

Underemployment in Malaysia

ABSTRACT

The economic growth in Malaysia post-Independence is partly fuelled by the country's human capital investment. Investment in education is posited to give positive returns to a country's productivity, gross domestic product (GDP) and economic growth. The increasing level of educational attainment including Malaysia has produced many tertiary-educated workers. However, these workers risk being underemployed due to the inflexibility of the labour market and the lack of adequate jobs. This study provides an insight into the characteristics and trend of underemployment in Malaysia. This paper utilised secondary data obtained from the Department of Statistics Malaysia (DOSM). In general, females suffer more from underemployment than males. Between 2009 and 2014, rural workforce suffers more than urban areas. However, this pattern has reversed since 2015. The data shows that there is inadequate number of high-skilled jobs in the labour market for the increasingly educated workforce in Malaysia.