



RMK13th Kick-Off Conference
5-6 September 2024

Session 3: Labour Market Reform

Panel Discussion III:
Future Talent Direction

Continuity and Re-
inclusive growth



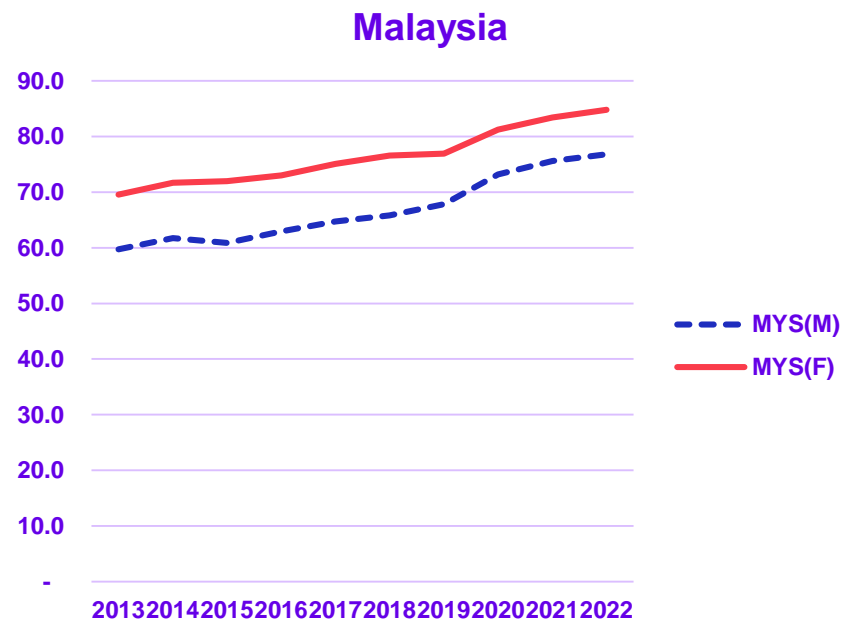
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Structural challenges in the labour market:

Creation of high skills jobs lags behind the fast increase of educated workforce

Highly educated workforce in Malaysia

% employed with intermediate education and above



Creation of high skills jobs is at slow pace

- ✓ Underemployment rates remain significant
 - ✓ 37% of workers with tertiary education working in semi-skilled or low-skilled jobs (Jan. 2024)
- ✓ Jobs are concentrated in semi-skilled categories (58% in 2022)
- ✓ High skills jobs are increasing but at a slow rate
 - ✓ 26% in 2011,
 - ✓ 27% in 2016,
 - ✓ 29% in 2022,

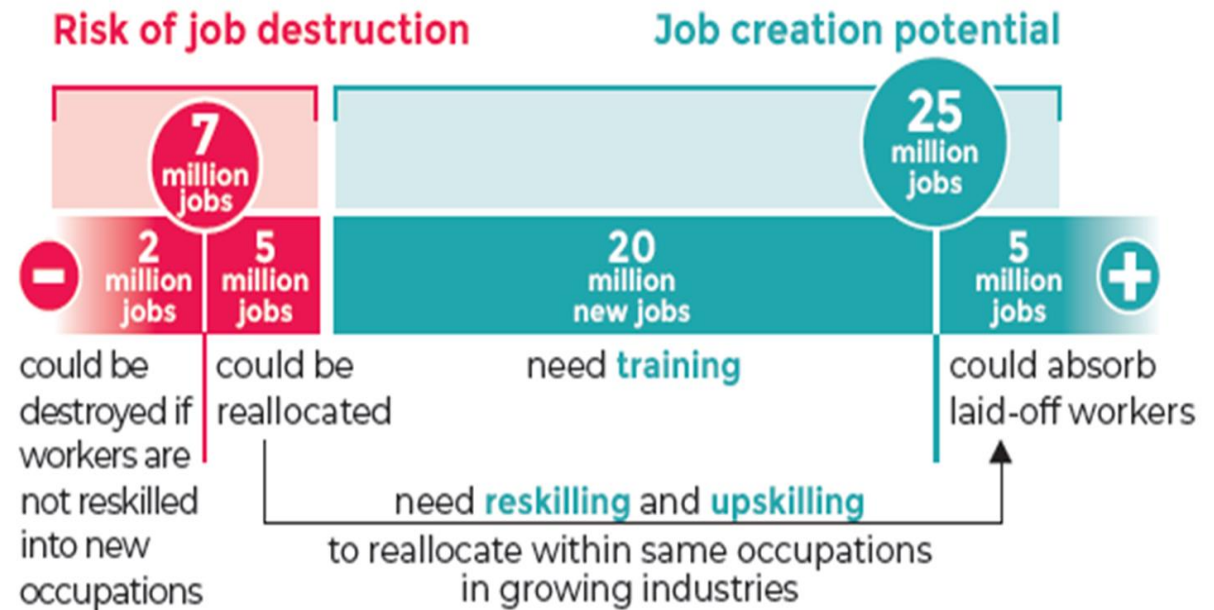
Structural challenges in the labour market - 2

Responding to diversified skills needs in achieving inclusive growth

New form of work on the rise

- ✓ 26% of Malaysia's workforce (4 million freelancers) work in the gig economy in 2020 –EMIR research
- ✓ 38% of Malaysians who are currently employed full-time are considering joining the gig economy within the next year – Zurich Insurance and Univ. of Oxford

Work transition needs to be supported for laid-off workers in the shift to a greener economy



Potential Job Growth under Energy Sustainability Scenario (by 2030)

1. Skills as a driver for high skills job creation

- ▶ Workers' skills is a key solution for industry upgrading and value addition – to create high-income economy
- ▶ The division between the training sector and business sector remains; demand and supply of skills not sufficiently aligned or integrated
- ▶ A shift away from viewing skills development largely as a supply side issue, to greater focus on creation of demand for high skilled jobs
- ▶ Investment in skills development needs to be integrated with industry and business strategy
- ▶ Industry leadership in skills and TVET is critical – institutional mechanisms such as SSCs provide good



2. Skills and TVET system as enabler for re/upskilling and lifelong learning for all – working on less familiar terrains

- ▶ Skilling not only for new entrants but also for existing workers
- ▶ Increased importance of workplace as a place of learning
- ▶ Embracing different learning modalities, and to meet diverse learning needs, supporting new work modality and the vulnerable
- ▶ Offering flexible learning pathways to enable re/upskilling and lifelong learning
 - Progression from skills/TVET to higher education,
 - Micro credentials, RPL
- ▶ Increased importance on creating **enabling environment**
 - Timely and integrated labour market information and skills needs, with support of bigdata and AI
 - Financing support (e.g. individual learning accounts)
- ▶ Skills-based wage system, effective employment services



3. Skilling for the future: New skills, technical and non-technical

- ▶ Responding to new skills needs: green and digital skills
- ▶ Increased importance of non-tech skills to navigate increasingly uncertain labour market
 - e.g. ability to learn, take initiatives, adaptable, sense-making, analytical and problem-solving skills, generic STEM skills
 - Learner-centred approach to training becomes important to develop those non-technical skills
- ▶ Trainers' skills upgrading (and career development) are critical
- ▶ Continued importance of investing in skills of semi-skilled workers for incremental innovation, improved productivity and quality improvement

Fastest-growing green and greening jobs globally in 2016-21



▶ Summary

- ▶ Be more aligned, and integrated
- ▶ Be more flexible and inclusive while ensuring quality and coherence
- ▶ Partnerships –interministerial and with the world of work
- ▶ Continuity and re-orientation

▶ **Thank you**

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