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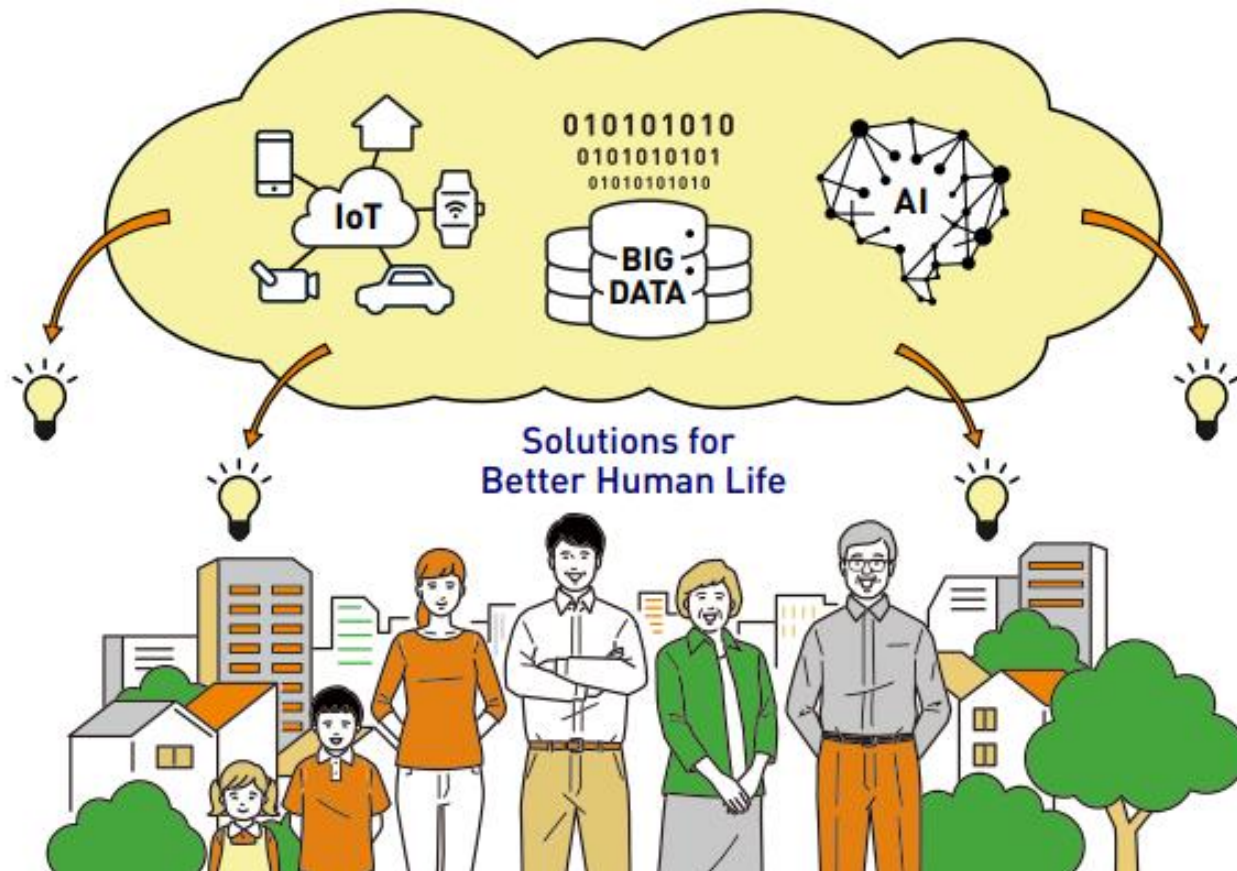
EMBRACING SOCIETY 5.0: THE NEED FOR DYNAMIC AND WELL INFORMED DATA

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ENTERING SOCIETY 5.0

A human-centered society that balances economic advancement with the resolution of social problems by a system that highly integrates cyberspace and physical space. As we move into Society 5.0 all people's lives will be more comfortable and sustainable as people are provided with only the products and services in the amounts and at the time needed.

Part 1 and Part 2 of this course

- Part 1

- The landscape of currently publicly available data, the need of more dynamic and heterogeneity catering data

- Part 2

- Shift in labour demand and labour supply landscape in Malaysia, pressing issues on labour mismatch, and possible dent in living wage and potential derailment of SPV2030 objectives.

WHY THE PUSH TOWARDS DYNAMIC DATA?

1

HETEROGENUITY ACROSS REGIONS

2

IMPACT OF EXTERNALITIES

EMBRACING NEW APPROACH

Data providers should not merely provide/publish/share data only but highly recommended to be accompanied by explanatory notes.

If this is not adhered, the noble intention of data providers could be hijacked by keyboard warriors or some unscrupulous quarters who would manipulate and spread erroneous impacts and cause anxiety to
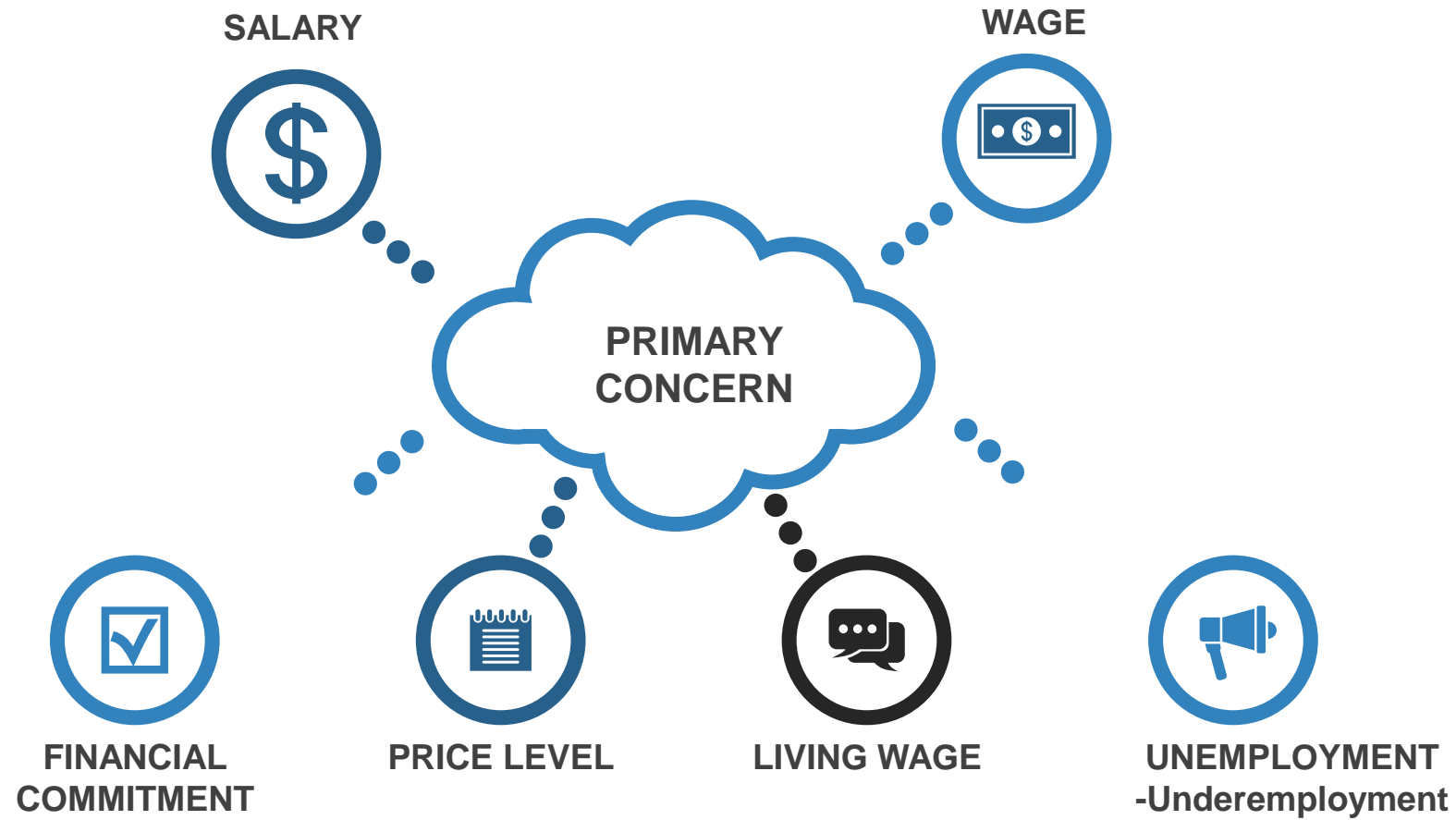
Living Wage

The standard approach used to estimate the living wage involves these four steps

1. Ascertaining whether there are significant variations in prices and living standards across location and household composition

2. Deriving the representative basket of goods and services that reflects a minimum acceptable living standard

3. Estimating the cost of the representative basket of goods and services

4. Periodically updating the living wage estimates

Source: Bank Negara Malaysia

Significant Discrepancies between Agencies

Firstly, we take a look at various definition of 'living wage'

- **A living wage is an income level needed for a household to afford a minimum acceptable living standard, which includes the ability to participate in society, the opportunity for personal and family development, and freedom from severe financial stress. (BNM).**

Similar description albeit different jargon

Had al-Kifayah

Had Kifayah dari sudut bahasa ialah kadar keperluan (kecukupan). Manakala dari sudut syarak ialah kadar minima bagi keperluan asas dalam kehidupan seseorang. Secara ringkasnya, Had Kifayah merujuk kepada suatu kadar keperluan asas minimum yang ditetapkan berdasarkan kos sara hidup semasa. Had ini juga digunakan bagi mengetahui kadar yang perlu dibantu untuk menepati kecukupan perbelanjaan asasi.

Penilaian yang dibuat dalam menentukan Had Kifayah ini merangkumi 6 aspek keperluan asas iaitu perlindungan, makanan, pakaian, perubatan, pendidikan dan pengangkutan.

- Perlindungan Perbelanjaan menyediakan perlindungan untuk seisi rumah termasuk sewa rumah, bil air, bil elektrik dan lain-lain yang berkaitan.

- Makanan Segala bahan makanan dan minuman yang dimakan oleh ahli rumah termasuk di luar rumah.

- Pakaian Segala bentuk pakaian yang digunakan oleh ahli rumah seperti pakaian sekolah, kerja dan lain-lain yang berkaitan.

- Perubatan Merujuk kepada segala bentuk perubatan yang diambil oleh ahli rumah seperti hospital awam, farmasi dan lain-lain yang berkaitan.

- Pendidikan Segala kos pendidikan ahli rumah seperti yuran pengajian, buku dan lain-lain yang berkaitan.

- Pengangkutan Segala kos berbayar ahli rumah seperti kos tambang dan lain-lain yang berkaitan.

Jumlah pengiraan Had al-Kifayah ini akan dikira sebagai jumlah perbelanjaan bulanan yang diperlukan oleh pemohon. Ia kemudiannya akan dibandingkan dengan pendapatan isi rumah pemohon. Sekiranya jumlah pengiraan Had al-Kifayah lebih tinggi daripada pendapatan, maka pemohon adalah layak menerima bantuan zakat.

In Kuala Lumpur, the provisional estimates of a living wage range between RM2,700 and RM6,500 per month

	Single adult	Couple, without child	Couple, with two children
Estimates of a living wage in Kuala Lumpur (RM/month)	2,700	4,500	6,500
Key assumptions on the representative basket of goods and services	• Rents a room • Eats out more often, cooks occasionally • Drives less, uses more public transport	• Rents a one-bedroom apartment • Eats out half of the time • Owns two vehicles (a motorcycle and a car)	• Rents a three-bedroom apartment • Cooks most of the time, eats out during weekends • Owns two vehicles • Pays for private extra classes and childcare

Note: The estimates above are provisional and subject to further revision as the underlying assumptions and cost estimates are refined. Single-adult households include adults who live alone and those who live together with non-related members of a household.

Source: Bank Negara Malaysia estimates using data from Household Expenditure Surveys 2014 and 2016, Department of Statistics, Malaysia, Ministry of Domestic Trade, Co-operatives and Consumerism, and the National Property Information Centre

Perbandingan Kadar Had Kifayah di Malaysia

Berdasarkan Isi Rumah 6 Orang (Suami dan Isteri, 4 orang anak di Institusi Pengajian Tinggi (IPT), Sekolah Menengah, Sekolah Rendah dan Tadika)

Bil.	Negeri	Bandar (RM)	Luar Bandar (RM)
01	Johor	1,745.00	1,645.00
02	Pahang (Kadar Maksima) - Rumah – RM 400.00 maksima - Kesihatan- RM 300.00 maksima - Pengangkutan – RM 300.00 maksima.	2,146.00 (B) 1,746.00(TB)	sama
03	Melaka	1,440.00	sama
04	Perak	1,655.00 (B) 1,403.00 (TB)	1,157.00 (B) 959.00 (TB)
05	Pulau Pinang	1,110.00 (B) 950.00 (TB)	Sama
06	Selangor	2,040.00 (B) 1,715.00(TB)	1,640.00(B) 1,440.00(TB)
07	Wilayah Persekutuan	2,070.00 (B) 2,020.00 (TB)	Sama
08	Kedah	960.00 (B) 815.00 (TB)	Sama
09	Sabah	1,850.00	1,455.00

Sumber : Konvensyen Zakat Kebangsaan 2016.

(* B : Rumah Berbayar & TB: Rumah Tidak Berbayar)

How could we make it Dynamic?

- Possible adjustment according to regions?

- Possible adjustment to changes in financial commitment(OPR)?

- Possible auto calculation of inflation?

INTERVAL

# Malaysian Vision and Mission – Labour Market

- Eleventh Malaysia Plan (MTR 11MP) in parliament

  Shared Prosperity Vision 2030

- Address economic disparities across
  - income groups
  - Ethnicities
  - regions
  - supply chains

Malaysian Vision and Mission – Labour Market

- The vision highlights the requirement
  - Change the economic model
  - Restructure the labour market ecosystem
  - strengthen the existing policies and plans

- Strategic concern
  - Equipping the workforce with the skills
  - Diffusion of technology
  - Innovation
  - New occupations
  - Manpower forecasting

Malaysian Vision and Mission – Labour Market

Figure 1: Economic circular flow diagram
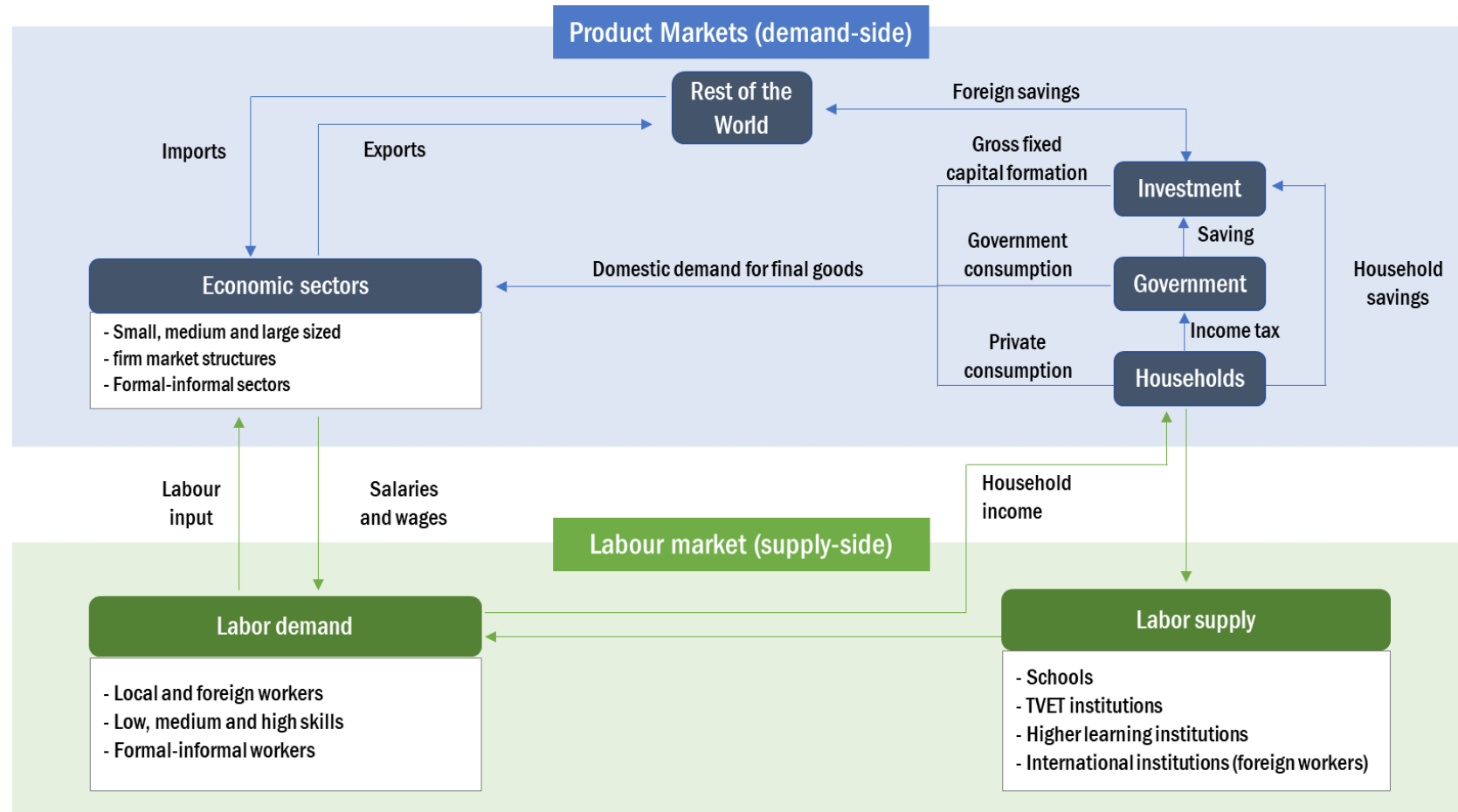
Current status of employment – Labour Market imbalances

- Imbalanced labour market during COVID period
- growing number of layoffs ➔ resulting rise in the unemployment rate
- Number of employed persons 14.9 million (2020) – COVID times
- Unemployment rate recorded 4.5%, higher than what it was during GFC 2009
- More than 200 thousand persons got unemployed.
- Reason - Movement Control Order (MCO)

Current Status of Employment

### Figure 2: Employed Person and Unemployment Rate, 2001-2020
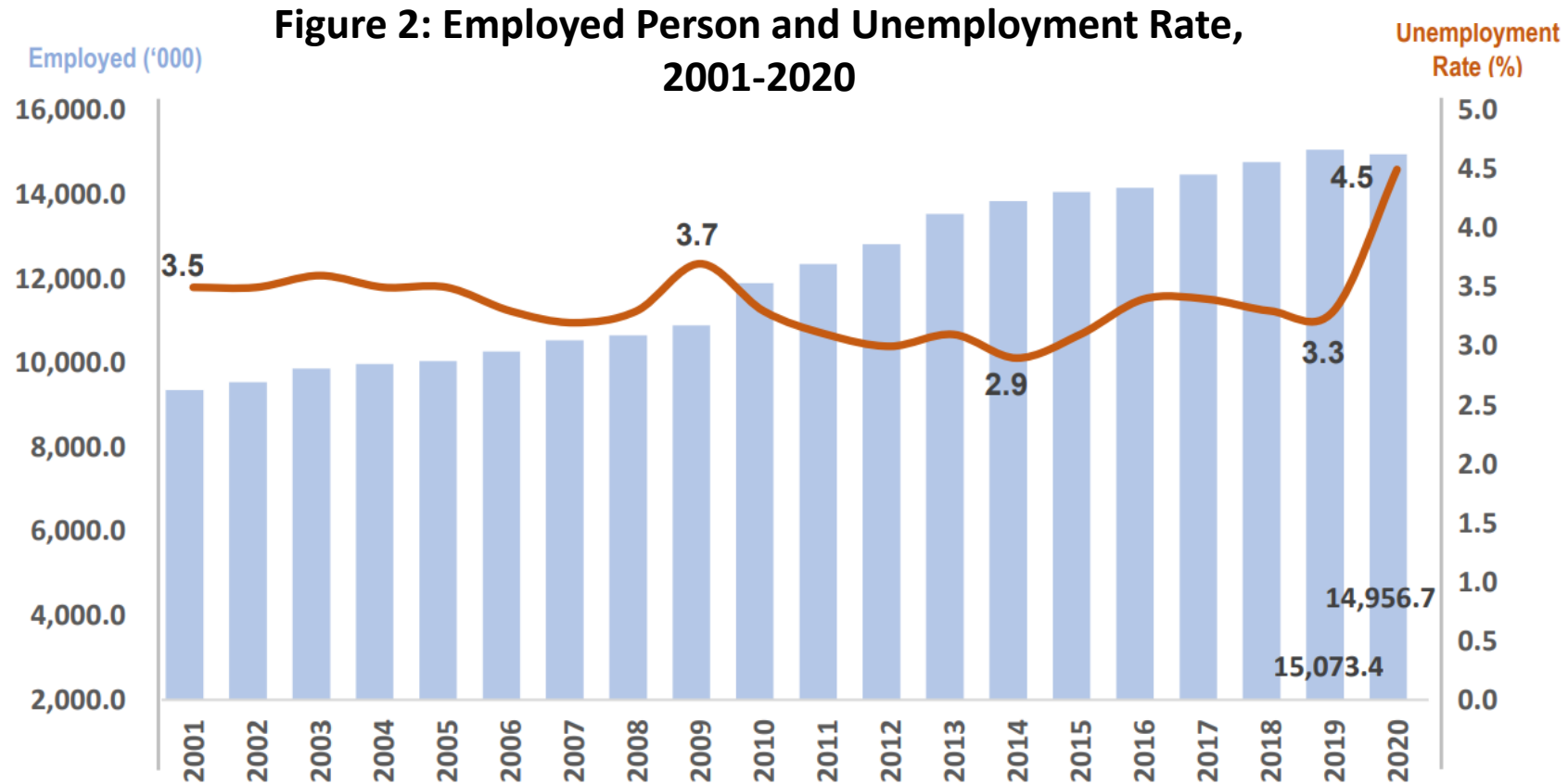
Source: Department of Statistics Malaysia (DOSM)

# Current status of employment – Demand for labour

- Generally, the employment creation has grown throughout the years especially for high skill jobs.

- The average growth of employment in 2010-2020 was 2.5% contributing to about 3.26 million new employment creation

- Given the average GDP growth (5.8%) and employment growth (2.8%) in the last four decades,

- The maximum capacity for employment creation was between 258k to 326k annually for all types of employment .

Figure 3: Number of Employment, 1990-2020

Employment (million person), 1990-2020

Average annual new employment creation, 1990-2020
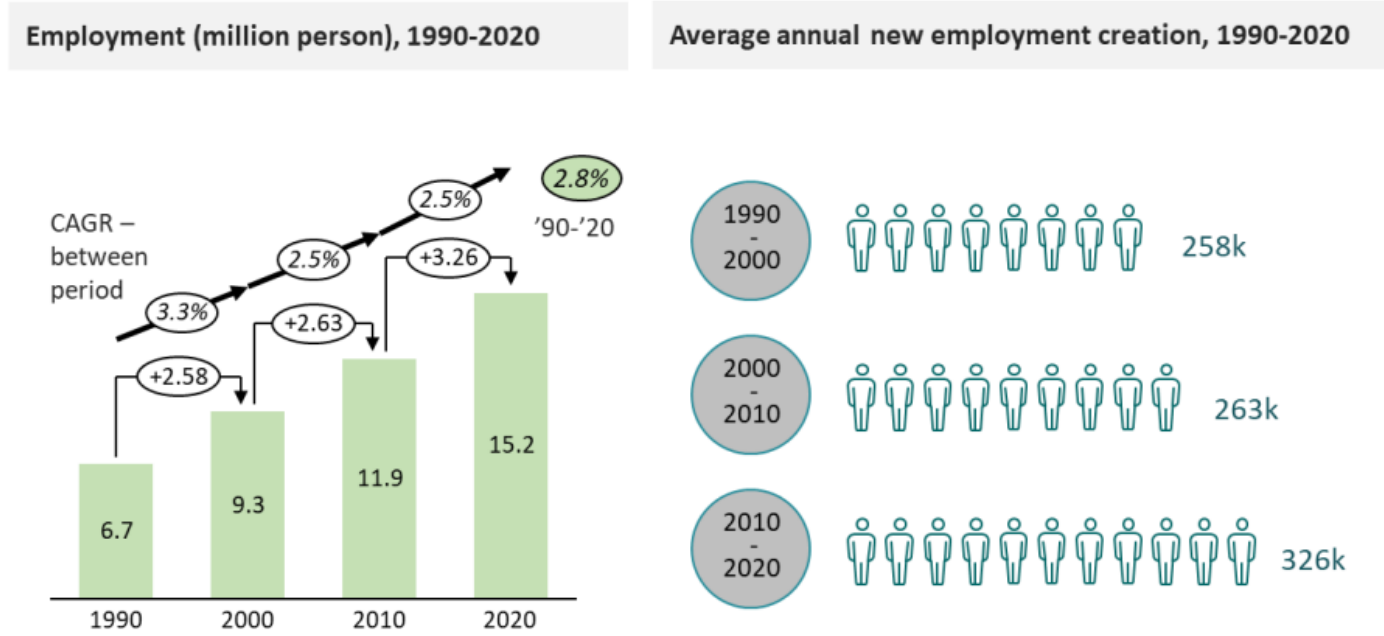
Source: Department of Statistics Malaysia (DOSM)

Figure 4: Distribution of employed persons by skill level, 2001-2018
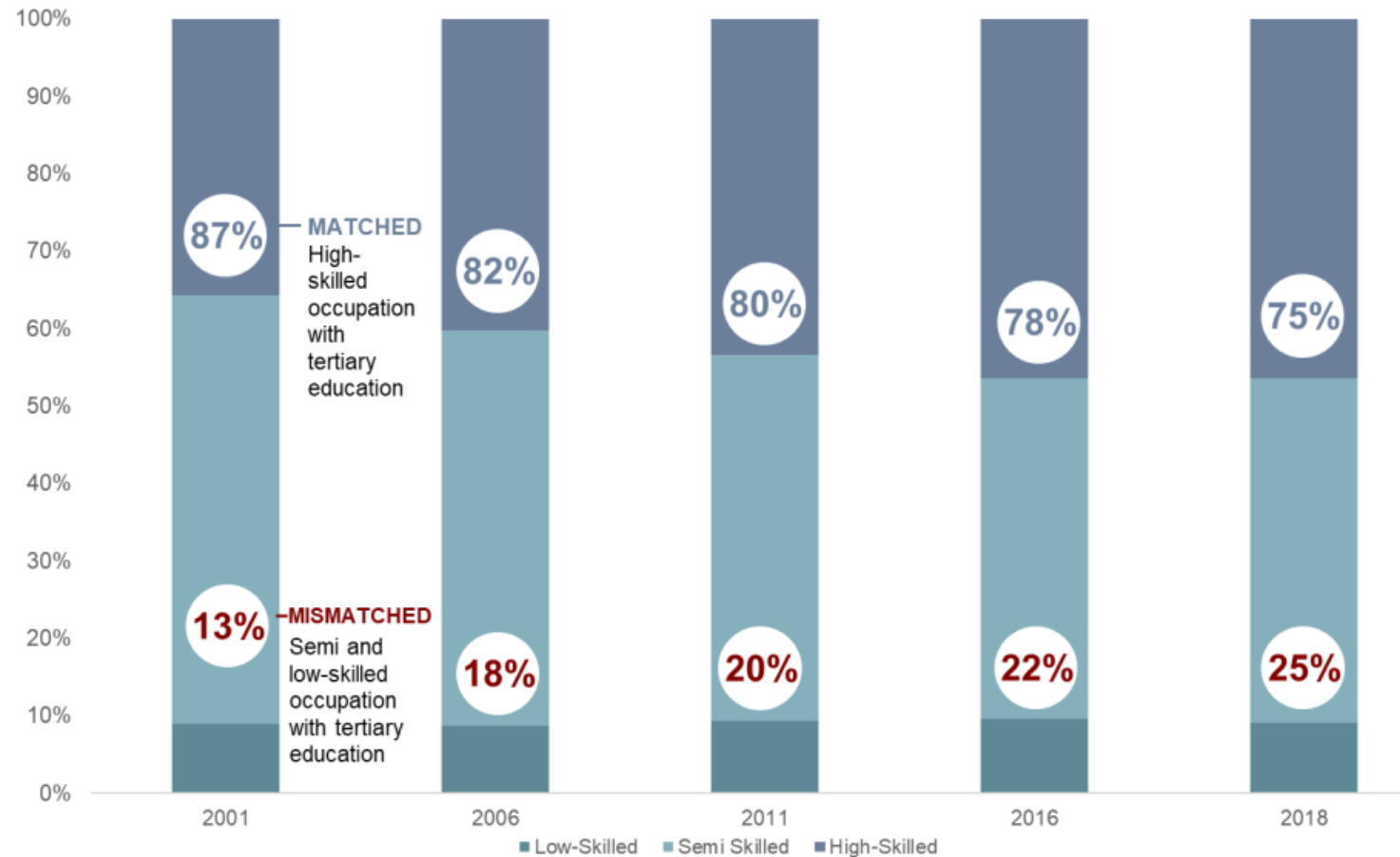
Source: Department of Statistics Malaysia (DOSM)

Early 2022 Labour Force Survey

- The employment-to-population ratio 66.2 per cent

- Employment in Services sector increased
  - Food & beverages services, Wholesale & retail trade; and Information & communication activities

- Manufacturing and construction sectors employment increased

- Agriculture and Mining is on a declining trend for the past 2 years.

- The unemployment rate stood at 4.2 per cent.

- Labour force participation rate (LFPR) increased to 69.1 per cen

'Mismatch' of supply and demand of labours

- High-skilled occupations with tertiary education have declined from 87% in 2001 to 75% in 2018.

- Made up almost half of total employed persons.

- However, the mismatch is worrisome

- The percentage of semi and low-skilled job seekers with tertiary education has increased

- Tertiary education holders face more difficulties in obtaining a job compared to the rest of the education categories.

'Mismatch' of supply and demand of labours

- Requirement of policy intervention
  - Shifting to more demand-side interventions
    - ➔ Boost economy and industry in creating more reasonable jobs
  - Training of technical skills
  - IR4.0 and digitalization
- Foreign Labour