Secretariat : MOE

Focus Groups

1. Student's Outcomes
2. Quality of Programmes & Emerging Technologies for Curriculum & Delivery
3. Branding
4. Industry Collaboration
5. Governance
6. Funding

TWG : Labour Market

Chairman : SG MOHR
Secretariat : MOHR

Focus Groups

1. Population & Demographics
2. Women Participation In the Labour Market
3. Wages & Productivity
4. Labour Law
5. Foreign Workers
6. Future Jobs
7. Reducing Gap (Mismatch, Demand vs Supply)
8. Emerging Technology (Upskilling and Reskilling)
9. Decent Work
10. Data Management

IAPG on Human Capital Development

- 4 Technical Working Groups
- 26 Focus Groups

Note : IAPG = Inter-Agency Planning Group; TWG = Technical Working Group

TOR – TWG Labour Market

Chairperson : Secretary General, MOHR

Secretariat : MOHR

Scope of Work :

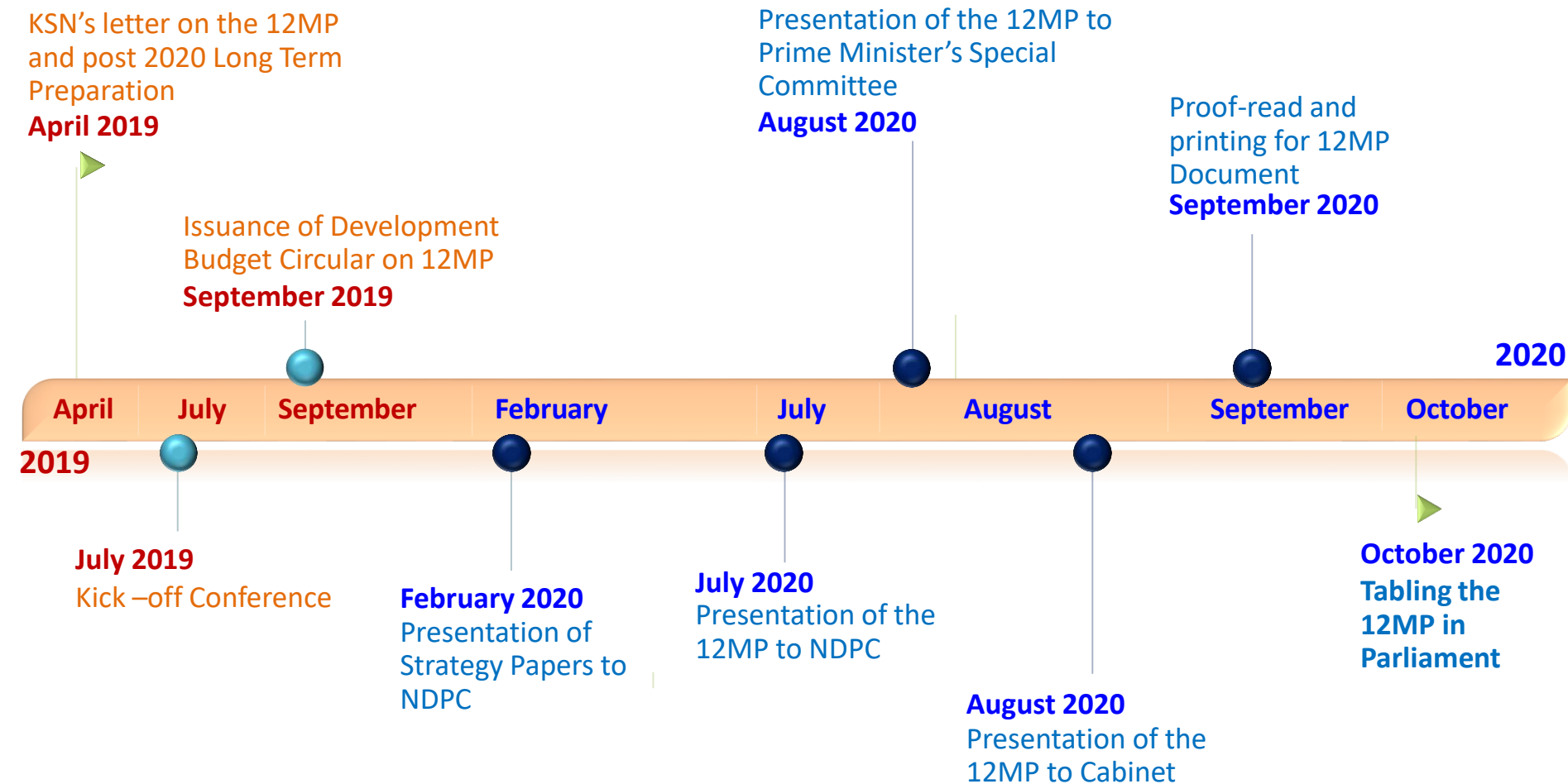
1. Reviewing and evaluating the effectiveness of policies, strategies and programmes implemented in the 11MP;
2. Identifying and analyzing issues and challenges pertaining to the implementation of policies, strategies and programmes in the 11MP;
3. Identifying and proposing new policies, strategies and initiatives for the 12MP;
4. Coordinating inputs from Focus Group (FG) in preparing the strategy paper;
5. Preparing strategy paper based on the format provided; and
6. Submitting and presenting the strategy paper to the IAPG

TOR - Permanent Members of TWG Labour Market

1. Ministry of Finance (MOF)
2. Ministry of Human Resources (MOHR)
3. Ministry of Youth and Sports (MOYS)
4. Ministry of Women, Family and Community Development (KPWKM)
5. Ministry of Energy, Science, Technology, Environment and Climate Change (MESTECC)
6. Ministry of International Trade and Industry (MITI)
7. Ministry of Communication and Multimedia Malaysia (KKMM)
8. Ministry Home Affairs (KDN)
9. Public Service Department (JPA)
10. Department of Statistics Malaysia (DOSM)
11. Bank Negara Malaysia (BNM)
12. Institute of Labour Market Information and Analysis (ILMIA)
13. Department of Labour Peninsula Malaysia (JTKSM)
14. Human Resources Development Fund (HRDF)
15. Malaysia Productivity Corporation (MPC)
16. Lembaga Penduduk dan Pembangunan Keluarga Negara (LPPKN)
17. Talent Corporation
18. Malaysian Industry-Government Group for High Technology (MIGHT)
19. Related divisions under MEA
 - Macroeconomics
 - Manufacturing Industry, Science and Technology
 - Services Industry
 - Agriculture
 - K-Economy
 - Infrastructure
 - Energy

SULIT

Timeline for the Twelfth Malaysia Plan



THANK YOU

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