

HIGHLIGHT OF THE MONTH

International Women's Day: Towards Better Economic Opportunities for Women

Mohd Alzaiery Abdul and Zahira Adila Zahuri



International Women's Day (IWD) celebrated annually on March 8th is a manifestation of appreciation to women for their economic, social, cultural and political achievements. This year, the IWD is celebrated with the theme "Women in leadership: Achieving an equal future in a COVID-19 world" to commemorate the roles of women in shaping a more equal future and recovery from the COVID-19 pandemic.

In shaping a more equal future, statistics have shown a significant improvement in women participation in the labour market. Based on the data from the Department of Statistics Malaysia, the number of employed women has increased by 3.7% in the past 10 years from 35.2% in 2010 to 38.9% in 2019.

The roles of women are also proven to be crucial during the nation recovery from the pandemic crisis as they stand at the front lines as health care workers, law enforcement officers and others while juggling with their family responsibilities. The presence of the crisis highlighted both the centrality of their contributions and the disproportionate burdens that they carry.

With the World Bank through the report "Aiming High — Navigating the next stage of Malaysia's development" projected that Malaysia is set to achieve the high-income nation status by 2028, women involvement in the economy is touted as one of the key elements in achieving this vision.

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INTERESTING INSIGHTS :

Labour footprint as a measure of women's contribution

Increasing women's labour force participation in the economy is vital to achieve a high-income nation status by 2028.

Zakat and unemployment in Selangor: Can it move to a sustainable model?

Zakat distribution could potentially trim down the unemployment rate.

Un'veil'ing wedding business survival

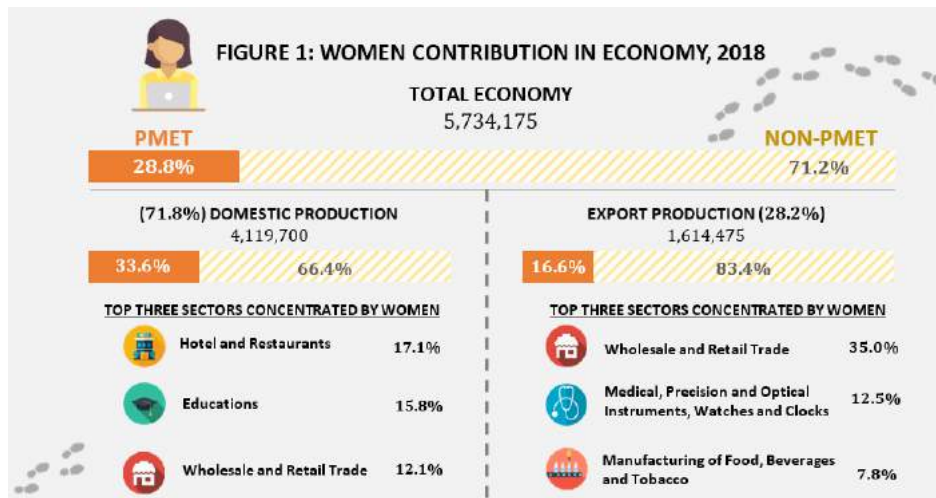
Every problem is an opportunity in disguise.

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INSIGHT

Labour Footprint as a measure of women's contribution

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Realising the importance to improve women's participation in the labour force, it is vital to track their involvement in the economic structure. In economics, the concept of labour footprint could be used to trace and track women's contribution along the supply chains for domestic and export productions.

Based on the recent statistics, there are 5.7 million women involved in the economy which equivalent to 38.9% of the total labour force. The labour footprint analysis on economic production shows that majority of the women workforce is directly involved in domestic production which accumulated to 71.8% or 4.1 million persons. While, the remaining 28.2% or 1.6 million persons are involved in export production.

At the sectoral level, women workforce in the domestic production are shown to concentrate in the Hotel & Restaurant, Education, and Wholesale & Retail Trade. The

sectors record 17.1%, 15.8% and 12.1% of women involvement respectively, making a total of 44.9%. In the export production, Wholesale & Retail Trade, Medical Related sectors, and Manufacturing of Food & Beverages and Tobacco are the top three sectors that record the highest concentration of women workforce. The share of women involvement in these sectors is 35.0%, 12.5% and 7.8% respectively, representing 55.3% of the women workforce in export production.

“ the concept of labour footprint could be used to trace and track women contribution along the supply chains for domestic and export production ”

On the occupation-based skill levels, women participation in the labour force seems to be concentrated in the lower-skill categories, for both domestic and export productions.

Measuring the skill levels according to Professionals, Managers and Technicians (PMET) and non-PMET categories, it is found that high-skilled women accounted for 1.3 million (33.6%) of women workforce in the domestic production, while 0.27 million (16.6%) in the export production. The remaining share of the women workforce mostly fall under the low-skilled employment category as measured by non-PMET jobs.

In the meantime, women in the labour force who attained higher education (37.2%) experienced skill mismatch as they are not employed based on their skill which is the PMET categories (28.8%). Thus, reforms towards creating more high-skill jobs for women are essential and should be emphasised by the policymakers in a way to ensure their active involvement in the economy.

In a nutshell, women participation in the labour force has a significant potential to boost Malaysia's economic growth. Their talents and know-how have been underutilised, despite large investment has been made for their educations. According to the International Labour Organization (ILO), participation of women in the labour force can be improved by reducing or eliminating barriers to economic opportunities for women through legal reforms, introducing more economic and societal support, and addressing gender norms and attitudes that perpetuate disparities.

Source:

International Labour Organization (2018). Women in business and management: Gaining momentum in Eastern Europe and Central Asia. Switzerland: International Labour Office
 World Bank (2019). Aiming High — Navigating the next stage of Malaysia's development. Washington, DC: The World Bank
 Labour Force Survey (Various year). Department of Statistics Malaysia

PERSPECTIVES

provides a summary of research note by our economist

Zakat and unemployment in Selangor : Can it move to a sustainable model?

Dr Fakarudin Kamarudin

Zakat is a form of transfer payment in the Islamic economy. It is only levied on a certain portion of wealth and disbursed to eight categories of asnaf (eligible recipients of zakat) who are entitled to receive the transfers after fulfilling certain conditions set by the Islamic teaching.

A recent survey shows that 30.9% out of 687 asnaf interviewed in Selangor, Wilayah Persekutuan, Melaka, Terengganu, Pulau Pinang and Kedah are unemployed and received monthly financial and food aids from zakat institutions.

This indicates the unemployed are those people who also need social security from the zakat fund.

However, there is no clear ruling that the unemployed or those who have lost their jobs are specified under any of the asnaf categories.

Thus, to extend the distribution of zakat to the unemployed, it is necessary to have an empirical assessment to measure the effects of zakat on unemployment.

Using the zakat distribution and unemployment data for Selangor available at Lembaga Zakat Selangor (LZS) and the Department of Statistics Malaysia (DOSM), an empirical assessment is used to identify the impact of zakat distribution on the unemployment rate.

Zakat distribution is used in the analysis to measure the effectiveness of the zakat transfers in stabilising the state's labour market.

As shown in the figure below, it is suggested that there is a negative relationship between zakat distribution and the unemployment rate. This is the desired outcome that reflects the potential of zakat to reduce unemployment.

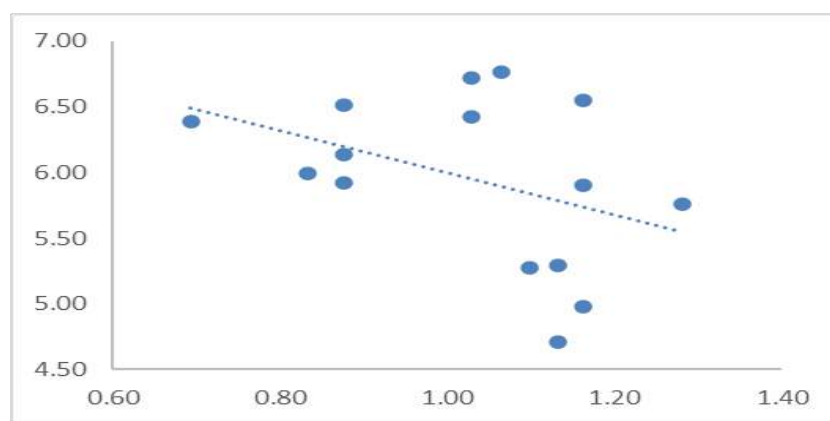
“zakat distribution could potentially trim down the unemployment rate”

As the findings asserting zakat distribution could potentially trim down the unemployment rate in Selangor, it is, thus, suggesting the effectiveness of the zakat eco-system in the state to improve labour market condition.

However, it is quite subtle to conclude a definite impact of zakat on unemployment. Although it is true that LZS has utilised zakat to assist a new pool of entrepreneurs among the asnaf by providing them with incentives through financial capital aids and human capital development programmes, but the portion of assistance for economic improvement is quite minimal.

Therefore, it is important to revisit the direction of zakat distribution to which it is either effectively facilitating productive activities or remain as a conventional welfare distribution tool. The latter seems to be less effective in the sense that it does not encourage recipients to engage in productive activities.

Whilst it is evident that zakat distribution may become a viable tool in addressing the issue of unemployment as LZS has been utilising it to empower the asnaf in Selangor, it also calls for sustainable zakat distribution strategies.



Note: The fitted straight line shows a generalised pattern of the relationship between zakat distribution and unemployment rate in Selangor.

UNTOLD STORY

shares the reality of labours that inspired and motivated others to change

Un‘veil’ing wedding business survival

Nur Alfiah Husna Shamsul Azmal and Nurul Shakina Ishak



Nazeyra Fadzaauny (centre), with her agents

The impact of COVID-19 has severely impaired most economic activities with no exception to the wedding industry. Mass congregation, festivals and family gathering were totally banned during the implementation of lockdown measure. Depending on these occasions, business survivals for wedding industry were devastated.

Behind the slumping event, Nazeyra Fadzaauny, 35, a wedding planner managed to survive during these critical times. As a chemical engineer graduate from Universiti Sains Malaysia (USM), Nazeyra started-off her career as an engineer while taking part time job as a make-up artist. In 2013, she established Eyra Fadz Wedding upon her career resignation.

A couple of months prior to a full-scale Movement Control Order (MCO) in mid-March 2020, Nazeyra managed to secure 40 clients during the first quarter of 2020, leading to six-figures sales per month. From there, she aimed to

triple her sales in April but unfortunately, luck was not on her side as MCO enacted.

As a wedding industry player, the closure of business has left her empty-handed. This undesirable effect becomes worsen when most of her customers cancelled all the bookings and requesting for refunds. Not only that, she encountered double losses when all her well-trained staffs resigned. Her life becomes miserable as she needs income to cover her daily expenses and financial commitments.

After few months of mulling over, she came to realise that she needs to avoid being despair and move forward after the crisis-led failure. With unconditional supports from her husband, she started to restructure her business plan, change boutique layout and reorganise business system to give a new breath to her company. In addition, she recruited two new skilled staffs and offered higher

wages.

The shift of business activities to digital platform encouraged Nazeyra to be more innovative by creating a business website to market new product lines during MCO which include selling and renting wedding attires, bridal accessories and customised face masks for wedding functions. By selling these products online, her business manages to bag up to five-figures per month. Eyra Fadz Wedding also provides rental services for ‘online’ wedding equipment such as laptop and speakers to ensure her business sustainability in the new norm. Nazeyra also initiated a new wedding agent recruitment system to reach out a wider group of clients to sell wedding dress.

Knowing brand awareness is the key to a business success, Nazeyra often conducts a series of sharing session on social media platform to engage with potential customers. Not only that, Nazeyra plans and determine to expand her business by opening more wedding planning outlets across Malaysia. Nazeyra believes that the ability to adapt in new circumstances is the key to remain afloat and survive. As a success quote goes “every problem is an opportunity in disguise”.



EDITOR SELECTION

finding from research paper that is relevant for labour market

Extending social protection in non-standard employment

Mazzatul Raudah Abdul Halim

Non-standard employment—also known as informal employment, contingent work, alternative work arrangement or atypical employment—is typically seen as ‘precarious’ and has become prevalent over the last few decades due to increased global competition in the international labour market.

Similarly, as one of the fastest-growing economies, China shifted from a centrally planned system towards a market-oriented system in the late 1970s. For that reason, non-standard employment, such as self-employment, temporary work and dispatch agency work has increased dramatically, especially in the urban labour market, becoming a major contributor to the country’s rapid economic development.

Although the growth of non-standard employment arrangements has benefited Chinese businesses and the nation’s economy by generating employment, reducing labour costs, and enhancing labour market flexibility, much evidence shows that this type of employment also causes many problems for the workers. Their works are characterised by low pay, high intensity, poor conditions and lack of employment protection and bargaining power.

According to legal requirements in many countries, employers should distribute equal pay and benefits to all workers. In reality, however, salaries, in-kind benefits and other welfare benefits are often unequally distributed. In particular, most non-standard employment workers still receive lower pay and are displaced from the common welfare system.

These vulnerable groups were more likely to report lower job satisfaction than their standard employment counterparts. Also, some non-standard employment workers in China—particularly rural migrant workers—



were not fully eligible to enroll for social insurance programmes due to the lack of local urban hukou or written labour contracts. Consequently, this give non-standard workers more economic constraints and negatively influence their job expectations, which, in turn, lower their job satisfaction.

“Non-standard employment is typically seen as ‘precarious’ and has become prevalent within the global economy due to increased global competition in the international labour market”

To provide inclusive protection to these vulnerable workers, Chinese government introduced a series of new laws and regulations, including Labour Contract Law, Employment Promotion Law, and Labour Disputes Mediation and Arbitration Law that aimed to create more equitable labour rights and standards for different employment types. The main objective of these laws and regulations in non-standard employment is to improve employment

conditions, offer better employment protection and provide more comprehensive guidance.

In Malaysia, the self-employed workers and non-standard employment coverage is still low. For example, the Employment Injury Scheme under Security Social Organisation (SOCSO) covers less than 10% of self-employed. This scheme provides protection for self-employed insured persons against employment injuries, including occupational diseases and accidents during work-related activities.

Despite the improvement of the scheme’s coverage, continuous effort to strengthen the non-standard employment welfare is required as trends of non-standard, informal workers and or self-employment are likely to pacing rapidly.

Reference

A summary and assessment based on the following article: Nawakitphaitoon, K., & Tang, C. (2020). Non-standard employment and job satisfaction across time in China: Evidence from the Chinese general social survey (2006–2012). *Work, Employment and Society*. 1-21.

ACTIVITIES

EU-ERA IN MEDIA

Printed Media

1. Mendepani landskap pekerjaan pada masa hadapan
- Berita Harian (24 March 2021)

Electronic Media

1. Isu pengangguran pulih jika ekonomi dibuka
- Harian Metro (15 March 2021)

Webinar

1. Darurat: Rakyat dan Ekonomi anjuran Jabatan Penerangan Malaysia (31 March 2021)

TRAINING ON DEVELOPMENT OF REGIONAL INPUT - OUTPUT TABLE FOR NEGERI SEMBILAN

24-26 MARCH 2021



UPCOMING EVENTS

Quantitative Workshop 2021

1. Understanding the Labour Market Ecosystem (21 June 2021)
2. Econometrics Workshop Series: Basic Econometric for Labour Market Analysis (22 June 2021)
3. Labour Market Impact Assessment Tool (23–24 June 2021)
4. EXCEL for Data Analytics (28–29 June 2021)
5. Data Envelopment Analysis (30 June 2021)
6. Economic Workshop Series: Dealing with Non-Stationary Data (TBC)
7. Labour Market Leading Indicators (TBC)
8. Econometric Workshop Series: Forecasting Labour Market Indicators Using ARIMA and Box-Jenkins Approaches (TBC)
9. Modeling and Estimating Using ARDL Approach (TBC)

***(TBC) - To be confirmed**
Specific information on the dates, venue, contents, fees and related details will be updated soon.

Seminar/Conference 2021

1. 1st National Conference on Labour Market Analysis (INFORMAL)
- New Data and New Approaches (17 November 2021)

Seminar/Conference 2022

1. 28th International Input-Output Conference and 10th Edition of the International School of IO Analysis

***For any inquiries, please email us at euera.centre@gmail.com**

RECENT PUBLICATIONS

1. Malaysia Budget 2021: Labour Market Perspectives
2. Quarterly Labour Market Perspectives: Growth and Labour Market Recovery
3. The Day After Tomorrow: Estimating the Impacts of Ending Temporary Wage Subsidy Programme.
4. Quarterly Labour Market Perspectives: Modest Labour Market Recovery

***For further reading, please visit <https://eiscentre.perkeso.gov.my/reports-articles/>**



Assoc. Prof. Dr Mohd Yusof Saari receiving his appointment certificate as Panel of Experts under the Ministry of Youth and Sports



Workshop - Bengkel Tenaga Pakar bagi Penyelidikan Revising Employability Measures

SPOTLIGHT

Loss of Employment and Job Placements



EMPLOYMENT INSURANCE SYSTEM LOSS OF EMPLOYMENT & JOB PLACEMENTS 1st WEEK OF APRIL 2021

SNAPSHOTS

Reason : Voluntary / Mutual Separation Schemes (VSS / MSS)
Percentage : 17%

21,004 Loss of Employment
46,971 Job Placement

Voluntary and Mutual Separation Schemes were the new main cause of retrenchments.

AGE

30 - 34	20 - 24
3,762 18%	14,115 30%

30 to 34-year-olds were most likely to be retrenched, while slightly younger 20 to 24-year-olds were most likely to be hired.

GENDER

Men	Women	Men	Women
57%	43%	54%	46%

OCCUPATION

Professionals	Technicians & Associate Professionals	Managers
6,291 30%	4,031 19%	3,385 16%
Professionals	Service and Sales Workers	Technicians & Associate Professionals
10,134 22%	8,387 18%	7,908 17%

Professionals were most likely to be retrenched (30%) and rehired (22%).

WAGE LEVELS

Workers earning between RM1,000 - RM1,499 were most likely to be retrenched (14%), while those earning slightly more (RM1,500 - 1,999) were most likely to be hired (38%).

38% Job Placement
14% Loss of Employment

Legend : ■ Loss of Employment | ■ Job Placement

INDUSTRY

Manufacturing	Wholesale & Retail	Accommodation and F&B
3,594 6,928	3,328 6,627	2,093 3,874
Other Classification	Education	

Most retrenchments and placements occurred in the manufacturing industry.

STATE

Selangor	Selangor
7,434	13,920
Kuala Lumpur	Kuala Lumpur
6,165	9,510

Both retrenchments (35%) and placements (30%) were concentrated in Selangor.

Technical note:

- LCE figures are based on ES unemployment benefit claims
- Placement figures refer to previously unemployed individuals who have successfully returned to work
- All figures are cumulative (from January 2021 onwards)
- Subject to changes as the data has only undergone preliminary cleansing



For more information : eiscentre.perkeso.gov.my

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At a Glance...

Yeopmie



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EIS-UPMCS Centre for Future Labour Market Studies (EU-ERA) is a collaborative research laboratory between the Employment Insurance System (EIS) at Social Security Organisation (SOCSO) and Universiti Putra Malaysia Consultancy & Services (UPMCS).


The mission of the EU-ERA is to blend the scientific and empirical approaches into the current policy development which cover end-to-end labour market policies ranging from the labour supply to the labour demand issues. In meeting the scopes, the centre focuses on forecasting and modelling; applied policy analysis; and capacity building and structured training programmes for labour market assessment tools.

Our core researchers have strong expertise in quantitative economic tools which include econometrics, input-output (IO), social accounting matrix (SAM), computable general equilibrium (CGE), system dynamics (SD) and data envelopment analysis (DEA). These quantitative tools are not only vital for labour policy assessments but also are able to address the inter-linkages between the labour market and other developmental issues such as investment, trade, income distribution, poverty, social policy, demography and aging, and migration.

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