

CORPORATED MANAGEMENT / HUMAN RESOURCES

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NEW STRAITS TIMES: By 2020, Malaysians will be paid for work requiring a better class of workers

Planning for job success

MALAYSIANS will be 30 million strong by 2020, increasing from the current 28 million. The workforce will expand to between 14 and 15 million from today's 12 million. This demographic evolution occurring alongside the targeted high-income economy only puts greater pressure on how to design economic growth policies that can handle the challenge. If once it was argued that the country was chasing after a moving target in trying to achieve the aspirations of Vision 2020, today it can be described as handling a situation where targets are moving fast on several fronts. Policies need to cope with an expanding labour force by increasing the speed at which gross national income increases.

Naturally, job creation is of utmost importance and the government has pledged to add three million jobs by 2020. However, if these are low-end ones, it will only retard Malaysia's chase for high income status by that year. The solution to this conundrum is, in theory at least, simple. Too many low-wage occupations is unacceptable, hence, the official drive to shift the economy to one that is high-end. By definition then, the country moves from labour intensive production to one that is driven by high technology, which should also change the character of the workforce from low and medium skilled to high and super skilled. In turn, that would translate into better salaries.

At the low end, the number of workers earning RM2,000 a month will increase to 10 million by 2020, meaning a doubling over seven years. There will be more Malaysians drawing a salary of between RM2,000 and RM7,000 monthly and two million will be paid more than RM7,000. In short, by 2020, Malaysians will be paid for work requiring a better class of workers. All told, such an objective would require, according to the government, a total investment of RM1.3 trillion in high-end sectors.

To date Malaysia has done well in terms of readying an English proficient labour force that has attracted such players as Intel to have a complete base here, which includes design and high-end technical skills. Nevertheless, the Intel example speaks of high value added skills at comparatively low remuneration. Recently, the government introduced a minimum wage policy which also applies to foreign labour, a move to discourage labour intensive operations in the country, another step towards high-end production. It, too, will drive wages up. Putrajaya's management of the political economy has covered all angles to prevent failure bar one: the electorate's will. The future lies with the voters.

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