

YOUTH EMPLOYMENT AND EMPLOYABILITY IN MALAYSIA

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Youth are an important asset to the global workforce. In recent years however, youths have been facing the problem of unemployment mainly because of rapid globalization and fast-paced technological advances. In Malaysia, the age for youth is defined as those between 15 and 40 years old but the main focus of development programs in the country are for those aged between 18 to 25. Youth in Malaysia represents 41.5 % of the total population in 2005, and in the same year, the number of youth employed are about 60.3 % of the total youth population. They are mainly employed in the manufacturing sector, followed by wholesale and retail trade, and hotels and restaurants. 18.7 % of these are in the professional and technical category.

Employment in Malaysia is set back by educational and skill mismatches. This usually happens when institutes of learning produce a new workforce that cannot enter the labor market because of the differences in what they perceive is needed in the market and what is actually needed. The students themselves also tend to underestimate the job market while the job market's preference for experience over qualification tends to aggravate the situation even more. It was only recently that the Ministry of Higher Education took to the task of getting in touch with what the labor market really needs. A degree is no longer adequate in today's ever-competitive job market. Graduates require skills beyond subject knowledge to increase employability and this have been made clear as an agenda of the Ministry of Higher Education.

Introduction

Young men and women are among the world's greatest assets. They bring energy, talent and creativity to economies and create the foundations for future development. The International Labor Office estimated that more than one billion people today are between the age of 15 and 25 years and nearly forty 40 % of the world's population is below the age of 20. The world is facing a growing youth employment crisis. Rapid globalization and fast-paced technological development has opened up opportunities for education, innovation and rewarding employment. Although, rapid globalization and technological change offer new opportunities for productive work and incomes, but only the lucky few youth could enjoy and benefit from it. Across the world, millions of young men and women are failing to gain entry into the workforce and the majority available jobs, are low paid, insecure and have less benefit or less prospect for advancement. They may also end up with no jobs at all even though they possessed degree/diploma, or working in low-pay and dead end jobs (mainly in the informal sector) with little security and no real prospects of the future.

International Labor Organization reports that in recent years, slowing global employment growth and increasing unemployment or underemployment has resulted in youth facing less opportunity to decent work and high levels of economic and social uncertainty (ILO, 2006). Both developed and developing economies faced the same challenge of creating decent and sustainable jobs for the large cohort of young men and women entering the labor market every year. Failure to successfully integrate young people into the labor market would have high consequences for the future prosperity and development of any countries.

A generation without stable employment and poor employment in the early stages of a young person's career can harm job prospects for life and can create more burden and responsibilities for the society. Unemployed or underemployed youth will hurt economics and employer because they will have less to spend as consumers or to save and invest. The economic investment of governments in education and training will also be wasted if young people do not move into productive jobs that will enable them to pay taxes and support public services. Unemployed or underemployed young men and women will feel that they are alienated from society and they are more vulnerable to involvement with risk behavior such as illegal and criminal activities.

Recognizing this phenomenon, Malaysian government has adopted a resolution on youth employment to create employment opportunities and to promote pathways to decent work. The youth of Malaysia have a critical role to play in the country's effort to achieve the status of fully developed country by the year 2020. Malaysia's development plan, known as Vision 2020, aims to develop all aspects of the country including national unity, social cohesion, economy, social justice, political stability, system of the government, quality of life, social and spiritual values and national pride and confidence. Since youth's are key agents of socio-economic development and technological innovation in Malaysia, the government shares the view that the well-being of youth should have a very high priority on the national agenda.

Youth in Malaysia

The National Youth Development Policy of Malaysia defines youth as people aged between 15 and 40 years. It stipulates further that the main focus of youth development programs and activities in the country should be young people aged 18 to 25 years (MOYS, 1997).

Youth Demographics and Youth Employment

The youth population consists of those aged between 15-39 years and represents 41.5 % of the total population in 2005. Table 1 indicates that the number of youth population have also increased at the rates of 2.4 % per annum, from 9.85 million in 2000 to 11.10 million in 2005.

Table 1: Population According to Age Group, 2000-2010

Age Group	Million People			% Of the Total		
	2000	2005	2010	2000	2005	2010
0-14	8.00	8.72	9.18	34.0	32.6	31.4
15 - 39	9.85	11.10	11.65	42.0	41.5	40.5
More than 39	5.64	6.93	8.13	24.0	25.9	28.1
Total	23.49	26.75	28.96	100.0	100.0	100.0

How are youth faring in the labor market? As shown in Table 2, the total number of youth employed in 2005 was about 6.67 million or 60.3 % of the total youth population compared with 6.16 million or 62.9 % in 2000. Youths were mainly employed in the manufacturing sector, accounting for 24.0 % in 2005. This was followed by the wholesale and retail trade, hotels and restaurant, which accounted for 23.8 % and other services at 18.9 %.

Table 2: Youth Employment by Sector, 2000 and 2005

Sector	'000 Persons		% of Total		Average Annual Growth Rate %
	2000	2005	2000	2005	RMK8
Agriculture, Forestry, Livestock, & Fishing	770.9	751.1	12.5	11.3	-0.5
Mining & Quarrying	17.9	21.2	0.3	0.3	3.4
Manufacturing	1,731.0	1,603.5	28.1	24.0	-1.5
Electricity, Gas & Water	25.7	29.2	0.4	0.4	2.6
Construction	498.7	598.6	8.1	9.0	3.7
Finance, Insurance, Real Estate & Business Services	351.4	493.4	5.7	7.4	7.0
Transport, Storage & Communications	266.4	326.0	4.3	4.9	4.1
Wholesale and Retail Trade & Restaurants	1,197.1	1,588.8	19.4	23.8	5.8
Others Services	1,303.6	1,259.5	21.2	18.9	-0.7
Total	6,162.7	6,671.3	100.00	100.00	1.8

In term of occupational category, youth employed in the professional and technical category increase from 12.0 % in 2000 to 18.7 % in 2005. Youths employed in the administrative and managerial categories also increased by 2.8 %, while those in clerical and related workers category declined by 1.8 % during the same period, attributed to higher educational attainment of youth as shown in Table 3.

Table 3: Youth Employment by Occupation, 2005 And 2005

Occupation	'000 Persons		% ofTotal		Average Annual Growth Rate %
	2000	2005	2000	2005	RMK8
Professional, Technical & Related Workers	736.6	1,248.8	12.0	18.7	11.1
Administration & Managerial Workers	223.9	425.5	3.6	6.4	13.7
Clerical & Related Workers	779.1	736.7	12.6	11.0	-1.1
Service Workers, Sales & Related Workers	1,430.7	1,023.9	23.2	15.3	-6.5
Agriculture Workers	764.9	654.7	12.4	9.8	-3.1
Production & Related Workers	2,228.0	2,581.7	36.2	38.7	3.0
Total	6,163.2	6,671.3	100.0	100.0	1.6

Source: Economic Planning Unit

Labor Force Definitions

The Department of Statistics defines employment, unemployment and underemployment as follows:

- **Employed person.** An employed person is defined as someone who works for hourly pay, profit, or family gain, as an employer, an employee, a self-employed person, or an unpaid family worker. People who do not work because of illness, injuries, disability, bad weather, vacation, labor dispute and social and religious reasons, but have a job, farm, enterprise, or other family enterprise to return to, are also considered to be employed.
- **Underemployed person.** Employed persons who work less than 30 hours per week or due to insufficient work are considered underemployed.
- **Unemployed persons.** There are two categories of unemployed persons: active and inactive. An active unemployed person is someone who does not work, but is available and actively looking for work.

Youth Development Policies and Plan

Youth form the major asset of Malaysia and she needs her young generation to spearhead her visions to achieve the status of fully developed country by the year 2020. The National Youth Policy was accepted by Cabinet in 1985 and revised in 1997. The policy became the first milestone for bringing the youth closer to become partners in development. It serves as a framework for the planning and implementation of youth programs in the country. The 1983 Policy recognized youth as a resource with tremendous potential to contribute to the overall development of the country. It had the following principles:

- To uphold the principles of Rukunegara;
- To uphold the spirit of solidarity, volunteerism and autonomy; To develop leadership qualities;
- To encourage participation in the decision-making process at all levels;

- To develop high moral values and awareness of the importance of personal health and fitness; and To acquire broad knowledge in all relevant fields.

In 1994, the Ministry of Youth and Sports (MOYS), the Malaysian Youth Council (MYC) and the Youth Development

Unit of the then Malaysian Agriculture University began a review of the National Youth Development Policy of 1985. In September 1995, the MOYS presented a Draft of the Review of the National Youth Development Policy that contained a proposal for the revised individuals and organizations working in the area of youth development. The National Youth Development Policy was officially launched at National Youth Consultative Council (NYCC) Conference in December 1997. The National Youth Development Policy of 1987 has the following as its objectives: *To establish a holistic and harmonious Malaysian youth force imbued with strong spiritual and moral values, who are responsible, independent and patriotic; thus, serving as a stimulus to the development and prosperity of the nation in consonance with Vision 2020.* The Policy includes seven strategies:

- Enhancement of the knowledge base in various subjects to develop the competence of youth; Inculcation of moral values and development of a positive and creative attitude in youth;
- Equipping youth with state-of-art technical knowledge and vocational skills as well as involving them in entrepreneurial activities in line with the demands of nation-building;
- Engagement of youth in societal and voluntary activities that lead to a healthy, active and dynamic lifestyle that would nurture youth into responsible leaders of high caliber;
- Encouragement of partnership and cooperation amongst government agencies, NGO's and the private sector for the benefits of youth development; and
- Encouragement of youth to further promote closer ties and international networking with international communities (MOYS, 1997)

The National Youth Development Policy identifies an Action Plan to achieve its stated goals. The plan has eight main steps:

- To provide knowledge-based training programs jointly organized by public sector agencies, youth organizations, NGO's and the private sector;
- To strengthen leadership and self-development programs that can further develop self-sustaining familial, religious and social institutions, thus enhancing the efficiency of roles played by youth;
- To upgrade skills development training and to create entrepreneurial and commercial opportunities that will propel youth to become independent, competent, and capable of pursuing successful careers;
- To empower youth organizations so that they capture the interests, commitment and enthusiasm of young people and activities planned by the society;
- To provide opportunities and facilities for the self-development of young people in social and economic functions; To enhance the spirit of volunteerism and patriotism through voluntary social work;
- To ensure the understanding of youth in matters of globalization and the importance of international networking and partnership with governmental agencies, NGOs and the private sector; and
- To provide the necessary infrastructure and mechanism for youth activities relating to research, assessment and evaluation (MOYS, 1977).

In the 9th Malaysia Plan, there is a chapter on youth (chapter 14: Empowering Youths for the Future). According to the plan, the thrust of youth development would include providing youth with necessary skills to increase their participation and contribution to nation building, as well as develop their leadership qualities and inculcate positive values among them. Youth development programs during the 9th Plan, will ensure they will have a better future and would be able to meet the accelerated pace of economic development and the changes in the environment.

In line with the objective of molding a generation of dynamic youths, new approaches were adopted such as (i) encouraging youth to participate in youth organization to enable them to be involved in the decision making process; (ii) implementing the Program Latihan Khidmat Negara (PLKN) to instill spirit of national unity and patriotism among youths; (iii) introducing a new program (Program Memperkasakan Tenaga Muda) for youths not selected for PLKN and (iv) carrying out entrepreneurial development program (Program Usahawan Muda) to enable youth to enter business enterprise or promote self-employment. Also during the plan period, Rakan Muda Programs will be strengthened to assist unemployed youth as they are more vulnerable and easily can get involved with negative or unhealthy activities. To create a modern generation of young farmer, the government had introduced Program Pembangunan Belia Tani to encourage more youth to undertake projects in the agriculture sector, setting up agrobased business and using modern technologies. During the 9th plan, the government will continue to support preventive and rehabilitative program to combat social problems among youth. The government will intensify these programs through awareness programs such as Belia Benci Dadah campaign. More service centers will be established to provide individual, group and family counseling.

Youth Employment and Employability

In today's world, entering the workforce requires young people to adapt to new social realities. Some of the new realities that are shaping the prospects for youth employment and training needs that will ensure young people to successfully enter the workforce are (i) highly complex and open society driven by the processes of globalization; (ii) highly changing labor markets that are reshaping the concept of "work" as opposed to stable employment; and (iii) the complexity of work. Youth must be encouraged to explore their career option early and must be adequately prepared to enter the labor market whether in urban, semi-urban, rural or remote communities.

For many youth, the prospect of choosing a career path marks a major turning point in their personal development and can cause frustration or anxiety. Many factors can influence youth decision making to pursue job or employment. Employment is a contract between two parties, one being the employer and the other being the employee. It exists in the public, non-profit and household sectors. The task of preparing young people to enter the labor market requires a sustained effort on several stakeholders concerned with the problem. Parents, educators, guidance counselor's, government agencies and department as well as youth leaders all have a role to play in helping to prepare young people for the future.

Employment is almost universal in capitalist societies. It is often referred to as "getting the job" or "having a job". When someone is employed, the individual will obtain salary and position. There are classifications of worker within a company. Some are full-time and permanent and received guaranteed salary, while others are hired for short term contract. Besides being employed, an individual can own business and he or she is the laborer. This is known as self-employment. Some workers who are not paid wages, such as volunteers, are generally not considered as being employed.

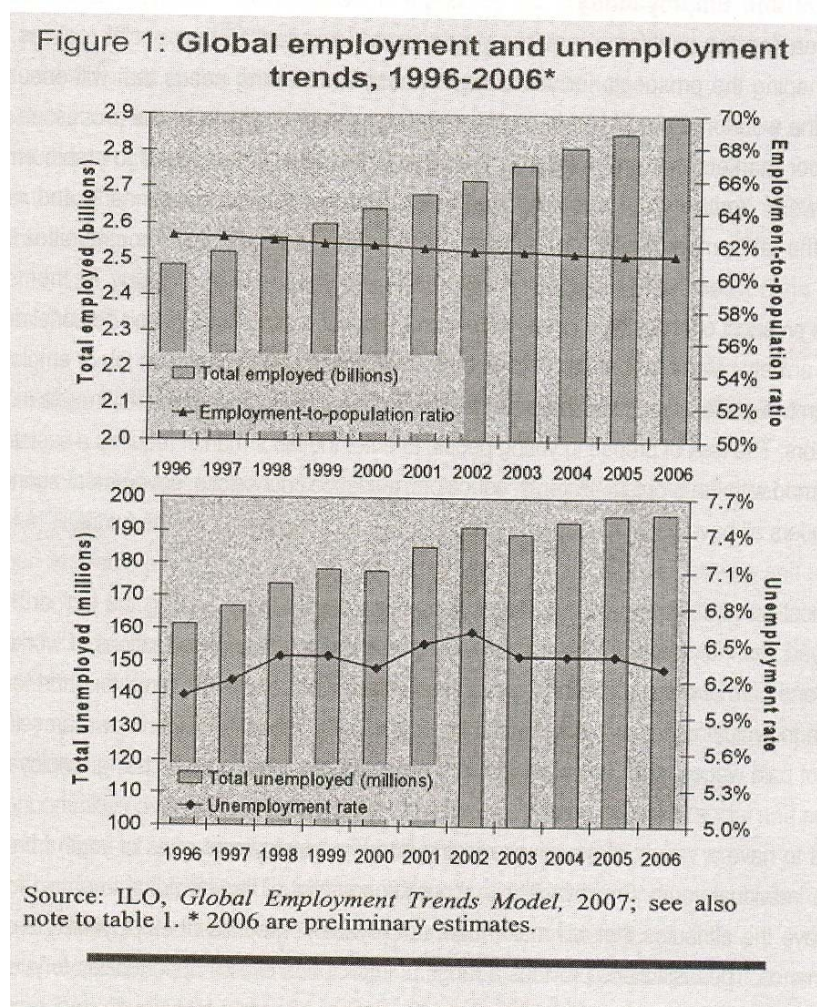
Employability tends to have a variety of meanings ranging from the employment rates of youth from an institution to the characteristic of an individual youth. Employability is about the potential of the individual to obtain fulfilling work. In other words, do youth have the attributes that will make them employable? Theories of employability are especially linked to institutional performance. The institutions provides a range of implicit and explicit opportunities to youth which include jobgetting knowledge and abilities, such as labor market information, interview techniques and curriculum vitae writing. Employability is, thus, more about ability than it is about being employed. To summarize employability means developing a range of achievements, understandings and personal attributes that make it more likely you'll get a job and be successful at it. Employers value applicants with degrees because they can 'add value' to their organization.

Current Status and Trend in Global Youth Employment

Global Employment Situation

According to International Labor Office (ILO), the strong global GDP growth in 2006 has led to the stabilization of labor markets worldwide (see Figure 1). At the same time global unemployment rate changed slightly from 2005, and stood at 6.3 % in 2006. The robust economic growth has failed to reduce unemployment rate. At the end of 2006, 2.9 billion people aged 15 and older were in work, up 1.6 % from the previous year, and 16.6 % since 1996. How many of the new jobs created in 2006 were decent jobs is difficult to estimate, but given that the working poor in total employment decreased from 54.8 % in 1996 to 47.4 % in 2006. It is also likely that at least some of the jobs were productive enough to help people work themselves and their family out of poverty.

In 2006, the employment share of the service sector in total global employment progressed from 39.5 % to 40 per cent and, for the first time, overtook the share of agriculture that decreased from 39.7 % to 38.7 %. The industry sector represented 21.3 % of total employment. The developments described above are the result of long-term socioeconomic changes as well as economic growth trends.



Some Global Employment Trends

According to ILO, there has been little change in the general global trends for youth employment. Some global trends are:

- The global labor force (which is the sum of the employed youth and unemployed youth) grew from 602 to 633 million (by 5.2 %) between 1995 and 2005 and is projected to grow by another 24 million to 657 million in 2015.
- In 2005, the number of employed young people was 548 million, an increase of 20.1 million from ten years before. However, because the youth population grew at a quicker pace than youth employment, the share of youth who are employed in the youth population (the youth employment-to-population-ratio) saw a decrease from 51.6 to 47.3 % between 1995 and 2005.
- The number of young unemployed increased from 74 million to 85 million between 1995 and 2005, an increase of 14.8 %.
- There are an estimated of 125 million young working poor, meaning more than 20 % of employed youth lived in a household where there was less than US\$1 a day available per head in 2005. There were approximately 300 million young worker poor at the US\$2 a day level- more than half of all young men and women who worked. Compared to adults the youth of today are still more than three times as likely to be unemployed; the ratio of the youth-to-adult unemployment rate was 3.0 in 2005, up from 2.8 in 1995.
- The youth unemployed make up almost half (43.7 %) of the world's total unemployed despite the fact that, in comparison, the youth share of the total working-age population (15 and above) was only 25.0 %.
- As much as 89 % of the world's youth are living in developing countries

Youth Employment and Employability Challenges in Malaysia

The changing scenario of the job market illustrates the need for youth to be diverse in their search for employment. They would require 'skills beyond subject knowledge' to secure a job and to be effective in it. Recruiters are no longer convinced of an individual's ability to work effectively solely by a degree or diploma certificate. Employers say that there are still too many people emerging from education who lack the 'can do' attitude and the interpersonal and customer-related abilities that enable them to become quickly effective at work.

Employers feel that youth (i) should be aware of employability skills; and (ii) should understand how such skills relate to the

World of work and how they are transferred to the work context in practice. Demand today is for youth to be 'ready for work'

with clear evidence of job specific skills. Since employers are looking for something more than a degree, they are becoming more sophisticated in identifying this in their recruitment procedures. Employers ultimately wants employees who can help them deal with change. Employers are saying that future employee's do not develop sufficient skills during their study.

Employability has often been seen as a threat to higher education's values. Concerns about the graduate employability are neither new nor confined to Malaysia. The issue for our students is to enhance them in as many ways as we can so that they have the best possibility of developing the kinds of career they want. We are not only getting students into higher education and out into the world of work. It includes retention issues, students support and helping students to maximize their career potential.

Employers nowadays are looking for something more than a worker with a degree/diploma, and they are becoming more sophisticated in identifying this in their recruitment procedures. What exactly do they want? Certainly, a graduate that understands the world of work and have awareness of business is desirable. Table 4, illustrates some contemporary issues in higher education.

Malaysian Youth Report 2007

Table 4: Some Contemporary Issues in Higher Education

<p>Issues around Goals of student Learning</p>	<ul style="list-style-type: none"> • Employability and the development of skills and personal qualities. • Gaps in students' knowledge, given variation in prior experiences • Disparity between theory and practice • Fragmented learning on modular programs
<p>Issues around The learning</p>	<ul style="list-style-type: none"> • Traditional passive transmission approaches foster surface learning • Divergence between research and teaching • Mass higher education can lead to a sense of anonymity and social isolation • Poor student motivation • Diversity of learner needs • Awareness of the need for sensitivity in teaching methods to the subject and • Institutional context • Competitive approaches to learning seen as less appropriate in professional contexts

Employability tends to have a variety of meanings in use, ranging from the employment rates of individual from an institution to the characteristic of an individual graduate. Essentially it is a process of learning and it is also an individual characteristic. Employability is about the potential of the individual student to obtain fulfilling work. It means do graduates have the attributes that will make them employable? So what are the attributes graduates should have? No single word neatly summarizes employers' value in new graduates. Attributes have been grouped under various pseudo-taxonomies. One relatively simple way of framing attributes is to identify personal and interactive attributes (Lester, 2003). Personal attributes includes:

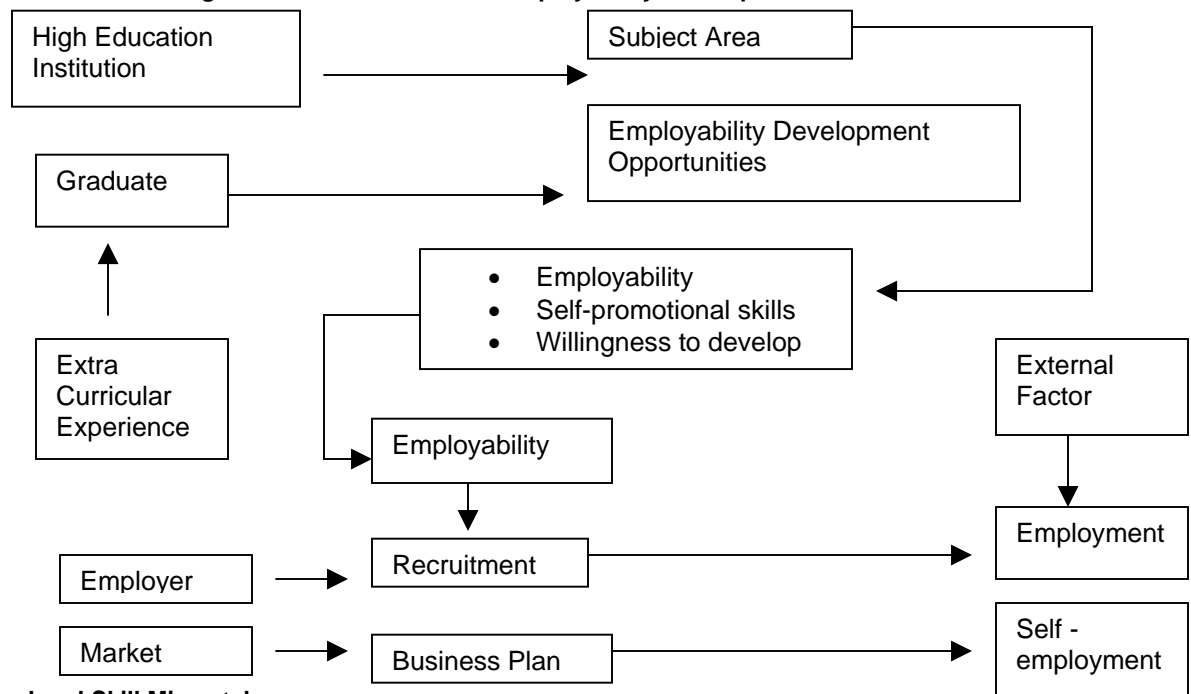
- i. High level of capabilities to analyze, to critique, to synthesize and lateral thinking;
- ii. Knowledge of the subject or related profession;
- iii. Self-skills such as self-confident, self-reliance, self-management so that they are able to compete and be successful in their chosen career;
- iv. Able to respond and anticipate change, in other word having flexibility and adaptability as the world of work is constantly changing; and
- v. Initiative and risk-taking.

Interactive attributes, which are usually linked together as the basis of effective working in any environment, include: (i) interpersonal skills; (ii) team working; and (iii) written and oral communication skills. Students also bring a range of abilities and experiences with them to higher education institutions. Development should come through the curriculum and through extra-curricular activities. There are also external factors to be considered which will have an effect on the employment opportunities and it is outside the control of institutions and graduates.

In Malaysia in line with economic growth, employment opportunities expanded especially in the manufacturing and services sector. Various initiatives were taken to supply the labor market with educated and skilled human resource. Several measures were undertaken including implementation of several training and retraining programs to reduced skills mismatch and enhance employability. Malaysian government has embarked into capacity building program in the hope that Malaysian workforce will be knowledgeable, skilled and innovative human capital. Emphasis will also be given to develop human capital that is progressive in thinking and attitude with strong ethics and universal values as espoused by Islam Hadhari. Therefore, human capital development will have to be holistic, encompassing the acquisition of knowledge and skills or intellectual capital including science and technology, entrepreneurial capabilities and internalization of positive and progressive attitudes, values and ethics through education, training (vocational and technical) and lifelong learning. The implementation of lifelong learning programs will encourage skills upgrading among all segments of society.

Gaining employment is subject to many external factors, such as recruitments practices and the state of economy. Figure 2, suggest that employability attribute development, self-promotional or job-getting skills, willingness to learn and continue learning and reflection emerge from complex factors. Clearly students need to engage themselves with the opportunities provided by departments and institutions of higher learning (Harvey, 2001). There is no simple solution to enhancing employability and higher education institutions should not be measured or compared using crude performance indicators. Employability development has three aspects; (i) the development of employability attributes; (ii) the development of self-promotional and career management skills; and (iii) a willingness to learn and reflect on learning. Employability is about how individuals engage with opportunities, and reflect and articulate their skills and experiences. Employability is about three abilities (i) gaining initial employment; (ii) maintaining employment; and (iii) obtaining new employment if required.

Figure 2: Model of Graduate Employability Development



Educational and Skill Mismatches

Education in Malaysia has always been associated with economic prosperity, employment and social advancement. It is necessary to have an understanding and clear picture of what we want from the relationship between education and these factors. What we want from the relationship is educate our people to get employed according to their academic strengths. We have to be clear about what kind of people with what kind of skills and abilities we need to develop our nation. Also how can we produce the people needed for the country through education.

There is a substantial research literature, which deals with various aspects of imperfect matching between educational attainments of graduates and the educational requirements of jobs. The impact of education-job mismatch had been well documented in the economic literature (Cohn and Khan, 1996; Dolton and Vignoles, 2000; Cohn and Chu Ng, 2000; Chu Ng, 2001) The emerging consensus is that job characteristics are a major determinant of earnings. How do higher education sector provides graduates with the knowledge and skills to match employment needs. What exactly is causing the mismatch between what academe produces (skills) and what industry needs (Jobs)? The match between qualification and the job requirements is at the heart of debate on higher education and work. The critical issue is whether or not the training at first-degree level should be professionalized to impart skills or should provide general education to prepare graduates to train themselves or should they be equipped with specific vocational skills as demanded in the labor market of day.

Improving the educational and employment outcomes of Youth is critical if Malaysia is to reduce the nation's poverty, social and family disruption, and alienation. If Malaysia's education is in trouble than Malaysian's ability to compete in a global economy is threatened. According to the 9th Malaysia Plan, about two-thirds of Malaysian graduates would not be able to find graduate level employment. This means that of the more than 60,000 graduates at all levels each year, about 40,000 will not be able to get a job. There are many suggestions as why mismatch occurred. One obvious problem is the lack of information (be it for students or institutions). The first problem of poor information emerge in many students underestimate how difficult it is to enter labor markets and employer prefers experiences rather than formal education. The second problem comes in the mismatch between the offerings at educational institutions and the realities of the jobs that are available.

Many employers comment that credentials alone will not get anyone hired except for professional positions. Their ideal employee is someone who has a range of abilities, sufficient related academic skills and personal characteristics related to motivation, teamwork, etc. Employers hire on the basis of experience especially related to their own production methods and process. If this information is not known to education institutions then they cannot provide specific training that could satisfy any particular employer. Employers complained about mismatch between demand and supply that involves timing decisions. Educational bureaucracies are sluggish when it comes to changing educational programs to keep up with changing technologies and changes in occupations. Educational bureaucracies also complain that employers do not provide them the right information or could not forecast their employment needs adequately or keep their employment requirements secret for competitive reasons. Whoever to be blamed, the fact remains that labor markets cannot respond to changes very well unless employers provide the relevant information and educational institutions respond in reasonable periods of time. Lack of information also could lead to graduates unable to make rational decisions. The state of labor markets needs to be communicated to students since it is clear that their expectations about the world of work are frequently uninformed and unrealistic.

Educational Institutions should strengthen their connections with employers. There are several initiatives that may promote better and more comprehensive connections with employers such as student follow-up and tracking. Only recently Ministry of Higher Education has undertaken the task to survey what their students do and whether they are employed or unemployed. This information would help education institutions to improve their programs and strengthen their connections to employers. This would then benefit prospective students as they would understand labor market better, how employment effects vary from region to region and how consequences vary over the business cycle. Employers could (i) participate in schools and higher institutions to help students understand the requirements of the work and the consequences of poor education; (ii) be a member of the advisory committees because they have more accurate information and can make more accurate and timely forecasts and educational institutions could identify deficiencies; and (iii) make hiring decisions more responsive to educational accomplishments. Employers need to enhance employees skills by providing them on-the-job-training and formal retraining.

Government's Policy in Moulding the Youth

Graduates complete higher education with a degree certificate. A few years ago, it was widely felt that this was enough to start the job hunt. However, the job market is changing, and increasingly competitive. Today's knowledge-driven economy is seeing a downturn in the number of traditional recruiters offering graduates training programs and a stable career ladder even though the labor market is now larger than ever and continuing to grow due to the growth of the service and retail sectors. The changing scenario of the job market illustrates the need for graduates to be diverse in their search for employment. They would require 'skills beyond subject knowledge' to secure a job and to be effective in it. Recruiters are no longer convinced of an individual's ability to work effectively solely by a degree certificate. Employers say that there are still too many people emerging from education who lack the 'can do' attitude and the interpersonal and customer-related abilities that enable them to become quickly effective at work. Employers feel that graduates (i) should be aware of

employability skills; and (ii) should understand how such skills relate to the world of work and how they are transferred to the work context in practice. Demand today is for graduates to be 'ready for work' with clear evidence of job specific skills.

The Malaysian government is committed to continuing to widen participation in higher education. Analysis of widening participation is developed by Professor Layer in a paper in the Learning and Employability series (Layer, 2003). Widening Participation is an important approach to promoting social justice through enhancing the diversity of people succeeding in higher education. For these reasons, higher education institutions, modes of study, and the graduate labor market are all becoming more diverse, as are student backgrounds. They are all interconnected and institutional responses to developing employability pull different elements together (Figure 2).



Malaysians' higher education has been addressing issues relating to employability for a very long time, even if its most early efforts were focused on the employment needs of a few specialist segments of society, such as medicine and law. Very many programs in higher education have been directly relevant to employment.

'Employability' though a term not used until recently, has clearly been on the agenda of higher education for some time. With increasing competition in the global market, the economy will have to further strengthen its competitiveness and venture into new growth areas. This will require good human capital that is knowledgeable and highly skilled, flexible and creative as well as imbued with positive work ethics and spiritual values.

Through the Ninth Malaysia Plan, the government hopes that capacity building will be strengthened. Investment in human capital is necessary to sustain economic resilience and growth, drive a knowledge-based economy, as well as foster a community with an exemplary value system. In the Ninth Malaysia Plan, the human capital policy development thrusts are:

- Undertaking comprehensive improvement of the education and training delivery systems;
- Strengthening national schools to become the school of choice for all Malaysians to enhance national unity;
- Implementing measures to bridge the performance gap between rural and urban schools;
- Creating universities of international standing and ensuring that tertiary institutions meet the needs of employers; Providing more opportunities and access to quality education, training and lifelong learning at all levels; Nurturing an innovative society with strong science and technology capabilities and the ability to enquire and apply knowledge;
- Strengthening national unity and developing a society with a progressive outlook, exemplary value system and high performance culture as well as with an appreciation for tradition and heritage; and
- Enhancing the forum of engagement and consultation between the government, private sector, parents and community in human capital development.

The quality of the labor force will increase due to increasing labor force with tertiary level educational attainment. The Government's commitment to human resources development was evident when the government allocated 18.7 per cent of the total public development budget during the revision of the Seventh Malaysia Plan. Training received 2.8 per cent of the budget. In the Ninth Malaysia Plan, with greater focus on human capital development, a total of RM45.1 billion was allocated to implement the various education and training programs as shown in Table 5.

Table 5: Development Expenditure and Allocation for Education and Training, 2001-2010 (RM million)

Program	8MP Allocation	9MP Allocation
Education	37,922.0	40,356.5
Pre School	215.7	807.3
Primary Education	5,369.3	4,837.3
Secondary Education	8,748.1	6,792.8
• Government & Government-aided School (Academic)	7,931.2	5,549.1
• MARA Junior Science College	433.1	614.5
• Government & Government-aided School (Technical & Vocational)	383.8	629.2
Tertiary Education	13,403.9	16,069.0
Teacher Education	1,368.1	577.7
Other Educational Support Program	8,816.9	11,272.4
Training	4,450.9	4,792.6
Industrial Training	3,930.6	4,103.6
Commercial Training	158.6	179.5
Management Training	361.7	509.5
Total	42,372.9	45,149.1

Source: Economic Planning Unit

The development of human capital will be undertaken by the Ministry of Education, Ministry of Higher Education, Ministry of Human Resources, Ministry of Entrepreneur and Cooperative Development and Ministry of Youth and Sports. Ministry of Education will be responsible for providing access to quality pre-school, primary and secondary education while Ministry of Higher Education will be responsible for increasing access to quality tertiary education. Training programs to enhance skills of the labor force will be undertaken by the Ministry of Human Resources, Ministry of Entrepreneur and Cooperative Development and Ministry of Youth and Sports.

There is likely the need to upgrade existing employment strategies for example exposing young people with entrepreneurial and vocational skills to start a business and to market their services and products. Basic entrepreneurial courses should also be universally taught in secondary schools and universities in Malaysia. Skills should be wide enough to avoid too narrow an area of employability. Vocational Centre should be able to produce mechanics that can also drive, drivers who can do basic engine repair so that they can adopt their skills to what is lacking in local markets. Technological changes and new growth industries should also be part of any regional employment strategy. Perhaps the most striking example is the huge proliferation of mobile telephones during the past few years. Techniques in mobile telephone repair should be a key component of new vocational training courses. Microfinance is a tool successfully used world wide for starting new businesses in developing countries. Frequently in Malaysia, youth find it difficult or are denied access to microfinance programs, largely because they can be seen as a high-risk group for credit. Therefore, there is need of government support to assist youths in setting up small cooperatives in order to secure loans for starting business.

Use of information technology to obtain information and communicate in international business and commerce has brought about global economic challenges to the world. To succeed in today's competitive global economy, one must be equipped with advanced skills beyond literacy and Malaysia has prepared itself since early 1990s to face challenges brought on by Knowledge-based or K-economy industries. Given the desire of the country to become a developed nation by 2020, Malaysia has formulated Human Resource Policies that will prepare youth with appropriate training and skills to ensure full utilization and continuous development of human resources. The policy emphasizes greater investments in human capital and it includes the following objectives:

- To increase the supply of skilled human resources to support the needs of knowledge-based and capitalintensive industries;
- To improve accessibility to education and training in order to enhance income and quality of life among Malaysians; To reduce dependence on foreign workers as industries shift towards greater automation and labor-saving technologies in production processes;
- To encourage self-employment through the provision of training in entrepreneurship, management and finance; To strengthen the labor market mechanisms to facilitate labor mobility; and
- To promote the implementation of wage schemes linked to productivity and work performance.

This human resources policy resulted in a significant change in the employment structure of Malaysia with specific employment policy that addresses the concerns of young workers. Programs involving skills-training, business opportunities and entrepreneurship are mainstreamed into the National Youth Development Policy to safeguard the employments rights of young workers. Policies have been undertaken to improve the general knowledge and many countries are seeking to reduce the number of early schoolleavers. Employers and government in Malaysia recognizes they must provide support for youth to realize their full potential and they must improve employment strategies and preparation of graduate for the labor market.

The government of Malaysia has also issued several laws to ensure that young workers are protected and enjoy good working conditions and secure employment and livelihoods. Young workers are protected by several laws as follows:

- Children and Young Persons (Employment) Act (1966) Employment Act of 1955
- Trade Union Act of 1959
- Industrial Relations Act of 1967
- Factories and Machinery Act of 1967
- Workmen's Compensation Act of 1952
- Employees Social Security Act of 1969
- Employees Provident Fund Ordinance of 1951
- Employment (Termination and Lay-off Benefits) Regulation Act of 1980 Workers (Minimum Standard of Housing) Act of 1966
- Occupational Safety and Health Act of 1994.

Conclusion

The youth population is a valuable asset to this nation, thus it is necessary to develop and equipped youth with attitudes, knowledge and skills we need for our development and enable them to be stronger to face challenges in the future. In this context two issues are important; (i) our system of education may need reorientation towards productive citizens and (ii) our national politics and politician needs reorientation towards creating opportunities for employing educated mass to contribute to the national economy.

Youth everywhere set out in life with a dreams, hopes and aspirations. Yet, these young men and women often face many challenges in the labor market. If young people are to be given opportunities, then multiple pathways to decent employment are needed. Achieving decent work for young people is a critical element in sustainable development, growth and welfare for all. There is growing evidence of a global situation in which young people face increasing difficulties when entering the labor force. Without the right foothold from which to start out, youth are less able to make choices that will improve their own job prospects and those of their future dependents. This in turn will perpetuate the cycle of insufficient education, low-productivity employment and working poverty from one generation to the next. Therefore, there is an urgency to develop strategies that aimed to give young people a chance to make the most of their productive potential. To conclude, youth development programs must continue to focus on developing the right attitudes and skills to ensure they get employment and contribute to the development of our nations.

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