

The Future of Employment in Malaysia, Singapore, and Thailand

Demographic and Labour Market Trends of Ageing Societies in the Context of the Fourth Industrial Revolution

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- **Trends: 4IR, Covid19 and environmental and climate change**
- **Retirement Readiness: Malaysia, Singapore, Thailand**
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Challenging Future : Demographic and current labour market shifts

Old and older

- **Singapore:** Aged, 8 years to super-aged
- **Thailand:** Ageing, 13 years to super-aged
- **Malaysia:** Ageing, 34 years to super-aged

Old and vulnerable

- **Singapore:** nearly 1 in 2 older persons earn lower than national median income.
- **Thailand:** 1 in 3 older persons live in poverty.
- **Malaysia:** 2 in 5 live in relative poverty.

Challenging future

- 4IR
- Covid-19
- environmental and climate change

The elderly are at risk of being displaced due to 4IR.

MALAYSIA

- Many older workers work in non-agricultural informal sectors, mostly in low- (11.5%) and semi-skilled work (71.9%).
- Malaysia is pushing for TVET, but many training incentives targeting graduates and younger age groups.

SINGAPORE

- 20.3% of those aged 60+ were in low-skilled occupations, compared to 3.8% of those aged 15-59.
- The government partners with agencies to upskill older persons, but low- and mid-skill older workers are at risk of being displaced.

THAILAND

- 96 out of 100 of those aged 60+ are in low-skilled and mid-skilled jobs, with 3 in 5 of those aged 60+ work in the agricultural sector, and almost 9 in 10 are in informal employment.
- Similar to Malaysia and Singapore, many low- and mid-skill workers may face job losses.

The elderly are more likely to be unemployed due to the COVID-19 pandemic.

MALAYSIA

- Unemployment rate among 60-64 years old increased from 0.9% in 2019 to 3.4% in 2020
- Voluntary provident fund withdrawals, as one of the COVID-19 recovery initiatives, has resulted in **depleted retirement savings**.

SINGAPORE

- Unemployment rate increased from 3.1% to 4.9% for those aged 60+.
- WFH did not work for the low- and mid-skilled older workers
- Government initiatives were inclusive for older employees.

THAILAND

- Overall unemployment rate increased slightly from 1.0% to 1.7%.
- Impact to the labour market were not as severe due to milder containment measures.

Environmental and climate change affect elderly the most

- **Agriculture and tourism**, which will suffer from environmental and climate change, accounted for more than half of employment in Thailand, and one-third of that in Malaysia.
- **The incidence of older workers in agriculture is higher compared to other age groups.** In Thailand, 59.9% were skilled agricultural and fishery workers. In Malaysia, 25.5% older workers are in agriculture.
- **Older persons are also more vulnerable** to the effects of temperature extremes and have a significantly higher mortality risk in extreme temperature events due to susceptibility of disease, reduced mobility and the effect of stress.

Source: Zhao, Qi. et al. Global, regional, and national burden of mortality associated with non-optimal ambient temperatures from 2000 to 2019: A three-stage modelling study. Accessed in [https://www.thelancet.com/journals/lanplh/article/PIIS2542-5196\(21\)00081-4/fulltext](https://www.thelancet.com/journals/lanplh/article/PIIS2542-5196(21)00081-4/fulltext)

Retirement Readiness : Not Ready

Malaysia

- **Inadequate income security below OECD's 60-70% replacement rate benchmark.**
- Half of EPF members <55 (6.1 mil members) have critically low savings.
- **Coverage is limited, especially among women with 1 in 3 not covered.**

Singapore

- 2 in 3 had sufficient minimum retirement savings of SGD90,500 (USD66,374).
- **Older women unlikely to meet the Basic Retirement Sum.**

Thailand

- **Pension system is fragmented**
- **Gaps in coverage and adequacy.**

Malaysia, Singapore, and Thailand have incorporated policies for older persons into their national development, but there are gaps.

MALAYSIA

- **Current policies:**
 - National Health Policy for Older Persons (2008)
 - National Housing Policy (2011)
 - Third National Plan of Action for Nutrition of Malaysia (2016-2025)
 - Second National Policy for the Elderly (2011)
- **12th Malaysia Plan:** Introduce law for older persons' rights, long-term care framework, better healthcare, higher quality of caregivers, financial literacy, older person database.
- **Gaps:** No initiatives aimed at older worker employment

SINGAPORE

- **Current policies:**
 - Action Plan for Successful Ageing (2015)
 - Tripartite Committee on Employability of Older Workers (2005).
- **Current initiatives:**
 - Re-employment age (63-65)
 - SkillsFuture
 - WorkPro
 - Workplace health programme
 - Centre For Seniors (CFS)
- **Gaps:** Despite various reskilling and upskilling efforts, 21.2% of employed 60+ year old's are working in elementary jobs.

THAILAND

- **Current policy:**
 - Second National Plan for Older Persons (2002-2021).
- **Areas covered under the Plan:**
 - Quality ageing
 - Promoting older person wellbeing
 - Social security for older persons
 - Personnel development at the national level
 - Research for policy and programme development support
- **Gaps:** Uptake for older person employment services remain low, limited hiring incentives, inadequate pension amount

Age friendly workplaces

Upskilling and reskilling for future of work

Incentivising employers

Improvements in social protection policies

Improving the female LFPR

Elderly health

Conclusion

Population is ageing rapidly. Old-age income security is a challenge and prime working-age adults are declining, increasing a need for older workers.

Older persons will have to face three major trends impacting the labour market: 4IR, COVID-19, and climate change.

They are not ready to retire, or will retire in poverty.

Several gaps and challenges remain but the impact can be mitigated

Thank you

