

TVET could help reduce unemployment, says MEF

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PETALING JAYA: Employers preferring to hire newly graduated youth may cause the unemployment rate to snowball, says Malaysian Federation of Employers (MEF) president Datuk Dr Syed Hussain Sye Husman.

He said that there are those who are still unemployed despite having graduated years before.

“The problem snowballs because fresh graduates would join the labour market filled up with previous year’s unemployed graduates. Employers will pick fresh graduates instead of graduates from the previous years who are still unemployed,” he told The Star.

He also said that the job market could not accommodate the high number of fresh graduates being produced every year, forcing some to take up non-graduate jobs.

It then leads to another problem where non-graduate youths find it hard to secure a job as their positions have been filled by the unemployed graduates.

To address the issue, Syed Hussain said the focus must be on the Technical and Vocational Education and Training (TVET) that could serve as an alternative pathway to employment.

“Generally, universities played their role in harnessing general soft skills such as teamwork, analytical skills, communication skills and thinking skills.

“Internships provide work-related experiences and many interns that show potential are offered jobs immediately after finishing their internships.

“(However,) many employers expressed their concerns that university graduates lack the ability to communicate well, particularly in English, their ability to work effectively with others, their analytical skills, decision-making skills, problem-solving skills, and ability to work professionally and ethically,” he said.

He also called for the universities to fix their curriculum to meet job market needs, especially in terms of technical skills.

“Technology and systems are changing so fast in industries that educational institutions must catch up.

“Otherwise there will be a technical gap and youths, especially graduates will find it hard to be relevant and accepted for employment,” he added.

The federation also said that the rising unemployment rate among youth is estimated to cost the country at least 1% of its gross domestic product.

“MEF is of the view that Budget 2023 should address the youth unemployment rate.

“Incentives such as PenjanaKerjaya and other employment creation initiatives should be continued to assist employers to create more quality jobs,” Syed Hussain said.

He added that the wage subsidy programmes should be continued as it has benefited 358,000 employers and saved about 2.96 million jobs when it was implemented during the Covid-19 pandemic.

“Generally the various incentives to stabilise the labour market succeeded in gradually reducing the unemployment rate to 3.7% as of August 2022, compared with 4.6% in 2021,” he said.

On Tuesday, Prime Minister Datuk Seri Anwar Ibrahim said although the national unemployment figures were low, the youth unemployment rate for those under 25 was at 10%.

It was reported previously that National Society of Skilled Workers secretary-general Mohammad Rizan Hassan said the government should shift its focus to helping the emerging labour force instead of only channelling money to companies through wage subsidies.

He said while the subsidy would be helpful for the companies to reduce their burden, young employees also need a financial boost, especially those from rural areas.