

# Offering better labour-market opportunities to all Malaysian women: a win-win strategy

by Marieke Vandeweyer, OECD Directorate for Employment, Labour and Social Affairs

The Malaysian labour market is facing substantial skills imbalances, including shortages in a range of occupations and skills. To tackle these imbalances, the 2019 OECD Economic Survey of Malaysia features a special focus on skills development and on how better labour-market opportunities could be offered to all Malaysian women.

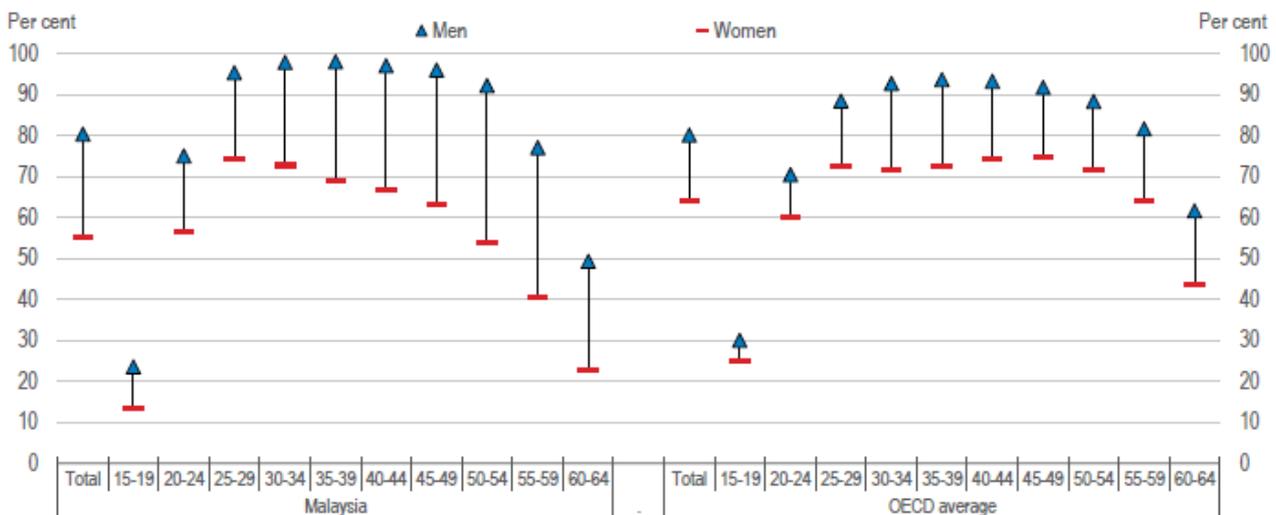
Malaysian women participate much less in the labour market than men, in spite of similar levels of educational attainment. Only 55.2% of working age women are active in the labour market, compared with 80.4% of men.

This gap is larger than in OECD countries, where the difference only equals 16 percentage points. In most OECD countries, the gap in participation rates between men and women reaches its peak in the age group of 30 to 39 year olds, after which it decreases for older age groups. In Malaysia, by contrast, the gap significantly increases at the age of 30 to 34, and continues to grow for older age groups. These numbers suggest that many women leave the labour market

in their early thirties, probably because of childcare responsibilities, and do not return to work after that.

The Malaysian government has set the goal to increase female labour market participation to 56.5% by 2020. Initially, this target was set at 59%, but because of slow progress the target has been revised downward.

**Gender gaps in labour force participation in Malaysia increase with age**  
Labour force participation rate by gender, 2018/2017



Note: 2018 data for Malaysia and 2017 data for OECD average.

Source: Department of Statistics Malaysia, Table A1.1; OECD, *Labour Force Statistics database*.

Barriers to labour market participation can be reduced by promoting family-friendly policies, including:

- employment-protected paid leave around childbirth and when children are young
- subsidised childcare
- and a statutory right to request flexible work.

The current right to maternity leave in the private sector in Malaysia is below the 14 weeks minimum that is stipulated in the ILO

Maternity Protection Convention. Moreover, the full cost of the maternity

allowance in Malaysia is covered by employers, which could create a strong

disincentive for employers to hire women of childbearing age.

Access to reliable and affordable childcare facilities in Malaysia is limited, although several financial incentives exist for parents and for employers to provide on-site childcare facilities. Finally, access to flexible work arrangements is limited, making it difficult for parents in Malaysia to combine work and family responsibilities.

To help women return to work after a career break, they would benefit from targeted career guidance and training opportunities. The Malaysian Career Comeback Programme provides tax incentives and training to women returning to work, but also offers grants to employers for implementing or enhancing programmes or campaigns to recruit women returnees and for hiring and retaining women returnees. More efforts like these are needed to help women (re-) enter the labour market and ensure that their skills are put to good use.

<http://www.oecd.org/economy/malaysia-economic-snapshot/>