Asia-Pacific Stats Cafe
Labour Accounts: Holding Labour Market Data to Account
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Developing Labour Accounts for Malaysia: Why, How and Where we are?

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1 Background
• Aligning production of labour statistics with global and national agendas
• Multiple sources of labour statistics with different approach of data collection
• Production of various labour market statistics

2 Issues & challenges
• Discrepancies between labour statistics
• Some of the gaps that could lead to misinterpretations

3 Developing labour account for Malaysia
• Motivations
• Preliminary assessment
• Components & coverage
• Challenges & way forward
Aligning production of labour statistics with global and national agendas …

**GLOBAL AGENDA**

Measurements of labour statistics lay across many goals and targets, but is specifically identified in **three goals**

- Quality Education
- Gender Equality
- Decent Work and Economic Growth

**SUSTAINABLE DEVELOPMENT GOALS**

**GLOBAL AGENDA**

**MEDIUM TERM NATIONAL PLAN**

Focus on **realigning the labour market** for inclusive and sustainable growth as well as **developing future-ready talent** through **increasing job opportunities** for Malaysian, **achieving equitable CE**, improving labour participation and strengthening labour market support.

**LONG TERM NATIONAL PLAN**

With emphasis to continuous and a more inclusive prosperity with specific outcomes including:

- multiplying the size of the economy and increasing added value in the supply chain;
- creating **high-paying jobs**; and
- increasing **labour participation**, increasing **skilled workers** and effective workforce.

**RECOVERY INITIATIVES & SHORT TERM PLAN**

Policy Enabler 1: Developing Future Talent
Multiple sources of labour statistics with different approach of data collection …

Some examples …

**Household**
- Population & Housing Census
- Household Income, Expenditure and Basic Amenities Survey
- Labour Force Survey
  - Supplementary modules
    - Informal Sector Workforce Survey
    - Salaries & Wages Survey

**Establishment**
- Economic Census
- Annual Economic Survey
- Quarterly Survey of Services
- Monthly Manufacturing Survey
- Quarterly Employment Statistics

**Administrative records and Big Data**
- Social Security Organisation
- Employees Provident Fund
- Inland Revenue Board
- Immigration Department
- Online Job Portals
- Job Market Insights
Production of various labour market statistics ...

Monthly Labour Force Report
106 indicators

Quarterly Labour Force Report
455 indicators

Quarterly Employment Statistics
1,562 indicators

Quarterly Labour Productivity Report
484 indicators

Quarterly Labour Market
519 indicators

Annual Labour Force Survey Report
26,920 indicators

Salaries & Wages Survey Report
764 indicators

Graduate Statistics
1,081 indicators
Issues and challenges
Discrepancies between labour statistics

<table>
<thead>
<tr>
<th>in terms of ...</th>
<th></th>
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</thead>
<tbody>
<tr>
<td><strong>Approach of data collection</strong></td>
<td>census, survey, administrative data compilation, big data analytics ...</td>
</tr>
<tr>
<td><strong>Purpose of data collection</strong></td>
<td>estimation of statistics, monitoring, enforcement ...</td>
</tr>
<tr>
<td><strong>Population coverage</strong></td>
<td>individuals, households, establishments / employers, geographically, demographically...</td>
</tr>
<tr>
<td><strong>Frequency</strong></td>
<td>monthly, quarterly, annual, real time ...</td>
</tr>
<tr>
<td><strong>Reference period</strong></td>
<td>a month ago, mid-year, end of calendar year, end of financial year ...</td>
</tr>
<tr>
<td><strong>Concepts, definitions and classifications</strong></td>
<td>supply vs demand, dimension of disaggregation (industry, occupation, gender, age group, region, urban/rural) ...</td>
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</tbody>
</table>
Some of the gaps that could lead to misinterpretations …

1. The lower number of vacancies against unemployment

<table>
<thead>
<tr>
<th>Unemployment</th>
<th>Job vacancies</th>
<th>Online job advertisement</th>
</tr>
</thead>
<tbody>
<tr>
<td>671.2 thousand</td>
<td>184.3 thousand</td>
<td>15.1 positions advertised</td>
</tr>
</tbody>
</table>

2. The discrepancies between supply & demand

<table>
<thead>
<tr>
<th>Labour force</th>
<th>Jobs</th>
</tr>
</thead>
<tbody>
<tr>
<td>16,246.1 thousand</td>
<td>8,572.1 thousand</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Employed persons</th>
<th>Filled jobs</th>
</tr>
</thead>
<tbody>
<tr>
<td>15,574.9 thousand</td>
<td>8,387.8 thousand</td>
</tr>
</tbody>
</table>

**Source**  
- Labour Force Survey  
- Quarterly Employment Survey  
- Online job portals

**Coverage**  
- Individuals in private living quarters  
- Registered private sector establishments (formal sector)  
- Four common job portals

**Approach**  
- Household Face-to-face & CATI  
- Establishment e-survey, phone & face-to-face  
- BDA - data scrapping

Statistics shown are as of first quarter of 2022
Some of the gaps that could lead to misinterpretations … (cont’d.)

3. Higher growth in salaries & wages compared to labour productivity

<table>
<thead>
<tr>
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</thead>
<tbody>
<tr>
<td>Coverage</td>
<td>Full-time private and public sectors’ employees</td>
<td>Employment in all economic sectors</td>
</tr>
<tr>
<td>Approach</td>
<td>Household Face-to-face &amp; CATI</td>
<td>Estimation and modelling</td>
</tr>
</tbody>
</table>
Developing labour account for Malaysia
Motivations

To provide a comprehensive inter-linkages between the dimensions of labour market statistics
• Persons, Jobs, Volume & Payment

To offer a more illustrative insights into each of the dimensions at an increased frequency and granularity
• This can assist users to gauge information on statistics that are usually available at annual basis but is extremely important such as wages

To ensure monitoring and fulfilling of targets set to realise global and national agendas
• To assist in a more targeted policy mechanism and responses
**Preliminary assessment**

**Identification of the key elements of labour statistics** outlined by the ILO and mapping it to **available source** of these statistics in **Malaysia** …

<table>
<thead>
<tr>
<th>ILO</th>
<th>SOURCE OF DATA FOR MALAYSIA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employed persons and jobs</td>
<td>Labour Force Survey, Quarterly Employment Survey, Labour Productivity</td>
</tr>
<tr>
<td>Unemployed and underemployed persons</td>
<td>Labour Force Survey</td>
</tr>
<tr>
<td>Job vacancies</td>
<td>Quarterly Employment Survey, Job Market Insights, My FutureJob</td>
</tr>
<tr>
<td>Hours of work and full – time equivalents</td>
<td>Labour Force Survey, Labour Productivity</td>
</tr>
<tr>
<td>Income from employment and labour costs</td>
<td>Salaries &amp; Wages Survey, Monthly Manufacturing Statistics, Quarterly Services Statistics, National Account Income Approach</td>
</tr>
<tr>
<td>Organisation of the labour market</td>
<td>Malaysia Statistical Business Register, Companies Commission of Malaysia, SOCSO, EPF</td>
</tr>
</tbody>
</table>
Upon **further breakdown** of these statistics and **attempt to close the gaps** based on some of the challenges encountered in the current labour statistics, the statistics are grouped into **four quadrants** in line with the dimensions identified by the ILO and the practice of ABS.

### Components and coverage

**The dimensions and elements**

<table>
<thead>
<tr>
<th>Persons</th>
<th>Jobs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Labour force</td>
<td>Main jobs</td>
</tr>
<tr>
<td>Employed</td>
<td>Secondary jobs</td>
</tr>
<tr>
<td>Unemployed</td>
<td>Job vacancies</td>
</tr>
<tr>
<td>Underutilised</td>
<td>Filled jobs</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Payments</th>
<th>Volume</th>
</tr>
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<tbody>
<tr>
<td>Total labour cost</td>
<td>Hours actually worked</td>
</tr>
<tr>
<td>Employment related costs</td>
<td>Hours paid for</td>
</tr>
<tr>
<td>Payroll tax</td>
<td>Overtime hours paid for</td>
</tr>
<tr>
<td><strong>Compensation of employees</strong></td>
<td>Ordinary time hours paid for</td>
</tr>
<tr>
<td>Employment subsidies</td>
<td>Hours sought but not worked</td>
</tr>
<tr>
<td><strong>Total labour income</strong></td>
<td>Hours sought by unemployed</td>
</tr>
<tr>
<td><strong>Labour income from self-employed</strong></td>
<td>Additional hours sought by underemployed</td>
</tr>
</tbody>
</table>

**Coverage**

By kind of economic activity at **2-digit disaggregation** according to **Malaysia Standard Industrial Classification (MSIC) 2008**

**Reference & Frequency**

Cross sectional

Considering the frequency of most of the data source, the aim is to cover **annual data** from 2019 to 2021 as a start.
Challenges & Way Forward

**CHALLENGES**

**Completeness**
- LFS covered most of the population but lack the economic granularity.
- Payments components are largely missing other labour costs and can only utilize wages and income.

**Identification of equation & model**
- To ensure estimations are in line with the trend of the released statistics.

**Balancing**
- Closing the gaps for variables/sources that are not currently available.

**WAY FORWARD**

**Statistical estimation**
- To finalise the development of employment matrix as a basis to move forward the development of persons and jobs quadrant.
- To identify administrative data source as a complementary data source for Payments quadrant.

**Communication with users & stakeholders**