

A STUDY TO STOCK-TAKE UNTAPPED FEMALE PARTICIPATION AND OLDER WORKERS

INCLUDING VETERAN OF *ANGKATAN TENTERA MALAYSIA* (ATM) OUTSIDE THE FORMAL WORKFORCE,
AND TO PROPOSE ACTIONABLE AND SUSTAINABLE ACTION PLANS TO EMPOWER THESE GROUPS



MINISTRY OF HUMAN RESOURCES

TalentCorp
GROUP OF COMPANIES

A STUDY TO STOCK-TAKE UNTAPPED FEMALE PARTICIPATION AND OLDER WORKERS

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EXECUTIVE SUMMARY

This study explores the untapped potential of female labour participation, older workers and veterans of *Angkatan Tentera Malaysia* (ATM) in Malaysia, focusing on barriers to their integration into the formal workforce and identifying opportunities for targeted policy interventions.

Key Findings: Findings show that caregiving duties, skill mismatches, and a lack of flexible work schedules keep women aged 25–54 and older workers aged 55–64 outside of the official workforce. Moreover, lacking concentrated reskilling programs mean that retired veterans from ATM have few chances for post-retirement work. This underutilisation of human capital limits not just individual economic empowerment but also the whole potential for national productivity and growth.

Policy Gaps: The report draws attention to a number of important policy gaps that must be looked into if we are to maximise this untapped workforce. These include lack of family-friendly workplace regulations, insufficient funding for lifelong learning initiatives and vocational education programs, and the lack of a thorough framework to enable move people from unofficial to official work. Furthermore, impeding the creation of sensible policies are institutional obstacles like a dearth of comprehensive statistics on non-participating labour sectors. In order to meet these difficulties, inclusive, flexible, forward-looking labour market policies reflecting Malaysia's changing demographic and economic environment are much needed.

Recommendations: The research recommends a diverse strategy to close these disparities. First of all, companies should be encouraged to embrace family-friendly policies including flexible work schedules and childcare support in order to assist women return into the workforce. Targeting older workers and ATM veterans, a National Reskilling and Upskill Framework should be developed under financial incentives for businesses to recruit and equip these groups. Thirdly, the Labour Force Survey has to be improved to gather thorough information on unofficial employment trends, therefore strengthening the evidentiary basis for policy decisions. Finally, public-private cooperation should be encouraged to create sector-specific training courses guaranteeing match between industry needs and personnel supply.

By implementing these recommendations, Malaysia has the potential to unlock the economic contributions of women, older workers, and veterans, driving sustainable growth and fostering a more inclusive labour market. These evidence-based proposals aim to close policy gaps and create meaningful pathways for underrepresented groups to actively participate in and contribute to the nation's development.



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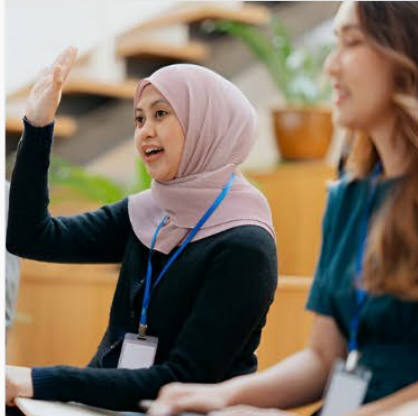
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01

SETTING THE CONTEXT

This section provides the foundational background necessary to understand the focus, objectives, and relevance of the study. This section also aims to frame the discussion by presenting key information and establishing the broader environment in which the study takes place.



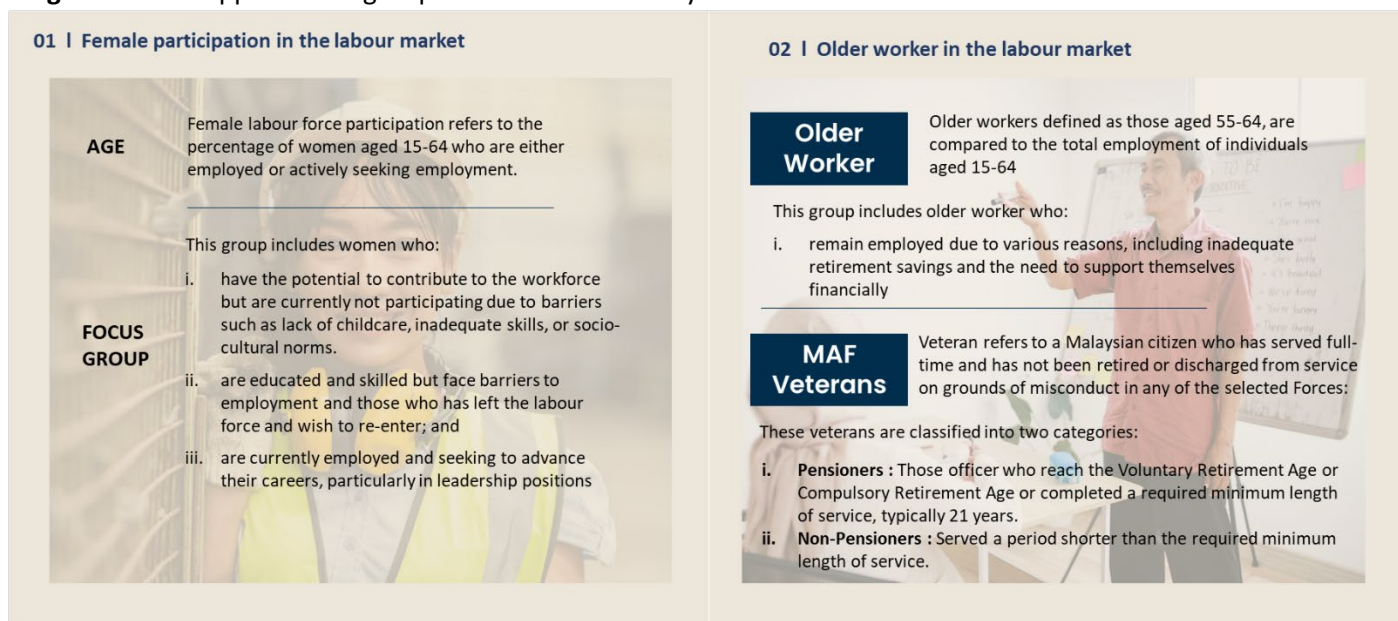
Introduction

The importance of labour market planning is intertwined with various aspects of the national development agenda. **In this context, it is essential to conduct a comprehensive analysis of the ways in which current and future demographic shifts influence the economic growth of the country.** Effective labour market planning encompasses strategic measures to align workforce dynamics with the evolving needs of the industries, technological advancements, and global economic trends. A thorough analysis of the demographic trends, including population growth, ageing, and female participation is vital for crafting policies that address current labour market challenges and anticipate and adapt to the demands of the future.

This study aims to strengthen, improve, and harness the potential of untapped talent to address future labour market needs by aligning with RMKe-13 strategies. Untapped talent, often underutilized due to systemic barriers, is supported through **Empowering the Labour Market** by reskilling, upskilling, and fostering inclusive growth for women and marginalized groups. **National Employment Ecosystem for Future Work Trends**, enable working anywhere and anytime while ensuring psychological well-being. Additionally, the participation of **Elderly, Women, and Vulnerable Groups** addresses hiring policies for persons with disabilities (PWD), Diversity, Equity, and Inclusion (DEI) initiatives, and extending retirement age. These measures collectively optimise human capital, adapt to future work trends, and promote inclusive economic growth.

To achieve this goal, the study focuses on two main groups of untapped talent: (1) female labour participation and (2) older workers, including veterans of Angkatan Tentera Malaysia (ATM). Clearly defining these groups is crucial for understanding the study's objectives. Detailed descriptions and definitions of these groups are provided in **Figure 1.1** below.

Figure 1.1. Untapped talent groups covered in this study



Improving untapped female labour force participation rate to strengthen the labour market and growth of the country.

Malaysia's labour force participation rate has risen significantly in recent years, from 46.8% in 2010 to 70.0% in 2023. However, the gap between male and female labour force participation rates remains substantial, where 82.3% for males and only 56.2% for females. Still, it remains low given Malaysia's level of development compared to other Southeast Asian countries. This was partly due to 59.6% of females with secondary education outside labour force in 2023. According to the Labour Force Survey, 62.1% of them stated housework and family responsibilities as reasons for not participating in the labour force.

59%
of women participating in the workforce by 2025 in Twelfth Malaysia Plan

Increasing female participation in the labour market not only stabilises it by expanding the talent pool and alleviating workforce shortages but also fosters diversity, bringing in a wider array of skills and perspectives, which fuels innovation and productivity. This female labour force engagement surge translates into heightened household incomes, stimulating consumer spending and bolstering economic growth and stability. Malaysia should bolster its labour market policies, particularly focusing on female re-entry employment to enhance labour force participation rates. Aligning with the Twelfth Malaysia Plan, initiatives targeting females with secondary education should be developed, including exploration of home-based economic activities. Moreover, implementing strategies like childcare facilities can improve employer-employee relations and further promote female workforce participation.

Understanding the extent to which older workers contribute to the economic growth of an ageing nation like Malaysia is essential.

Malaysia reached an important benchmark in the country's progress by becoming an 'ageing society' in 2020. The percentage of the young age group 14 years and below decreased to 23.3%, while the old population aged 65 and above increased to 7.0% of the total population in 2020. Demographic shifts are expected to enlarge the gap between the young- and old-age population, as the former group is projected to decline by 18.6%, and the latter is expected to increase by 14.5% in 2040. These demographic shifts raise concerns about the sustainability of the labour market in maintaining productivity and growth.

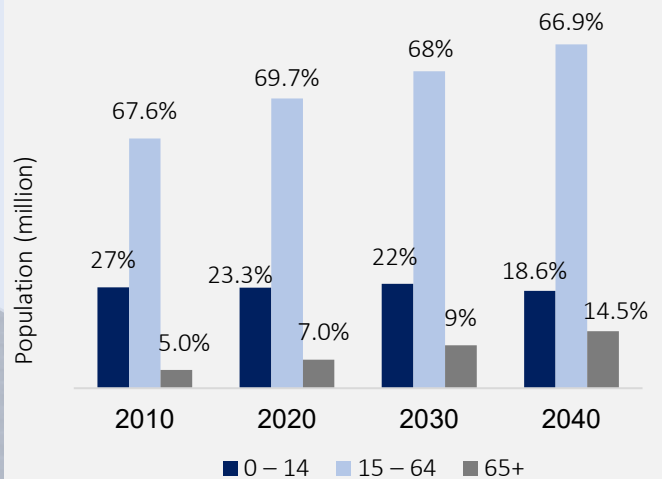
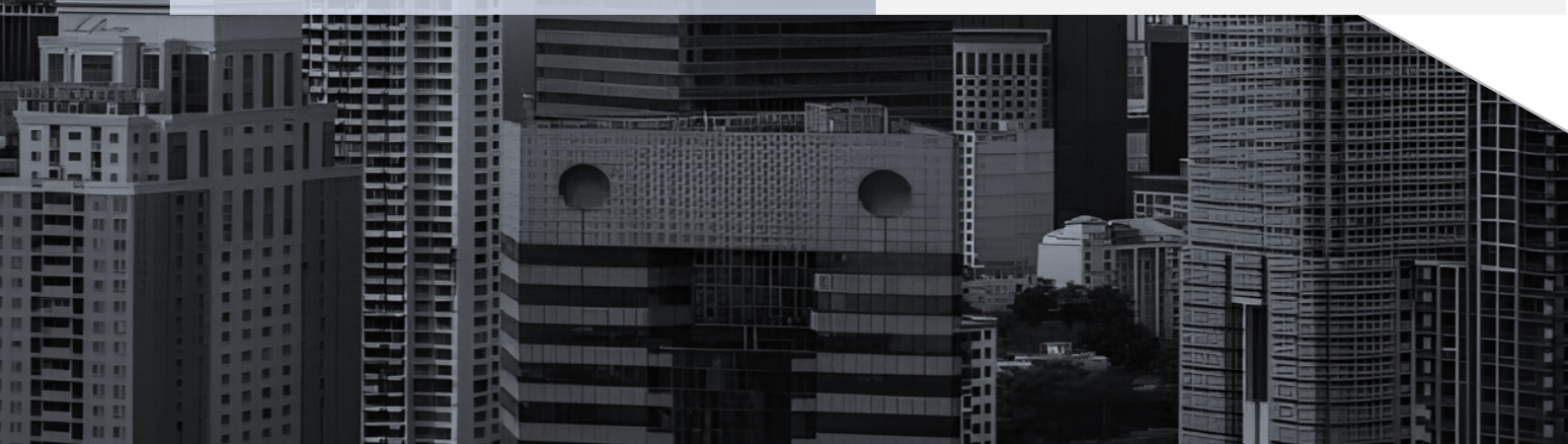


Figure 1.2. Population structure by age groups (2010-2040)
Sources: Population projection, 2010-2040, DOSM (various year)



The ageing population is directly related to older workers (55-64 years old). According to the Department of Statistics Malaysia, the composition of older workforce, increasing from 5.9% in 2000 to 8.3% in 2023, demands attention for its economic contribution and societal implications. Extending working lives not only boosts economic growth but also enhances financial security in old age while promoting social engagement and cognitive well-being. However, Malaysia must adopt a forward-looking approach to demographic shifts and older worker dynamics to sustain growth and productivity. The lack of long-term planning underscores the need for strategic measures to avert unsustainable dependency rates and ensure holistic development. Implementing active ageing policies, including targeted training and upskilling, will be vital for preserving older workers' employability and fostering inclusive economic progress.



Objective

Based on the assessment, the study proposes key strategic actions aimed at promoting the participation of economically untapped female talent and maximising the potential of older workers. The goal is to unlock and leverage this demographic's valuable skills and contributions, ultimately fostering greater gender inclusion and bolstering economic growth.

The specific objectives of the study are:

01

To examine the landscape of the untapped female and older workforces, including Veteran of Malaysian Armed Forces (MAF), and measure the impacts of their participation in promoting economic prosperity that includes compensation of employees (CE), productivity and economic growth.



02

To examine the income, growth, and productivity gaps when the untapped female labour force participation and older workers are pervasive.



03

To promote sectoral and occupational reallocation programs to maximise the full potential of female participation and older workers.



04

To design relevant programs for promoting female labour force participation and maximising the potential of older workers in the labour market.



02

PROFILING AND LANDSCAPE OF UNTAPPED FEMALE LABOUR PARTICIPATION AND OLDER WORKER

This section presents the initial assessment conducted for the study, which focuses on the profiling and landscape of female labour participation and older workers, including the veterans of the Angkatan Tentera Malaysia (ATM). However, for ATM veterans, the discussion will be brief due to data limitations, which will be provided at the end of this section.



Profiling

Female Labour Participation

Malaysia's labour force participation rate shows a significant gap between male and female (refer to **Section 1**). This disparity underscores the importance of addressing the factors contributing to this imbalance, as increasing female labour participation is essential for driving economic growth. However, it is crucial to first profile what female labour participation entails in the context of this study.

Female labour participation specification

Female labour participation rate (FLFPR) is defined as the ratio of the female labour force to the working-age population (15-64 years), expressed as percentage.

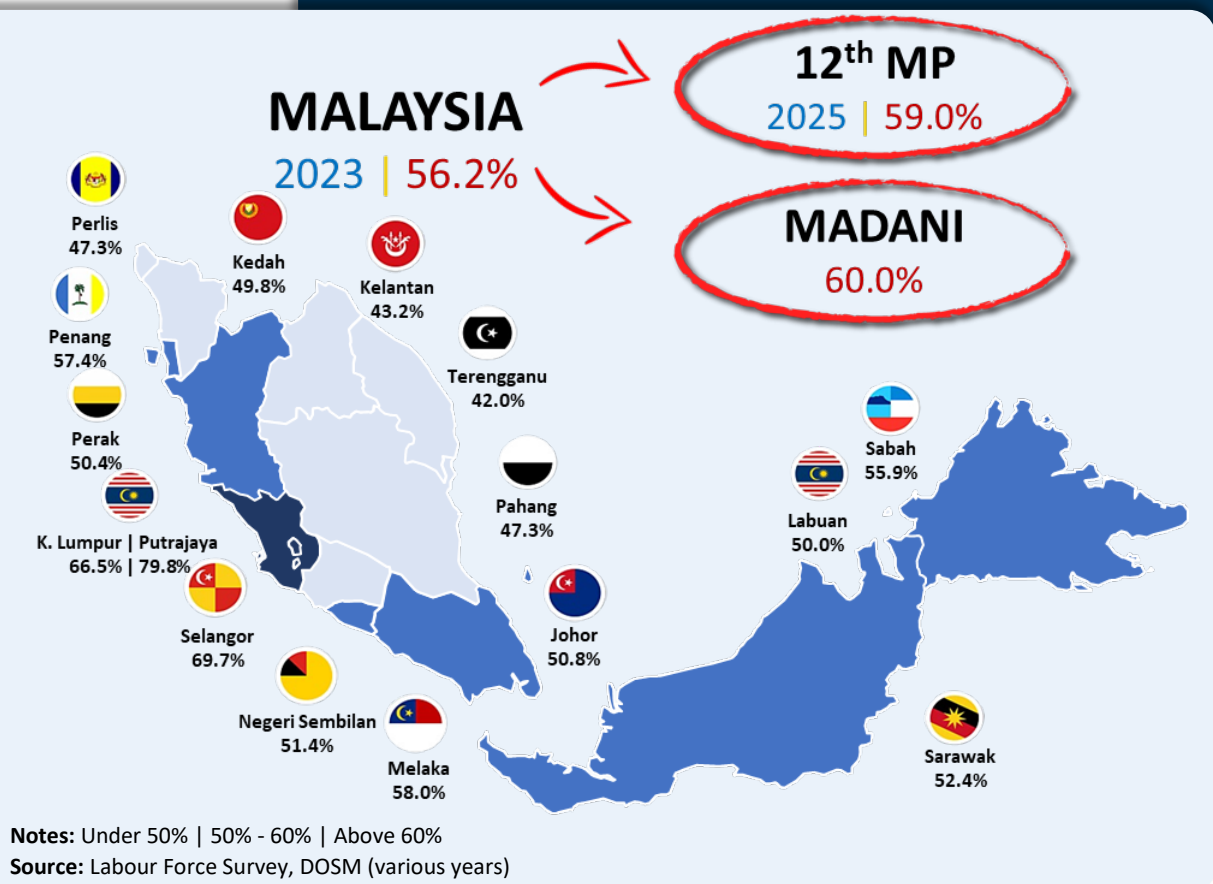


The Landscape of Female Labour Participation

In the Twelfth Malaysia Plan (12th MP), Malaysia aims to reach 59% of women participating in the workforce by 2025. In 2023, Malaysia had arrived at a participation rate of 56.2%. Looking ahead, the MADANI Economy framework has set a more ambitious target of 60% FLFPR reinforcing the need for policies that enhance women’s participation in the workforce. This clearly points towards the formulation of a policy that promotes woman in labour by providing them with the best care and facilities in terms of a better work environment wherein they work freely without any constraints on their maternity.

The female labour force participation rate in Malaysia exhibits significant variation across states. Figure 2.1 indicates that states with higher levels of industrialization and urbanization, such as Selangor, Putrajaya, and Kuala Lumpur, report higher participation rates for women in the workforce. Conversely, states with larger rural populations, notably Kelantan and Terengganu, tend to have lower participation rates. This disparity may be influenced by traditional gender roles and limited employment opportunities in these areas (Sustainable Development Goals for Malaysian States, 2019).

Figure 2.1. Distribution of female labour force participation, 2023

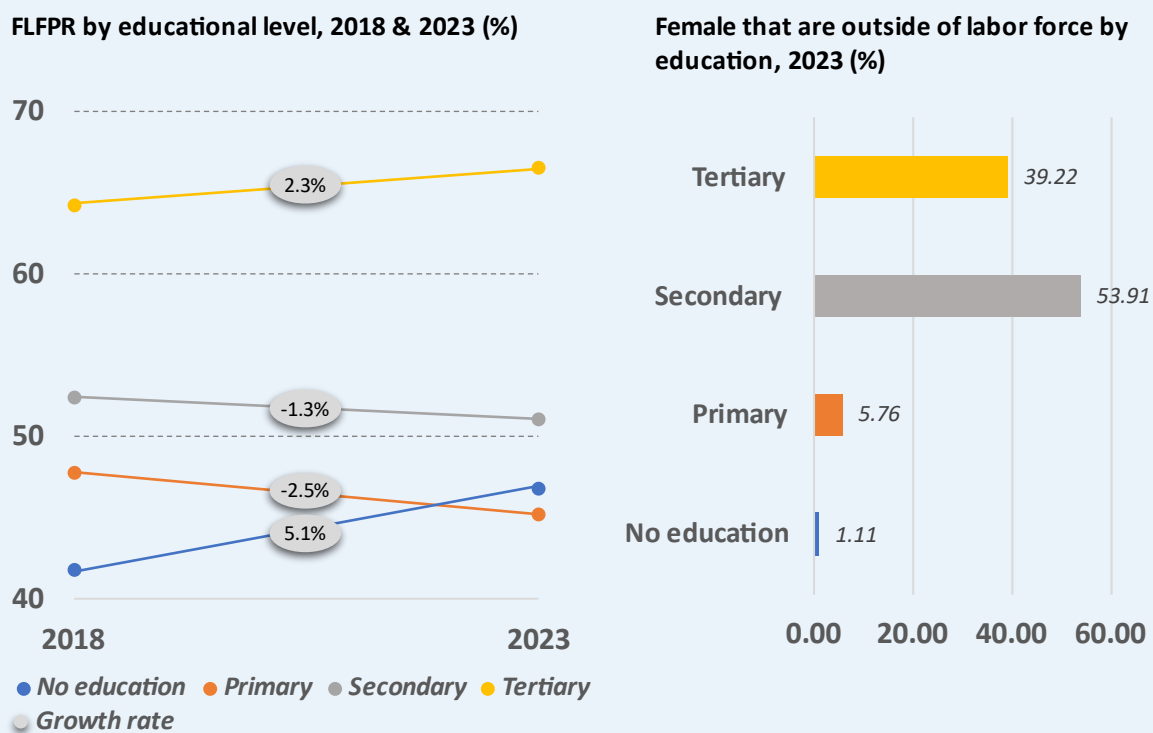


In terms of education level, women with tertiary education had the highest labour force participation rate (LFPR) in 2023 at around 66.6%, Meanwhile, those with secondary education showed a slight decline in LFPR, decreasing at an annual rate of -1.3%. The most significant changes

were observed among women with no education, who experienced a notable increase in participation with a growth rate of 5.1% per annum, while those with only primary education saw a decline of -2.5% annually over the same period. These patterns may reflect shifting labour dynamics, access to opportunities, and evolving social norms. Therefore, there is a need for women to obtain the right education and opportunities to work in the labour market to increase the growth of economies.

Despite their impressive educational achievements, many educated Malaysian women remain unemployed (Figure 2.2). This disparity suggests that deeper issues beyond education are influencing their job opportunities and choices. Females in Malaysia have made significant progress, with many obtaining secondary and tertiary education. Recent data show that more women than men are completing higher education, indicating a significant shift in academic attainment. However, these accomplishments have not yet been reflected in workforce participation rates, highlighting the need to address the barriers that keep these talented women out of the labour force.

Figure 2.2. Female labour participation by educational-related indicator

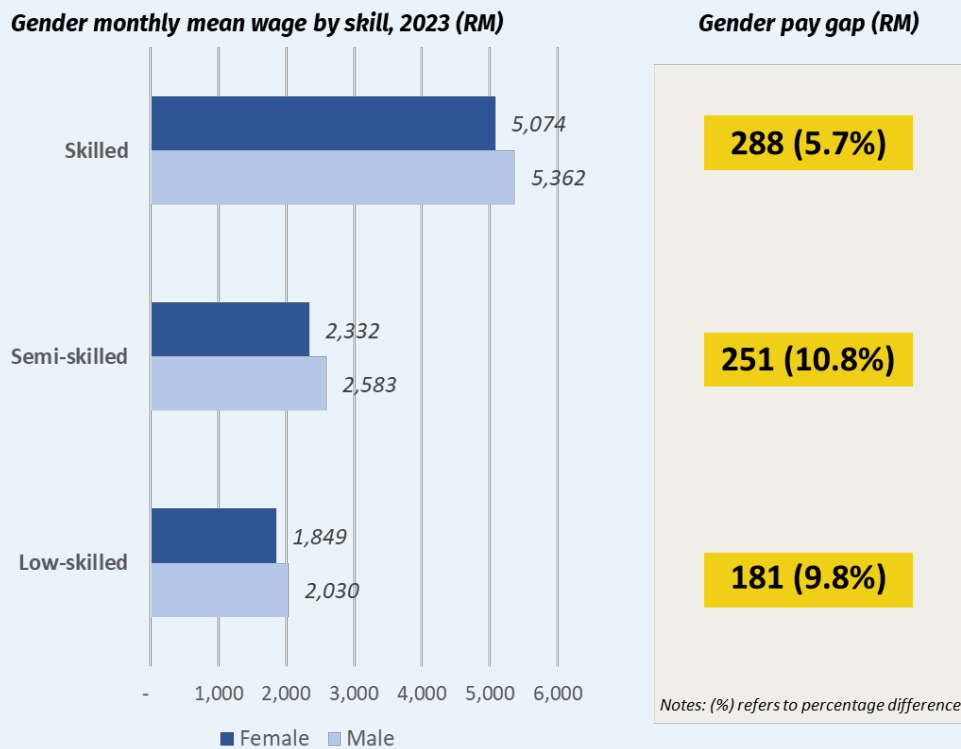


Source: Labour Force Survey, DOSM (various years)

Educational attainment plays a crucial role in narrowing the gender pay gap. Women with higher education levels tend to have better employment prospects and higher wages than those with only primary education. Higher educational qualifications open doors to professional and managerial positions, typically offering better salaries and job security.

The wage gap between men and women tends to narrow with higher educational attainment. Women with university degrees or higher qualifications often earn closer to their male counterparts, although discrepancies still exist. For instance, the difference in monthly wages by skill level ranges from RM 181 to RM288 (Figure 2.3), emphasising the importance of education in improving wage equality.

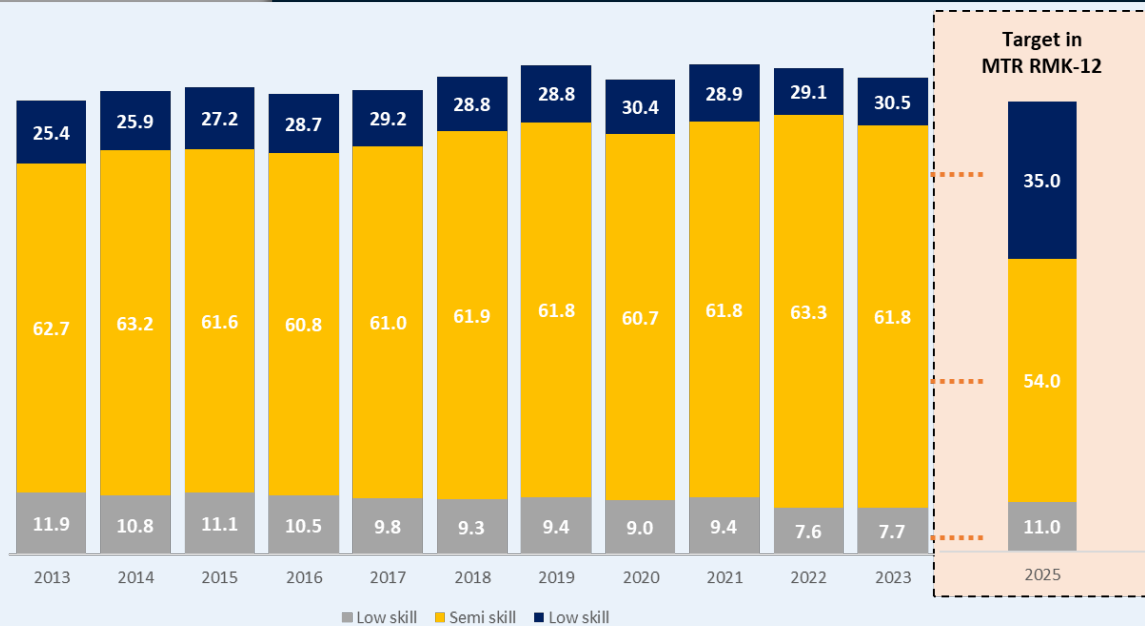
Figure 2.3. Gender monthly mean wage by skill, 2023 (RM)



Source: Salary & wages Survey, DOSM (2023)

The fluctuating trend in the composition of skilled female workers highlights challenges in maintaining progress toward national employment targets. As of 2023, the composition of skilled female workers in Malaysia is approximately 30.5%, which is below the Twelfth Malaysia Plan (12th MP) target of 35% for skilled employment (Figure 2.4). Given the current trends, this gap indicates that achieving the target remains a challenge.

Figure 2.4. Composition of female employment by skill, 2013 to 2023 (%)

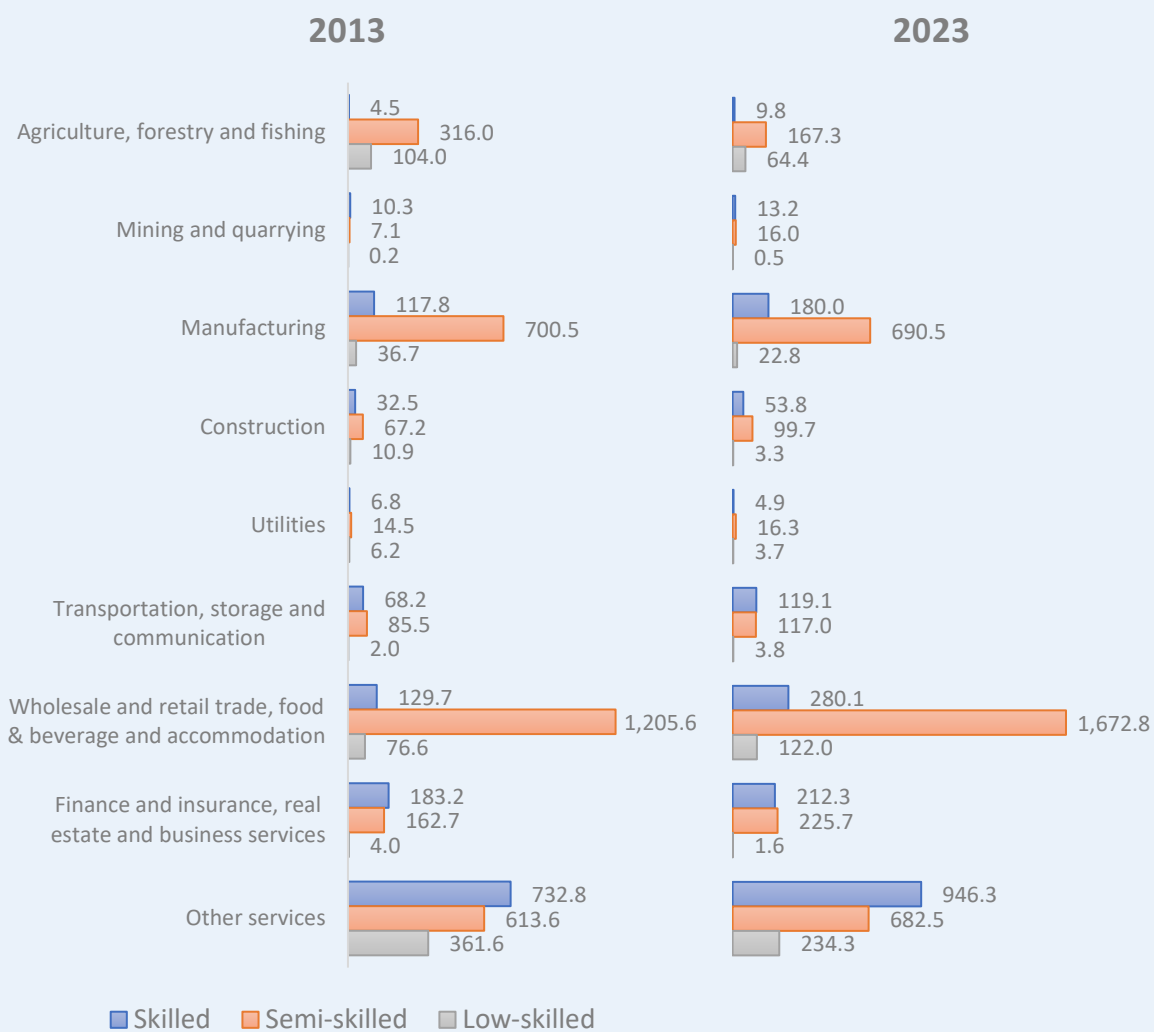


Source: Labour Force Survey, DOSM (various years)

Skilled and semi-skilled employment for women is growing, but upskilling is essential. Skilled female workers have increased in sectors like Wholesale and Retail Trade, Food and Beverage, and Accommodation (from 129.7 thousand in 2013 to 280.1 thousand in 2023) and Finance and Business Services (from 183.2 thousand to 212.3 thousand), emphasizing the importance of education and professional development. Semi-skilled jobs remain dominant, especially in Wholesale and Retail Trade, Food and Beverage, and Accommodation, which grew from 1,205.6 thousand in 2013 to 1,672.8 thousand in 2023. However, declines in semi-skilled Manufacturing roles highlight the need for upskilling to help women workers advance into higher-skilled positions (Figure 2.5).

Low-skilled employment is declining, highlighting the need for supportive policies. Low-skilled roles in sectors like Manufacturing and Agriculture have decreased, with Manufacturing falling from 36.7 thousand in 2013 to 22.8 thousand in 2023 (Figure 2.5), reflecting less demand for female roles and a shift toward higher-value jobs. To address these trends, policies that promote flexible work, childcare support, and career advancement are critical. Specialised training and development programs can help women transition into higher-skilled roles, improving their career opportunities and contributing to economic growth.

Figure 2.5. Female employment by skills and sector, 2013 & 2023 ('000)



Source: Labour Force Survey, DOSM (various years)

Profiling

Older Workers

Supporting the welfare and tapping into the potential of older workers is essential for economic growth, especially given the significant rise in older workers in Malaysia's labour market since the demographic shift towards an ageing society in 2020. However, it is important first to profile what is meant by "older workers" in the context of this study.

Older worker specification

Older workers defined as those aged 55-64, are compared to the total employment of individuals aged 15-64 years old.

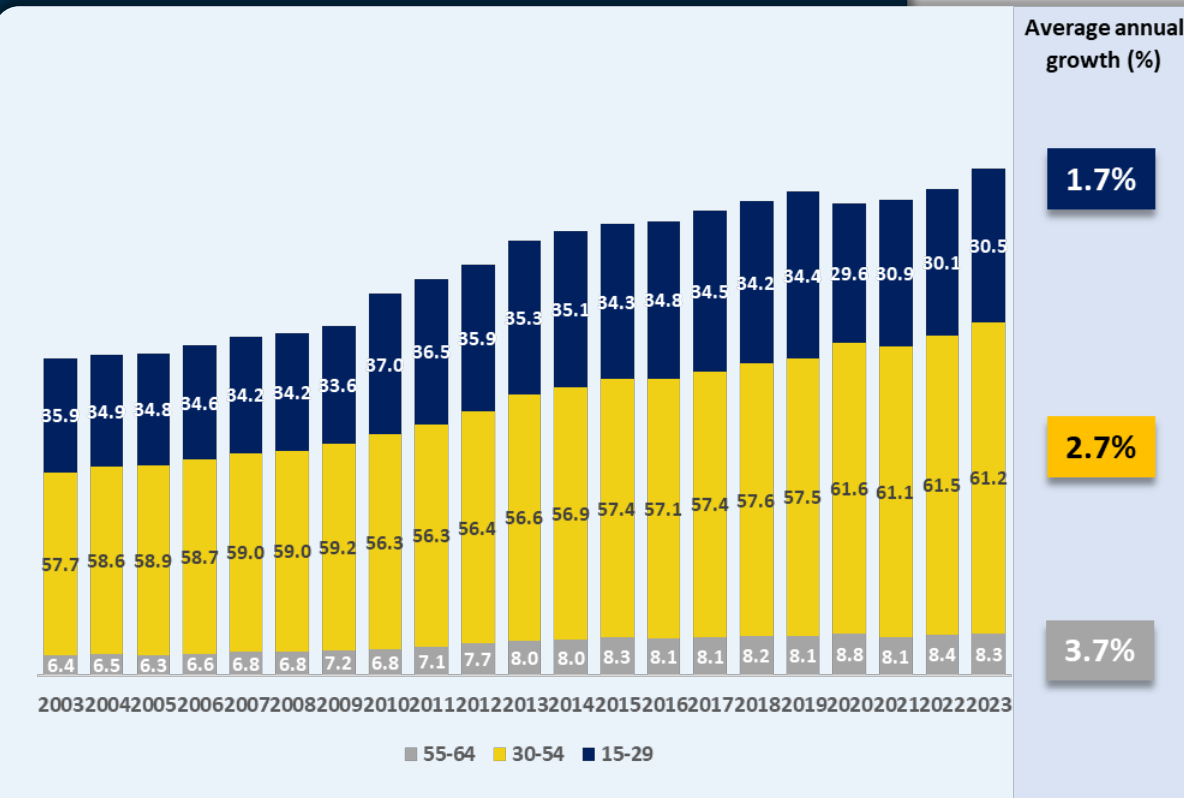


The Landscape of Older Workers

The changing times bring along the demographical shifts that directly influence the labour market dynamics. The transition towards an ageing nation means an ageing workforce or frequently termed older workers by International Labour Organisation (ILO). The growing size of older workers has gradually surfaced among urgent employment problems and will obviously remain on the social and labour horizon for the foreseeable future.

In addition to population ageing, the labour force structure is heading towards a greater ageing workforce, which requires specific interventions. The composition of older workers continues to show an upward trend within the total workforce. Based on **Figure 2.6**, The labour force structure is experiencing a significant shift towards an ageing workforce. The annual percentage growth of older workers is 3.7%, notably higher than other age groups. This highlights the involvement of older workers aged 55-64 is still needed to mitigate the economic growth effects of ageing.

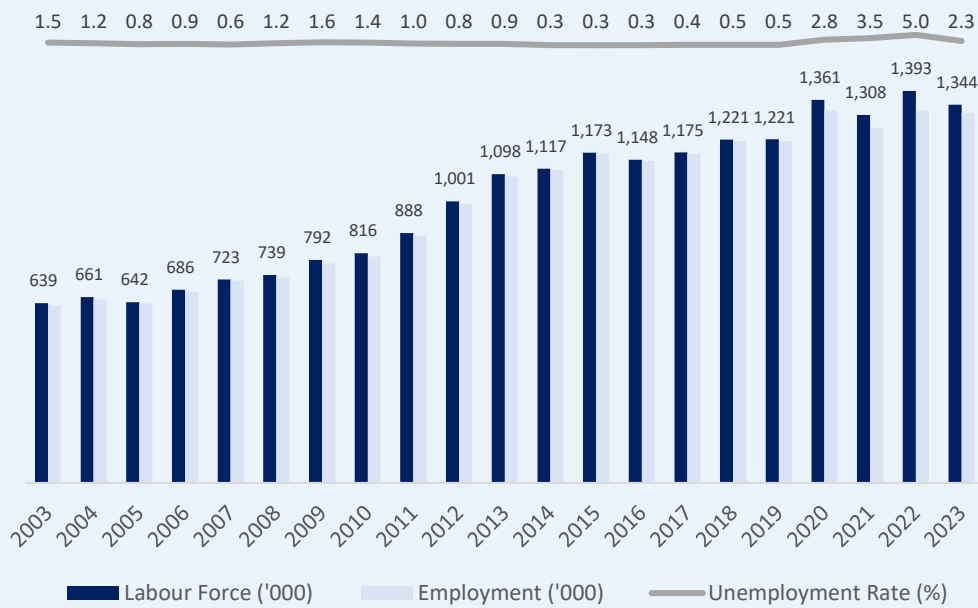
Figure 2.6. Composition of employment by age group, 2003-2023 (%)



Source: Labour Force Survey, DOSM (various years)

The post-pandemic period has witnessed a notable rise in the unemployment rate among older workers in Malaysia (Figure 2.7). This demographic, comprising individuals aged 55-64, has faced increased challenges in securing and retaining employment due to several factors exacerbated by the COVID-19 pandemic. The significant increase in unemployment among older workers may be attributed to the shift in labour market dynamics towards digital transformation and changes in the working environment. This underscores the need to address the gap in adapting to evolving job market demands for older workers.

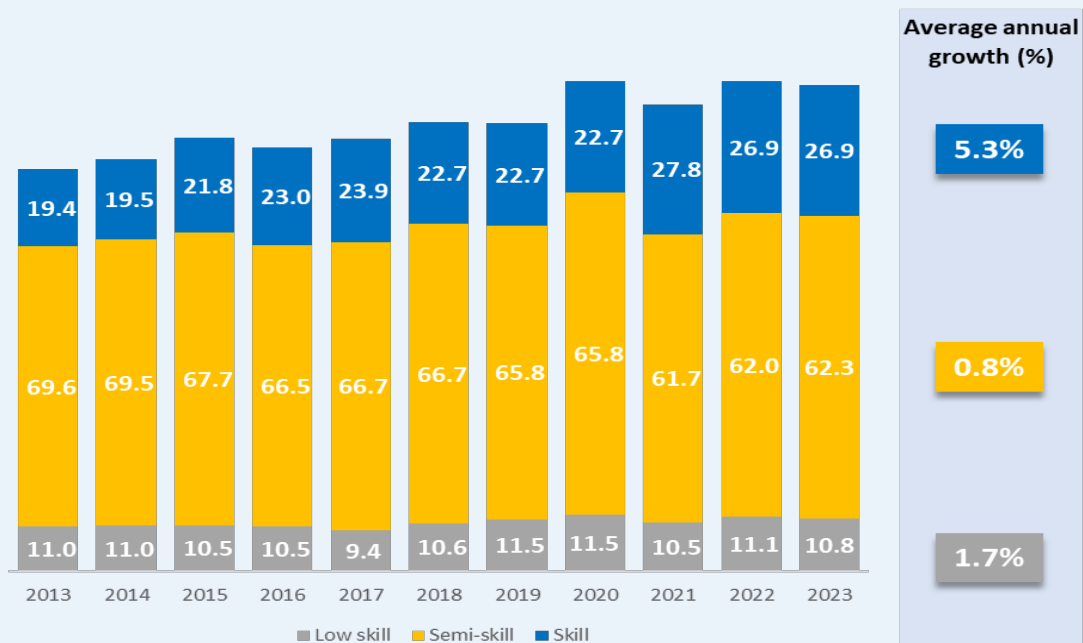
Figure 2.7. Key labour market indicator for older worker, 2003-2023



Source: Labour Force Survey, DOSM (various years)

The composition of employment in an economy depends on the level of economic activity and labour productivity. Despite the economy of Malaysia showing a continuous expansion at the aggregate level, skill and sectoral employment provide important information to illustrate the trend toward older workers. The composition of older workers has consistently increased throughout the years. The distribution of older workers with semi-skilled made up the most composition of employment, but with steady growth rates at 0.8% (2013-2023). The older workers with semi-skilled dominated with 62.3% in 2023 (see Figure 2.8). The composition of skilled and low-skilled older workers being relatively lower than semi-skilled where and the trend for this category indicates a stagnant, echoing a reduced dependency on low-skilled jobs.

Figure 2.8. Composition of employment for older worker, (%)

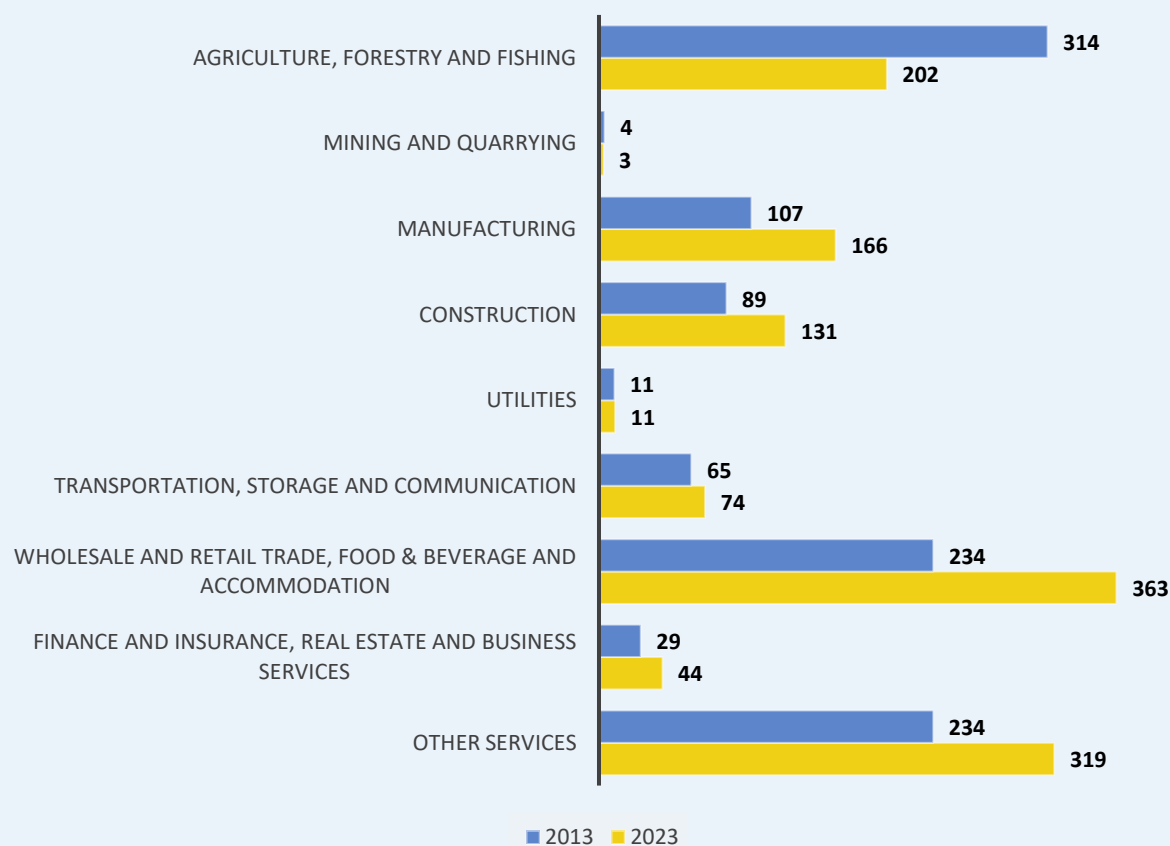


Source: Labour Force Survey, DOSM (various years)

Services sector records the highest older workers has seen the greatest economic growth across all subsectors. The Services sector has the highest older workers which contributed to overall employment distribution (**Figure 2.9**). In addition, the highest employment in the Services sub-sector is Wholesale and Retail Trade, Food and Beverage, and Accommodation, which contributes 235 thousand older workers in the whole economy. Agriculture sector, which employed 21.4% of labour in the economy, shows a moderate demand expansion.

The sectors that have traditionally employed older workers in Malaysia include Manufacturing, Construction, Agriculture, and Services. These sectors will likely continue to employ older workers in the future, as they tend to have less emphasis on technological skills and more on experience and physical labour.

Figure 2.9. Older workers by main sectors, ('000)



Source: Labour Force Survey, DOSM (various year)

In addressing the pressing needs of the ageing workforce, it is important to acknowledge that the current situation undermines the welfare of older workers, particularly regarding their retirement savings. **Box Article 2.1** highlights why this study focuses on older workers and explains why the prospect of a decent life after retirement remains a significant challenge for them now and in the near future.

Box article 2.1.
Saving Gaps and Challenges

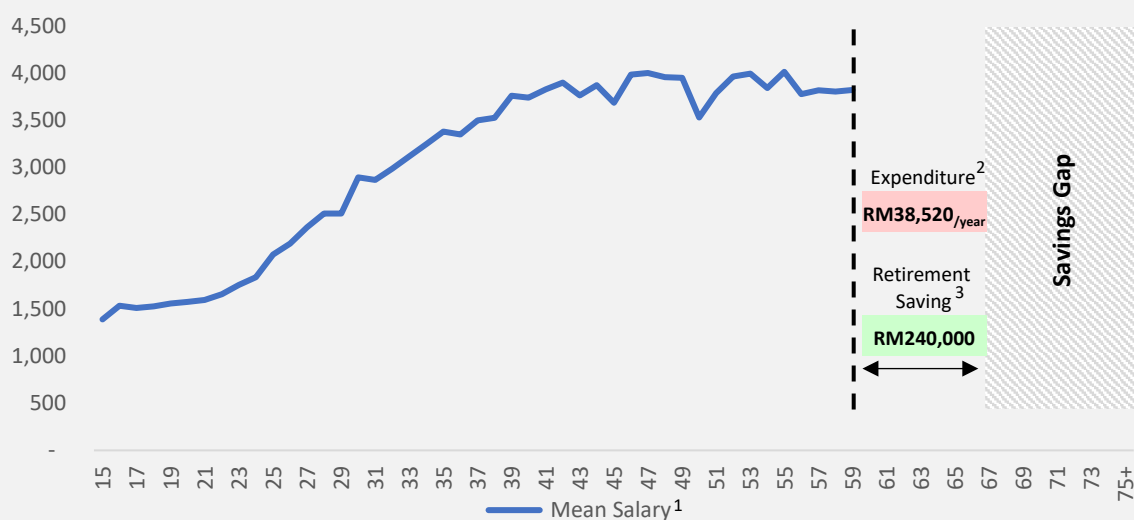
Many working-age Malaysians envision a fulfilling retirement, but the harsh reality often undermines these aspirations. As retirement draws near, challenges such as insufficient savings and escalating medical costs threaten to disrupt well-laid retirement plans, diminishing the worth of one's savings. Furthermore, the unforeseen disruption caused by the COVID-19 pandemic has further highlighted the inadequacy of Malaysians' retirement funds.

The Employees Provident Fund (EPF) reveals that the current savings of many Malaysians fall short of ensuring a decent life after retirement. Alarming statistics indicate that a staggering 70% of Malaysians outlive their retirement savings, with those who withdraw their funds at age 55 depleting their savings within a decade of retiring. Despite the Employee Provident Fund's recommendation of a minimum retirement savings target of RM240,000 by the age of 55, many Malaysians are unable to achieve this goal before retiring.

The figure below shows a scenario that an individual will receive a monthly salary until the age of 59 years old and retire at 60 years old. Using the aforementioned EPF example, we can consider an individual who retires at 60 with RM240,000 in savings. Dividing this amount by a retirement span of 15 years yields a modest monthly allocation of RM1,334. However, it raises a pertinent question: can this sum truly provide a comfortable and fulfilling life during retirement?

In addition, the *Belanjawanku Report 2022* from EPF emphasises an important point: senior citizen couples in Lembah Klang require an average monthly amount of approximately RM3,210 to cover their living expenses. When considering retirees who have only RM240,000 in savings, it becomes evident that their savings would only be able to sustain them for a maximum of six years. This shortfall in savings raises concerns about the overall financial preparedness for retirement, as it leaves retirees without any savings for the remaining years of their lifespan.

Saving and expenditure gaps during the pension age



Notes:

1. Mean salary refers to the average monthly salary in 2021 from the Department of Statistics Malaysia.
2. Annual expenditure estimated based on the *Belanjawanku Report 2022* for senior citizen couples in Lembah Klang published by EPF.
3. Retirement saving is based on EPF Annual Report 2020.

Profiling of Veterans of *Angkatan Tentera Malaysia* (ATM)

Veterans are a key yet often overlooked part of Malaysian society, contributing significantly to both the population and economic growth. Before exploring this group's potential further, it is essential to define what "veterans" means in the context of this study.



Veterans of ATM specification

Veteran refers to a Malaysian citizen who has served full-time and has not been retired or discharged from service on grounds of misconduct in any of the following Forces:

- Regular forces of the Malaysian Armed Forces
- Volunteer forces mobilised full-time by the Malaysian Armed Forces regardless of length of service
- Force 136
- British Forces who served in Malaya, Malaysia or Singapore
- Sarawak Rangers

-Laws of Malaysia, Veterans Act 2012-

There are two categories of veterans:

- i. **Pensioners:**
 - a. Mandatory Retirement Age

Rank and General/Special Duty List	Age (Years)	
	Male	Female
Colonel and above	60	60
Lieutenant Colonel	57	57
Major	55	55
Captain	52	52
Lieutenant and Second Lieutenant	50	50
Specialised Duty List	60	60
All Ranks	60	60

b. Optional Retirement Age

Rank and General/Special Duty List	Age (Years)	
	Male	Female
Colonel and above	50	45
Lieutenant Colonel	47	45
Major	45	45
Captain	40	40
Lieutenant and Second Lieutenant	40	40
Specialised Duty List	50	45
All Ranks	50	45

Note:

Types of commissioning for ATM officers:

- i. General Duty List – Officers holding a Bachelor’s Degree (Honours) in fields required by the service.
- ii. Specialised Duty List – Officers holding a Bachelor’s Degree (Honours) in medicine and dentistry.
- iii. Special Duty List – Personnel directly commissioned from enlisted ranks to officers

Source: *Jabatan Hal Ehwal Veteran* at <https://www.jhev.gov.my> and *Angkatan Tentera Malaysia Official Portal* at <https://www.mafhq.mil.my/>

- ii. **Non-Pensioners:** Officers who served a period shorter than the required minimum length of service.

The Landscape of Veterans of ATM

The evolving demographics of the veterans present unique challenges and opportunities within the labour market. As the nation transitions toward an ageing society, the composition of veterans—both pensioned and non-pensioned—becomes a critical factor influencing workforce dynamics. With a notable distribution across age groups, including those nearing or beyond traditional retirement age, these veterans represent a valuable yet underutilised segment.

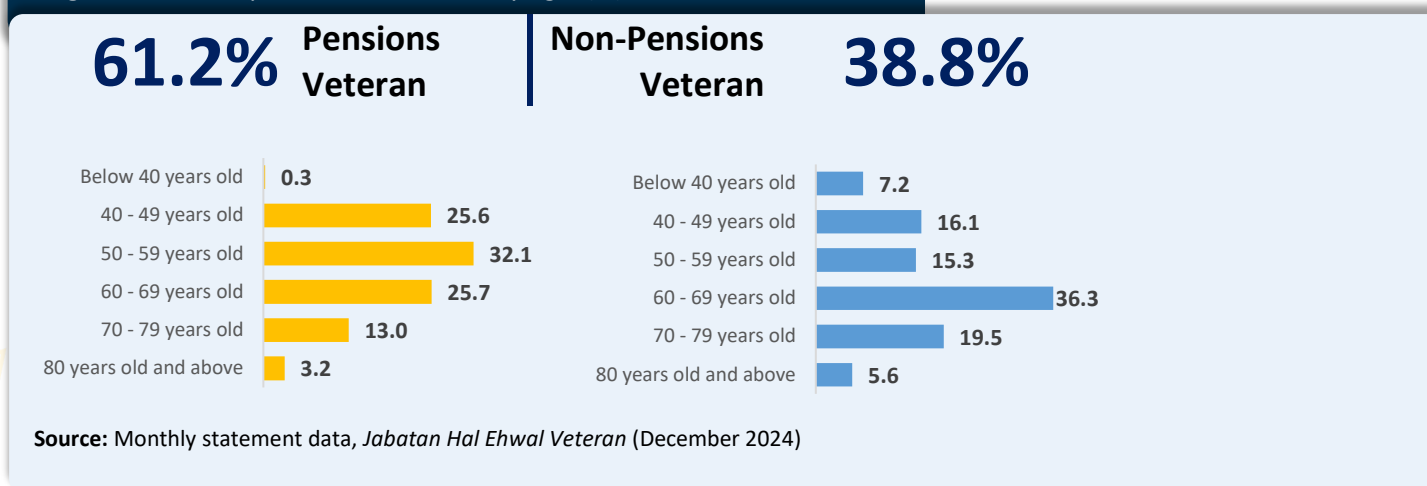
The employment landscape of veterans of ATM highlights distinct disparities in financial security post-service. As shown in the **Figure 3.10**, 61.2% of veterans are pensioned, while a significant 38.8% are non-pensioned. This distribution underscores the challenges faced by a substantial portion of non-pensioned veterans in achieving economic stability, especially as they transition into civilian employment. Such a demographic split indicates the pressing need for tailored support systems to bridge gaps in financial security and enhance their workforce integration.

The distribution of pensioned veterans by age group reveals a concentration in the middle-aged to older demographics. Veterans aged 50–59 constitute the largest group at 32.1%, followed by those aged 60–69 at 25.7%, and 40–49 at 25.6%. Notably, older veterans aged 70–79 and 80 and above represent smaller proportions at 13.0% and 3.2%, respectively, while those under 40 form a negligible 0.4%. These figures highlight the critical importance of addressing the evolving needs of pensioned veterans across different age segments to ensure their continued well-being and integration into society.

A closer look at the age distribution of non-pensioner veterans reveals a prominent shift towards older age groups. The largest proportion, 36.3%, is made up of veterans aged 60–69, followed by those in the 70–79 age range at 19.5%. Veterans aged 50–59 and 40–49 also represent significant portions of the population, with 15.3% and 16.1%, respectively. The youngest age group, veterans under 40, forms the smallest share at just 8.6%.

This trend highlights the increasing prevalence of older veterans within the workforce, emphasizing the need for targeted interventions to support their continued participation. As this demographic grows, it is vital to develop strategies that address the specific challenges faced by older non-pensioner veterans, particularly in the areas of employment and post-service opportunities.

Figure 2.10. Composition of veterans by age, (%)



03

BENCHMARKING & BEST PRACTICES

This section provides an overview of the baseline data and benchmarking analysis for female labour force participation rates and the employment composition of older workers. First, it compares these metrics with those of other ASEAN countries and developed nations to highlight relative standings and identify gaps. Subsequently, the chapter discusses potential policy benchmarks from countries that have utilised and catered for these two main groups of untapped talent, offering insights into best practices and effective strategies.



Why Baselineing and Benchmarking are Important?

The baselining and benchmarking are important for two main reasons.

Firstly, it helps Malaysia understand its position relative to its peers, offering a clear picture of where it stands in terms of female and older worker participation in the labour market.

Secondly, benchmarking against developed countries and ASEAN peers allows Malaysia to identify best practices and successful strategies that can be adapted to its context.

Understanding these dynamics is essential for addressing demographic shifts and ensuring sustainable development.

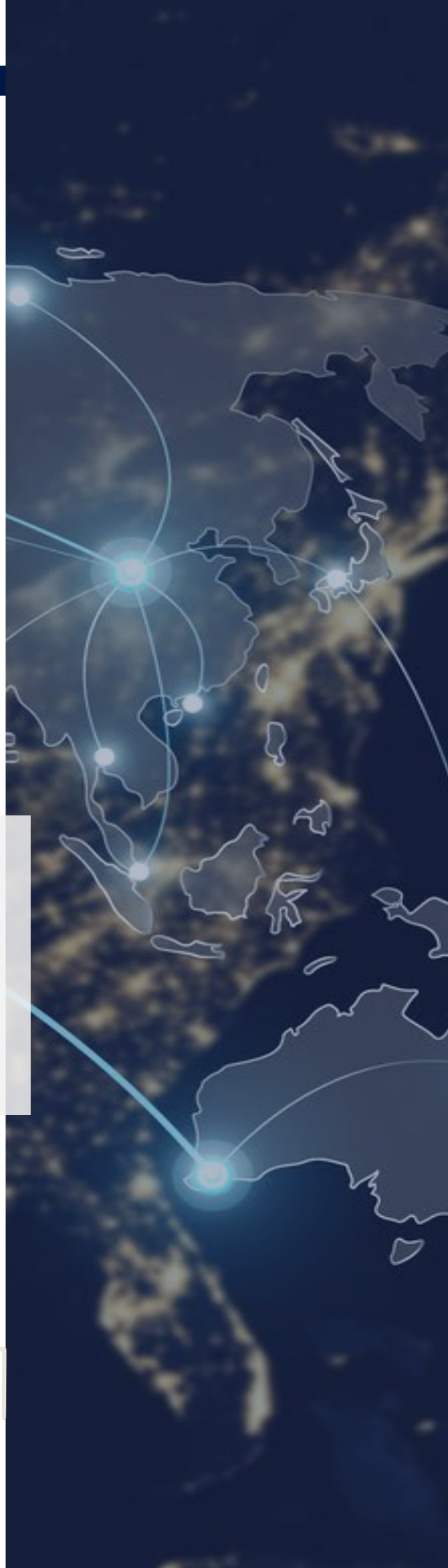
Main Data Sources



International Labour
Organization

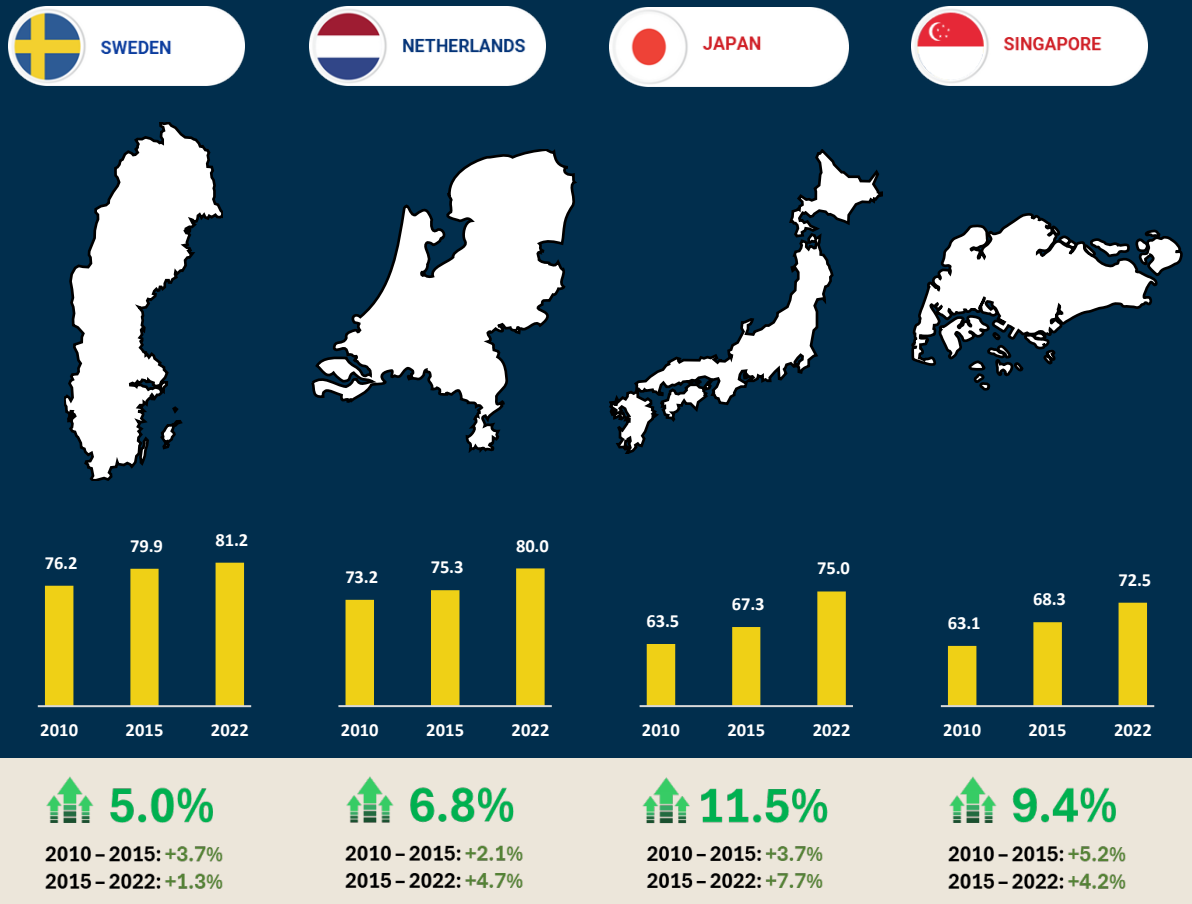


World Development
Indicators, World Bank



Female Participation Across Benchmarking Countries

Figure 3.1: Developed countries with significant increases in female labour force participation rates



Source: World Bank Database (2024)

The female labour force participation rate averages around 60% in developed countries. In some countries, such as Sweden, the Netherlands, Japan, and Singapore (Figure 3.1), the rate hovers around this mark and has increased by more than 5% from 2010 to 2022. This reflects high levels of economic development and relatively supportive labour policies for women.

While developed countries generally show high FLFP rates, driven by economic and policy support, ASEAN countries exhibit a more complex picture. According to the Asian Development Bank, high FLFP rates in some ASEAN countries can be attributed to economic necessity and involvement in informal sectors, whereas lower rates in other countries often reflect cultural and structural barriers.

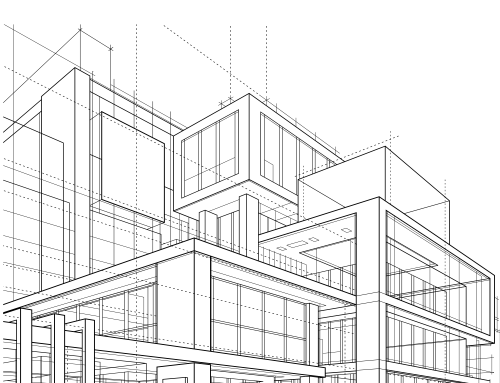
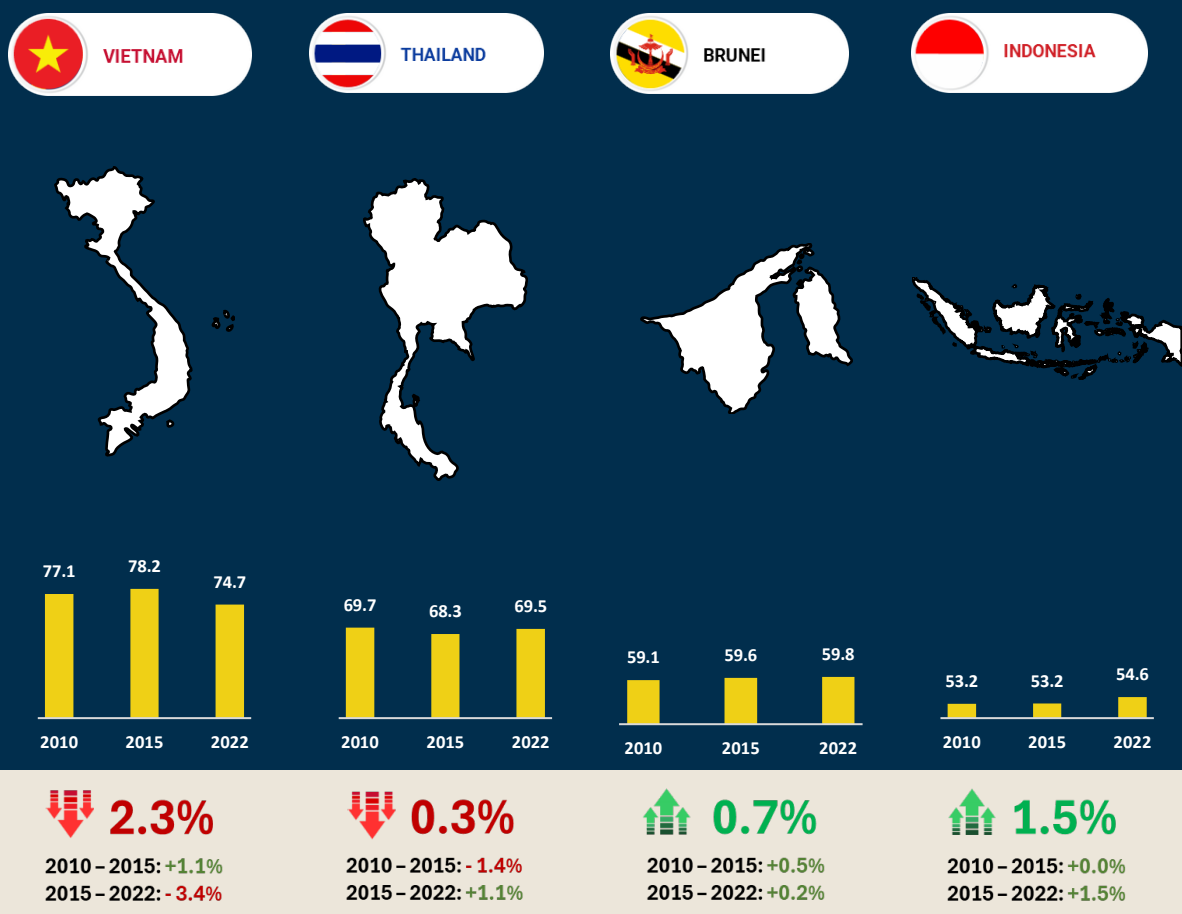
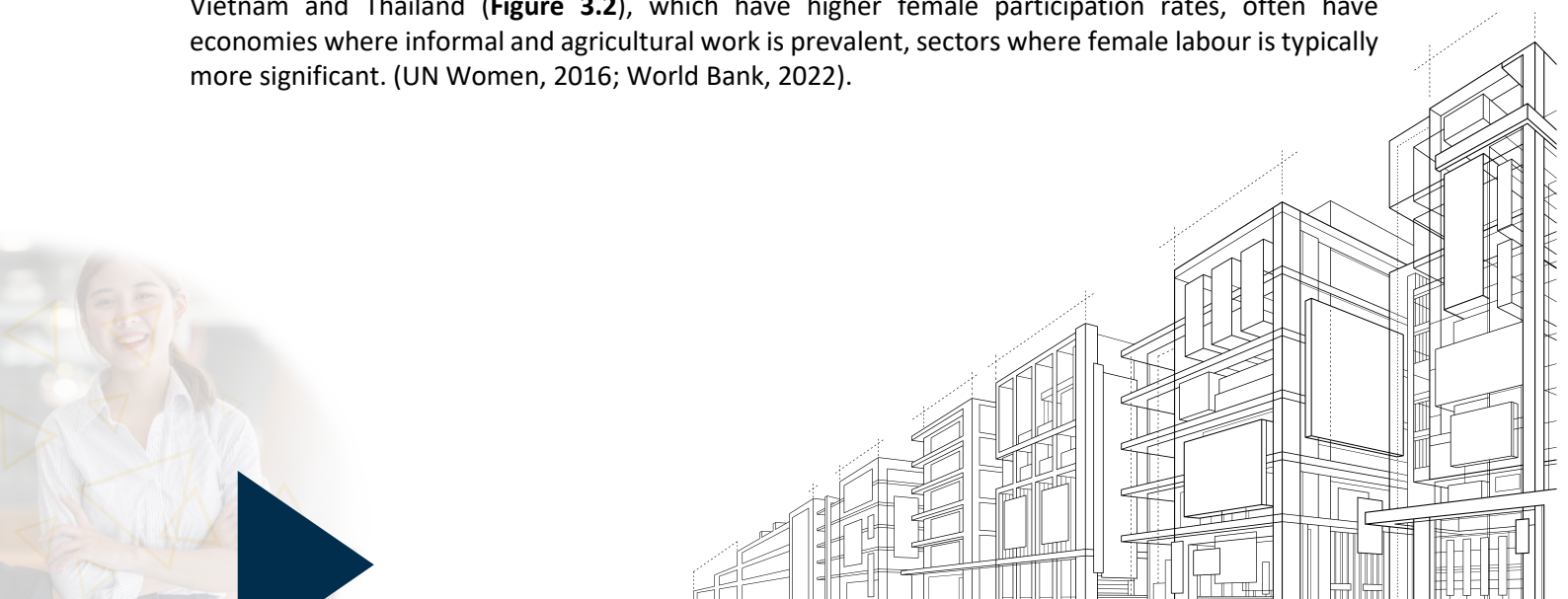


Figure 3.2: Female labour force participation rates in selected ASEAN countries



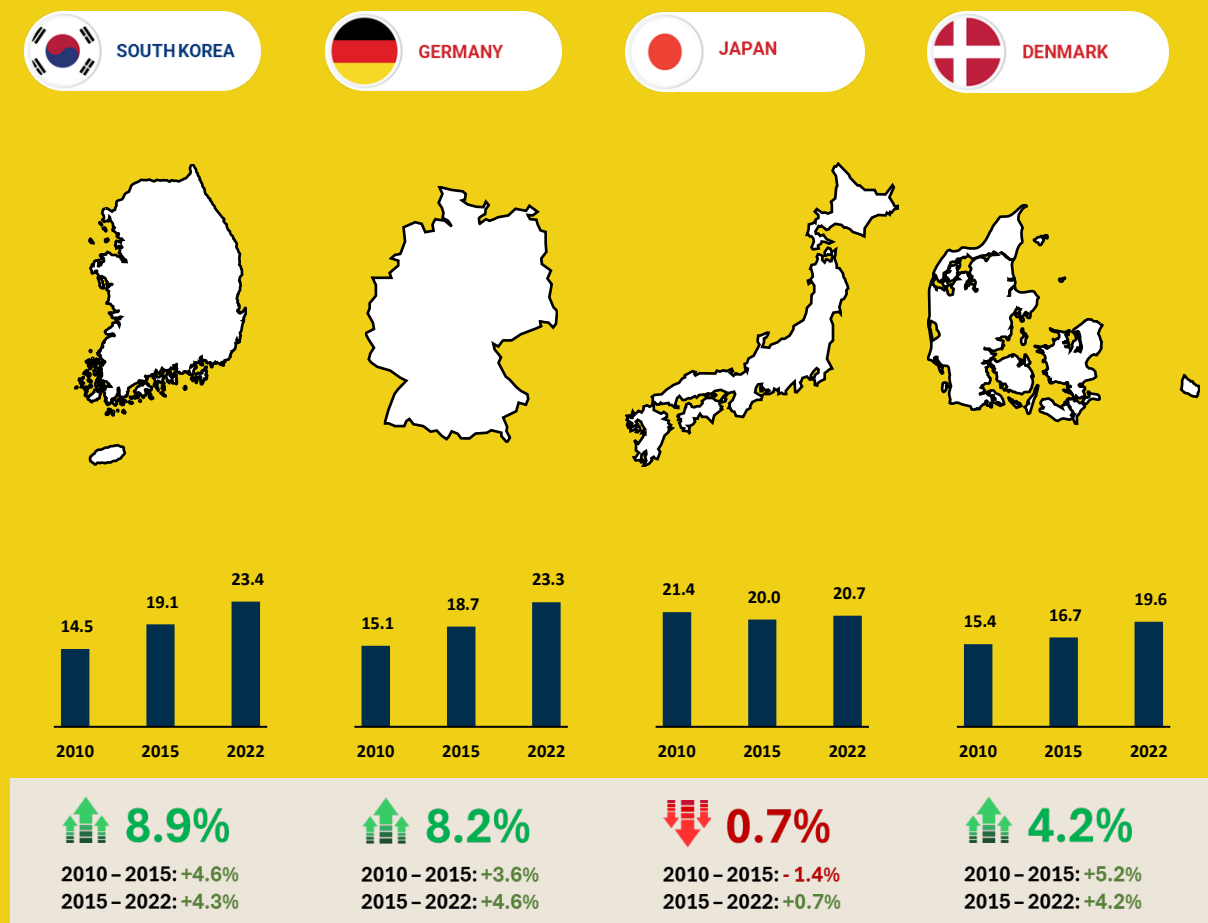
Source: World Bank Database (2024)

Several factors contribute to these differences. In developed countries, higher participation is often supported by better access to childcare, more robust parental leave policies, and a higher overall demand for skilled labour, which includes female workers. In ASEAN countries, cultural norms, economic structure, and the level of industrialization play crucial roles. For instance, countries like Vietnam and Thailand (Figure 3.2), which have higher female participation rates, often have economies where informal and agricultural work is prevalent, sectors where female labour is typically more significant. (UN Women, 2016; World Bank, 2022).



Older Worker Across Benchmarking Countries

Figure 3.3: Developed countries with a high proportion of older workers



Source: ILOSTATS Database (2024)

In developed countries, older workers (those aged 55 and above) are becoming an increasingly important part of the labour force. By 2030, it is estimated that these older workers will constitute over a quarter of the workforce in these countries (OECD, 2020). This shift is driven by several factors, including increased life expectancy, changes in retirement policies, and economic necessity. For instance, in the G7 countries, workers aged 55 and older are projected to make up nearly 25% of the labour force by the end of the decade. In Japan, this proportion is even higher, approaching 40% by 2031, fundamentally reshaping the nation's employment landscape.

As of 2022, several developed countries, including South Korea, Germany and Japan (Figure 3.3), had a significant proportion of older workers in their labour force, with more than 20% of their employees aged 55 and above.

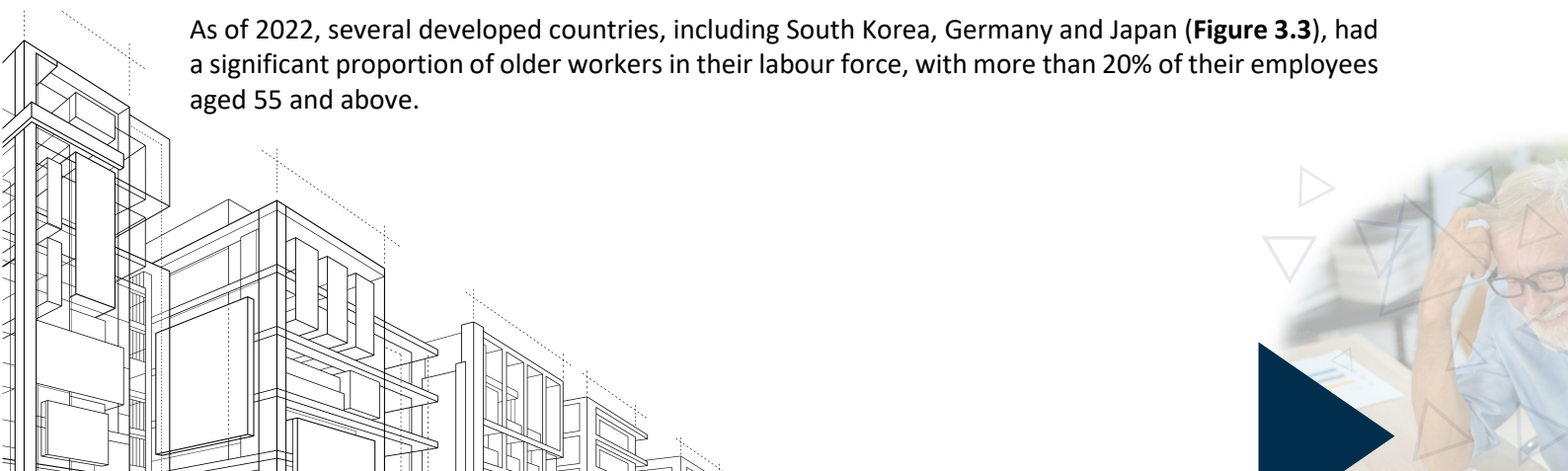
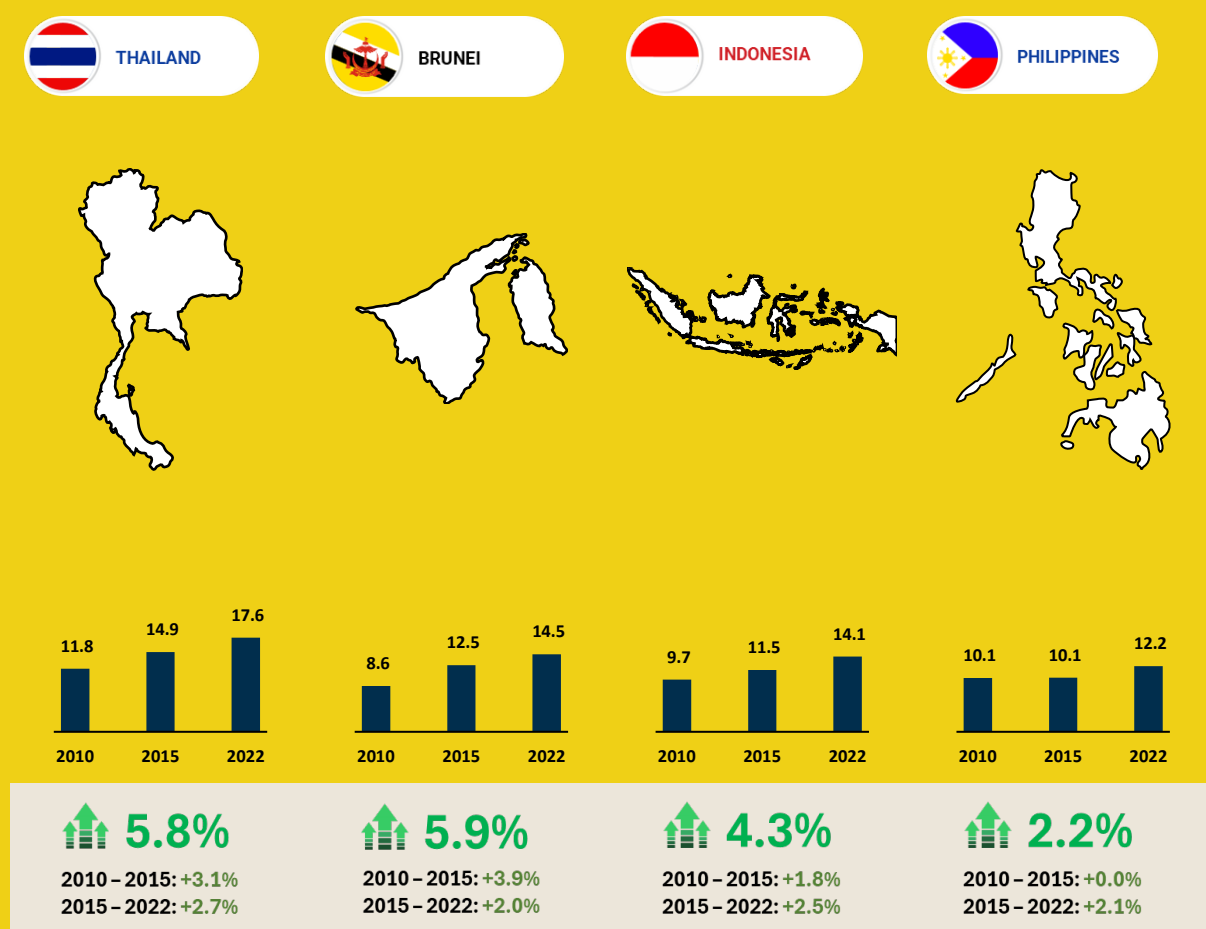


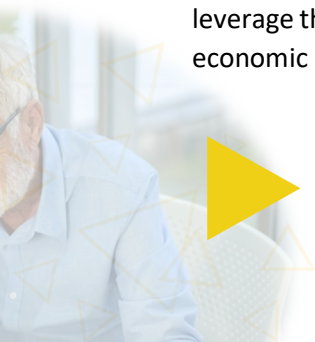
Figure 3.4: Proportion of older workers in selected ASEAN countries



Source: ILOSTATS Database (2024)

However, in ASEAN countries, the participation of older workers is also on the rise (Figure 3.4), but the context is somewhat different. According to the Asian Development Bank, many older individuals in Southeast Asia continue to work out of necessity due to insufficient pension coverage and social protection systems. In countries like the Philippines and Indonesia, a significant number of older persons continue to work in informal, low-paid, and insecure jobs because the pension provided often does not meet the minimum subsistence level. The overall pension system does not provide adequate support, pushing many older individuals to remain in the workforce longer than their preferred retirement age.

While both regions are experiencing an increase in the proportion of older workers, the primary motivations differ. In developed countries, the trend is influenced by policy changes and the desire to leverage the experience of older workers to address labour shortages. In contrast, in ASEAN countries, economic necessity and insufficient social safety nets are the driving factors.



Policy Approach Across Benchmarking Countries

This subsection explores policy approaches across benchmarking countries, focusing on successful strategies to increase female participation and manage older workers in the workforce. The benchmarking activity identifies best practices and actionable plans by analysing policies from various countries that have effectively integrated these demographics. The benchmark used in this study is grounded in examining successful policies, aiming to provide insights into creating inclusive and supportive environments for women and older workers. The goal is to propose sustainable action plans that empower these groups, enhance workforce participation, and contribute to economic growth and social equity in the next phase of this study.

Strategies for Female Participation

Increasing female participation in the workforce is crucial for economic growth and gender equality, as demonstrated by Sweden and Singapore's progressive strategies. Sweden's model includes comprehensive public support like subsidized childcare, extensive parental leave, and flexible work arrangements. Meanwhile, Singapore promotes inclusive work environments through flexible work standards, career mentorship, networking opportunities, representation of women in leadership, parental leave, and re-entering workforce assistance. Comparing these approaches reveals best practices and helps develop actionable strategies to empower more women to participate actively in the workforce.



Comprehensive Public Support for Gender Equality in Sweden

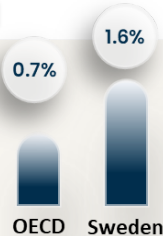


01 | Subsidised childcare for all

Women often put their careers on hold to care for their children and manage household responsibilities

Childcare and early education spending, % of GDP, 2020

Source: <https://www.ced.org/>



- Childcare is available to all children, regardless of family structure, finances, and parents' employment.
- An average Swedish family with small children spends 4.4 per cent of their net income on childcare.

02 | Shared and paid parental leave

Women take more responsibility at home, causing extended absences from work which can reduce career opportunities

Evolution of parental leave in Sweden since 1974

Length (Months)	6	15	16	16	16	18
Year	1974	1995	2002	2012	2017	2022
Level of Compensation	90% of the salary	90% of the salary in 12 months and a flat rate in 3 months	80% of the salary in 13 months and a flat rate in 3 months	80% of the salary in 13 months and a flat rate in 3 months.	80% of the salary in 13 months and a flat rate in 3 months.	Income-related, typically 80% of the salary for 390 days (240 days per parent).
Notes		One month reserved for the mother and one for the father	Two months reserved for the mother and two for the father	Parents gets the possibility to be home together for 30 days	The gender equality bonus is abolished	Each parent is entitled to 240 days, with 90 days non-transferable

03 | Flexible work arrangements

- Opportunities to work from home or other remote locations save time and make family life easier, thus enabling better work-life balance.
- Covered by a collective agreement and that ensures decent working conditions and anti-discriminatory conduct.
- In Sweden, employees with children under eight years of age can reduce their weekly working hours by 25 per cent. There is also an option to take part-time parental leave and thus receive partial parental leave benefits.

Source:

- Cedstrand, S. 2011. Från idé till politisk verklighet. Umeå: Boréa Bokförlag and Försäkringskassan, 2019b. 'Förändringar inom socialförsäkrings- och bidragsområdena 1968-01-01–2019-09-01'.
- https://www.leavenetwork.org/fileadmin/user_upload/k_leavenetwork/annual_reviews/2023/Sweden2023.pdf?utm_source

Sweden's progressive social policies support gender equality and work-life balance. The Swedish model alleviates traditional caregiving burdens through robust public services funded by taxes, fostering women's economic independence and facilitating reconciliation of professional and family responsibilities. Sweden enables both men and women to participate equally in the workforce and family life by emphasising subsidised childcare, shared and paid parental leave, and flexible work arrangements.

A cornerstone of Sweden's family policy is its highly subsidised childcare system. Sweden allocates 1.6% of its GDP to childcare and early education, significantly higher than the OECD average, ensuring accessible and affordable high-quality childcare for all families. This investment supports working parents and promotes gender equality by enabling more women to pursue and maintain careers.

Sweden's approach to parental leave reflects a commitment to shared parenting responsibilities. The policy offers 16 months of leave with 80% salary compensation, encouraging mothers and fathers to take time off for childcare. Milestones include reserved months for each parent and the possibility for parents to be home together, ensuring both parents can bond with their children and share early childcare responsibilities.

Flexibility in the workplace is crucial for balancing professional and personal responsibilities. Sweden promotes flexible working arrangements, allowing employees to adjust their working hours or work remotely to accommodate family needs. This flexibility benefits women, ensuring they do not have to choose between career advancement and family commitments, fostering greater gender equality in the workforce.



Inclusive Work Environments and Progressive Employment Practices in Singapore



 Singapore

 **Tripartite Alliance Award**

Be an Employer of Choice

Adopt the Tripartite Standards and be recognised as a progressive employer, that will improve organization image among potential employees and customers.

The TAA comes with 4 categories, namely:

- Fair and Progressive Employment Practices
- Work-Life Excellence
- Age Inclusive Practices
- Responsible Best Sourcing

Employers receive awards, enhancing employer brand

01 | Flexible work arrangement

- Tripartite Standard on Flexible Work Arrangements (FWA) encourages employers to implement flexible work arrangements as a standard practice.
Example: Flexi Shift allows employees to set their preferred working days and hours and adjust their schedules accordingly.

03 | Networking opportunities

- The Singapore Business Federation launched the Singapore Women Entrepreneurs Network (SGWEN) in September 2021, to nurture and support women talent and business growth.

05 | Parental leave

- Working couples can take up to 22 weeks' leave in their child's first year, of which up to 8 weeks can be taken by fathers. Government, community and tripartite partners work together to promote active fatherhood and family-friendly workplaces

02 | Career mentorship

- The Singapore Council of Women's Organisations' Board introduced a Mentoring Programme for aspiring women directors since July 2021, to help them achieve their professional development goals.
Example: BoardAgender's Mentoring Programme

04 | Women's representation in leadership

- The Singapore Exchange Listing Rules and Practice Guidance to the Code of Corporate Governance were revised to enhance board diversity, including gender diversity, in listed companies.
- Mandates that companies establish a board diversity policy

06 | Re-enter the Workforce Assistance

- The Ministry of Manpower and Workforce Singapore offers employment programs and services supporting all women jobseekers, including those re-entering the workforce after an absence. **Example:** herCareer Initiative

Source: Tripartite Alliance for Fair and Progressive Employment Practices (TAFEP), Ministry of Manpower Singapore. <https://www.tal.sg/tripartite-alliance-award>

Singapore fosters an inclusive and supportive work environment through progressive employment practices. The Tripartite Alliance for Fair and Progressive Employment Practices (TAFEP) promotes these practices to enhance organisational image and cultivate a diverse workforce. Key initiatives include flexible work arrangements, career mentorship, networking opportunities, women's representation in leadership, parental leave policies, and re-entering the workforce assistance.

Flexible work arrangements are emphasised to support work-life balance. The Tripartite Standard on Flexible Work Arrangements (FWA) encourages employers to adopt practices that allow employees to adjust their working hours or locations. This flexibility benefits those balancing professional and family responsibilities, aiming to create a more adaptable and resilient workforce, thereby enhancing productivity and job satisfaction. An example of FWA is Flexi-Shift, which allows employees to set their preferred working days and hours and adjust their schedules accordingly. Under the Flexi Shift, caregivers of school-going children might opt to work a few hours in the morning or afternoon while their children are at school or on weekends when other caregivers are available.

Career mentorship is vital for supporting women's career advancement in Singapore. The Singapore Council of Women's Organisations' Board offers a Mentoring Programme for aspiring women directors to achieve their professional development goals. This program provides guidance and support to help women navigate their career paths and attain leadership positions, ensuring they have the necessary resources and encouragement for success. An example is the *BoardAgender's Mentoring Programme for Aspiring Women Directors*, which is designed to empower and equip women with the knowledge, skills, and networks necessary to succeed in corporate board roles. Through mentorship from experienced leaders, comprehensive training, and valuable networking opportunities, the programme aims to address gender imbalance in boardrooms.

Networking opportunities are crucial for women's career growth and business development. The Singapore Business Federation launched the Singapore Women Entrepreneurs Network (SGWEN) to support women's talent and business growth. SGWEN provides a platform for women entrepreneurs to connect, share experiences, and collaborate, helping them build valuable relationships and expand their professional networks, essential for career advancement and business success. The programme's focus areas include championing women entrepreneurs through dialogue with policymakers, knowledge sharing via events and networking opportunities, collaboration with other women's groups and networks, and recognising the achievements and successes of women entrepreneurs.

Ensuring women's representation in leadership roles through board diversity policy. Revisions to the Singapore Exchange Listing Rules and the Practice Guidance to the Code of Corporate Governance aim to enhance board diversity, including gender diversity, in listed companies. The updated code of conduct in Singapore mandates that companies establish a board diversity policy with both qualitative and quantitative objectives and regularly review and report on the progress towards these objectives in their annual reports. The Board, or a designated committee such as the Nominating Committee, is responsible for setting and monitoring these diversity objectives. These changes promote more inclusive corporate leadership structures, reflecting diverse perspectives and improving corporate governance and decision-making processes.

Parental leave policies support family-friendly workplaces by allowing significant leave for both parents. In Singapore, working parents can take up to 22 weeks of leave during their child's first year, with 8 weeks available for fathers. This policy promotes active fatherhood and shared parenting roles and helps reduce the career impact of parenthood, particularly for women.

Singapore provides targeted assistance for individuals re-entering the workforce after a career break. The Ministry of Manpower and Workforce Singapore offer employment facilitation programs for mid-career jobseekers, including skills training, career counselling, and job matching services. These programs help individuals find suitable employment opportunities, ensuring that all individuals, regardless of career interruptions, can continue to contribute meaningfully to the economy. An example is the *herCareer Initiative*, which aims to support Singaporean women who are planning to return to the workforce, access available jobs, transit into new industries and job roles, and build up job-relevant skillsets.



In Malaysia, the availability of affordable, high-quality childcare is limited, with workplace-based childcare facilities remaining rare, especially in smaller enterprises and rural areas. By comparison, Sweden offers a robust, subsidised childcare system funded through public spending, accounting for 1.6% of GDP—significantly higher than the OECD average. This ensures universal access to high-quality, affordable childcare, enabling women to balance caregiving responsibilities with career aspirations. Singapore also excels in this area through targeted policies such as the Child Development Co-Savings Scheme (Baby Bonus) and support for workplace childcare centres, which encourage employers to provide these facilities and ease the burden on working mothers.

While Malaysia has introduced tax incentives and limited initiatives to support women returning to work, these efforts lack nationwide coordination and scale. Singapore has established structured re-entry programmes like the Returnship Programme, focusing on skills upgrading and job placements for women re-entering the workforce, particularly in high-growth sectors. Sweden complements this with lifelong learning initiatives that provide free access to education and training for individuals at all life stages, ensuring women can upskill or reskill seamlessly to match labour market demands.

Additionally, Malaysia faces significant challenges in integrating women in the informal sector into the formal economy. Many women in informal roles, such as unpaid caregivers and gig workers, lack access to social protection schemes like pensions and health insurance. However, Malaysia is taking steps to address this gap. The Social Security Organization (SOCSSO) is expanding coverage through the Self-Employment Social Security Scheme (SKSPS), which provides protection and benefits for gig workers. Through initiatives like Bina Kerjaya, SOCSSO offers training subsidies and allowances to support skills development and career advancement. Comparatively, Sweden ensures all workers are covered under a comprehensive social security system, recognising and supporting informal work. Similarly, Singapore offers targeted support for women in the gig economy through training and entrepreneurial programmes to help transition them into formal, sustainable careers.

Strategies for Managing Older Workers

As demonstrated by Japan and Singapore's comprehensive strategies, managing older workers is crucial for economic growth and social stability. Japan's model includes initiatives like the Silver Human Resources Centre and the Act on Stabilization of Employment of Older Workers, which provide training, job placement services, and regulatory support to help older employees acquire new skills and secure employment. Additionally, the Employment Security Center and the Experience Utilization Center focus on stabilising employment and leveraging the expertise of older workers. Meanwhile, Singapore has launched programs such as Employment Support for Seniors, the Senior Worker Support Package, and SkillsFuture Mid-Career Enhanced Subsidy to offer career advisory services, financial incentives, and substantial subsidies for skill enhancement, ensuring older workers remain competitive and active contributors to the economy. Comparing these approaches reveals best practices and helps develop actionable strategies to integrate older workers more effectively into the workforce.

Comprehensive Strategies and Initiatives for Supporting Older Workers in Japan



01 Silver Human Resources Centre

- These centers are supported by the government and offer jobs that are typically flexible and temporary
- Provides training and job placement services to workers over the age of 50.
- The program focuses on helping older workers develop new skills, find new job opportunities, and adjust to changing work environments.

02 Law of 1971 on Stabilization of Employment of Older Workers

- The law aims to secure work opportunities for retirees.
- The law requires Japanese employers to help older employees find jobs and assist with re-employment.

03 Dedicated Employment Security Centre for Older Workers

- Japan Organization for Employment of the Elderly, Persons with Disabilities and Job Seekers (JEED) conduct surveys and research to stabilize employment for older workers.
- Provide training for employers to ensure continuous employment of older workers.
- Offer information and job opportunities for workers over 60 through an "experiences utilization center."

Source: Japan Organization for Employment of the Elderly, Persons with Disabilities and Job Seekers (JEED), Ministry of Health, Labour and Welfare of Japan – policies on older workers and re-employment support. <https://www.jeed.go.jp/>

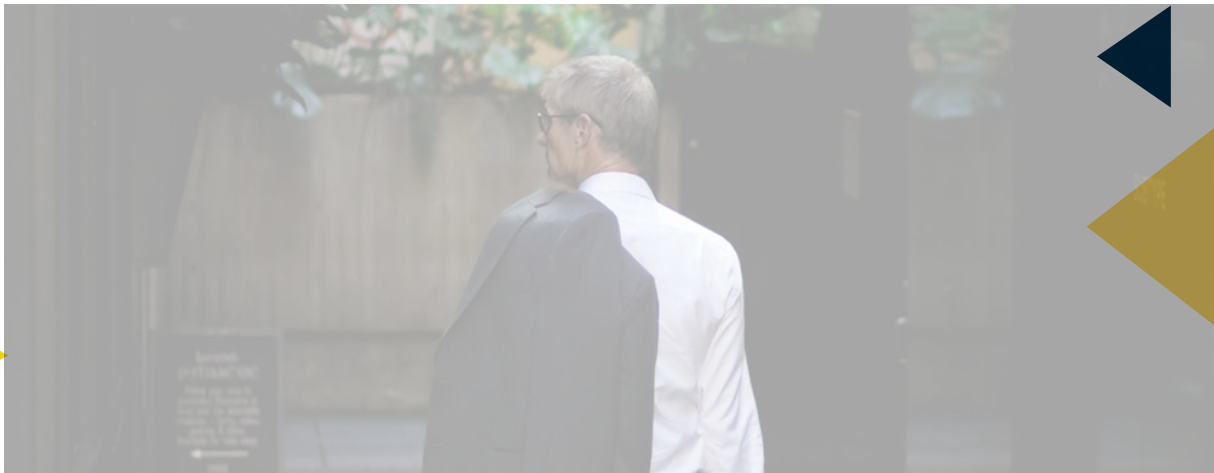
Japan is recognised as an ageing country with a growing number of older workers. To address its swiftly ageing population, Japan has introduced several training programs to support this group. Among these initiatives is the Silver Human Resources Centre, which provides training and job placement services for individuals over 50. This program aims for older workers to acquire new skills, discover new employment opportunities, and adjust to changing work environments. The centre offers diverse training courses, such as computer literacy, language instruction, and job search workshops.

In Japan, there is a commendable approach towards fostering a positive work environment for older employees, facilitated by regulatory interventions and institutional support. The Act on Stabilization of Employment of Older Workers, originally enacted in 1971 and later amended in 1994, is a testament to this commitment. This legislation anticipates the implementation of measures designed to ensure work opportunities for retirees. It mandates that employers must strive to secure employment opportunities for their older workers in accordance with their abilities and provide assistance in re-employment and related areas.

This proactive stance is further reinforced by Japan's efforts to improve job quality for older workers, which includes addressing excessive work hours, effectively implementing work style reforms, and conducting more systematic and obligatory psychosocial risk assessments of working practices. These measures are part of a broader strategy to retain and incentivise the elderly to remain active in the workforce, thereby leveraging their knowledge and skills to meet the challenges posed by a rapidly ageing population.

Japan has established a specialised Employment Security Center for older workers, underscoring its commitment to stabilising and enriching their employment experience. This centre is tasked with conducting comprehensive surveys and research focused on stabilising employment for older workers. It also offers training programs for employers and other stakeholders to enhance their understanding and capabilities in supporting the continuous employment of older persons.

In addition, **Japan has initiated an "Experience Utilization Center" specifically designed for workers over 60.** This innovative centre serves as a platform to connect these seasoned professionals with suitable job opportunities, including temporary positions. The centre's objective is to harness the wealth of experience that older workers possess and facilitate their continued contribution to the workforce, thereby promoting a society where every individual can find meaningful employment regardless of age.



Singapore's Comprehensive Initiatives to Support Senior and Mid-Career Workers in the Workforce



 *"In Singapore, the government has implemented several initiatives to support older workers and encourage their continued employment"*

Employment Support for Seniors

- Programme supported by Workforce Singapore
- Career advisory services to help seniors identify career options
- Career advisory services for Seniors to establish job readiness
- Job matching services for Seniors



SkillsFuture Mid-Career Enhanced Subsidy

- 90% subsidy on course fees for courses offered by SkillsFuture Singapore (SSG)
- 90% subsidy on programme costs for Ministry of Education (MOE)-subsidised full-time and part-time courses
- Certifiable-skills training courses, up to 70% subsidy on course fees



Source:

1. Workforce Singapore (WSG) – Employment Support for Seniors. Website: <https://www.wsg.gov.sg>
2. SkillsFuture Singapore (SSG) – Mid-Career Enhanced Subsidy. Website: <https://www.skillsfuture.gov.sg>

In Singapore, the government has launched a suite of initiatives aimed at bolstering the employment of senior citizens and fostering their continued participation in the workforce. The Employment Support for Seniors program is a pivotal component of this strategy. It provides comprehensive career advisory services that assist seniors in navigating their career paths and establishing job readiness. Additionally, the program offers job matching services, connecting seniors with meaningful employment opportunities that align with their skills and experience.

These efforts are complemented by the Senior Worker Support Package, which includes measures such as the Senior Employment Credit and Part-Time Re-employment Grant, designed to incentivise businesses to hire older workers. Furthermore, initiatives like SkillsFuture and the Tripartite Alliance for Fair and Progressive Employment Practices (TAFEP) contribute to a holistic framework that empowers older workers through upskilling and promotes fair employment practices. **Table 3.1** summarises the Singapore TAFEP's action points.

Table 3.1 Summary of Singapore TAFEP's Action Points

No.	TAFEP Action Points	Brief Explanation
1.	Flexible Work Arrangements for Older Workers	Singapore encourages flexible working hours and remote work for older workers, especially those with caregiving responsibilities. An example includes initiatives like "Work-Life Harmony," which supports employees in balancing work and family life.
2.	Inclusive Hiring of Older Workers	Singapore promotes inclusive hiring practices, encouraging businesses to hire older workers. Under the Tripartite Standard for Age-Inclusive Hiring, employers must adopt a few principles, such as age not being a selection criterion when advertising, shortlisting, or selecting job candidates. There is also a guideline available for employers to create an age-friendly workplace that includes a change in culture programme, redesign jobs and invest in older workers' well-being.

3.	Reskilling and Upskilling Programs for Older Workers	Singapore's "SkillsFuture" initiative helps older workers reskill by offering subsidies and access to government-funded training courses. The program focuses on equipping them with relevant skills for the evolving job market.
4.	Support for Family Responsibilities (Eldercare)	Singapore's policies support workers with family caregiving responsibilities, particularly for elderly family members. Policies such as "Caregiving Leave" are designed to help employees balance work with their caregiving duties. For example, 2 weeks of unpaid leave per year is given to care for hospitalised immediate family members, during or after hospitalisation.
5.	Tax Incentives for Employers Hiring Older Workers	<p>Singapore offers tax incentives and subsidies for companies hiring older workers. For example, through the Senior Employment Credit, the Government provides wage offsets to help employers that employ Singaporean workers adjust to the higher Retirement Age and Re-employment Age. Higher support will be given to the older age bands.</p> <p>Additionally, the Government also help ease employer burden with social contributions through the Central Provident Fund (CPF) Transition Offset. The Government will provide employers with a transitional wage offset equivalent to 50% of each year's increase in employer CPF contribution rates for every Singaporean and Permanent Resident worker they employ aged above 55 to 70.</p>
6.	Senior Worker Reemployment Guidelines	Singapore has reemployment guidelines for older workers to help them remain economically productive employees. The guidelines include planning and preparing employees for re-employment, the re-employment contract, recognising the contributions of re-employed workers and assistance for eligible workers whom employers cannot re-employ.

Singapore's proactive approach reflects a deep understanding of senior workers' value to the economy and the importance of integrating them into a dynamic and inclusive labour market. **While Malaysia has similar initiatives to TAFEP, such as Flexible Work Arrangements (FWA), and offers various upskilling and reskilling programmes, the fragmentation of these efforts hinders their ability to achieve the desired outcomes.** Additionally, the lack of effective communication with employers to shift mindsets, coupled with insufficient targeted outreach to specific groups based on location and skill set, further exacerbates the challenges in realising the full potential of these initiatives. The improvements to the current programmes will be incorporated into the policy recommendations in Chapter 6.

The SkillsFuture Mid-Career Enhanced Subsidy in Singapore is a significant initiative that provides substantial financial support for lifelong learning among mid-career individuals. Eligible Singaporeans aged 40 and above can benefit from up to a 90% subsidy on course fees for a wide array of courses offered by SkillsFuture Singapore (SSG). This includes a similar 90% subsidy on program costs for full-time and part-time courses subsidised by the Ministry of Education (MOE).

The subsidy rate is equally generous for certifiable skills training courses, offering up to 70% off course fees, thereby reducing the financial barrier for professionals seeking to enhance their skills and stay competitive in the job market. These subsidies are part of Singapore's commitment to support mid-career professionals in their continuous learning endeavours, ensuring they remain adaptable and relevant in a rapidly evolving economic landscape.

Advancing Workforce Inclusion Through Extended Employment Age and Flexible Retirement in Sweden



Sweden has implemented progressive measures to manage older workers by raising the age for the right to remain in employment to 69 years.



Sweden has no fixed retirement age but an adjusted pension age as from 2026.

A universal model for welfare and social protection

01 Reforms in Sweden's tax system

These reforms include an increased earned income tax credit and lower taxes on pensions for those who work until 67. Employers also receive targeted incentives to retain older employees, fostering an age-inclusive workplace environment.

02 Pay-As-You-Go (PAYG) model

Sweden's pension system exemplifies sustainability through the Pay-As-You-Go (PAYG) model, where current workers' contributions fund retirees' pensions. This model emphasizes intergenerational solidarity, ensuring that today's labour market sustains both retirees and future generations.

03 Right to remain in employment

Sweden recognizes the value of older workers by upholding the right to remain in employment without enforcing a mandatory retirement age. This policy ensures that individuals can contribute as long as they are capable and willing, fostering an inclusive labour market.

Sources:

1. Retirement policy and right to remain in employment. Ministry of Health and Social Affairs. <https://www.government.se/government-of-sweden/ministry-of-health-and-social-affairs/>
2. Information on pension reforms and the Pay-As-You-Go (PAYG) model. Swedish Pensions Agency. <https://www.pensionsmyndigheten.se>

Sweden has implemented progressive measures to manage older workers by raising the age for the right to remain in employment to 69 years. Notably, there is no fixed retirement age, allowing flexibility for individuals to continue contributing to the workforce. Starting in 2026, an adjusted pension age will gradually increase from 63 to 66 years, in line with rising life expectancy. This approach provides older workers with extended career opportunities while promoting sustainable workforce participation.

Reforms in Sweden's tax system aim to encourage older workers to remain active in the labour market. These reforms include an increased earned income tax credit and lower taxes on pensions for those who work until 67. Employers also receive targeted incentives to retain older employees, fostering an age-inclusive workplace environment. This strategy ensures a balance between individual financial benefits and organizational productivity.

Sweden's pension system exemplifies sustainability through the Pay-As-You-Go (PAYG) model, where current workers' contributions fund retirees' pensions. By not accumulating individual accounts, the system remains responsive to economic and demographic changes. This model emphasizes intergenerational solidarity, ensuring that today's labour market sustains both retirees and future generations.

A key success factor in Sweden's system is its focus on balancing debt and asset dynamics in the labour market. By keeping unemployment low and ensuring high retention rates, Sweden mitigates the challenges posed by an aging population. This demographic foresight ensures a robust economy supported by a productive workforce, regardless of age.

Sweden recognizes the value of older workers by upholding the right to remain in employment without enforcing a mandatory retirement age. This policy ensures that individuals can contribute as long as they are capable and willing, fostering an inclusive labour market. The approach aligns with Sweden's broader efforts to create equitable opportunities for all generations.

National Programme for Ageing Workers in Finland

01 Prolonging Careers and Preventing Age Discrimination

Various solutions and flexibilities to ensure longer working careers for older individuals, particularly in services for older people including preventing age discrimination in the workplace

02 Continuous Learning and Skills Development

Focuses on older working-age individuals (55-64 years), increasing their participation in lifelong learning through the Service Centre for Continuous Learning and Employment (SECLE)

03 Hyvä Veto Operating Model

Reinforces ethical organizational culture, coaching management, and intergenerational cooperation to improve working conditions in elderly care services

04 Occupational Wellbeing in Elderly Care Services

Integrating occupational wellbeing into service operations, quality of care, and self-monitoring to reduce workload and maintain the working capacity of staff

05 Vocational Competence and Career Development

Developing multidisciplinary cooperation, digital skills, and interaction skills to enhance the attractiveness and sustainability of careers in elderly care

06 Guidance and Career Planning for Ageing Workers

Offers support for career planning, interests, and strengths identification to help older workers transition smoothly towards retirement

National Programme on Ageing to 2030
For an age-competent Finland




The welfare, skills and availability of staff are major challenges in our society. It is important to find various solutions and flexibilities that ensure longer working careers and prevent age discrimination in the world of work

Source: National Programme on Ageing to 2030. Ministry of Social Affairs and Health

Finland is a global leader in managing an ageing workforce through innovative strategies under the **Finnish National Programme on Ageing Workers (FINPAW)**. Targeting workers aged 45 and above, the program focuses on employability, well-being, and workforce retention through lifelong learning, workplace adaptation, and flexible work arrangements.

One of the standouts features of FINPAW is its commitment to lifelong learning and upskilling. **Finland provides continuous education and training opportunities for older workers, with a special focus on technological and digital literacy.** By fostering on-the-job learning and mentorship programs, the initiative enables older workers to stay competitive in a rapidly evolving job market while facilitating knowledge transfer to younger employees. This dual benefit enhances productivity and creates a culture of mutual respect between generations.

Flexible work arrangements and phased retirement options are another hallmark of Finland's strategy. Older workers can gradually reduce their working hours while receiving partial pensions, enabling them to transition smoothly into retirement. These measures are complemented by ergonomic workplace adaptations, task redistribution, and job redesign to align roles with the physical capabilities of older employees. This approach supports older workers and helps employers retain experienced staff, ensuring continuity and institutional knowledge within organizations.

Health and well-being are central to Finland's initiatives for managing older workers. Comprehensive occupational health services, including regular check-ups, stress management programs, and support for chronic illnesses, ensure that older employees can sustain productivity while maintaining their quality of life. Age-friendly workplaces and a strong emphasis on work-life balance further contribute to the well-being of older workers, creating an inclusive environment that values their contributions.

What sets Finland's approach apart is its focus on evidence-based policymaking and collaboration between the government, businesses, and educational institutions. **Through initiatives like the Centre for Better Ageing, Finland conducts research and monitors the effectiveness of its programs, ensuring continuous improvement.** The combination of financial incentives for employers, cultural inclusion efforts, and sustainable workforce policies makes Finland a benchmark for managing an aging workforce globally. Its success lies in its ability to address the economic, social, and personal needs of older workers, ensuring they remain active participants in the labour market.

Comprehensive Strategies and Initiatives for Supporting Older Workers in South Korea



<p>01 Senior Internship</p> <p>Programs supports companies hiring workers aged 60 and above by providing up to 2.4 million won per person for six months, with an extra 900,000 won for employment lasting 18 months or more. Eligible companies must subscribe to four major social insurance schemes and follow worker protection regulations.</p>	<p>02 Senior-friendly Company</p> <p>Program offers subsidies of up to 300 million won and management consulting to companies hiring many workers aged 60 and above. Eligible companies include those already employing many seniors and planning to hire more, as well as those starting new businesses focused on senior employment.</p>
<p>03 Marketable Project Group</p> <p>Creates jobs for people aged 60 and above by jointly operating small stores and specialized business groups in senior-friendly industries such as food manufacturing and sales, industrial manufacturing, store operation, local farming, and transportation. Work hours and wages are determined by the employment contract.</p>	<p>04 Employment Placement</p> <p>Program connects trained and capable seniors aged 60 and above with companies offering fixed wages for roles such as proctor, gas station worker, security guard, and office clerk. Work hours and wages are determined by the employment contract.</p>
<p>05 Training for Senior Employment</p> <p>Program develops training materials to equip seniors with the knowledge and skills needed for job competency, offering both online and offline support. It also identifies essential skills for senior employment and creates customized training curricula for workers.</p>	

Source: Korea Labor Force Development Institute for the Aged (KORDI). <https://www.kordi.or.kr>

South Korea has taken significant strides in managing its ageing workforce through comprehensive programs led by institutions such as the Korea Labour Force Development Institute for the Aged (KORDI). These initiatives are aimed at empowering older workers by providing employment opportunities, promoting workplace inclusivity, and fostering lifelong learning. One of the key strategies is the **Senior Internship Program**, which incentivizes companies to hire workers aged 60 and above. By offering financial subsidies of up to 2.4 million won per person for six months, this program not only ensures job placements but also requires companies to adhere to worker protection regulations and insurance schemes.

Another noteworthy initiative is the **Senior-Friendly Company Program**, which encourages businesses to prioritise older workers. Through subsidies of up to 300 million won, companies receive financial and management support to hire senior workers or establish operations that focus on senior employment. This program highlights South Korea's commitment to integrating older workers into the economy by creating a supportive ecosystem for employers.

The **Marketable Project Group** initiative further demonstrates South Korea's innovative approach to senior employment. This program creates job opportunities in industries that are senior-friendly, such as food manufacturing, local farming, transportation, and retail. By operating small stores and specialised business groups, older workers are given access to sustainable employment tailored to their skills and capacities, with work hours and wages clearly defined through contractual agreements.

The **Employment Placement Program** serves as a vital link between trained seniors and employers. It focuses on matching capable older workers with fixed-wage roles such as proctors, gas station attendants, security guards, and clerks. This targeted placement ensures that seniors with appropriate training and skillsets find suitable jobs, thereby addressing gaps in the labour market while promoting economic inclusivity.

Finally, the **Training for Senior Employment Program** provides essential resources for older workers to stay competitive in the workforce. By offering both online and offline training materials, the program equips seniors with the skills and knowledge necessary for job competency. Additionally, customised curricula ensure that training is relevant to their employment needs, fostering adaptability and long-term career prospects. Together, these initiatives reflect South Korea's proactive stance in creating a robust framework for senior workforce participation.

Malaysia has an opportunity to enhance its support for older workers by drawing inspiration from international best practices such as Japan's Silver Human Resources Centre and Singapore's SkillsFuture Mid-Career Enhanced Subsidy. These initiatives demonstrate the value of targeted reskilling programmes and substantial financial incentives for continuous learning, tailored to meet the unique needs of older workers. Similarly, Sweden's flexible retirement policies and tax reforms highlight how strategic measures can encourage prolonged workforce participation while fostering economic sustainability.

Currently, Malaysia's policy landscape does not yet encompass specific, large-scale initiatives aimed at older workers. While efforts like the Skim Latihan Dual Nasional and other reskilling programmes exist, they primarily target younger demographics. Policies addressing flexible retirement, tax incentives to retain older workers, or structured platforms for intergenerational workforce integration remain limited. Additionally, there is a lack of institutional setups, such as Japan's Employment Security Centre or Sweden's intergenerational solidarity mechanisms, which are designed to holistically support older workers' active participation in the labour market.

Malaysia faces significant challenges in implementing active ageing policies due to the absence of a centralised institution dedicated to addressing the unique needs of older workers. Unlike Japan's Employment Security Centre or Korea Labor Force Development Institute for the Aged, which focus on research, policy development, and programme implementation for older workers, Malaysia lacks a similar institutional framework. Currently, responsibilities are split between the Ministry of Women, Family, and Community Development (KPWKM), which prioritises social welfare programmes, and the Ministry of Human Resources (KESUMA), which oversees broader workforce initiatives. This fragmented approach has resulted in limited focus on active ageing policies, such as reskilling, flexible work arrangements, or tax incentives to retain older workers.

To address this, Malaysia could establish a National Ageing Centre as a centralised agency to coordinate policies and programmes that integrate social and economic aspects of active ageing. This centre would not only develop targeted initiatives, such as reskilling programmes and intergenerational workforce strategies, but also foster collaboration between KPWKM and KESUMA to streamline resources and ensure policy alignment. By adopting a data-driven approach and leveraging international best practices, such as Japan's Silver Human Resources Centre and Singapore's SkillsFuture programmes, the proposed centre could unlock the economic potential of older workers, transforming them into a valuable asset for national development.

Strategies for Managing Army Veterans

As demonstrated by the United States' comprehensive strategies, managing the reintegration and employment of veterans is crucial for economic stability and social well-being. The U.S. model includes initiatives like the Department of Veterans Affairs (VA) Vocational Rehabilitation and Employment (VR&E) Program and the Department of Labor's Veterans' Employment and Training Service (VETS), which provide job training, placement services, and regulatory support to help veterans transition to civilian careers. Additionally, programs like Hire Heroes USA and the SkillsBridge initiative focus on skill enhancement and career counselling, ensuring veterans remain competitive contributors to the workforce. Comparing these approaches reveals best practices and helps develop actionable strategies to integrate veterans, including Malaysian Armed Forces (MAF) veterans, more effectively into civilian employment.

Comprehensive Strategies and Initiatives for Supporting Army Veterans in the United States of America



Healthcare
Provides veterans access to comprehensive healthcare services, including regular checkups, specialty care (e.g., cardiology, mental health), and resources like home health care, prosthetics, and prescriptions.

Disability
Veterans who became ill or injured during their military service, or whose conditions worsened due to service, are eligible for tax-free disability compensation. This includes physical and mental health conditions like chronic injuries or PTSD.

Education and Training
Supports veterans and their families by offering education benefits to cover tuition, find suitable training programs, and access career counselling.

Careers and Employment
Assists veterans in building careers by offering job placement services, training programs, and support for professional growth.

Pension
Provides financial assistance to wartime veterans and their survivors who meet specific income and age or disability requirements.

Housing Assistance
Veterans can access VA housing benefits to buy, refinance, or improve a home. The VA also offers support for retaining current housing.

Life Insurance
Offers life insurance plans for veterans, service members, and their families, providing financial security and assistance with policy management.

Burials and Memorials
Helps veterans and their families plan burials in VA national cemeteries, covering certain costs and offering memorial services and items.

The United States provides comprehensive support for veterans through these key programs, ensuring a smooth transition to civilian life and honouring their service.

Source: U.S. Department of Veterans Affairs (VA). <https://www.va.gov>

Veterans in the United States are empowered to advance their education and careers through robust support programs to unlock their potential. The GI Bill covers most education costs, enabling veterans to earn degrees or certifications and expand their qualifications. For seamless transitions into the workforce, the Partnership for Your Success (PaYS) program connects veterans with a network of employers, offering guaranteed job interviews and clear pathways to meaningful employment. Complementing these efforts, the VA Personalized Career Planning and Guidance (PCPG) initiative provides tailored counselling to help veterans align their unique skills and interests with rewarding civilian career opportunities.

Veterans with disabilities are supported through specialised programs that empower them to overcome employment barriers and achieve meaningful careers. The Veteran Readiness and Employment (VR&E) program provides vocational training, rehabilitation services, and job placement assistance tailored to individual needs. Complementing this, the Compensated Work Therapy (CWT) initiative offers practical employment opportunities to accommodate physical or mental health challenges, fostering resilience and long-term professional success.

Veterans with entrepreneurial ambitions are empowered to build and expand their businesses through targeted support programs. The Vets First Verification Program offers a comprehensive suite of resources, including mentorship and access to exclusive opportunities, designed to position veteran-owned businesses for long-term success and competitiveness in the marketplace.

Veterans gain vital support in workforce integration and employment rights through innovative programs to ease their transition to civilian careers. The Department of Labor's Veterans' Employment and Training Service (VETS) safeguards veterans' employment rights while providing job training programs that enhance their readiness for the workforce. A standout initiative, the SkillBridge Program, connects service members with civilian employers through internships and apprenticeships, offering hands-on experience and a smoother transition into the private sector.

Policy Stocktake and Gap Analysis

This subsection examines policies related to the labour force participation of women, older workers, and army veterans. The stocktake provides an overview of the current policy landscape, highlighting focus areas and identifying existing gaps. By analysing these gaps, this subsection aims to offer insights for refining and enhancing strategies to increase the workforce participation of these groups. The findings will support the development of targeted interventions to foster inclusive workforce integration, contributing to social equity and economic growth in subsequent phases of this study.

Policy Stocktake

A comprehensive review of 50 published national policy documents was conducted, focusing on labour market policies targeting women, older workers, and army veterans. The details of this review are available in **Appendix 3.1**. The review shows that only 13 national policy documents explicitly incorporate policy statements targeting these three key demographic groups, as shown in **Table 3.2**.

Table 3.2: National documents with policy statements regarding increasing labour force participation for women, older workers and army veterans

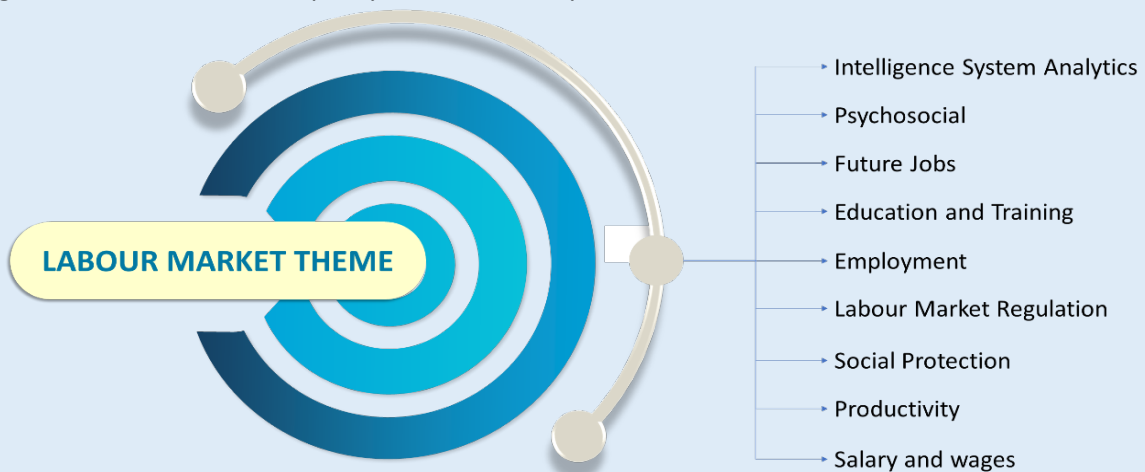
No.	Document	Policies Available		
		Women	Older Worker	Army Veteran
1	Mid-Term Review of the Twelfth Malaysia Plan	√	√	X
2	Malaysia Digital Economy Blueprint	√	X	X
3	National Fourth Industrial Revolution (4IR) Policy	X	√	X
4	Shared Prosperity Vision 2030	√	X	X
5	<i>Dasar Wanita Negara dan Pelan Tindakan Pembangunan Wanita</i>	√	X	X
6	<i>Dasar Warga Emas Negara</i>	X	√	X
7	National Science, Technology and Innovation Policy 2021-2030 Action Plan	√	X	X
8	Malaysia National Artificial Intelligence Roadmap 2021-2025 (AI-RMAP)	√	√	X
9	National Robotics Roadmap 2021-2030	√	X	X
10	National Tourism Policy 2020-2030	√	X	X
11	Ekonomi Madani Memperkasa Rakyat	√	X	X
12	<i>Ucapan Bajet 2024</i>	√	√	√
13	<i>Ucapan Bajet 2025</i>	√	√	√

Source: Various ministries' websites

Note: The word search conducted to determine the presence of relevant policies includes the following terms: women, woman, female, older, older worker, ageing, army, army veteran, *wanita*, *perempuan*, *warga emas*, *pekerja berusia*, dan veteran.

A detailed review of the 13 policy documents identified 78 policy statements relevant to the three focus groups in this study, facilitating further thematic analysis. This study developed nine thematic groups, as illustrated in **Figure 3.6**.

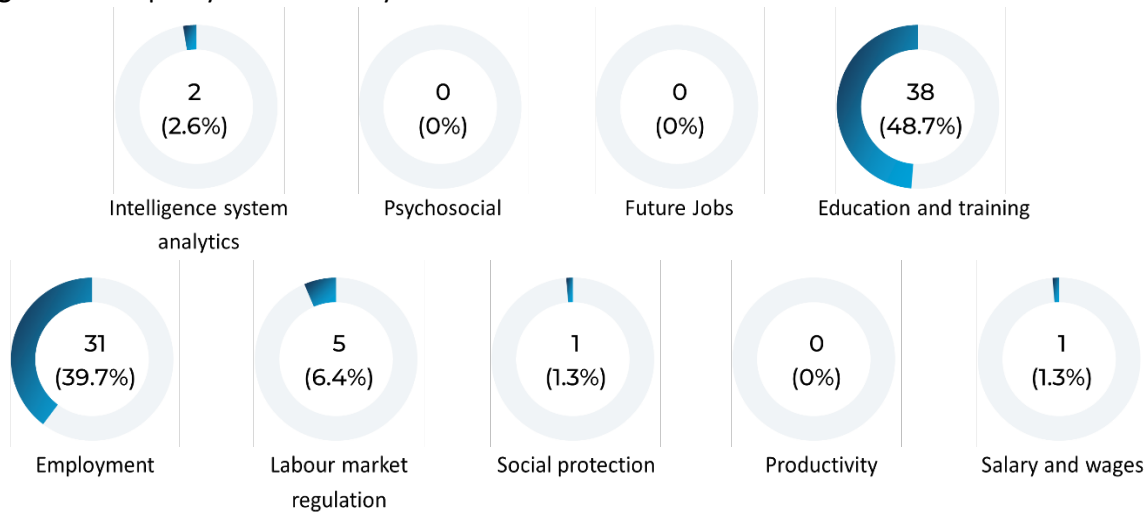
Figure 3.6: Nine themes for policy statement analysis



Source: Consultant's own thematic category based on labour market supply and demand framework

Based on the statement analysis (Figure 3.7), the most available policy is related to education and training, at 48.7%. The education and training policies cover all three groups in this study. However, most policy statements are focusing on women’s education and training. In contrast, there is limited representation of older worker’s education and training policy statements. Additionally, only one policy statement regarding army veterans has recently become available in the Budget Speech 2024.

Figure 3.7: 78 policy statements by labour market theme



Source: Consultant's own analysis based on available 50 published national documents

Meanwhile, the second highest policy statement is for employment, at 25.6%. The employment policy statement is related to employment advocacy and initiatives to encourage participation by all three groups in the labour market. Examples include tax exemption for companies and individual workers, creating job opportunities in the public and private sectors, and exploring the care industry for children and the elderly to alleviate the burden of caring for dependents. The latter seeks to mitigate the burden of caregiving responsibilities, enabling greater workforce participation among caregivers. A similar trend is seen in this theme, where most of the policy statements are available for women.

The third largest theme of policy statements is labour market regulation, comprising 20.5% of the total percentage. The labour market regulation refers to laws, regulations, and guidelines to improve the conditions of the labour market, encouraging their active participation. Furthermore, this regulatory framework includes mechanisms to protect or improve the working conditions for the three groups, ensuring equitable and supportive environments when they participate in the labour market. Like other themes in this study, most policy statements are available for women.

Next, there are three themes with a minimal policy focus, each featuring only 1 or 2 statements. The themes are intelligence system analytics, social protection and salary and wages. Intelligence system analytics include databases covering the demand and supply of the specific groups in this study, including real-time monitoring features. Social protection includes the protection for work-related injuries, disability, unemployment and retirement security. Meanwhile, salary and wages refer to policies on equitable pay and wages. Based on the review, most existing policy statements within these themes are available as general statements that address the concern of the national labour market without specific measures tailored to the groups in this study.

Finally, it is noticeable that the current policies are not available to improve the psychosocial status of workers in the workplace, tailoring the skills for future jobs such as green or blue jobs and increasing productivity. There are no policy statements regarding these three groups, as most policy documents available have not been tailored to the global megatrends. The detailed policy statements are available in Appendix 3.2.

Policy Gap Analysis

Analysis of the policy statement in the 70 publicly available national policy documents reveals noticeable policy gaps. This section will examine the policy gaps, discussing their implications and areas for improvement as summarised in **Figure 3.8**.

Figure 3.8 Summary of policy gaps



Source: Consultant's own analysis based on available 50 published national documents

Firstly, there is a gap in the monitoring and evaluation of policy implementation. There is an absence of mechanisms to track the progress and outcomes of policy implementation, causing difficulty in assessing the contribution of individual policy statements toward achieving the national target, such as the female labour force participation rate of 60% by 2025. Additionally, there is no available framework to guide the evaluation of current policies, leaving their effectiveness unmeasured. Furthermore, the absence of clearly stated authority among ministries or agencies responsible for each policy statement, including national reporting, shows a lack of structured governance.

National labour market policies are broadly designed to address the interests of all groups rather than focusing on specific populations. At the national level, the intention of policies is to cover all group's interests instead of a specific group. However, this type of policy statement is open for interpretation and can exclude vulnerable groups such as women, persons with disabilities and older workers, leading to potential unintended biases in implementation.

Next, the current policies focused more on the women group, leaving significant opportunities for policy intervention targeting older workers and army veterans. Women received attention throughout the years across various ministries. Furthermore, gender equality is also part of the international focus under the Agenda 2030 (United Nation), Goal 5 Gender Equality, allowing more room for policy development for this group. Various policy statements regarding improving women's

well-being are available, including equal work opportunities, access to education, equal pay for the same work, and workplace safety. For example, the highest policy statement available for education and training is for women.

Meanwhile, although there are various policies aimed at increasing female labour force participation, they are broader in scope and need to be more cohesive. Failing to integrate cross-sectoral measures like affordable childcare and flexible working conditions, such as remote work opportunities, job-sharing arrangements, or on-site childcare facilities, will not give significant outcomes or increase the number of women entering the labour market. These measures are essential to alleviating systemic barriers, enabling women to balance professional and family responsibilities, and fostering an inclusive labour market that values gender equity and diverse contributions. Gender equality emphasised under the Agenda 2030 Goal 5, must be supported by integrated policies to foster a more inclusive labour market.

The policies regarding older worker groups are very limited, and there is a noticeable gap in dedicated policies or agencies responsible for this group. While receiving some policy attention, older workers lack provisions to combat age discrimination, promote lifelong learning, and support flexible work arrangements, including tailored options such as part-time employment, telecommuting, job-sharing, and phased retirement plans. These measures are crucial to accommodating their evolving needs, maintaining their productivity, and ensuring a smooth transition into retirement while fostering inclusive workplaces that value their experience and contributions. **Box Article 3.1** provides a benchmark policy that can be referred to regarding older workers for life-long learning. By having free access to reskilling and upskilling, transition in the labour market can be done easily, enhance employability and open pathways to many employment opportunities.

Box Article 3.1**Life-Long Learning in Sweden: A Model for Supporting Older Workers**

Sweden has established itself as a global leader in lifelong learning, fostering an inclusive and adaptable workforce. The country's education and skill development approach extend beyond traditional schooling, emphasising continuous learning throughout life. Central to this framework is the Adult Education Initiative (Komvux), which provides opportunities for individuals to improve basic skills or pursue further education, including vocational training and higher education. This system is designed to cater to the evolving demands of the labour market while ensuring that all citizens, regardless of age, have access to learning opportunities.

One of the remarkable aspects of Sweden's lifelong learning policy is its affordability. Most programmes are publicly funded, making them free or highly subsidised for participants. Adult education, mainly through Komvux, is often financed by municipal authorities. At the same time, other initiatives like vocational training and re-skilling programmes may receive additional support from the national government and employers. This cost-sharing mechanism ensures that financial barriers do not hinder participation, promoting equitable access to education across different age groups.

Employers in Sweden play an active role in supporting lifelong learning. Many companies invest in workforce training and collaborate with educational institutions to develop tailored programmes that align with industry needs. At the same time, the government provides incentives for businesses to contribute to employee skill development. These collaborative efforts ensure that older workers and senior citizens have the knowledge and skills necessary to transition into new roles or industries. This shared responsibility between the public and private sectors has been critical to the policy's sustainability and success.

Moreover, certain collective agreements between labour unions and employers also address funding for lifelong learning. These agreements may include provisions for training leave or financial contributions to educational expenses, further underscoring the shared responsibility for maintaining a skilled and adaptable workforce. Sweden effectively integrates industry involvement into its lifelong learning framework through this collaborative approach, making it both sustainable and impactful for workers of all ages, including older employees.

The effectiveness of Sweden's lifelong learning initiatives is reflected in the country's high levels of labour market mobility among older workers. Continuous access to education enables individuals to update their skills in response to technological advancements and shifting economic demands. This flexibility helps older workers remain competitive and adapt to new roles, reducing the risk of long-term unemployment.

Source:

1. *European Centre for the Development of Vocational Training (CEDEFOP)*
2. EAEA (2011): Country report Sweden. (Helsinki). www.eaea.org/country/sweden. Date of Access.

For army veterans, the policy must link skills and employment, looking at future jobs and the productivity spectrum. Despite not much attention being given to army veteran training, a specific agency, *Perbadanan Hal Ehwal Bekas Angkatan Tentera (PERHEBAT)*, has overseen army training since its establishment in 1994. Therefore, while the limited mention in policy documents is evident, it does not raise significant concerns. However, there is a need for an employment opportunities policy linked to future job skills and productivity. Employers focus on efficiency and cost-cutting measures while

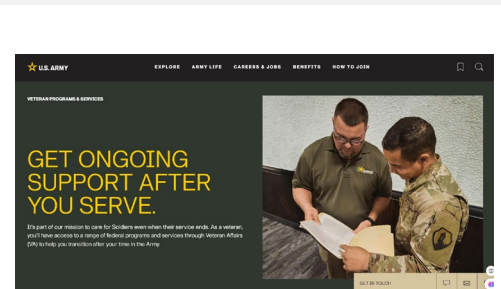
complying with international standards. As such, a full-fledge handholding policy linking the supply and demand of the labour market specifically for this group is needed. **Box Article 3.2** shows that the United States of America has a comprehensive program for its army veterans that can be benchmarked for future policy improvement.

Box Article 3.2

US Army Veteran Programs for Employment

The United States Department of Veterans Affairs (VA) offers a comprehensive programme to support army veterans transitioning from military service to civilian careers. These initiatives focus on equipping veterans with the skills, education, and opportunities necessary for effective integration into the civilian labour market. The emphasis is on aligning their unique capabilities with labour market demands while fostering long-term career sustainability.

Among the prominent programmes is the Veteran Readiness and Employment (VR&E), which provides services to assist disabled veterans in overcoming employment barriers through training, education, and career counselling. The Post-9/11 the Servicemen's Readjustment Act of 1944 (GI Bill) offers educational benefits, enabling veterans to pursue higher education, vocational training, or apprenticeships. Additionally, during the final six months of service, the Department of Defense's SkillBridge Programme facilitates on-the-job training opportunities and internships with private sector employers. Another notable initiative is the Transition Assistance Program (TAP), a collaborative effort involving the VA, the Department of Labour, and the Department of Defence, which prepares service members through workshops on career readiness, financial planning, and civilian employment skills.



Information such as in the U.S. Army website provides comprehensive information on programs offered

The VA also offers the Compensated Work Therapy (CWT) programme, which supports veterans with physical or mental health challenges in achieving meaningful employment. This initiative provides opportunities for job skills training, vocational rehabilitation, and supervised work placements, helping veterans reintegrate into the workforce while addressing individual barriers to employment.

The Partnership for Your Success (PaYS) Program is another initiative to connect veterans with civilian employment opportunities. This programme partners with private companies and public sector organisations, guaranteeing participants an interview for employment after completing their service, thus facilitating a smoother transition to the civilian workforce

The legislative framework supporting veteran employment is anchored in several federal laws. The Uniformed Services Employment and Reemployment Rights Act (USERRA) protects the job rights of service members returning to civilian employment, ensuring continuity of employment and benefits. The Vietnam Era Veterans' Readjustment Assistance Act (VEVRAA) mandates that federal contractors actively recruit and hire veterans, creating significant demand for their participation in the private sector. The Jobs for Veterans State Grants (JVSG) programme, which the U.S. Department of Labor governs, provides funding for state-level employment services designed for veterans. These services aim to enhance their employability and access to job markets.

From the labour market supply perspective, these programmes aim to enhance the skills and readiness of veterans to meet the demands of civilian employment. Initiatives focused on training and education help veterans overcome skills gaps and prepare them for roles in high-demand sectors such as technology, healthcare, and skilled trades. On the demand side, laws like the VEVRAA encourage private sector employers to hire veterans with the help of tax credits through the Work Opportunity Tax Credit (WOTC), which rewards companies for hiring veterans facing employment barriers. Additionally, the VA regularly monitors veteran employment outcomes to ensure sustained labour market participation and adapts programmes as necessary to meet evolving workforce requirements.

Source:

1. US Army website, <https://www.goarmy.com/benefits/veterans/services>
2. PaYS Program, <https://www.armypays.com/GENERAL%20INFORMATION.html>
3. Compensated Work Therapy, <https://www.va.gov/health/cwt/>
4. USERRA, <https://www.dol.gov/agencies/vets/programs/userra/USERRA-Pocket-Guide>
5. Veterans' Employment and Training Service (VETS), <https://www.dol.gov/agencies/vets>

While recent budget initiatives for 2024 and 2025 provide limited provisions for public sector recruitment of veterans, they fall short of fostering meaningful, long-term integration into the broader workforce. The private sector must actively leverage veterans' unique skills and experiences to unlock their full potential. Additionally, policies should address these gaps by establishing a comprehensive transition programme that includes robust mechanisms for job matching, handholding, mentorship, and continuous monitoring. Such efforts would improve workforce reintegration and create a more inclusive and dynamic labour market.

Implementation gaps persist as education and training claim 48.7% of the policy focus, leaving critical areas like psychosocial support, targeted TVET programs, and future-ready job strategies underdeveloped. Notably, policies do little to prepare these groups for high-growth industries like AI, renewable energy, or cybersecurity, where opportunities for economic advancement are abundant. Moreover, interventions predominantly focus on supply-side strategies, with insufficient emphasis on demand-side measures such as employer incentives to hire vulnerable groups.

A critical but often overlooked gap is the failure to address productivity concerns among these target groups. Policies generally focus on increasing workforce participation without integrating measures to enhance productivity. For instance, older workers and veterans could benefit from technology adoption training or ergonomic workplace solutions that enable them to work more efficiently. Similarly, women re-entering the workforce often face challenges in adapting to high-productivity roles due to skill mismatches or the lack of workplace support structures such as mentorship or on-the-job training. By neglecting productivity enhancement, policies miss the opportunity to maximise the economic contributions of these groups.

LIST OF NATIONAL DOCUMENTS REFERRED TO FOR POLICY STOCKTAKE

No.	Document	Policies Available			Policy Availability Status
		Women	Older Worker	Army Veteran	
1	Mid-Term Review of the Twelfth Malaysia Plan	√	√	X	Available
2	Dasar Tenaga Negara 2022-2040	X	X	X	Not available
3	Malaysia Digital Economy Blueprint	√	X	X	Available
4	National Fourth Industrial Revolution (4IR) Policy	X	√	X	Available
5	Malaysia Productivity Blueprint	X	X	X	Not available
6	National Energy Transition Roadmap	X	X	X	Not available
7	Shared Prosperity Vision 2030	√	X	X	Available
8	Dasar Wanita Negara dan Pelan Tindakan Pembangunan Wanita	√	X	X	Available
9	Dasar Warga Emas Negara	X	√	X	Available
10	Dasar Keluarga Negara	X	X	X	Not available
11	Dasar dan Pelan Tindakan Pendidikan Kesihatan Reproduksi dan Sosial Kebangsaan (PEKERTI) 2022-2025	X	X	X	Not available
12	Chemical Industry Roadmap 2030	X	X	X	Not available
13	National Automotive Policy 2020	X	X	X	Not available
14	Industry 4.0 National Policy on Industry 4.0	X	X	X	Not available
15	National Industry Environmental, Social & Governance Framework	X	X	X	Not available
16	New Investment Policy: Policy that delivers the national investment aspirations	X	X	X	Not available
17	10-10 Malaysian Science, Technology, Innovation and Economy (MySTIE) Framework	X	X	X	Not available
18	National Science, Technology and Innovation Policy 2021-2030 Action Plan	√	X	X	Available
19	Malaysia National Artificial Intelligence Roadmap 2021-2025 (AI-RMAP)	√	√	X	Available
20	National Robotics Roadmap 2021-2030	√	X	X	Available
21	National Nanotechnology Policy & Strategy 2021-2030	X	X	X	Not available
22	Pelan Hala Tuju Teknologi & Produk Nano Negara 2021-2025	X	X	X	Not available
23	Dasar Bioteknologi Negara 2.0	X	X	X	Not available
24	Hydrogen Economy & Technology Roadmap	X	X	X	Not available
25	Malaysia Startup Ecosystem Roadmap 2021-2030	X	X	X	Not available
26	National Vaccine Development Roadmap	X	X	X	Not available

No.	Document	Policies Available			Policy Availability Status
		Women	Older Worker	Army Veteran	
27	National Advanced Materials Technology Roadmap 2021-2030	X	X	X	Not available
28	Electrical & Electronics (E&E) Roadmap Technology Development 2021-2030	X	X	X	Not available
29	Malaysia's Roadmap Towards Zero Single-Use Plastics 2018-2030	X	X	X	Not available
30	Dasar Angkasa Negara 2030	X	X	X	Not available
31	National Energy Efficiency Action Plan	X	X	X	Not available
32	Dasar Kebombaan dan Penyelamatan Negara 2021-2030	X	X	X	Not available
33	Dasar Pengurusan Sisa Pepejal Negara 2016	X	X	X	Not available
34	Dasar Perumahan Negara (2018-2025)	X	X	X	Not available
35	National Cleanliness Policy	X	X	X	Not available
36	Dasar Keselamatan dan Ketenteraman Awam	X	X	X	Not available
37	National Construction Policy 2030	X	X	X	Not available
38	Dasar Pertahanan Negara	X	X	X	Not available
39	National Policy on Climate Change	X	X	X	Not available
40	National Water Resources Policy	X	X	X	Not available
41	Foreign Policy Framework of the New Malaysia	X	X	X	Not available
42	Green Technology Master Plan Malaysia 2017-2030	X	X	X	Not available
43	Dasar Pengangkutan Negara 2019-2030	X	X	X	Not available
44	Malaysian Aerospace Industry Blueprint 2030	X	X	X	Not available
45	National Tourism Policy 2020-2030	√	X	X	Available
46	Ekonomi Madani Memperkasa Rakyat	√	X	X	Available
47	Ucapan Bajet 2024	√	√	√	Available
48	Ucapan Bajet 2025	√	√	√	Available
49	Dasar TVET Negara 2030	X	X	X	Not available
50	Malaysia Education Blueprint, 2015-2025 (Higher Education)	X	X	X	Not available

LIST OF STRATEGIES AVAILABLE FOR WOMEN, OLDER WORKER AND ARMY VETERAN

No	Referred Document	Page Number	Strategies	Description	Categories by Group		
					Women	Older Worker	Army Veteran
1	Mid-Term Review of the Twelfth Malaysia Plan	4-19	Chapter 4: Strengthening Key Enablers Towards High-Income Economy Strategy A1: Improving Labour Market	Addressing Labour Shortages An initiative will be introduced to encourage employers to hire those aged 60 years and over. This will help to tackle the labour shortage and at the same time, prepare the country as an aged nation. Efforts will be undertaken to increase the female labour force participation rate by facilitating the setting up of childcare centres by employers. In this regard, existing tax incentives and guidelines on childcare centres will be streamlined.	√	√	X
2	Mid-Term Review of the Twelfth Malaysia Plan	6-35	Chapter 6: Building an Inclusive and More Resilient Society Strategy G3: Empowering women Strengthening Governance for Women Empowerment	Meanwhile, the potential of the care industry for children, PWDs and older persons will be explored to improve the quality care required in a family. This effort will encourage more participation of women in the labour market with the aim to achieve the target of 60% participation rate within the next 10 years.	√	X	X
3	Malaysia Digital Economy Blueprint	71	Thrust 05 Create an inclusive digital society	Providing an online platform to facilitate better access for vulnerable groups Objective - Enhance digital technology adoption to empower vulnerable groups - Improve access to assistance or information, thus facilitating entrepreneurship among vulnerable groups through an online platform Description of Initiative - This initiative aims to provide a one-stop online platform through integration of existing platforms, designated for vulnerable groups such as the B40, women and people with disabilities to obtain information and resources to grow their online businesses	√	X	X

No	Referred Document	Page Number	Strategies	Description	Categories by Group		
					Women	Older Worker	Army Veteran
4	National Fourth Industrial Revolution (4IR) Policy	50	Policy Thrust 01 Equip the rakyat with 4IR knowledge and skill sets	This policy thrust focuses on both the education and talent management components. It covers the entire labour force, both current and future, including the latent workforce. Latent workforce is potential labour force, which is currently not in the labour market such as, older persons, housewives and person with disabilities.	X	√	X
5	Shared Prosperity Vision 2030	10-04 to 10-05	Chapter 10 Polarity Management	<p>In managing polarities involving women as a target group, the Government has formulated gender-mainstreaming policy as one of the priorities to ensure effective policy implementation.</p> <p>Government policies based on gender sensitivity will increase women's participation and leadership in the public and private sectors, especially at the highest management level. The participation of women in national development will optimise the use of labour resources, and contribute to economic growth. In order to ensure women's rights are protected, the Government needs to take domestic violence cases seriously by looking at the effectiveness of laws that provide protection to victims. In addition, child care programmes should be streamlined to ensure that women's involvement in the labour market is not affected by childcare issues for married women.</p> <p>Emphasis on the empowerment of housewives including single mothers as a pillar of the family institution as well as the shapers of a holistic future generation should be embedded in the formulation of Government policies, strategies and initiatives.</p>	√	X	X
6	National Women's Policy and Women's Development Action Plan	9	Strategy 1.1.1 Increase opportunities and diversify the types of skills training across various sectors, including non-traditional occupations for women.	Conduct research to identify the gaps in women's participation in the labour market and establish a database on women's participation across all levels and sectors.	√	X	X

No	Referred Document	Page Number	Strategies	Description	Categories by Group		
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7	National Women's Policy and Women's Development Action Plan	10	Strategy 1.1.1 Increase opportunities and diversify the types of skills training across various sectors, including non-traditional occupations for women.	Provide practical training/attachments with government agencies or the private sector in alignment with the field of study pursued at educational or training institutions.	√	X	X
8	National Women's Policy and Women's Development Action Plan	10	Strategy 1.1.1 Increase opportunities and diversify the types of skills training across various sectors, including non-traditional occupations for women.	Conduct consultations with industry stakeholders to ensure that learning modules meet the needs of the job market.	√	X	X
9	National Women's Policy and Women's Development Action Plan	11	Strategy 1.1.1 Increase opportunities and diversify the types of skills training across various sectors, including non-traditional occupations for women.	Create opportunities for women to undergo retraining based on labour market demand.	√	X	X
10	National Women's Policy and Women's Development Action Plan	11	Strategy 1.1.1 Increase opportunities and diversify the types of skills training across various sectors, including non-traditional occupations for women.	Establish a 'special window' under the Human Resources Development Fund (HRDF) to finance training for women workers in sectors covered by HRDF.	√	X	X
11	National Women's Policy and Women's Development Action Plan	12	Strategy 1.1.1 Increase opportunities and diversify the types of skills training across various sectors, including non-traditional occupations for women.	Offer early exposure and career guidance in non-traditional fields starting from school level.	√	X	X
12	National Women's Policy and Women's Development Action Plan	12	Strategy 1.2.1 Increase the number, opportunities, and equitable treatment of women in employment	Study and identify issues faced by women in the workplace (such as family-related challenges, exploitation, discrimination, sexual harassment, and others).	√	X	X

No	Referred Document	Page Number	Strategies	Description	Categories by Group		
					Women	Older Worker	Army Veteran
13	National Women's Policy and Women's Development Action Plan	13	Strategy 1.2.1 Increase the number, opportunities, and equitable treatment of women in employment	Develop empowerment and capacity-building programmes.	√	X	X
14	National Women's Policy and Women's Development Action Plan	13	Strategy 1.2.1 Increase the number, opportunities, and equitable treatment of women in employment	Provide appropriate infrastructure, policies, and legislation to encourage women's participation in the workforce.	√	X	X
15	National Women's Policy and Women's Development Action Plan	14	Strategy 1.2.1 Increase the number, opportunities, and equitable treatment of women in employment	Establish career pathways for women across all sectors, including efforts to achieve at least 30% representation of women at decision-making levels.	√	X	X
16	National Women's Policy and Women's Development Action Plan	15	Strategy 1.2.2 Establish and implement strategies for achieving work-life balance.	Implement gender awareness activities, including women's rights, among employers and employees	√	X	X
17	National Women's Policy and Women's Development Action Plan	15	Strategy 1.2.3 Ensure that employers provide facilities and support for working women.	Promote a family-friendly work environment, such as by establishing childcare centres at the workplace, implementing flexible working hours, and providing leave facilities for child caregiving.	√	X	X
18	National Women's Policy and Women's Development Action Plan	16	Strategy 1.2.3 Ensure that employers provide facilities and support for working women.	Encourage the establishment of community-based childcare centres (TASKA) as well as after-school childcare facilities.	√	X	X
19	National Women's Policy and Women's Development Action Plan	16	Strategy 1.2.3 Ensure that employers provide facilities and support for working women.	Promote the establishment and management of TASKA through Corporate Social Responsibility (CSR) initiatives.	√	X	X
20	National Women's Policy and Women's Development Action Plan	17	Strategy 1.3.1 Facilitate the re-entry of women into the labour market.	Review existing employment policies and regulations in both the public and private sectors.	√	X	X
21	National Women's Policy and Women's Development Action Plan	17	Strategy 1.3.1 Facilitate the re-entry of women into the labour market.	Implement retraining programmes in the public and private sectors to encourage women to return to the labour market.	√	X	X

No	Referred Document	Page Number	Strategies	Description	Categories by Group		
					Women	Older Worker	Army Veteran
22	National Women's Policy and Women's Development Action Plan	17	Strategy 1.3.1 Facilitate the re-entry of women into the labour market.	Organise 'Return to Work' Advocacy Programmes in the private sector for women employees and employers.	√	X	X
23	National Women's Policy and Women's Development Action Plan	18	Strategy 1.4.1 Reduce sexual harassment in the workplace.	Increase awareness programmes on the fundamental rights of women workers.	√	X	X
24	National Women's Policy and Women's Development Action Plan	19	Strategy 1.4.1 Reduce sexual harassment in the workplace.	Implement education and training programmes to address sexual harassment in the workplace for female employees.	√	X	X
25	National Women's Policy and Women's Development Action Plan	19	Strategy 1.4.1 Reduce sexual harassment in the workplace.	Amend the Employment Act 1955 to include provisions on the prevention and management of sexual harassment in the workplace.	√	X	X
26	National Women's Policy and Women's Development Action Plan	20	Strategi 1.4.2 Address gender-based discrimination and exploitation in the workplace through dedicated mechanisms.	Establish and implement dedicated mechanisms to receive and act upon cases of gender-based discrimination and exploitation in the workplace — including matters related to reproductive rights, maternity and paternity leave benefits, equal pay for equal work, and equal retirement age and benefits for both men and women.	√	X	X
27	National Women's Policy and Women's Development Action Plan	20	Strategy 1.4.2 Address gender-based discrimination and exploitation in the workplace through dedicated mechanisms.	Strengthen and enhance the implementation of dedicated mechanisms to address cases of gender-based discrimination and exploitation in the workplace.	√	X	X
28	National Women's Policy and Women's Development Action Plan	21	Strategy 1.5.1 Identify and facilitate women with potential to become traders and entrepreneurs.	Provide technical training and specialised guidance across various sectors.	√	X	X
29	National Women's Policy and Women's Development Action Plan	23	Strategi 1.5.1 Identify and facilitate women with potential to become traders and entrepreneurs.	Organise motivational programmes and awareness campaigns on available government facilities/assistance through print and electronic media.	√	X	X

No	Referred Document	Page Number	Strategies	Description	Categories by Group		
					Women	Older Worker	Army Veteran
30	National Women's Policy and Women's Development Action Plan	26	Strategy 1.5.4 Establish a social safety net	Study the expansion of SOCSO (Social Security Organisation) contributions and coverage to include women in the informal sector and those outside the labour market.	√	X	X
31	National Women's Policy and Women's Development Action Plan	27	Strategy 1.6.1 Optimise and leverage the knowledge, expertise, and work experience of retired women.	Increase the re-employment of retired women into the labour market.	√	X	X
32	National Women's Policy and Women's Development Action Plan	28	Strategy 1.6.1 Optimise and leverage the knowledge, expertise, and work experience of retired women.	Promote the appointment of qualified retired women to positions on boards of directors, top management, and as consultants or advisers.	√	X	X
33	National Women's Policy and Women's Development Action Plan	29	Strategy 1.7.1 Ensure employers provide information and raise awareness among female employees on the importance of working safely and healthily.	Encourage employers to provide risk and hazard awareness programmes and offer training to female workers, including the use of personal protective equipment (PPE) in the workplace.	√	X	X
34	National Women's Policy and Women's Development Action Plan	30	Strategy 1.7.1 Ensure employers provide information and raise awareness among female employees on the importance of working safely and healthily.	Intensify awareness programmes for female workers on proper ways to manage stress caused by work-related burdens.	√	X	X
35	National Women's Policy and Women's Development Action Plan	30	Strategy 1.7.2 Ensure employers provide facilities for the safety and protection of female workers.	Encourage employers to provide accommodation such as workers' hostels, dedicated rental housing for employees, transport, and safety equipment.	√	X	X
36	National Women's Policy and Women's Development Action Plan	31	Strategy 1.8.1 Formulate policies to recognise the contributions of women in the informal sector and unpaid work.	Conduct research to identify informal sectors and unpaid work involving women, as well as the economic value of their contributions.	√	X	X
37	National Women's Policy and Women's Development Action Plan	33	Strategy 1.1.1 Empower women to generate income.	Provide continuous skills training, advisory services, mentoring, and technical and business courses for women, particularly single mothers.	√	X	X

No	Referred Document	Page Number	Strategies	Description	Categories by Group		
					Women	Older Worker	Army Veteran
38	National Women's Policy and Women's Development Action Plan	33	Strategy 1.1.1 Empower women to generate income.	Conduct needs analysis for programmes and skills training such as marketing, packaging, and labelling.	√	X	X
39	National Women's Policy and Women's Development Action Plan	35	Strategy 1.1.1 Empower women to generate income.	Encourage the establishment of Community TASKA through financial assistance	√	X	X
40	National Women's Policy and Women's Development Action Plan	36	Strategy 1.1.2 Provide and diversify employment opportunities across various sectors, including modern agriculture, services, and small-scale enterprises.	Provide suitable employment opportunities such as cleaning services, domestic help, childcare at home/TASKA, and home-based office roles.	√	X	X
41	National Women's Policy and Women's Development Action Plan	37	Strategy 1.1.2 Provide and diversify employment opportunities across various sectors, including modern agriculture, services, and small-scale enterprises.	Offer skills training for children, adolescents, and youth who have dropped out of the formal education system.	√	X	X
42	National Women's Policy and Women's Development Action Plan	41	Strategy 1.2.1 Enhance and expand existing assistance schemes and explore the feasibility of introducing new schemes.	Encourage employers to implement corporate social responsibility initiatives through tax incentives and recognition awards, including for companies that promote work-life balance among employees.	√	X	X
44	National Women's Policy and Women's Development Action Plan	101	Strategy 1.1.1 Promote lifelong learning by improving access to educational facilities.	Identify target groups of illiterate women and provide basic literacy education (reading, arithmetic, and writing).	√	X	X
45	National Women's Policy and Women's Development Action Plan	101	Strategy 1.1.1 Promote lifelong learning by improving access to educational facilities.	Increase the number of adult education centres in identified areas.	√	X	X
46	National Women's Policy and Women's Development Action Plan	104	Strategy 2.1.1 Increase access to education and skills training opportunities for adolescent girls involved.	Enhance lifelong learning facilities such as community resource centres and rural information centres.	√	X	X

No	Referred Document	Page Number	Strategies	Description	Categories by Group		
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47	National Women's Policy and Women's Development Action Plan	105	Strategy 2.1.1 Enhance access to education and skills training opportunities for young girls.	Provide access to education, including religious/spiritual education and skills training, for young girls involved in social issues.	√	X	X
48	National Women's Policy and Women's Development Action Plan	109	Strategy 1.1.1 Increase the participation of women in the fields of Science and Technology (S&T).	Encourage young girls to pursue the field of Science and Technology (S&T) starting from secondary school through to higher education institutions.	√	X	X
49	National Women's Policy and Women's Development Action Plan	110	Strategy 1.1.1 Increase the participation of women in the fields of Science and Technology (S&T).	Instil and nurture interest among women to be involved in the field of Science and Technology (S&T), including S&T-based industries.	√	X	X
50	National Women's Policy and Women's Development Action Plan	115	Strategy 3.1.1 Encourage and facilitate the involvement of women as leaders in R&D within the Science and Technology (S&T) field.	Provide gender sensitivity education to R&D leaders to ensure equal opportunities for women to also lead R&D, such as through mentor-mentee approaches.	√	X	X
51	National Women's Policy and Women's Development Action Plan	116	Strategy 3.1.1 Encourage and facilitate the involvement of women as leaders in R&D within the Science and Technology (S&T) field.	Conduct training and education to enhance skills and capacity to lead R&D in the field of Science and Technology (S&T).	√	X	X
52	National Women's Policy and Women's Development Action Plan	127	Strategy 2.1.1 Increase awareness among media owners, practitioners, regulators, and organisations.	Establish a database of qualified female media practitioners at decision-making levels.	√	X	X
53	National Women's Policy and Women's Development Action Plan	128	Strategy 2.1.1 Increase awareness among media owners, practitioners, regulators, and organisations.	Implement advocacy programmes to raise gender awareness among media owners, practitioners, regulators, and media organisations.	√	X	X
54	National Women's Policy and Women's Development Action Plan	148	Strategy 2.3.2 Ensure that schools and educational institutions organise courses and co-curricular activities that instil values of sustainable development.	Review the existing curriculum and co-curriculum for the purpose of strengthening content.	√	X	X

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55	National Senior Citizens Policy	9	Promotion and Advocacy	Senior citizens should be promoted as national assets who can continue to contribute to the country's development. Promotional activities also include capacity building through training and skills development related to senior citizens for policymakers and service providers.	X	√	X
56	National Senior Citizens Policy	10	Lifelong Learning	This strategy provides opportunities for every generation—particularly senior citizens—to develop and enhance their personal potential through knowledge and skills, enabling them to live actively and productively within the family and society. Opportunities and space for senior citizens to contribute to learning and teaching programmes, share experiences, and impart knowledge and skills must be prioritised, so that their roles and status can be maintained within the community.	X	√	X
57	National Science, Technology and Innovation Policy 2021-2030 Action Plan	37	4.3 Expanding STI talent participation in the workforce	Initiative 4.3.3 Increasing women's participation in the STI workforce To provide incentives to women in the field of STI such as: - to increase the level of skills - to establish support facilities Indicators: - ST (2022) Programmes that encourage the improvement of skills for women who wish to return to the STI employment sector are developed and implemented - MT (2025) 65% female labour work force participation rate in the age group 40-50 is achieved - LT (2030) 70% female labour work force participation rate in the age group 40-50 is achieved and review of re-entry policy	√	X	X

No	Referred Document	Page Number	Strategies	Description	Categories by Group		
					Women	Older Worker	Army Veteran
58	National Science, Technology and Innovation Policy 2021-2030 Action Plan	37	4.3 Expanding STI talent participation in the workforce	Initiative 4.3.4 Encouraging re-entry of women into the workforce To formulate policies that allow the re-entry of women into the workforce Indicators - ST (2022) Policies for re-entry of the female workforce are formulated - MT (2025) Monitor labour re-entry rates of women in the STI sector - LT (2030) The number of women in the STI workforce is increasing	√	X	X
59	Malaysia National Artificial Intelligence Roadmap 2021-2025 (AI-RMAP)	58	S4.3 Attracting & Retaining AI Talents	Horizon 1 (2021-2022) Childcare for Women-in-AI	√	X	X
60	Malaysia National Artificial Intelligence Roadmap 2021-2025 (AI-RMAP)	59	S4.3 Attracting & Retaining AI Talents	Horizon 1 (2021-2022) Women-in-AI (WAI) Programmes 1. WAICamp 2. WAI-@-Go 3. WAIDatathon Horizon 2 (2023-2024) Women-in-AI (WAI) Awards	√	X	X
61	Malaysia National Artificial Intelligence Roadmap 2021-2025 (AI-RMAP)	58	S4.3 Attracting & Retaining AI Talents	Horizon 1 (2021-2022) Encouraging AI Ageing Talents especially in the Public Sector to continue contributing	X	√	X
62	National Robotics Roadmap 2021-2030	28	Strategy 5.2 Empowering women towards adoption of robotics technology for the improvement of quality of life & career development	By incentivising adoption of robotics-related products at home, tedious house chores could be taken over by service robots providing parents more opportunities for family activities. This also provides the benefit for women to increase their focus in career advancement as they are less burdened at home. As a result, the income gap between genders could be reduced allowing for the realisation of a fair and equitable society. In addition to incentivising robotics adoption at home, robotisation will also further empower women as well as high need individuals through their participation in robotics-related capacity building programmes. Through this scheme, participants will be provided the necessary knowledge to reskill and upskill themselves in preparation for the adoption of robotics in the	√	X	X

No	Referred Document	Page Number	Strategies	Description	Categories by Group		
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				workforce. Regardless of their job tier, be it low-skilled, semiskilled or skilled, participants of the initiatives will be able to fit in to the new 4IR working environments which involves high integration of robotics and other advanced technologies.			
63	National Tourism Policy 2020-2030	23	Transformation Strategy 6 Upskilling Human Capital Nurturing the development of a service culture through capacity building and human capital development that cascades seamlessly from the macro level to the destination level	Strategic Action 4 Enhance professionalism through specialised training Tactic 1: Elevate the career path development of women and youths in tourism through upskilling	√	X	X
64	Ekonomi Madani Memperkasa Rakyat	33	Equal Opportunities	Encourage mothers to return to work (e.g. through the provision of childcare services). Increase the Female Labour Force Participation Rate (FLFPR)	√	X	X
65	Belanjawan 2024 Speech	46	Measure 5: Empowering MSMEs	First: Business Loan Facility RM720 million is set aside to encourage women and youth to venture into business	√	X	X
66	Belanjawan 2024 Speech	72	Measure 7: Sustainable Agenda and Energy Transition	Second: Preservation of Natural Treasures The Government will increase the number of community rangers to 2,000 personnel, instead of 1,000 this year to increase the enforcement of permanent forest reserves. RM60 million is allocated with a focus on appointing rangers from among veterans from the Malaysian Armed Forces, the RMP, Orang Asli and local communities.	X	X	√
67	Belanjawan 2024 Speech	87	Measure 8: Protecting the Welfare of the Rakyat	Second: Meaningful Income The One Percent Policy on Employment Opportunities for the disabled will be extended to former inmates and senior citizens via the MYFutureJobs job-matching and MySTEP programme. Vulnerable group participating in the MySTEP programme will be offered contractual placements with an allowance of RM1,500 for a period of six months in various ministries, GLICs and GLCs as well as Government's strategic partners.	X	√	X

No	Referred Document	Page Number	Strategies	Description	Categories by Group		
					Women	Older Worker	Army Veteran
68	Belanjawan 2024 Speech	93	Measure 9: Empowering the Government Focus Group	Second: Women and Children To further encourage women to return to work, tax incentives for women returning to work are extended until 31 December 2027	√	X	X
69	Belanjawan 2024 Speech	127	Measure 11: Strengthening Unity and Security	First: National Security and Defence The Government will continue to intensify the PROTEGE-RTW initiative, which involves job training placements in collaboration with companies awarded government contracts. The scope of this initiative will also be expanded to include veterans from the Armed Forces under contracts signed by the Ministry of Defence.	X	X	√
70	Belanjawan 2024 Speech	128	Measure 11: Strengthening Unity and Security	First: National Security and Defence In order to protect the welfare and socio-economic development of veteran members, the Government will ensure that every government programme has a specific quota for veterans. This includes entrepreneurship programmes, training programmes, employment opportunities and financing facilities.	X	X	√
71	Belanjawan 2025 Speech	80	Measure 26: Preserving Natural Treasures	The role of Orang Asli and uniformed veterans in conserving forest reserves remains highly appreciated. The Government has increased the appointment of community rangers to 2,500 personnel, instead of 2,000 this year, with an allocation of 80 million ringgit. Preserving Natural Treasures Increase number of community rangers to 2,500 through the Biodiversity Protection and Patrolling Programme (BP3) and Smart Patrol in the Permanent Reserved Forest (PRF) in the Central Forest Spine (CFS): a) Veterans of Malaysian Armed Forces (ATM) and Royal Malaysia Police (RM27m);	X	X	√
72	Belanjawan 2025 Speech	91	Measure 32: Business Assistance and Financing	650 million ringgit will also be allocated to support women and youth in venturing into entrepreneurship	√	X	X

No	Referred Document	Page Number	Strategies	Description	Categories by Group		
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73	Belanjawan 2025 Speech	129	Measure 47: Women	As at 10 October, the average representation of women on the boards of the top 100 companies listed on Bursa Malaysia stood at 32.2%. While we have achieved the target of 30% women's participation, it is imperative to note that 39 companies have yet to meet this benchmark within their boards. The Government emphatically urges all companies to fulfil this target by the end of 2027.	√	X	X
74	Belanjawan 2025 Speech	129	Measure 47: Women	Program Perantisan Kepimpinan Wanita (PERANTIS) led by the Ministry of Women, Family, and Community Development is a testament to our effort in producing more female leaders and corporate figures.	√	X	X
75	Belanjawan 2025 Speech	129	Measure 47: Women	The Returnship programme will be piloted to encourage women to return to work in the financial sector. The programme, organised by BNM and the SC, will provide training facilities and then connect with suitable prospective employers. BNM and SC to organise a returnship programme, a pilot initiative to facilitate women's return-to-work in the financial sector through a pilot initiative. Targeted programmes funded by the Asian Banking School and InvestED are aimed to encourage women returning to the workforce in financial and capital market sector	√	X	X
76	Belanjawan 2025 Speech	130	Measure 47: Women	The Government is proposing to provide an additional income tax exemption of 50% for employers who hire women returning to work for a duration of 12 months.	√	X	X
77	Belanjawan 2025 Speech	130	Measure 47: Women	A total of 470 million ringgit is allocated by SME Bank, BSN, Bank Rakyat, and MARA to support female MSME entrepreneurs in obtaining working capital and financing for asset purchases, thereby enhancing their business capacity to greater heights.	√	X	X
78	Belanjawan 2025 Speech	145	Measure 58: National Security and Defence	To capitalised maintenance contracts, the new PROTEGE – Veteran programme will be introduced, specifically mandating contractors to offer job opportunities for ATM veterans, particularly those with TVET qualifications.	X	X	√

No	Referred Document	Page Number	Strategies	Description	Categories by Group		
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79	Belanjawan 2025 Speech	224	36. Social Protection	MYInsentif KESUMA Programme under the purview of HRD Corp as follows: b) Seniors Back in Action (SEBA);	X	√	X

Appendix

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04

Impact Assessment of Untapped Talents

This chapter provides results and discussion based on quantitative assessment conducted based on the targeted groups. There are two approaches have been undertaken. First, macro perspective assessment that focused on the impact of untapped talents, namely female labour force and older workers on macroeconomic variables such as compensation of employees (COE), productivity and economic growth. Second, micro perspective assessment is conducted on these groups based on the field work survey, which complement top-down and bottom-up analysis.



Macro-economic impacts of untapped talents

This section presents findings on the impacts of female and older workers' employment on the economy, productivity, and employee compensation. Macroeconomic models are adopted to analyse how increased participation from these demographics influences overall economic growth, labour productivity, and wage structures across sectors. By examining different age groups, levels of education, and employment patterns, the analysis provides insights into the specific contributions of female and older workers to economic resilience and sustainability.

Impacts of female participation on the economy

Gender parity and economic performance from global perspective

Over the years, the female participation can give impact on the economic progress due to increasing economic diversification and reduction in gender inequality. Figure 4.1 shows a general association that countries with higher scores on the Global Gender Gap Index (GGI) tend to have higher Gross Domestic Product (GDP) levels. This correlation suggests that gender equality may play a positive role in fostering economic growth. In many high-income countries, where gender parity is prioritized, the broader inclusion of women in the workforce and leadership roles contributes to a diversified economy and resilient growth. These countries demonstrate that when gender equality is integrated into national policy and workplace culture, the economy often benefits from a more extensive and productive labour pool, innovative perspectives, and equitable opportunities.

For economies with high GDP but lower GGI scores, the data suggests there may be economic gains yet to be realized through improvements in gender equality. Many of these countries have achieved robust economic output, but gender disparities, often rooted in cultural or institutional norms, limit the full utilization of the female workforce and leadership potential. Addressing these inequalities could unlock further growth, as seen in more gender-equal economies. Such investments might include policies that support equal access to education, fair labour practices, and the inclusion of women in economic decision-making, all of which can drive productivity and innovation.

In developing and low-income countries, limited gender equality correlates with lower GDP, pointing to a cycle where low economic development and restricted opportunities for women reinforce one another. For these nations, advancing gender equality could serve as a crucial development strategy, enabling economic progress through broader workforce participation and a more inclusive society. As seen in higher-GGI countries, inclusive policies often translate into better health, education, and economic outcomes. Therefore, investing in gender parity can have a compounding effect, accelerating economic growth and creating more sustainable social and economic frameworks in the long term.

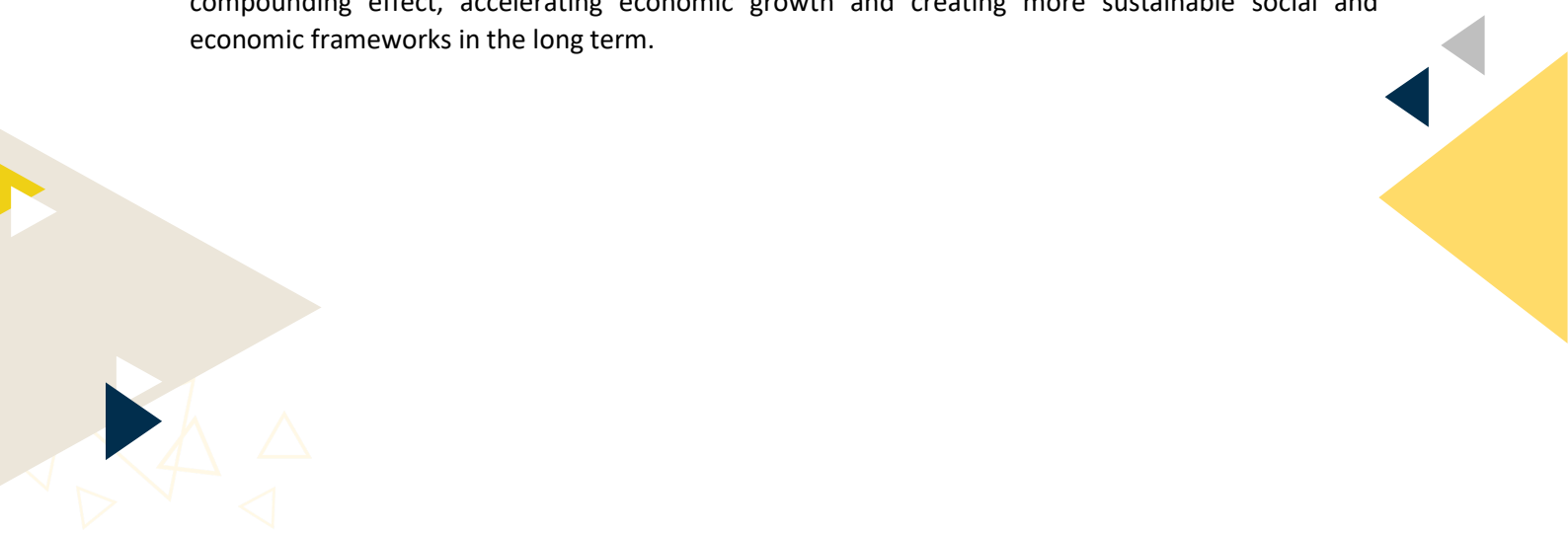


Figure 4.1: Correlation between Gender Gap Index and Gross Domestic Products, 2023



Source: World Economic Forum and United Nations Statistics Division

Note: The data is normalized using natural logarithm for standardization

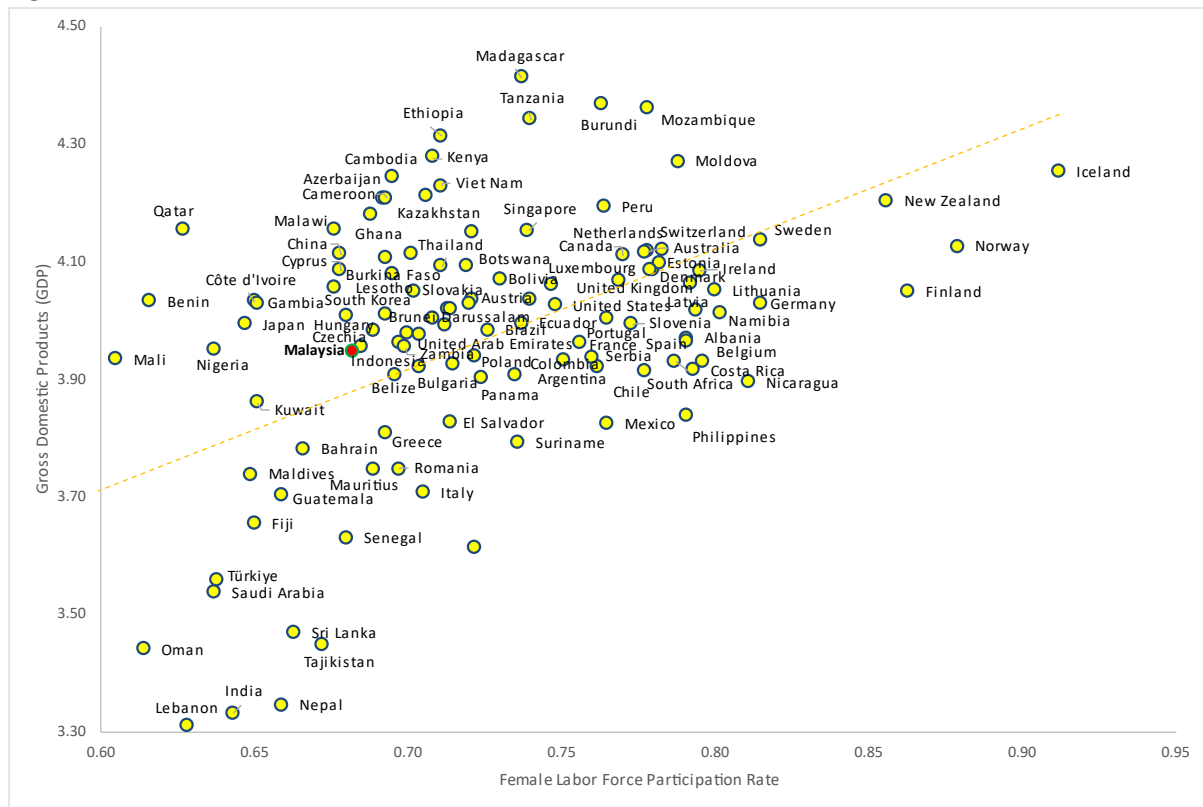
Female participation in the labour force and economic performance

Higher participation of female in the labour market optimizes the human resources available in the nation, eventually contribute to higher output production. Figure 4.2 demonstrates a generally positive relationship between female labour force participation (FLFP) and GDP across countries, with higher levels of female workforce engagement often accompanying higher economic output. This association is most evident in countries with strong gender equality policies, where women are encouraged to participate fully in the workforce. In nations with high FLFP, economic benefits are evident as broader labour diversity tends to enhance productivity, foster innovation, and improve economic resilience. These countries showcase how inclusive labour policies can contribute to sustainable economic growth by enabling women to leverage their skills and capabilities fully.

For countries with lower FLFP and GDP, cultural, social, and structural barriers often restrict women's workforce involvement, resulting in an underutilized labour resource. In these regions, economic potential may remain constrained as a significant portion of the population is unable to contribute to or benefit from economic activity fully. Boosting FLFP in such settings could unlock new growth avenues, increasing household incomes, raising productivity, and driving broader socio-economic development. Thus, investing in female workforce participation through supportive policies and reforms could serve as a strategic driver for economic advancement.

In middle-income countries with moderate GDP and FLFP levels, other factors such as economic structure, education, and industry composition also play essential roles. For these economies, increasing women's access to education, providing vocational training, and tackling workplace gender biases could further enhance labour force participation and, by extension, economic performance. The figure underscores that while female labour participation can significantly impact economic outcomes, it requires tailored policy interventions depending on a country's unique socio-economic context to achieve optimal results.

Figure 4.2: Correlation between FLPR and Gross Domestic Products, 2023



Source: World Development Indicators and United Nations Statistics Division

Note: The data is normalized using natural logarithm for standardization

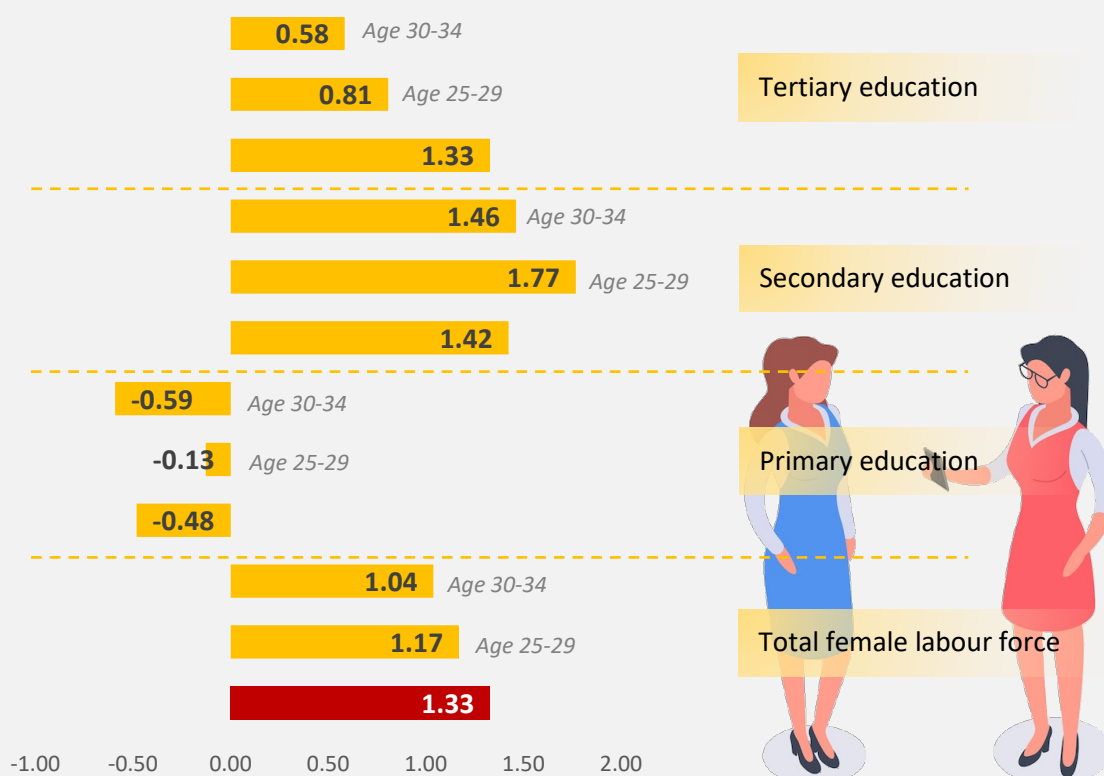
Delving the impacts of female labour force on domestic economy variables

Overall female labour force participation positively impacts GDP growth. The total female labour force exhibits a strong positive association with GDP growth, emphasizing the economic benefits of increased female workforce participation. The regression results reveal the impact of various segments of the female labour force on GDP growth, as indicated by the coefficients (see **Figure 4.3**). A positive coefficient suggests that an increase in the female labour force in that specific category is associated with an increase in GDP growth, while a negative coefficient indicates the opposite. The total female labour force has a coefficient of 1.3, indicating that, overall, female labour force participation has a strong positive correlation with GDP growth. This suggests that as female labour force participation increases, GDP growth is likely to be bolstered, reflecting the economic benefits of higher female workforce involvement.

Younger women with secondary education have the highest economic impact. Among age-specific categories, women aged 25-29 with secondary education contribute significantly to GDP growth, highlighting the economic value of targeting this demographic group for workforce development.

Examining age-specific categories, younger women (ages 25-29) show mixed results based on their educational background. Those with secondary education in this age group have the highest positive coefficient (1.7), suggesting they may play a pivotal role in driving economic growth, likely due to increased workforce participation and productivity at this educational level. However, those with primary education in the 25-29 age group exhibit a slightly negative coefficient (-0.1), potentially indicating limited economic impact at lower educational levels or challenges in integrating effectively into higher-skilled economic sectors. Similarly, the tertiary-educated group aged 25-29 shows a coefficient of 0.8, which remains positive, but not as high as the secondary group, possibly due to different workforce participation patterns.

Age and education level affect economic contributions differently. Differences in coefficients across age and education levels suggest that older women and those with lower education face barriers to economic participation, calling for policies that support these groups to enhance their impact on GDP growth. For women aged 30-34, there is a notable difference (**Figure 4.3**). The primary-educated category has a negative coefficient (-0.6), suggesting this group might face challenges that reduce their positive economic contribution. However, tertiary-educated women in this age bracket display a positive but lower coefficient of 0.6, indicating that although their participation contributes to growth, it is less impactful compared to the younger secondary-educated cohort. This difference across age and educational levels suggests a need for targeted policies that address barriers specific to older and less-educated female workers, helping them better contribute to economic growth. These insights underscore the importance of targeted female workforce development policies that consider age and educational background to maximize economic gains.

Figure 4.3: Impacts of FLFPR by age and education on the economic growth

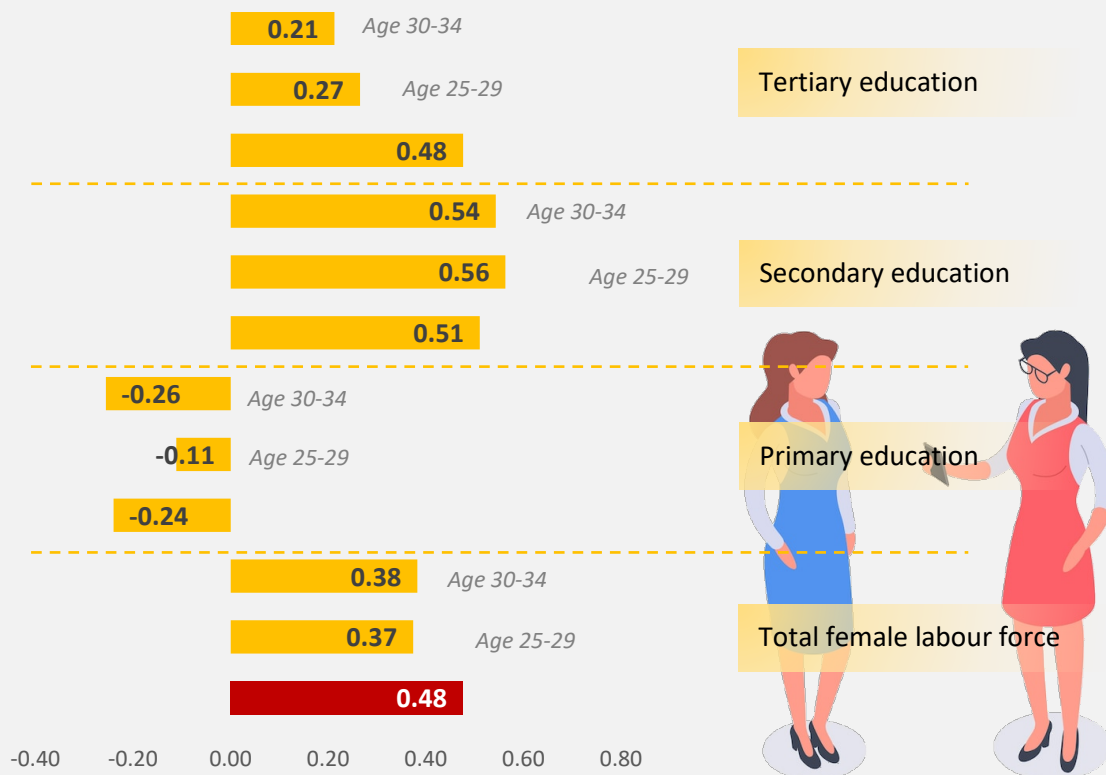
Source: Calculated from data compiled by Department of Statistics Malaysia (DOSM)

Note: Estimated using econometric models

Moreover, age and education levels also influence women's productivity contributions, with variations across these categories revealing distinct patterns and challenges. There is a clear need for targeted policies that address barriers specific to older, less-educated female workers to enable their more effective economic participation and maximize overall economic gains. For women aged 30-34 (see Figure 4.4), significant disparities emerge based on education level. Women with only primary education show a negative productivity coefficient (-0.26), suggesting that challenges within this group hinder their productivity contributions. Tertiary-educated women in the same age bracket have a modest positive productivity coefficient of 0.21, indicating a constructive contribution, though it is less impactful compared to other groups. Notably, secondary-educated women in this age group demonstrate the highest positive productivity impact, with a coefficient of 0.54, emphasizing their strong economic contribution.

In the younger 25-29 age group, secondary-educated women again show a high productivity coefficient (0.56), while tertiary-educated women contribute positively but with a lower coefficient of 0.27. Primary-educated women in this cohort show a slightly negative productivity coefficient (-0.11), suggesting barriers to maximizing their productivity.

Figure 4.4: Impacts of FLFPR by age and education on the productivity

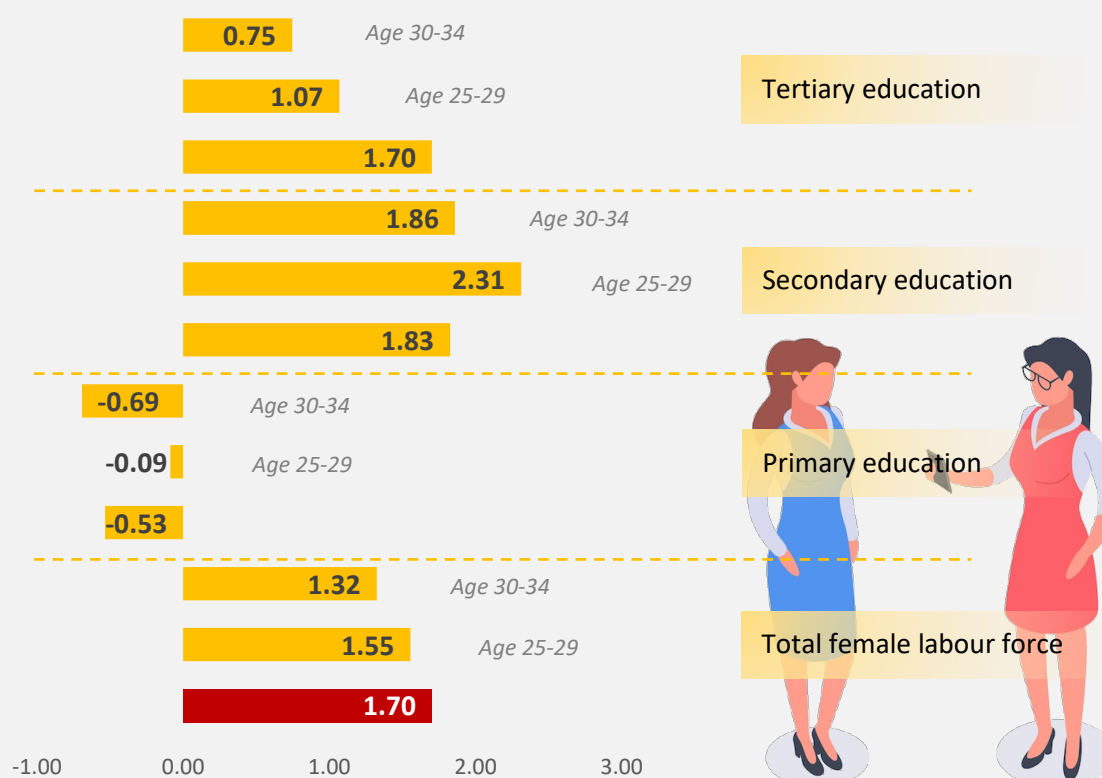


Source: Calculated from data compiled by Department of Statistics Malaysia (DOSM)

Note: Estimated using econometric models

The female labour force impacts not only productivity and economic growth but also significantly influences the level of employees' compensation. Key insights in Figure 4.5 reveal that younger, tertiary-educated women (compensation coefficient of 1.07) contribute more to overall compensation than their older counterparts (0.75). Secondary-educated women exhibit the highest compensation impact, with those aged 25-29 reaching a coefficient of 2.31, followed by women aged 30-34 at 1.86, underscoring the significant role of this group. In contrast, primary-educated women face considerable barriers, reflected in negative compensation coefficients (-0.69 for ages 30-34 and -0.09 for ages 25-29), highlighting challenges in securing fair compensation. The overall female labour force shows a higher compensation impact for the 25-29 age group (1.55), indicating the strong economic contribution of younger women.

Figure 4.5: Impacts of FLFPR by age and education on the compensation of employees



Source: Calculated from data compiled by Department of Statistics Malaysia (DOSM)

Note: Estimated using econometric models

Examining the Impacts of Female Employment on Key Economic Indicators

Female employment has a notably positive impact on overall GDP, particularly among younger women, underscoring the critical need for policy intervention focused on early career stages. As shown in **Figure 4.6**, women aged 25-29 exhibit a significant impact on GDP, with a coefficient of 1.25—higher than the 1.04 coefficient for women aged 30-34. This indicates that maximising the potential of younger women in the workforce could be a key driver of sustainable economic growth. Recognising this, inclusive workforce policies that actively promote and support young female talent are essential. Policies could focus on structured pathways from education to employment, ensuring faster and more meaningful participation in the economy. Such interventions not only facilitate a smoother transition into the workforce but also strengthen long-term economic resilience by fully realising the productive potential of young women.

The services sector stands out as a key area where female employment significantly drives GDP growth. Women's contributions in fields such as "Transportation & storage, information & communication" (impact coefficient of 1.76) and "Wholesale & retail trade, food & beverage, and accommodation" (1.38) underscore their essential role in boosting economic output. This focus is particularly important because women are more represented in services than in other sectors, making their participation vital to the sector's growth and resilience. Leveraging the services sector allows policymakers to capitalise on a workforce where female participation is already strong, presenting a strategic opportunity to increase economic gains through well-directed policies. The sector's flexible working arrangements and variety of roles make it accessible and appealing for women, especially those balancing work and family responsibilities.

The manufacturing sector shows varied impacts from female employment across its sub-sectors, with the Electrical & Electronics (E&E) sector standing out as a key area where women are significantly represented. While overall female employment positively contributes to economic growth within the E&E sector, younger women (aged 25-29) show a negative impact, which could hinder the sector's full economic contribution, especially given E&E's critical role in Malaysia's broader economy. Addressing this issue requires focused workforce readiness and retention strategies. Providing targeted technical training and skill development can enhance the economic impact of younger women, while improving early career support—such as mentorship and advancement opportunities—may better integrate them into the sector. By fostering a supportive and growth-oriented environment in the E&E sector, policymakers can harness the potential of young female talent, thereby strengthening the sector's overall contributions to Malaysia's economic growth.

Figure 4.6: Female employment impacts on GDP

Sector	Aged 25-29	Aged 30-34	Overall Employment
Total	1.25	1.04	1.30
Agriculture	0.10	-0.10	0.05
Mining and quarrying	-0.04	-0.02	-0.04
Food, beverages and tobacco	0.44	0.47	1.15
Textiles, wearing apparel and leather products	0.14	0.09	0.16
Wood products, furniture, paper products and printing	-0.45	-0.17	-0.56
Petroleum, chemical, rubber and plastic products	0.37	0.39	0.98
Non-metallic mineral products, basic metal and fabricated metal products	0.13	0.48	0.86
Electrical, electronic and optical products	-1.03	-1.20	1.50
Transport equipment, other manufacturing and repair	0.66	1.07	1.11
Construction	1.09	0.99	2.11
Wholesale & retail trade, food & beverage and accommodation	0.84	0.82	1.38
Transportation & storage and information & communication	0.77	0.81	1.76
Finance, insurance, real estate and business services	0.74	0.87	0.96
Other services (including government services)	-0.34	0.86	0.58

Source: Calculated from data compiled by Department of Statistics Malaysia (DOSM)

Note: Estimated using econometric models

Female employment plays a significant role in enhancing overall productivity, as evidenced by the positive impact observed across age groups, with a total productivity coefficient of 0.47. Based on Figure 4.7 younger women (aged 25-29) show a slightly higher positive contribution to productivity (0.41) compared to women aged 30-34 (0.38), indicating that younger women's participation may provide a slight edge in driving productivity gains across sectors. This positive influence highlights the importance of integrating and retaining women in the workforce, as their diverse skills and perspectives can foster balanced teams and innovative problem-solving, ultimately enhancing sectoral efficiency and output quality. Recognising and optimising women's contributions across sectors not only strengthens productivity but also contributes to a more resilient and dynamic economy. Effective policies that encourage female workforce participation and development are, therefore, essential for leveraging women's full potential as drivers of productivity and sustainable economic growth.

While female employment generally has a positive impact on productivity, a closer examination of sectoral data reveals significant untapped potential, with some high-impact sectors showing

negative contributions. Key sectors like E&E and finance, where women are heavily represented, face structural and skills-related challenges that may limit women's full productivity potential. These sectoral inefficiencies pose a risk to Malaysia's overall economic growth and resilience, as underperformance in such critical areas can dampen broader productivity gains. For sustainable development, targeted, sector-specific interventions are essential to enable women to fully realise their productivity impact. Policies that prioritise skills enhancement, career progression, and inclusive work environments will be instrumental in harnessing the full potential of female employment, transforming it into a powerful driver of long-term economic stability and growth.

Figure 4.7: Female employment impacts on Productivity

Sector	Aged 25-29	Aged 30-34	Overall Employment
Total	0.41	0.38	0.47
Agriculture	-0.30	-0.56	-1.07
Mining and quarrying	-0.50	-0.34	-1.10
Food, beverages and tobacco	-0.08	-0.07	-0.21
Textiles, wearing apparel and leather products	-0.27	-0.44	-0.22
Wood products, furniture, paper products and printing	-1.04	-0.36	-1.45
Petroleum, chemical, rubber and plastic products	-0.17	-0.05	0.08
Non-metallic mineral products, basic metal and fabricated metal products	-0.03	0.22	0.00
Electrical, electronic and optical products	-0.94	-1.09	1.00
Transport equipment, other manufacturing and repair	0.04	0.41	0.22
Construction	0.59	0.64	1.07
Wholesale & retail trade, food & beverage and accommodation	0.20	0.19	0.26
Transportation & storage and information & communication	0.20	0.28	0.61
Finance, insurance, real estate and business services	-0.10	-0.05	-0.08
Other services (including government services)	-0.28	0.55	0.14

Source: Calculated from data compiled by Department of Statistics Malaysia (DOSM)

Note: Estimated using econometric models

Female employment drives compensation growth in service-oriented and emerging sectors. Based on **Figure 4.8**, female workers significantly enhance compensation levels across most sectors, with the highest overall impact seen in service-oriented industries such as Wholesale & Retail Trade (1.85) and Transportation & Storage (2.15). Notably, female employment also shows substantial contributions in non-traditional sectors like Construction (2.52), indicating progress in gender diversification in traditionally male-dominated fields. These results highlight the economic importance of female participation, particularly among workers aged 25–29 (1.64) who bring fresh perspectives and skills. Employers should prioritize policies like career development initiatives, gender-inclusive practices, and flexible work arrangements to sustain and amplify the positive contributions of female workers in these sectors.

Negative contributions in technical and manufacturing sectors reflect barriers to integration. Sectors like Electrical Products (-1.34 to -1.29) and Wood Products (-0.72 to -0.26) show significant negative impacts from female employment, particularly in younger age groups. This suggests challenges such as skills mismatches, gender biases, or inadequate workplace accommodations in these technical and manufacturing industries. However, moderate positive contributions in knowledge-driven sectors like Finance and Real Estate (0.69 to 0.84) indicate consistency and value in decision-making roles. Addressing these disparities through targeted reskilling programs, inclusive hiring practices, and

mentorship opportunities can enhance female representation and unlock their full potential in underperforming sectors, while further strengthening their role in high-performing ones.

Figure 4.8: Female employment impacts on Compensation of Employees (CE)

Sector	Aged 25-29	Aged 30-34	Overall Employment
Total	1.64	1.32	1.66
Agriculture	0.27	-0.16	0.37
Mining and quarrying	0.47	0.41	0.95
Food, beverages and tobacco	0.48	0.51	1.21
Textiles, wearing apparel and leather products	0.43	0.49	0.12
Wood products, furniture, paper products and printing	-0.72	-0.26	-0.88
Petroleum, chemical, rubber and plastic products	0.44	0.41	0.98
Non-metallic mineral products, basic metal and fabricated metal products	-0.01	0.43	0.67
Electrical, electronic and optical products	-1.34	-1.29	1.54
Transport equipment, other manufacturing and repair	-0.24	-0.29	-0.32
Construction	1.33	1.20	2.52
Wholesale & retail trade, food & beverage and accommodation	1.16	1.12	1.85
Transportation & storage and information & communication	1.03	0.99	2.15
Finance, insurance, real estate and business services	0.69	0.84	0.89
Other services (including government services)	-0.22	0.94	0.52

Source: Calculated from data compiled by Department of Statistics Malaysia (DOSM)

Note: Estimated using econometric models

Key economic sectors for female worker participation in the labour market

Female employment plays a critical role in driving sectoral GDP growth, particularly in industries where women's contributions are most significant. An analysis of panel data across 15 states and 17 key economic sectors reveals that wholesale and retail trade, food and beverage, and accommodation is the leading sector in which increased female workforce participation yields the highest economic return. A one percent rise in female employment within this sector is associated with a 1.09 percent increase in GDP, highlighting its strategic importance for inclusive and sustained economic growth.

Other sectors that show strong reliance on female labour include utilities, transportation and storage, and information and communication (0.88 percent), and government services (0.72 percent). These sectors not only provide a broad range of employment opportunities for women but also exhibit substantial gains in productivity linked to their participation. As such, policies aimed at strengthening workforce inclusivity—through improved access, retention strategies, and gender-responsive workplace practices—can further enhance economic resilience and labour market dynamism.

Additionally, **sectors such as wood products, furniture, paper products, and printing (0.84 percent) and agriculture, forestry, and fishing (0.54 percent) show the valuable contributions of women across more traditional and skill-intensive domains.** Expanding female participation in these areas through structured career pathways, targeted skills development, and supportive employment frameworks can unlock underutilised human capital and bolster sectoral performance.

Figure 4.9: Key economic sectors for female worker participation in the labour market



Source: Analysed based on data from the Department of Statistics Malaysia (various years).

Note: The analysis was conducted using panel data from 15 states and 17 main sectors.

The economic contributions of female employment vary across states, with distinct sectoral impacts shaping regional economies. In more urbanised states like Kuala Lumpur and Selangor, women play a big role in areas like finance, insurance, and real estate. In fact, Selangor shows the highest boost in economic output—a 1.58% increase in GDP for every 1% rise in female employment in these sectors. In Johor and Negeri Sembilan, women are helping to grow industries like utilities, transport, and digital communications, showing their growing involvement in logistics and tech-based jobs. Jobs in retail, food services, and hospitality continue to be key sources of economic growth driven by women, especially in states like Pahang (1.04%), Terengganu (0.90%), and Negeri Sembilan (0.73%). These sectors provide steady work and opportunities for women, making them essential to the local economy.

In more industrial and resource-based economies, female workers contribute significantly to manufacturing, agriculture, and food-related industries. States such as Kelantan and Perak see a strong impact in textiles, wearing apparel, and leather products, reinforcing the historical significance of female employment in these sectors. Meanwhile, Sarawak and Sabah exhibit notable female contributions in agriculture, forestry, and fishing, with Sarawak leading at 0.32% GDP impact, reflecting the continued reliance on women in rural and agricultural activities. Additionally, in Pulau Pinang and Pahang, the vegetable, animal oils & fats, food processing, beverages, and tobacco industries benefit from female workforce participation, reinforcing the role of women in food-related production sectors.

This diverse state-sectoral impact underscores the need for targeted policies to maximize female workforce participation. In finance-driven states, investment in digital upskilling and leadership training can enhance career progression for women, while in states with a strong service sector presence, policies that improve job security and working conditions can strengthen economic resilience. For manufacturing and agricultural economies, ensuring access to modern technology, skill enhancement, and workplace safety can further amplify the benefits of female employment. By recognizing and addressing these state-specific dynamics, policymakers can create a more inclusive and productive workforce that drives sustainable economic growth. *(Refer to the figure for a detailed breakdown of female workforce contributions across different states and sectors.)*

Figure 4.10: Key economic sectors for each state for older worker participation in the labour market

 KUALA LUMPUR	1 Utilities, transportation & storage and information & communication 0.42*** 2 Wholesale and retail trade, food & beverage and accommodation 0.57*** 3 Electrical, electronic and optical products 0.11**	 LABUAN	1 Wholesale and retail trade, food & beverage and accommodation 0.29* 2 Finance and insurance, real estate and business services 0.36**	 NEGERI SEMBILAN	1 Wholesale and retail trade, food & beverage and accommodation 0.73** 2 Utilities, transportation & storage and information & communication 0.78*** 3 Finance and insurance, real estate and business services 0.59***
 TERENGGANU	1 Wholesale and retail trade, food & beverage and accommodation 0.90* 2 Finance and insurance, real estate and business services 0.37***	 PERLIS	1 Wholesale and retail trade, food & beverage and accommodation 0.57*** 2 Finance and insurance, real estate and business services 0.07**	 SABAH	1 Agriculture, forestry and fishing 0.09*** 2 Mining and quarrying 0.09** 3 Vegetable, animal oils & fats, food processing, beverages and tobacco products 0.07***
 PERAK	1 Textiles, wearing apparel and leather products 0.22** 2 Finance and insurance, real estate and business services 0.36***	 SELANGOR	1 Wholesale and retail trade, food & beverage and accommodation 0.44** 2 Utilities, transportation & storage and information & communication 0.66** 3 Finance and insurance, real estate and business services 1.58***	 PENANG	1 Wholesale and retail trade, food & beverage and accommodation 0.58** 2 Utilities, transportation & storage and information & communication 0.46*** 3 Vegetable, animal oils & fats, food processing, beverages and tobacco products 0.22**
 KEDAH	1 Utilities, transportation & storage and information & communication 0.31** 2 Finance and insurance, real estate and business services 0.41***	 MELAKA	1 Wholesale and retail trade, food & beverage and accommodation 0.72** 2 Utilities, transportation & storage and information & communication 0.41*** 3 Finance and insurance, real estate and business services 0.28*	 PAHANG	1 Wholesale and retail trade, food & beverage and accommodation 1.04** 2 Utilities, transportation & storage and information & communication 0.42*** 3 Finance and insurance, real estate and business services 0.33***
 KELANTAN	1 Textiles, wearing apparel and leather products 0.34*** 2 Electrical, electronic and optical products 0.12** 3 Finance and insurance, real estate and business services 0.31***	 JOHOR	1 Utilities, transportation & storage and information & communication 0.92*** 2 Wholesale and retail trade, food & beverage and accommodation 0.71*** 3 Finance and insurance, real estate and business services 0.43**	 SARAWAK	1 Agriculture, forestry and fishing 0.32*** 2 Electrical, electronic and optical products 0.17*** 3 Petroleum, chemical, rubber and plastic products 0.08***

Source: Analysed based on data from the Department of Statistics Malaysia (various years).

Note: Asterisk ***, ** and * denote statistically significant at 1%, 5% and 10% level, respectively.

Exploring the Impacts of Older Workers on Key Economic Indicators

Older workers positively impact GDP across most sectors, particularly in service-oriented and knowledge-driven industries. Figure 4.11 shows the workers aged 55–64 contribute positively to the overall economy, with the highest impact observed in the 60–64 age group (1.01). Sectors such as Wholesale & Retail Trade, Transport & Storage, and Construction show significant contributions, highlighting the importance of experience-driven skills and leadership provided by older workers. These sectors rely heavily on older workers' expertise, customer interaction capabilities, and operational knowledge, underscoring their critical role in sustaining economic growth.

Physically demanding sectors exhibit mixed or negative contributions from older workers, reflecting sectoral challenges. In sectors like Agriculture and Mining, older workers show minimal or negative contributions, particularly in the 55–59 age group (-0.21 and -0.02, respectively). This trend may stem from the physical demands and safety concerns of these industries, which pose barriers for older workers. However, slight positive contributions from the 60–64 age group in agriculture (0.18) suggest that experience and adaptability may still hold value. These findings point to the need for technological advancements and workplace accommodations to enhance productivity in such sectors.

Strategic workforce policies can maximize the productivity of older workers in high-impact sectors. Sectors with strong contributions, such as Finance, Construction, and Transport, should focus on retaining older workers by offering flexible retirement options and creating age-friendly work environments. Inter-generational collaboration through mentoring programs can help transfer knowledge while maintaining productivity. Simultaneously, sectors with lower contributions, such as Textiles and Non-Metallic Products, should reconfigure roles to leverage the skills of older workers, such as assigning supervisory, quality control, or training-related responsibilities. By aligning workforce strategies to sectoral strengths and challenges, the economy can fully capitalize on the value of older workers.

Figure 4.11: Older Worker impacts on GDP

Sector	Aged 55-64	Aged 55-59	Aged 60-64
Total	0.95	0.92	1.01
Agriculture	-0.08	-0.21	0.18
Mining and quarrying	-0.03	-0.02	-0.05
Food, beverages and tobacco	0.69	0.70	0.61
Textiles, wearing apparel and leather products	0.30	0.32	0.22
Wood products, furniture, paper products and printing	0.84	0.78	0.37
Petroleum, chemical, rubber and plastic products	0.50	0.49	0.33
Non-metallic mineral products, basic metal and fabricated metal products	0.60	0.59	0.49
Electrical, electronic and optical products	0.37	0.35	0.28
Transport equipment, other manufacturing and repair	0.60	0.58	0.55
Construction	0.94	1.02	0.78
Wholesale & retail trade, food & beverage and accommodation	1.15	1.22	1.00
Transportation & storage and information & communication	0.97	0.96	0.94
Finance, insurance, real estate and business services	0.59	0.58	0.58
Other services (including government services)	0.63	0.59	0.43

Source: Calculated from data compiled by Department of Statistics Malaysia (DOSM)

Note: Estimated using econometric models

Older workers significantly enhance productivity in sectors requiring experience and precision.

Sectors such as Wood Products, Furniture, and Printing and Construction demonstrate the highest productivity impacts from older workers (**Figure 4.12**), particularly those aged 55–64 (1.16 and 0.59, respectively). These industries benefit from the expertise and specialized skills that older workers bring, highlighting the value of experience-driven roles. Additionally, sectors like Non-Metallic Minerals and Transport & Communication also show consistent positive contributions, suggesting that older workers thrive in environments where their knowledge and ability to manage complex systems are crucial. Retaining older workers in these high-impact industries through flexible retirement options, targeted upskilling, and leadership roles can maximize their contributions to productivity.

Physically demanding sectors face challenges with older worker productivity, necessitating targeted interventions.

Sectors like Agriculture and Mining show significant negative contributions to productivity (-0.90 to -1.00 and -0.54 to -0.37, respectively), indicating that older workers struggle in physically intensive roles. These trends suggest the need for workplace innovations, such as automation and ergonomic tools, to reduce physical demands. Transitioning older workers into supervisory or quality control roles can also help mitigate these productivity losses. Meanwhile, sectors like Finance and Business Services, with neutral impacts (-0.03), may not fully leverage the skills of older workers. Fostering intergenerational collaboration and mentorship programs can enhance productivity in these sectors while retaining institutional knowledge.

Figure 4.12: Older Worker impacts on Productivity

Sector	Aged 55-64	Aged 55-59	Aged 60-64
Total	0.35	0.33	0.37
Agriculture	-0.90	-1.00	-0.45
Mining and quarrying	-0.54	-0.50	-0.37
Food, beverages and tobacco	-0.10	-0.09	-0.10
Textiles, wearing apparel and leather products	0.14	0.20	0.04
Wood products, furniture, paper products and printing	1.16	1.04	0.56
Petroleum, chemical, rubber and plastic products	0.21	0.23	0.04
Non-metallic mineral products, basic metal and fabricated metal products	0.41	0.43	0.30
Electrical, electronic and optical products	0.27	0.26	0.20
Transport equipment, other manufacturing and repair	0.23	0.22	0.21
Construction	0.59	0.63	0.49
Wholesale & retail trade, food & beverage and accommodation	0.28	0.30	0.23
Transportation & storage and information & communication	0.38	0.38	0.37
Finance, insurance, real estate and business services	-0.03	-0.03	-0.03
Other services (including government services)	0.36	0.35	0.19

Source: Calculated from data compiled by Department of Statistics Malaysia (DOSM)

Note: Estimated using econometric models

Older workers significantly enhance compensation in service-oriented and skilled sectors.

Based on **Figure 4.13**, older workers contribute strongly to employee compensation, particularly in sectors such as Wholesale & Retail Trade, Construction, and Wood Products, where their experience and expertise are highly valued. Workers aged 55–59 show the highest compensation impact in these sectors (1.68, 1.23, and 1.35, respectively). This highlights the economic importance of retaining older workers in customer-facing and skill-intensive roles. Employers in these sectors should prioritize flexible work arrangements, leadership opportunities, and competitive compensation packages to attract and retain this experienced talent pool.

Mixed and negative contributions in certain sectors require targeted interventions. Sectors like Agriculture and Transport Equipment show challenges, with mixed or negative impacts on compensation (-0.13 and -0.16, respectively) for older workers ages 55-59. These results suggest barriers such as physical demands or skills mismatches in these industries. However, sectors like Finance and Real Estate show stable, positive contributions (0.54-0.55) across all older age groups, reflecting the value of decision-making and expertise. To address the gaps, businesses in low-performing sectors should invest in reskilling older workers, automate labour-intensive tasks, and reassign older employees to supervisory or mentoring roles. In knowledge-driven sectors, intergenerational knowledge transfer and succession planning will ensure sustained productivity and compensation growth.

Figure 4.13: Older Worker impacts on Compensation of Employees

Sector	Aged 55-64	Aged 55-59	Aged 60-64
Total	1.22	1.17	1.28
Agriculture	0.12	-0.13	0.55
Mining and quarrying	0.53	0.47	0.43
Food, beverages and tobacco	0.75	0.76	0.66
Textiles, wearing apparel and leather products	0.26	0.29	0.17
Wood products, furniture, paper products and printing	1.42	1.35	0.61
Petroleum, chemical, rubber and plastic products	0.47	0.46	0.34
Non-metallic mineral products, basic metal and fabricated metal products	0.56	0.56	0.45
Electrical, electronic and optical products	0.42	0.39	0.33
Transport equipment, other manufacturing and repair	-0.17	-0.16	-0.17
Construction	1.15	1.23	0.95
Wholesale & retail trade, food & beverage and accommodation	1.57	1.68	1.37
Transportation & storage and information & communication	1.11	1.10	1.07
Finance, insurance, real estate and business services	0.55	0.55	0.54
Other services (including government services)	0.64	0.61	0.49

Source: Calculated from data compiled by Department of Statistics Malaysia (DOSM)

Note: Estimated using econometric models

Key economic sectors for older worker participation in the labour market

Older workers are an essential part of the national economy, offering a wealth of experience, dependability, and institutional knowledge that enhance the productivity of key sectors. Their expertise, developed over many years, makes them especially valuable in industries where skilled labour and operational continuity are critical. Based on recent analysis, the wholesale and retail trade, food and beverage, and accommodation sector shows the strongest positive relationship with older worker participation. A one percent increase in older worker employment within this sector is associated with a 1.05 percent increase in its contribution to sectoral GDP, reflecting the important role of experienced workers in supporting its performance.

Utilities, transportation and storage, and information and communication also show a strong connection to older worker participation, with a GDP increase of 0.93 percent for every one percent rise in employment among older individuals. Similarly, the other services sector benefits with a 0.72 percent increase. These results point to the economic value of retaining older workers in service-oriented and infrastructure-intensive industries. To support their continued engagement, there is a need for policies that promote flexible working arrangements, gradual retirement pathways, and opportunities for digital upskilling, ensuring older workers can adapt and contribute in a changing

labour environment. Older workers in these sectors play a important role not only in maintaining productivity but also in preserving knowledge that can be passed on to younger generations.

Figure 4.14: Key economic sectors for older worker participation in the labour market



Source: Analysed based on data from the Department of Statistics Malaysia (various years).

Note: The analysis was conducted using panel data from 15 states and 17 main sectors.

Older workers contribute significantly to various economic sectors across states, with notable differences in impact based on industry specialization. In states with strong service sectors like Negeri Sembilan and Pahang, older workers are especially important in government services, helping to keep public administration running smoothly. For example, older worker participation in Negeri Sembilan adds up to a 0.58% boost in GDP, while Pahang sees a 0.45% increase. Similarly, in Kelantan and Selangor, older workers in finance, insurance, and real estate bring valuable experience to these knowledge-based jobs, helping to keep things efficient and productive. In Johor, older workers contribute the most in the utilities, transportation, and communication sector, with a remarkable 1.00% increase in GDP for every 1% rise in older employment—showing just how valuable experience is in logistics and infrastructure.

Manufacturing and construction-related industries also see strong contributions from older workers, particularly in technical and specialized fields. The electrical, electronic, and optical products sector exhibits high employment impact in Penang (0.36%), Kedah (0.24%), and Perak (0.13%), reflecting the reliance on skilled labour in Malaysia's advanced manufacturing hubs. Meanwhile, special carpentry construction activities emerge as a key driver of older worker employment in states such as Terengganu (0.490%) and Kuala Lumpur (0.22%), indicating their expertise in skilled trade industries.

Resource-based and agricultural industries also provide significant employment opportunities for older workers in rural states. Agriculture, forestry, and fishing is the most affected sector in Sarawak (0.48%) and Sabah (0.43%), demonstrating the continued reliance on experienced labour in primary industries. Similarly, non-metallic mineral products, basic metal, and fabricated metal products see notable contributions in Penang (0.14%) and Sarawak (0.09%), further reinforcing the importance of older workers in industrial and extraction-based sectors.

These findings emphasize the need for targeted policies to support older workers across different industries. Workforce retention programs, skills adaptation initiatives, and phased retirement options can help sustain their contributions in service-based and technical fields. In manufacturing and resource-based industries, ensuring workplace safety, upskilling opportunities, and knowledge transfer programs can further enhance their economic impact. By addressing these sectoral dynamics, policymakers can maximize the benefits of an aging workforce while ensuring sustainable economic growth. (Refer to the figure for a detailed breakdown of older workforce contributions across different states and sectors.)

Figure 4.15: Key economic sectors for each state for older worker participation in the labour market

 <p>KUALA LUMPUR</p>	<p>1 Special carpentry construction activities 0.22***</p> <p>2 Residential and non residential 0.53*</p>	 <p>LABUAN</p>	<p>1 Special carpentry construction activities 0.17**</p> <p>2 Residential and non residential 0.32**</p>	 <p>NEGERI SEMBILAN</p>	<p>1 Wholesale and retail trade, food & beverage and accommodation 0.47**</p> <p>2 Government services 0.58**</p>
 <p>TERENGGANU</p>	<p>1 Special carpentry construction activities 0.49***</p> <p>2 Government services 0.36*</p>	 <p>PERLIS</p>	<p>1 Wholesale and retail trade, food & beverage and accommodation 0.34*</p> <p>2 Finance and insurance, real estate and business services 0.18***</p>	 <p>SABAH</p>	<p>1 Agriculture, forestry and fishing 0.43*</p> <p>2 Mining and quarrying 0.07**</p> <p>3 Residential and non-residential 0.40**</p>
 <p>PERAK</p>	<p>1 Electrical, electronic and optical products 0.13***</p> <p>2 Finance and insurance, real estate and business services 0.22***</p>	 <p>SELANGOR</p>	<p>1 Wholesale and retail trade, food & beverage and accommodation 0.48***</p> <p>2 Transport equipment, other manufacturing and repair 0.22**</p> <p>3 Finance and insurance, real estate and business services 0.36**</p>	 <p>PENANG</p>	<p>1 Electrical, electronic and optical products 0.36***</p> <p>2 Special carpentry construction activities 0.33**</p> <p>3 Non-metallic mineral products, basic metal and fabricated metal products 0.14**</p>
 <p>KEDAH</p>	<p>1 Electrical, electronic and optical products 0.24***</p> <p>2 Petroleum, chemical, rubber and plastic products 0.09**</p>	 <p>MELAKA</p>	<p>1 Transport equipment, other manufacturing and repair 0.17*</p>	 <p>PAHANG</p>	<p>1 Government services 0.45**</p>
 <p>KELANTAN</p>	<p>1 Finance and insurance, real estate and business services 0.24***</p> <p>2 Electrical, electronic and optical products 0.03**</p> <p>3 Special carpentry construction activities 0.55***</p>	 <p>JOHOR</p>	<p>1 Utilities, transportation & storage and information & communication 1.00***</p> <p>2 Wholesale and retail trade, food & beverage and accommodation 0.42**</p> <p>3 Wood products, furniture, paper products and printing 0.28**</p>	 <p>SARAWAK</p>	<p>1 Agriculture, forestry and fishing 0.48***</p> <p>2 Wholesale and retail trade, food & beverage and accommodation 0.67**</p> <p>3 Non-metallic mineral products, basic metal and fabricated metal products 0.09***</p>

Source: Analysed based on data from the Department of Statistics Malaysia (various years).

Note: Asterisk ***, ** and * denote statistically significant at 1%, 5% and 10% level, respectively.

05

Untapped Talents of Female Labour

This section presents findings based on the surveys conducted for the study, focusing on female workers and industries. These surveys provide complementary insights to the microeconomic assessment, adding depth and detail to the quantitative analysis. By capturing perspectives, challenges, and opportunities unique to each group, the survey data enrich understanding of how these demographics contribute to economic growth, productivity, and workforce dynamics.



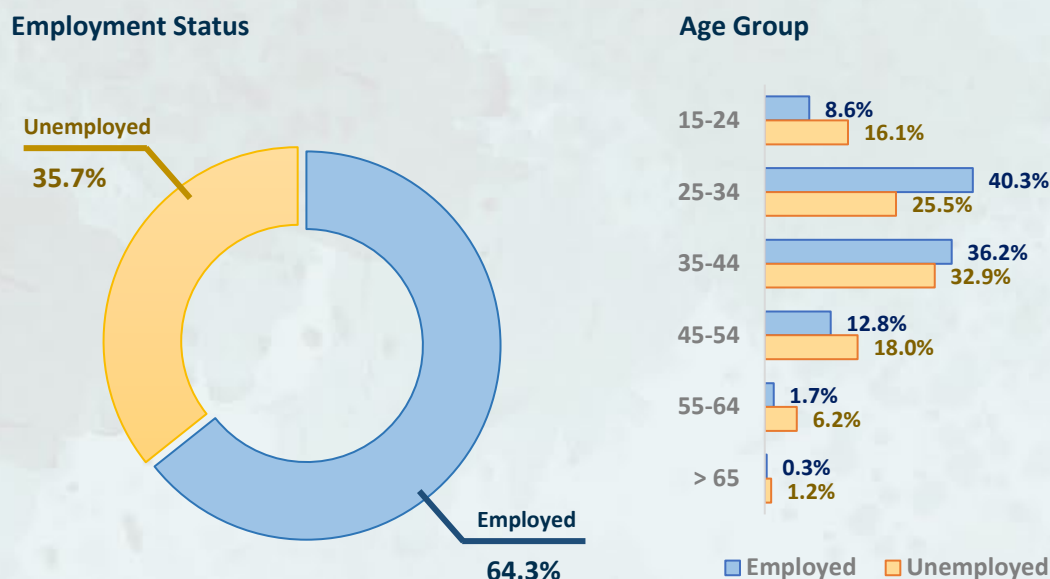
Untapped Female Talents

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Female Labour Force

Employment and unemployment dynamics among women. The survey findings indicate that 64.3% of the surveyed female participants are employed, while 35.7% remain unemployed. The highest employment participation is observed among women aged 25–34, with 40.3% of employed respondents falling into this age group. This is followed closely by the 35–44 age group, with 36.2% of employed women. These age brackets represent the prime working years, coinciding with family-building responsibilities, which often create a dual burden of caregiving and professional obligations. Unemployment is most prevalent among women aged 25–34 (25.5%) and 35–44 (32.9%). These figures highlight that even during the peak productive years, many women face challenges in securing or retaining employment. Women aged 15–24, who typically represent a younger, less experienced workforce, have the highest unemployment rate relative to their age group (16.1%), likely due to limited opportunities for entry-level roles or higher educational commitments.

Figure 5.1: Female Labour Force Landscape

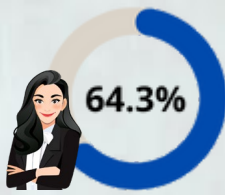


Source: Analysis is based on Survey Untapped Female Labour Participation, conducted with 450 respondents.

EMPLOYED WOMEN

Figure 5.2

A. Status of Women

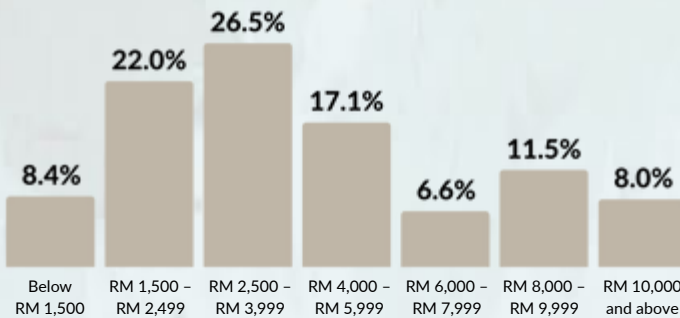


of respondents reported being employed

58.6% of them having dependents

with an average of **5 dependents** including children and parents.

C. Income



B. Education Level



No Education

0.7%



Secondary

10.0%



Tertiary

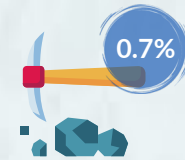
89.3%

D. Sector of Work



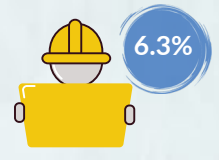
Agriculture

0.7%



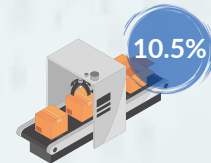
Mining & Quarrying

0.7%



Construction

6.3%



Manufacturing

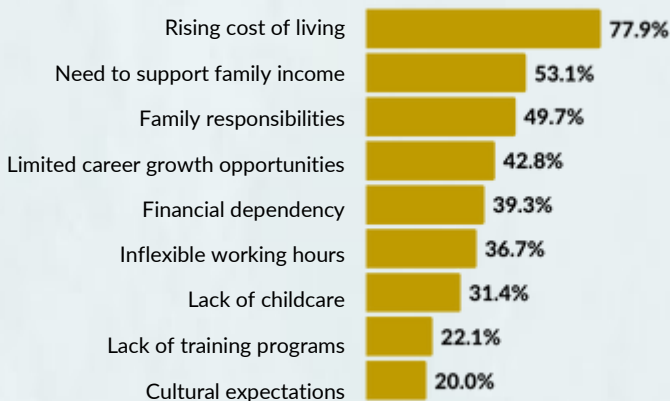
10.5%



Services

81.9%

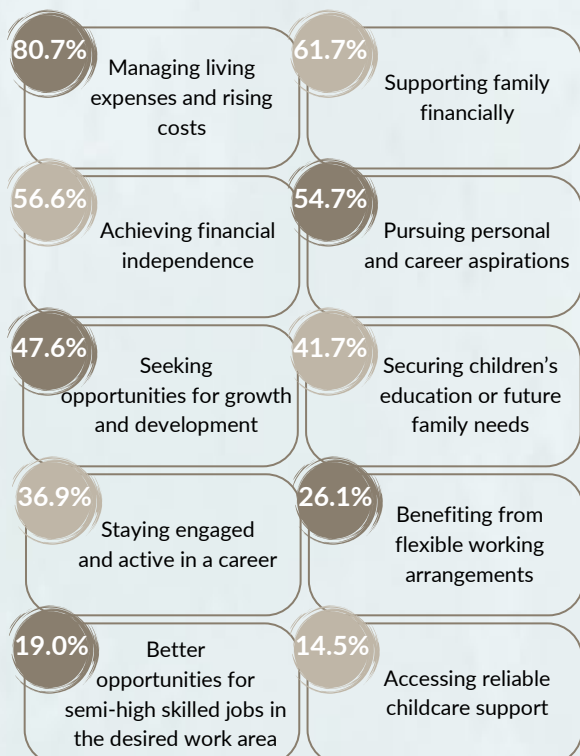
E. Challenges Faced by Women in the Labour Market



G. Sufficiency of Income to Cover Living Expenses



F. Motivation to Work



Challenges and Lifeline for Employed Women

Balancing professional and caregiving responsibilities is a significant challenge for employed women. The survey findings reveal significant insights into the dynamics of female labour participation in Malaysia, particularly highlighting the challenges and opportunities faced by employed women. Among the respondents, 64.3% are employed, with a majority (58.6%) having dependents (**Figure 5.2A**). On average, employed women have five dependents, including children and parents, emphasizing the dual burden of professional and caregiving responsibilities. This considerable dependency ratio likely impacts their ability to balance work and family, especially when combined with other challenges such as rising living costs and limited workplace support.

Making a living through working does not entirely meet up employed women's financial needs. Income distribution reveals that while 45.9% of respondents find their income sufficient to cover living expenses, the majority (54.1%) struggle to fully meet their financial needs (**Figure 5.2G**). Approximately 30.4% earn below RM 2,500 per month, a concerning figure given the prevalent economic pressures. Moreover, while a substantial proportion (43.6%) earn between RM 2,500 and RM 5,999, a relatively small percentage (19.5%) earn RM 8,000 or above (**Figure 5.2C**). This finding of financial hardship encountered by respondents calls for room for improvement in wage structures and the need to address wage inequalities. These findings align with the identified challenges, where financial dependency and rising living costs rank high among concerns, indicating that employment alone does not fully mitigate economic strain for many women.

Insufficient income remains a critical concern for many working women. The sufficiency of income is a critical concern, with 50.7% of women stating that their income only partially covers their living expenses and 3.4% indicating it does not cover their needs at all. Combined with the rising cost of living (77.9%) and the need for additional family income (53.1%), these findings highlight the urgent need for policies that enhance wage levels, particularly for low and middle-income earners (**Figure 5.2E**).

High educational attainment does not translate to career advancement for many women. Education levels among employed women are strikingly high, with 89.3% holding tertiary qualifications (**Figure 5.2B**). However, despite this strong academic foundation, many women report limited career growth opportunities (42.8%), which suggests a significant underutilization of their skills and education. The predominance of women in the services sector (81.9%) further supports this finding, as this sector often offers fewer pathways for upward mobility compared to other industries like manufacturing or construction. This sectoral concentration also highlights the need to diversify female participation in traditionally male-dominated fields such as agriculture and mining, where representation remains negligible at 0.7% (**Figure 5.2D**).

Women in mid-career stages dominate the workforce, while younger and older groups are underrepresented. The age distribution of employed women reflects a concentration in the 25–44 age group (76.5%), with minimal participation from those aged 45 and above (14.8%). This trend could be linked to career plateaus, family responsibilities, or a lack of re-entry programs for older workers. Policies aimed at engaging mid-to-late career women could help extend their economic contributions and address workplace age disparities. Additionally, younger respondents (15–24) form only 8.6% of the workforce, highlighting the need for targeted initiatives to encourage early workforce entry for young women (**Figure 5.1**).

Economic necessity is the primary driver of female employment, but challenges hinder full participation. Motivations for employment are largely driven by economic necessities, with 80.7% citing the need to manage living expenses and 61.7% supporting family finances. However, motivations such as pursuing career aspirations (54.7%) and seeking opportunities for growth (47.6%) suggest that personal and professional fulfilment also play a vital role (**Figure 5.2F**). These aspirations are often tempered by challenges such as family responsibilities (49.7%) and inflexible working hours (36.7%), which continue to hinder women's full participation in the labour market. Limited childcare support (31.4%) exacerbates these issues, particularly for working mothers who struggle to find reliable solutions for child-minding (**Figure 5.2E**).

Flexible work policies remain underutilised despite their potential benefits. Interestingly, only 26.1% of respondents cited flexible working arrangements as a motivating factor, while 36.7% identified inflexible working hours as a challenge. This discrepancy points to an underutilisation or lack of awareness or adaptation of flexible work policies in the working environment. Organizations could leverage this gap by implementing and promoting such arrangements to better support female employees.

Comprehensive solutions are needed to address the challenges faced by working women. In conclusion, the survey sheds light on the intricate interplay between economic, social, and workplace factors shaping female labour participation. While high education levels and strong motivations to work signal robust potential workforce challenges such as financial strain, family responsibilities, limited career growth, and inadequate workplace support continue to impede progress. Addressing these issues requires a comprehensive approach, including wage reforms, improved access to childcare, sectoral diversification, and flexible work policies, to ensure that women can thrive both professionally and personally.

Hurdles to Work for Unemployed Women

Family responsibilities and systemic challenges are the primary reasons for female unemployment. The survey findings on unemployed females (35.7%) reveal a comprehensive picture of factors influencing their current status and challenges (**Figure 5.1**). Family responsibilities are the leading and conventional reason for unemployment, with 32.4% of respondents citing this as a key factor. This is followed by a lack of job opportunities (16.5%), redundancy or voluntary separation schemes (8.5%), and inflexible work arrangements (7.4%). These results reflect the significant burden of balancing caregiving duties with professional aspirations alongside work-related systemic challenges such as workplace rigidity and insufficient job availability. Notably, other reasons, such as lack of work-life balance (6.9%), retirement (6.4%), and health concerns (4.8%), highlight diverse personal and structural barriers that contribute to women exiting or remaining out of the labour market (**Figure 5.3**).

Figure 5.3

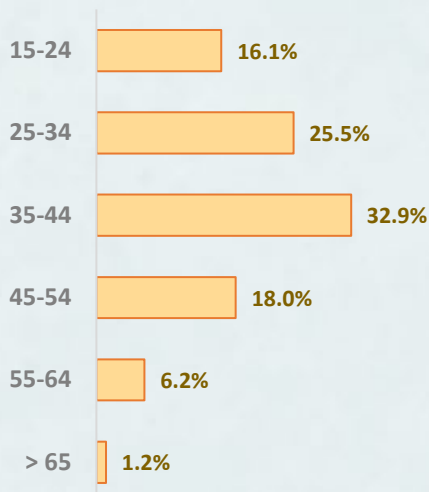
UNEMPLOYED WOMEN

Reason for Female Unemployment

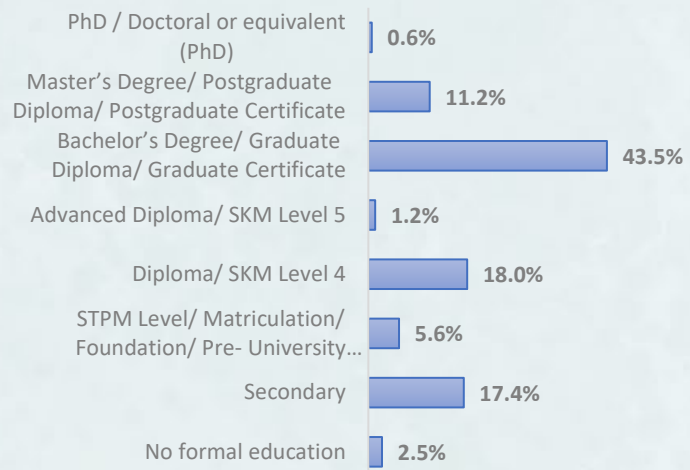


Family responsibility	32.4%
Lack of job opportunities	16.5%
Redundancy/Voluntary Separation Scheme (VSS)	8.5%
Inflexible work arrangements	7.4%
Lack of work-life balance	6.9%
Retirement	6.4%
Health reasons	4.8%
Financially stable	4.8%
Organisation culture	4.8%
Lack of skills and education	4.3%
Relocation	3.2%

Age Group



Education



Productive age women workforce with higher qualifications remains job insecure. The age distribution indicates that the majority of unemployed women are in their prime working years, with 58.4% falling in the 25–44 age range. This is a critical period when career growth often coincides with family-building responsibilities, exacerbating workforce participation challenges. Additionally, a smaller proportion of older women (18.0% aged 45–54 and 6.2% aged 55–64) face barriers to re-entry, possibly due to skill mismatches or age-related biases. Education levels among unemployed women are relatively high, with 43.5% holding bachelor's degrees and 11.2% possessing postgraduate qualifications. This high educational attainment, together with unemployment, suggests either a mismatch between qualifications or lack of job opportunities for the attained qualifications.

Figure 5.4

CAREER BREAK

B. Participation in any professional development, training, or formal support programs



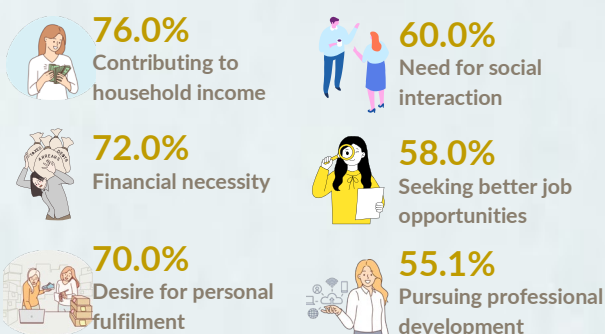
D. Type of support receive from family and friends



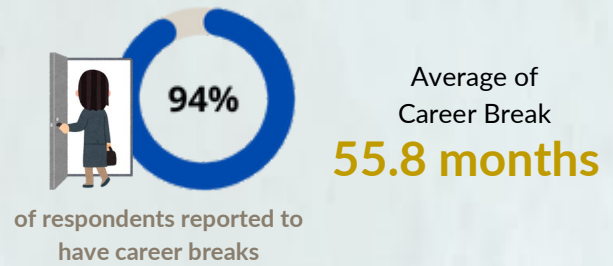
F. Challenges in previous job



H. Motivation to re-enter the labour market



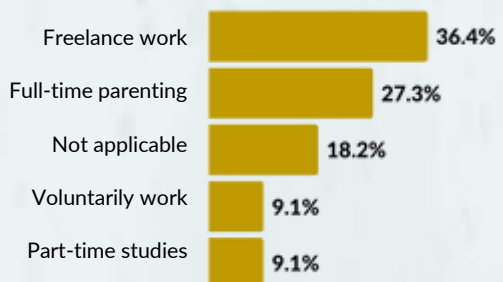
A. Career breaks among unemployed women



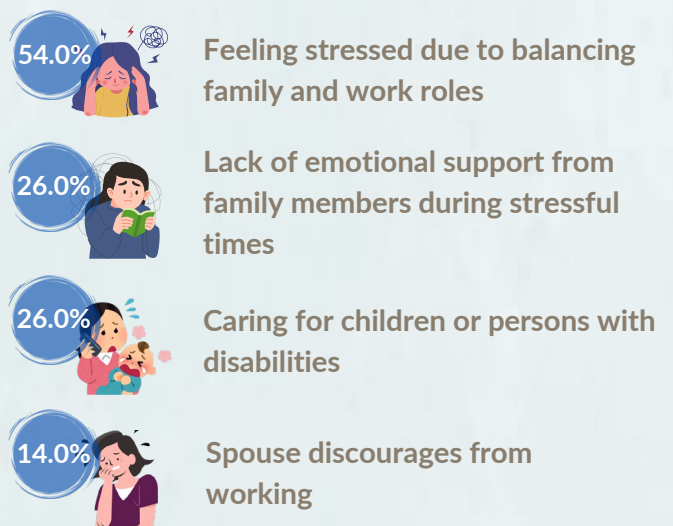
C. Impact of career break



E. Activities or roles engaged in during your career break



G. Challenges in managing family commitments and career



Re-Entry Challenges for Women on Career Breaks

Long career breaks create barriers to workforce re-entry. The average duration of career breaks among unemployed women is approximately 56 months, with 94% of these women having experienced such interruptions, highlighting the significant prevalence of this issue. These extended breaks create substantial barriers to workforce re-entry, including skill obsolescence, diminished professional networks, and financial instability, further exacerbating the challenges of finding employment. The prolonged absence from the workforce often results from caregiving responsibilities or life circumstances, leading to economic strain for women and their families.

The dual nature shapes women on career breaks experiences. Career breaks are an important factor in female unemployment, with 84% of respondents citing re-entry challenges as a major hurdle. Financial instability during these breaks was reported by 78%, while 68% noted negative impacts on their future career prospects (**Figure 5.4C**). Although it is found that career breaks often lead to skill deterioration (44%), some respondents (32%) engaged in professional skill enhancement through activities such as online courses (78.8%) and ventured in freelance work (36.4%) (**Figure 5.4E**). This highlights the dual nature of career breaks, where they can either hinder or bolster professional development depending on the opportunities women can access during this time.

Unemployed women rely heavily on informal networks due to the lack of formal support systems. Support during unemployment largely comes from informal networks, with 76% receiving moral support and 62% financial assistance from family and friends. Accommodation support (26%) and household help (20%) (**Figure 5.4D**) are less common, and only 18% reported receiving networking help. This reliance on personal connections shows the lack of access to formal support systems such as career counselling, professional networking programs, and structured re-employment initiatives. Activities undertaken during unemployment, such as freelance work (36.4%) and voluntary work (9.1%), indicate that some women remain engaged and productive despite being out of traditional employment, though 18.2% reported no relevant activities, reflecting disengagement or lack of access to opportunities (**Figure 5.5E**).

Workplace challenges experienced prior to unemployment significantly intensify workforce retention issues. These challenges not only lead to job exits but also contribute to broader labour market disengagement. Key concerns reported by respondents include excessive workloads (56%), lack of work–life balance (56%), and limited opportunities for career advancement (48%). Additionally, instances of unfair treatment or discrimination (44%) and inadequate salaries (42%) were noted. These findings highlight the urgent need to foster healthier workplace environments that prioritise inclusivity, support career progression, and promote employee well-being (**Figure 5.5F**).

Figure 5.5

INTENTION TO WORK

In average, most of them have

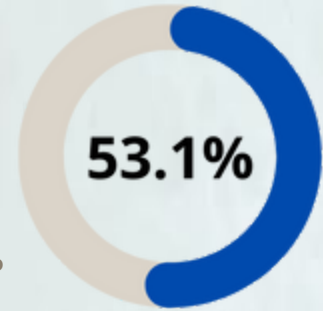
3 dependents

including children and parents.

A. Intention to work



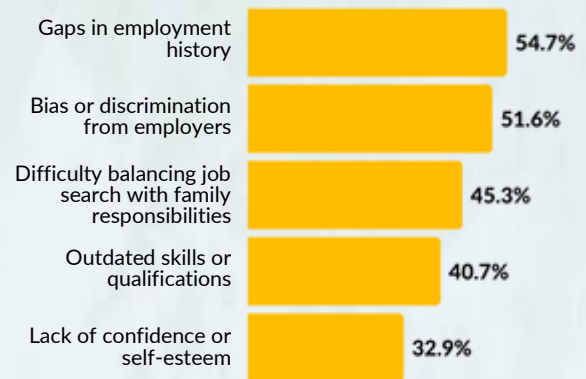
of unemployed respondents reported to have intention to work



B. Factors influence intention to work



C. Challenges in Finding Employment



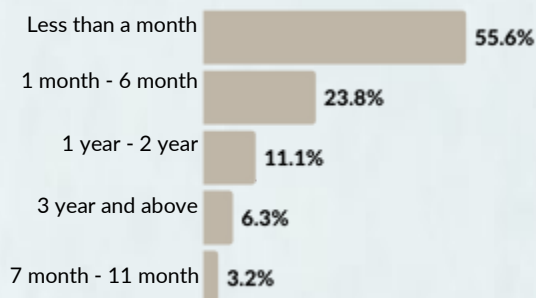
D. Characteristics of an ideal job



E. Period of looking for a job



F. Readiness to take on a job



Unlocking the Potential of Women Ready to Rejoin the Workforce

A large portion of unemployed women are ready and willing to join the workforce. The survey indicates that 35.7% (**Figure 5.1**) of respondents are unemployed, with 53.1% expressing an intention to work, showcasing a substantial pool of untapped labour potential. This highlights a critical opportunity for policymakers and employers to harness this motivated group, many of whom are eager to contribute to the economy but face systemic and logistical barriers preventing them from doing so.

Caregiving responsibilities add to the complexity of workforce re-entry for unemployed women. On average, unemployed women are responsible for three dependents, including children and parents. This caregiving burden exacerbates the dual challenge of managing family obligations while seeking or maintaining employment. It also underscores the importance of flexible working arrangements and supportive workplace policies to accommodate women balancing professional and personal roles.

Financial stability and personal fulfilment are key motivations for re-entering the workforce. According to **Figure 5.4H**, motivations for re-entering the workforce are primarily financial, with 76% aiming to contribute to household income and 72% driven by financial necessity. However, personal fulfilment (70%), social interaction (60%), and career advancement (50%) also rank high, suggesting that many women seek not just economic stability but also personal and professional growth. Nonetheless, challenges such as gaps in employment history (54.7%), employer bias or discrimination (51.6%), and outdated skills (40.7%) present significant barriers to their return. Difficulty balancing job searches with family responsibilities (45.3%) and low self-confidence (32.9%) further complicate their re-entry into the labour market (**Figure 5.5C**).

Flexible work and stable employment are top priorities for unemployed women. Ideal job characteristics provide critical insights into the needs of unemployed women. Flexible working arrangements are the most sought-after feature (76.6%), followed by employment stability (70.3%), high income (59.4%), and self-satisfaction at work (54.7%). These preferences highlight the need for roles that accommodate family responsibilities while offering financial security and meaningful engagement. Career growth opportunities (45.3%) and proximity to home (43.5%) further emphasize the importance of balancing professional aspirations with logistical and personal considerations (**Figure 5.5D**).

Prolonged job searches point to inefficiencies in re-employment support. The duration of job searches reflects systemic inefficiencies in the labour market. While 55.6% of respondents are ready to re-enter the workforce within a month (**Figure 5.5F**), many experience prolonged job-seeking periods, with 24.2% searching for 10–12 months (**Figure 5.5E**). This highlights gaps in hiring processes and re-employment support systems. The readiness of women to return to work also indicates a significant untapped potential that could be mobilized with the right interventions.

A motivated and skilled workforce remains underutilised due to multiple barriers. In conclusion, the findings reveal a motivated, skilled, and ready-to-work group of women whose potential remains underutilised due to structural, cultural, and economic barriers. A concerted effort is needed to address these issues through policy changes, workplace reforms, and targeted programs. Employers and policymakers can unlock the significant economic and social contributions of unemployed women by creating an ecosystem that supports flexible work, career advancement, and inclusive practices. This approach benefits individual women, strengthens the workforce, and drives sustainable economic growth.

Strategies to Equip Women to Re-enter the Workforce

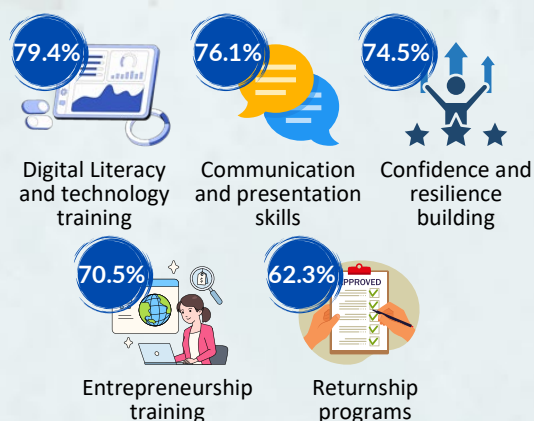
Women possess confidence in their workplace skills but need targeted upskilling to meet evolving industry demands. Based on **Figure 5.6**, the survey findings reveal that a majority of women feel confident in their core competencies, with 83.1% reporting confidence in problem-solving and 81.6% expressing ease with adapting to new technologies. This demonstrates a strong foundation of workplace skills among women. However, only 71.8% feel their skills and experience are up to date with current industry standards, indicating a significant gap that needs to be addressed. The confidence drops further when women consider relocation for job opportunities, with only 71.4% believing they are equipped for such transitions. This highlights the critical importance of targeted training programs, particularly in areas like digital literacy (79.4%), communication and presentation skills (76.1%), and resilience-building (74.5%), to ensure women remain competitive and adaptable in a rapidly changing job market.

Figure 5.6 Insight from the surveys

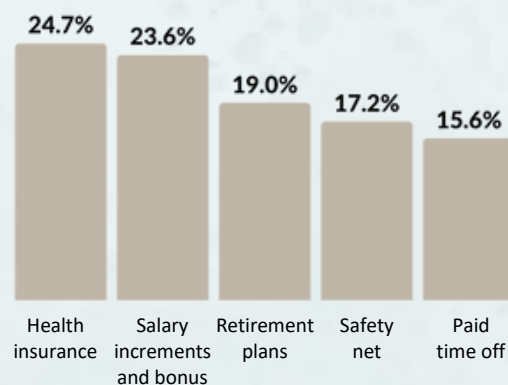
A. Confidence in skills and knowledge



B. Training needs for women



C. Employment Benefit



Training in digital literacy, entrepreneurship, and returnship programs is essential for empowering women. Among the identified training needs, digital literacy emerges as the most critical, with 79.4% of women prioritising it (**Figure 5.6B**). This reflects the growing demand for technological proficiency across industries. Additionally, 70.5% expressed interest in entrepreneurship training, suggesting that many women are exploring opportunities beyond traditional employment, such as starting their own businesses. Returnship programs, supported by 62.3% of respondents, highlight the importance of

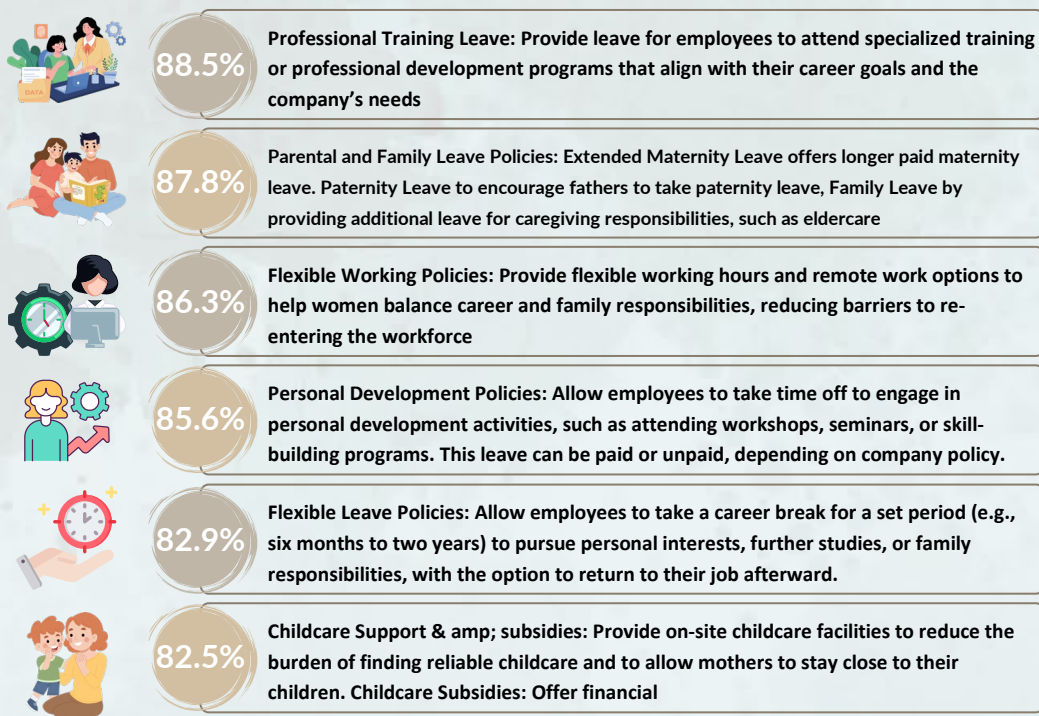
structured initiatives to help women re-enter the workforce after a career break. Such programs can bridge skill gaps, rebuild confidence, and create a smoother transition back to work, especially for those who have taken time off for caregiving or other personal responsibilities.

Health insurance and retirement benefits are undervalued but critical for long-term financial security. Despite the importance of financial stability, only 24.7% of women prioritise health insurance, and even fewer (19.0%) consider retirement plans as essential employment benefits. This suggests that immediate needs, such as salary increments (23.6%) and bonuses, overshadow long-term planning for financial security. Employers should work to educate female employees on the importance of these benefits while making them more accessible and appealing. Offering robust safety nets, such as unemployment insurance (17.2%) and social security, can also attract and retain female talent by providing them with a sense of stability and protection in uncertain times (**Figure 5.6C**).

Flexible working arrangements are the most critical enabler for women's workforce participation. According to **Figure 5.7**, the survey shows that 86.3% of women view flexible working policies, including remote work options and adjustable hours, as key to balancing career and family responsibilities. Such policies can reduce women's barriers to returning to or staying in the workforce. Flexible leave policies, supported by 82.9% of respondents, highlight the need for options like career breaks or sabbaticals, allowing women to manage personal interests or caregiving responsibilities without compromising their careers. These findings emphasise that flexibility is not just a convenience but a necessity for enabling women to fully engage in the labour market.

Figure 5.7 Insight from the surveys

Benefits most motivate women to return or remain in the workforce



Parental and family leave policies are critical to supporting caregiving responsibilities. Among the most motivating benefits for women, extended parental and family leave policies ranked highly, with 87.8% of respondents in favour. This includes provisions for longer maternity leave, paternity leave for fathers, and additional leave for caregiving responsibilities, such as eldercare. These policies reflect the reality that caregiving roles often fall disproportionately on women, and without sufficient support, many are forced to exit the workforce. Employers that implement and normalize these policies will not only foster gender equity but also improve employee retention and satisfaction (**Figure 5.7**).

Childcare support is a top-priority factor in enabling women's workforce participation. According to **Figure 5.7**, the survey shows that 82.5% of respondents consider childcare support, such as on-site childcare facilities or subsidies, as essential. This finding reflects childcare's significant burden on working mothers, both in terms of time and cost. On-site childcare allows mothers to stay close to their children during work hours, while subsidies can make reliable childcare more accessible. By addressing this challenge, employers can remove a key barrier that prevents many women from fully participating in the workforce.

Professional training leave is a highly desired benefit that enhances retention and skill development. The most desired benefit, supported by 88.5% of respondents, is professional training leave, allowing women to pursue specialized training or professional development programs. This indicates a strong desire among women to continuously upgrade their skills and align with industry demands. Such initiatives not only benefit the employees but also enhance the organization's competitiveness by fostering a highly skilled workforce. Employers who offer professional training leave demonstrate a commitment to employee growth and development, which can significantly improve retention rates (**Figure 5.7**).

Returnship programs are essential for reintegrating women into the workforce after career breaks. The demand for returnship programs, supported by 62.3% of women (**Figure 5.6B**), highlights the challenges faced by women returning to work after an extended absence. These programs can provide mentorship, on-the-job training, and flexible arrangements, helping women regain their confidence and rebuild their careers. They also address biases often hindering career re-entry, such as perceptions of outdated skills or diminished commitment.

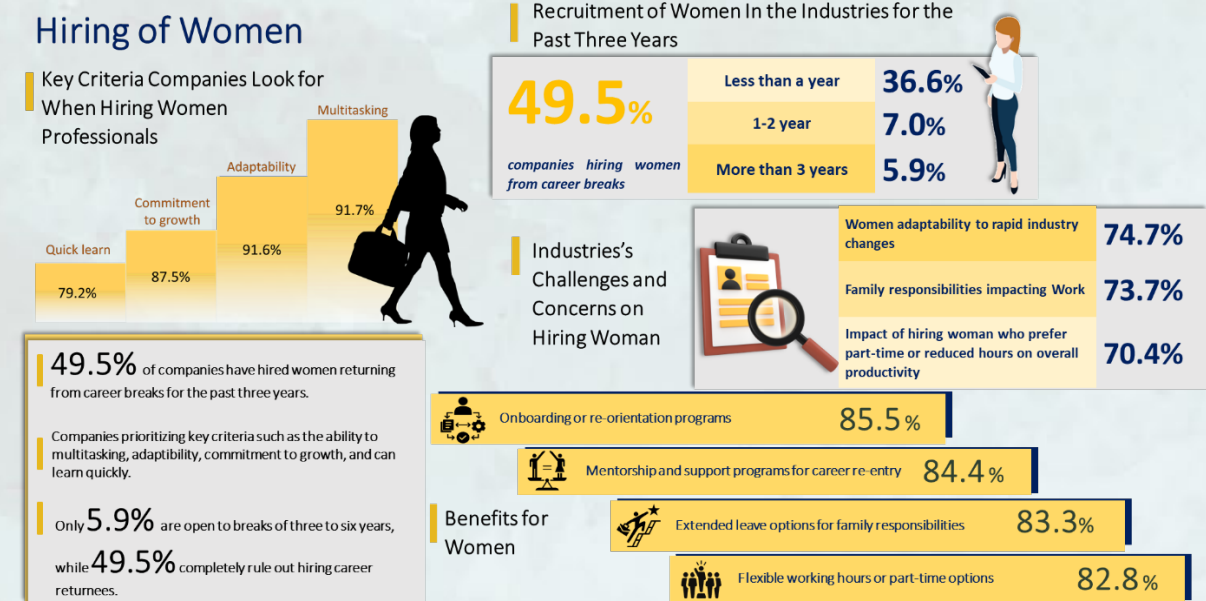
Women value personal development opportunities alongside career flexibility. Beyond professional commitments, 85.6% of women expressed interest in personal development leave, allowing them to engage in workshops, seminars, or skill-building activities. This reflects the growing importance of holistic development and work-life balance for women as they seek opportunities to grow professionally and personally. Employers who recognize and support these aspirations can create a more engaged and motivated workforce (**Figure 5.7**).

Long-term inclusion policies are crucial for fostering equitable workplaces. Anti-discrimination and inclusion policies, supported by 79.6% of respondents, highlight the need for workplaces to ensure fair treatment and equal opportunities for women. Such policies can address systemic issues like gender biases, unequal pay, and lack of representation in leadership roles. Combined with initiatives like gender pay equity (81.7%) and visible support for diversity in leadership (85.5%), these measures can create an environment where women feel valued and empowered to succeed (**Figure 5.9**).

Industry Readiness to Support Women's Workforce Participation

Employers value adaptability and multitasking skills when hiring women. As shown in **Figure 5.8**, the survey highlight that 91.7% of companies prioritise multitasking, followed by adaptability (91.6%), commitment to growth (87.5%), and the ability to learn quickly (79.2%). These traits reflect the demand for flexible, diverse skill sets in dynamic workplaces. However, this also presents a challenge—women are often expected to juggle multiple roles, adding stress, especially when managing work and family. The expectation of quick thinking and responsiveness was reported by 79.2% of respondents, highlighting further pressure. While these attributes enhance employability, they can also reinforce unequal burdens. Addressing support mechanisms is key to promoting sustainable participation.

Figure 5.8 Insight from the industries



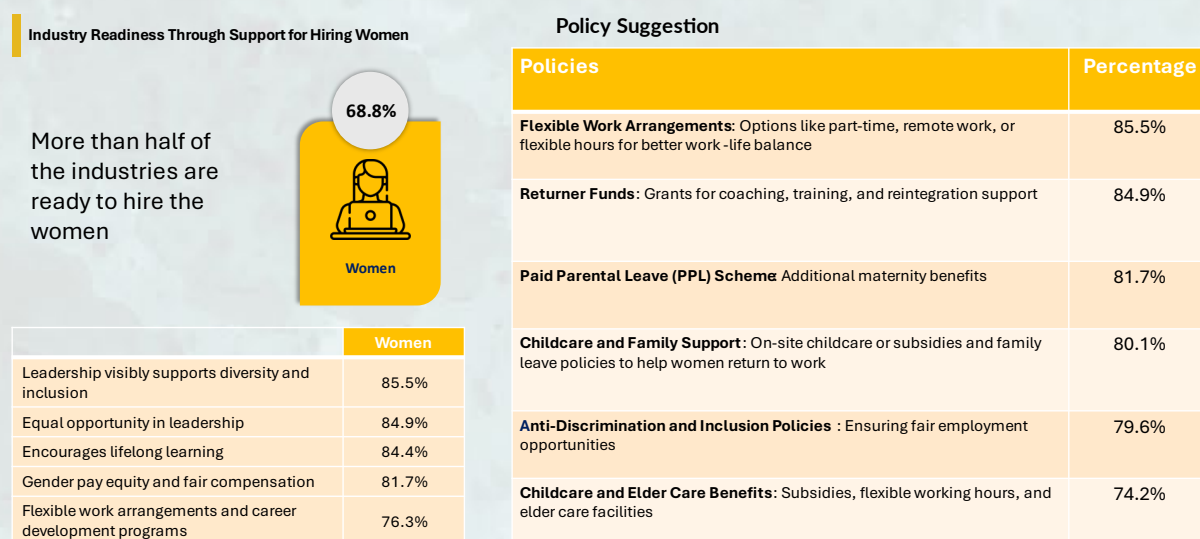
Career breaks remain a significant barrier for women returning to the workforce. While 49.5% of companies have hired women returning from career breaks in the past three years, only 5.9% of companies are open to breaks of three to six years. This reveals a critical gap in industry support for women seeking re-entry after extended breaks, often necessitated by caregiving responsibilities. Furthermore, nearly half of the companies (49.5%) completely rule out hiring career returnees, which reflects a lack of inclusive hiring policies and perpetuates career stagnation for women with employment gaps (**Figure 5.8**).

Family responsibilities and adaptability to change are top concerns for industries hiring women. About 74.7% of employers expressed concerns over women's adaptability to rapid industry changes, and 73.7% highlighted family responsibilities as a major challenge impacting women's ability to perform consistently (**Figure 5.8**). This reflects the persistent societal expectation for women to prioritize family over career, creating hurdles for professional growth. Additionally, 70.4% of employers noted that part-time work or reduced hours could impact overall productivity, showing a reluctance to adapt to more flexible working arrangements.

Flexible working arrangements are a critical benefit for retaining female talent. While industries are increasingly recognising the importance of flexibility, 82.8% of surveyed companies highlight flexible working hours or part-time options as vital benefits for female employees. This aligns with women expressed need for work-life balance, especially given their dual roles at home and work. Extended leave options for family responsibilities (83.3%) and mentorship programs for career re-entry (84.4%) further demonstrate the growing awareness among employers to support women in the workforce (Figure 5.8).

Industry readiness to hire women is encouraging but requires more comprehensive measures. As shown in Figure 5.9, while 68.8% of industries ready to hire women, there is a growing willingness to implement supportive measures, including equal opportunities in leadership (84.9%), gender pay equity (81.7%), and lifelong learning initiatives (84.4%). However, the readiness to accommodate women needs to extend beyond hiring to ensure long-term retention and career progression through structured policies and programs.

Figure 5.9 Industry readiness



Policy suggestions reflect the need for integrated financial and non-financial support to encourage female workforce participation. Among the proposed measures, flexible work arrangements (85.5%) and returner funds (84.9%) are the most recommended, indicating the need for financial and structural support for women transitioning back into the workforce. Childcare and family support (80.1%) and paid parental leave (81.7%) are also crucial to alleviating the burden of caregiving responsibilities. Anti-discrimination policies (79.6%) highlight the need for fair and equitable treatment to foster a more inclusive workplace culture (Figure 5.9).

Industry perceptions on hiring women reflect both progress and persistent challenges. While there is a clear acknowledgment of women's potential and contributions, the reluctance to fully embrace flexible arrangements and career break re-entry programs demonstrates lingering biases. Addressing these issues through targeted policy interventions and cultural shifts will be essential to creating an equitable labour market that supports women's participation and advancement.

Bridging the Gap Between Untapped Workforce Supply and Industry Demand

Shared Priorities Between Female and Industries

Flexible working arrangements stand out as a shared priority between women and industries. Women identify flexible options, such as remote work and adjustable schedules, as crucial for balancing professional responsibilities with caregiving duties. Industries similarly recognise the necessity of flexibility in retaining female talent. This alignment emphasises the need for a structured national framework to standardise flexible work practices, ensuring accessibility and consistency across sectors.

Similarly, parental and family leave policies also emerge as a mutual priority. Women value extended parental leave, including maternity, paternity, and eldercare provisions, while industries are increasingly supportive of family-oriented leave options. These shared priorities highlight an opportunity for government intervention to reduce the burden on women managing family responsibilities and enable industries to adopt these policies without compromising profitability.

Childcare support is another critical area of agreement. Women advocate for on-site childcare facilities or subsidies as essential to workforce participation. Industries echo this sentiment, acknowledging that childcare provisions significantly impact female employee retention. A collaborative effort between the public and private sectors to expand childcare infrastructure and provide financial assistance can effectively address this need.

Finally, returnship and training programs represent a common ground for addressing workforce gaps. Women emphasise the importance of structured returnship initiatives to facilitate career re-entry, while industries support mentorship and training programs for returnees. These initiatives can bridge skill gaps, rebuild confidence, and create smoother transitions for women resuming their careers after breaks.

Critical Gaps Between Female and Industries

Career break re-entry challenges underscore a significant disconnect between women's needs and industry practices. This is particularly concerning as only a few companies are open to hiring women with career breaks exceeding three years, reflecting a lack of inclusive hiring practices. Additionally, some of the women acknowledge that career breaks may erode their skills, further complicating their ability and confidence to return to the workforce. This issue underscores the need for targeted interventions to bridge this gap, such as financial incentives for companies hiring women after extended breaks, which could foster more inclusive hiring practices.

Another key gap lies in the desire for work-life balance, and workplace challenges faced by women often conflict with industry concerns about productivity. Women prioritise work-life balance as essential for long-term workforce retention, with excessive workloads often pushing them toward career breaks. On the other hand, industries raise concerns about adaptability to rapid changes and the potential impact of part-time or reduced-hour work on overall productivity. These conflicting priorities call for comprehensive strategies that address women's aspirations for work-life balance while ensuring that industries can maintain efficiency and adaptability.



Strategy W1
Balancing Professional and Caregiving Responsibilities



Initiative W1.1
Implement Comprehensive Maternity and Parental Leave Policies

Initiative W1.2
Enhance Flexible-Hour Childcare Services to Cater to Parents Working in Shift-Based Roles, Such as Healthcare, Manufacturing, and Hospitality

Initiative W1.3
Strengthen Flexible Work Arrangements

Initiative W1.4
Establish a Framework for Subsidised Domestic Services

Strategy W2
Empowering Women through Strategic Career Initiatives



Initiative W2.1
Strengthen Networking and Mentorship Platforms for Women

Initiative W2.2
Strengthen Early Career Guidance Programme for Women

Initiative W2.3
Strengthen Women's Labour Market Participation Through Community-Based Employment Hub

Initiative W2.4
Improve Return-to-Work Programmes

Initiative W2.5
Enhance Sector-Specific Incentives for Female Employment

Strategy W3
Upskilling and Reskilling in Future Skills



Initiative W3.1
Improving Industry-Specific Training for Women

Initiative W3.2
Enhance Digital Upskilling Initiatives to Prepare Women for the Future Workforce and Safety



Strategy W4
Creating an Inclusive and Unified Digital Ecosystem for Employment Services

Initiative W4.1
Transform the Current Digital Employment Platform into an Integrated, Gender-Inclusive Ecosystem



Strategy W5
Enhance the Life at Work Award for Excellence in Workplace Inclusivity

Initiative W5.1
Elevate the Current Life at Work Award towards the Regional Level



Strategy W6
Advancing Workplace Equity and Productivity Through Inclusive Practices

Initiative W6.1
Promote Gender Pay Equity Through Transparency Measures



Strategy W7
Implementing a Comprehensive Framework for Psychosocial Support in the Workforce

Initiative W7.1
Enhancing Psychosocial Support for Women in the Workforce



Strategy W8
Strengthening Institutional Leadership and Governance for Workplace Gender Equity

Initiative W8.1
Leveraging the National Women and Family Council to Monitor Gender Equality in Employment According to the Target in the National Women's Policy

Initiative W8.2
Improve Monitoring Mechanism on Progress and Outcomes of Inclusive Policies



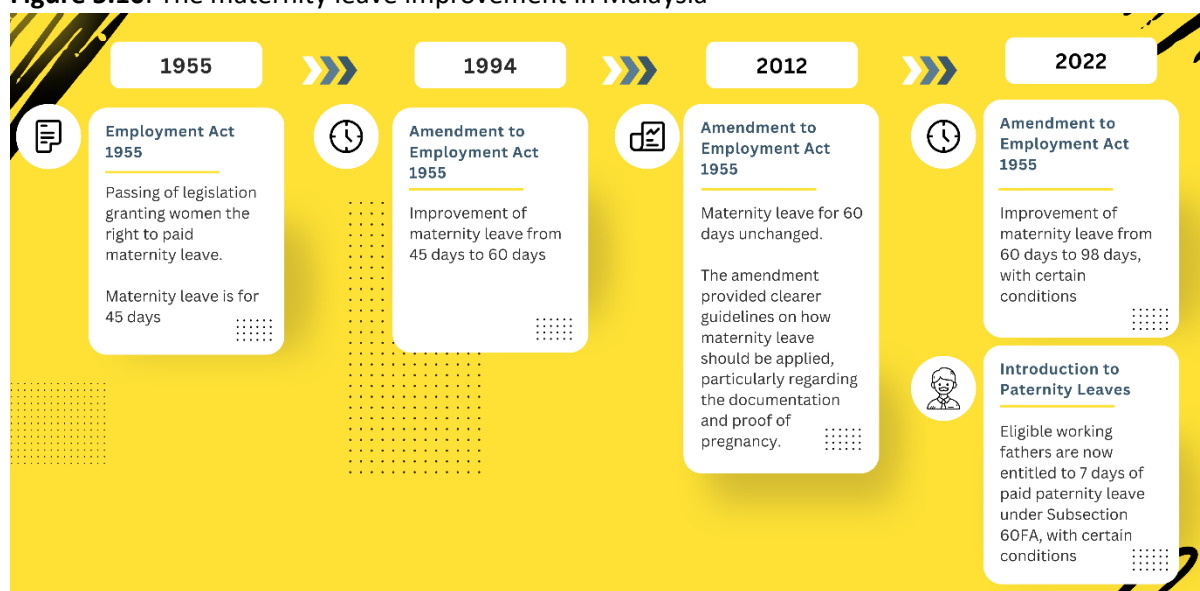
Detailed Policy Recommendation

Strategy W1 Balancing professional and caregiving responsibilities

W1.1 Implement Comprehensive Maternity and Parental Leave Policies

Currently, Malaysia provides two types of leave associated with childbirth and caregiving, namely maternity leave and paternity leave. Maternity leave is set at 98 days, while paternity leave is offered for 7 days, with a maximum of 5 confinements. The maternity leave provision is provided in the Employment Act 1955. Starting with 45 days in 1955, Malaysia's maternity leave provision has improved to 98 days in 2022 through the amendment of the Employment Act 1955. The summary of maternity leave improvement is shown in Figure 5.10.

Figure 5.10: The maternity leave improvement in Malaysia



Sources:

1. The Employment Act 1955 is available online at the Attorney General's Chambers of Malaysia website- <https://lom.agc.gov.my/>
2. BERNASEK, A. and GALLAWAY, J.H. (1997), WHO GETS MATERNITY LEAVE?: THE CASE OF MALAYSIA. Contemporary Economic Policy, 15: 94-104. <https://doi.org/10.1111/j.1465-7287.1997.tb00469.x>
3. Abdul Jalil, N. S. . (2017). THE EFFECTS OF MATERNITY POLICY ON WOMEN'S FERTILITY DECISION FROM THE ISLAMIC PERSPECTIVE: AN EXPLORATORY STUDY. TAFHIM: IKIM Journal of Islam and the Contemporary World, 10. <https://doi.org/10.56389/tafhim.vol10no1.3>

However, as shown in **Table 5.1**, the duration of maternity leave in Malaysia is relatively short compared to international best practices. In addition, Malaysia does not currently offer another key policy related to childbirth, specifically shared parental leave.

Table 5.1: Comparison of leave associated with childbirth and caregiving for selected OECD countries

Country	Maternity Leave Duration	Paternity Leave Duration	Parental Leave Availability	FLFPR Result
Malaysia	98 days (14 weeks) (100% salary with certain conditions before current confinement)	7 days (for married men, maximum 5 confinements)	None	56.5% in December 2023
Sweden	240 days (34 weeks) (shared leave up to 480 days (52 weeks) between parents)	90 days reserved for fathers	Yes Up to 480 days shared between parents	65.5% in December 2024
United Kingdom	52 weeks (39 weeks payable)	Up to 26 weeks of shared parental leave	Yes Up to 50 weeks shared between parents	58.3% in 2023
Canada	15 weeks (105 days) maternity leave	Up to 40 weeks of shared parental leave (max 35 weeks for one parent)	Yes Up to 40 weeks shared between parents	61.2% in 2024
Australia	None, stipulated in the Parental Leave under the Fair Work Act	None, stipulated in the Parental Leave under the Fair Work Act	Yes 12 months with an additional 12 months extension subject to employer consent. Flexible parental leave is also available.	62.9% in December 2024

Source:

1. Arbeids- og velferdsetaten website at <https://www.nav.no/foreldrepenger#hva>
2. Government of Canada website at <https://www.canada.ca/en/services/benefits/ei/ei-maternity-parental.html>
3. Forsakringskassan website at <https://www.forsakringskassan.se/english/for-employers/parental-leave>
4. Services Australia at <https://www.servicesaustralia.gov.au/>
5. Parental Leave Best Practice Guide, Fair Work Ombudsman, available at <https://www.fairwork.gov.au/sites/default/files/migration/711/parental-leave-best-practice-guide.pdf>
6. Parental leave and related entitlements, Fair Work Ombudsman, available at <https://www.fairwork.gov.au/sites/default/files/migration/723/parental-leave-and-related-entitlements.pdf>
7. Statistics Sweden. (2024, December). Labour Force Surveys, Sweden. <https://www.scb.se/en/finding-statistics/statistics-by-subject-area/labour-market/labour-force-supply/labour-force-surveys-lfs/pong/statistical-news/labour-force-surveys-lfs-december-2024/>
8. Statistics Canada. (2024, December). Labour Force Survey, Canada. <https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=1410032702>
9. Australian Bureau of Statistics. (2024, December). Labour Force, Australia. ABS. <https://www.abs.gov.au/statistics/labour/employment-and-unemployment/labour-force-australia/latest-release>.



Box Article 5.1**Sweden's Parental Leave Reform and Its Evolution Towards Gender Equality**

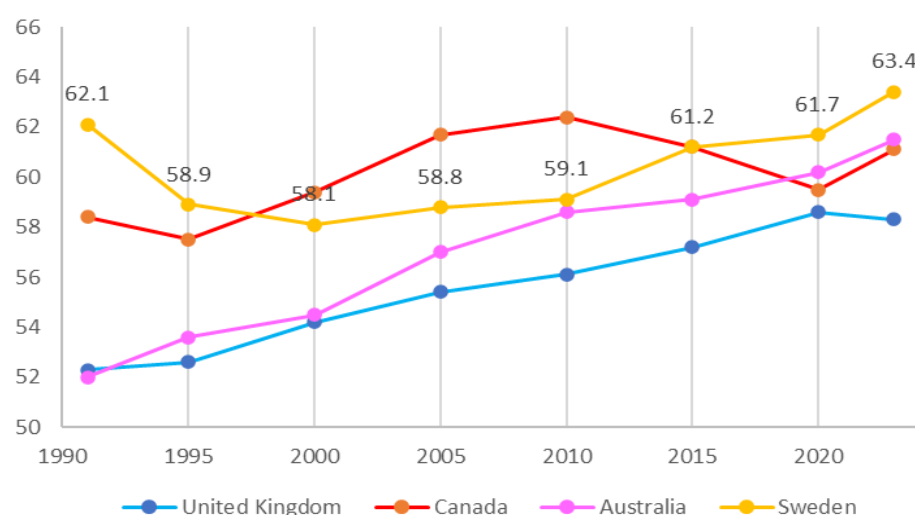
Sweden pioneered a significant shift in parental leave policies in 1974, transitioning from a traditional breadwinner model to an earner-carer framework. This change enhanced gender equality by allowing mothers and fathers to access paid parental leave. Initially, parental leave was available for six months and could be freely shared between parents. However, despite this progressive approach, fathers' participation remained minimal, with men taking only about 1% of total leave days annually. Over time, gender equality became a central policy objective, leading to further discussions on incentivising paternal involvement in childcare. Reserved parental leave months emerged as a strategy to encourage fathers to take on greater caregiving responsibilities and to promote a more balanced division of paid and unpaid work.

To address this gap, Sweden introduced a series of reforms designed to strengthen fathers' participation in parental leave. In 1995, a key policy change reserved one month of leave for each parent, making it non-transferable. If a father chose not to take his portion of leave, the family would lose that entitlement. This measure successfully encouraged more men to take time off for childcare, introducing additional reserved months in 2002 and 2016. Other supportive measures were implemented, including introducing double days in 2012, allowing both parents to be on leave simultaneously for a month, and a gender equality bonus in 2007, which financially incentivised families who shared leave more equally. These reforms collectively aimed to shift societal expectations and normalise fathers' active participation in child-rearing.

The introduction of reserved months resulted in a significant increase in fathers taking parental leave, with participation rising from 40 to almost 80 per cent following the 1995 reform. By 2016, nearly one-fifth of parents were sharing leave equally. However, disparities remained, particularly among lower-income fathers and those in precarious employment, who were less likely to utilise parental leave. While the policy successfully encouraged male involvement in childcare, its impact on workplace gender equality was less pronounced, with wage disparities and occupational segregation persisting. Nevertheless, Sweden's parental leave model is widely regarded as a success, influencing similar policies in other countries, particularly in the Nordic region and the European Union, where gender-equal parental leave is increasingly viewed as a cornerstone of social and economic progress.

The broader impact of these reforms is reflected in Sweden's steady increase in female labour force participation. In 1990, Sweden's female labour force participation rate stood at 62.1 per cent but declined to 58.9 per cent by the mid-1990s due to economic downturns and structural adjustments in the labour market. However, following the introduction of reserved parental leave months in 1995 and subsequent policy enhancements, participation rebounded, surpassing 61 per cent by 2015. By 2020, the rate had risen to 63.4 per cent, positioning Sweden among the highest in advanced economies. This upward trend aligns with the country's broader commitment to gender-equal workforce policies, facilitating higher employment retention for women while maintaining strong overall workforce engagement. Despite remaining challenges, including gender wage gaps and career progression disparities, Sweden's parental leave policies continue to serve as a model for fostering inclusive and sustainable labour market participation.

Labour force participation rate (% of population), 15+, Modeled, Sweden



Source: International Labour Organization. "ILO Modelled Estimates and Projections database (ILOEST)" ILOSTAT and <https://genderdata.worldbank.org>

Sources:

1. Cedstrand, S. 2011. From idea to political reality. Parental politics in Sweden and Denmark.
2. Duvander, Ann-Zofie, and Sofie Cedstrand, 'Gender Equal Parental Leave Use in Sweden: The Success of the Reserved Months', in Caroline de la Porte, and others (eds), Successful Public Policy in the Nordic Countries: Cases, Lessons, Challenges (Oxford, 2022; online edn, Oxford Academic, 20 Oct. 2022), <https://doi.org/10.1093/oso/9780192856296.003.0013>, accessed 29 Jan. 2025.

Compared to its ASEAN peers, as outlined in **Table 5.2**, only Singapore offers a shared parental leave policy. Other countries, including Indonesia, the Philippines, Vietnam, and Myanmar, have yet to implement such policies. However, Vietnam stands out with the most generous maternity leave in the region, providing six months of leave.

Table 5.2: Comparison of leave associated with childbirth and caregiving for selected ASEAN countries

Country	Maternity Leave Duration	Paternity Leave Duration	Parental Leave Availability	FLFPR Result
Singapore	16 weeks (112 days) (100% salary)	2 weeks (100% salary, up to 4 weeks shared parental leave available)	Yes (up to 4 weeks shared leave)	62.8% in 2024
Indonesia	3 months (12 weeks) (100% salary)	2 days (100% salary, public servants up to 1 month with basic pay)	None	55.41% in February 2024
Philippines	105 days (15 weeks) (100% salary)	7 days (100% salary, additional 7 days transferable from mother's leave)	Yes (shared leave transferable between parents)	54.7% in August 2024
Vietnam	6 months (24 weeks) (100% salary)	5 to 14 days (100% salary, depending on type of birth)	None	67.9% in 2023
Myanmar	12 weeks (84 days) (66.7% salary)	15 days (100% salary for social security contributors)	None	41.5% in 2023

Sources:

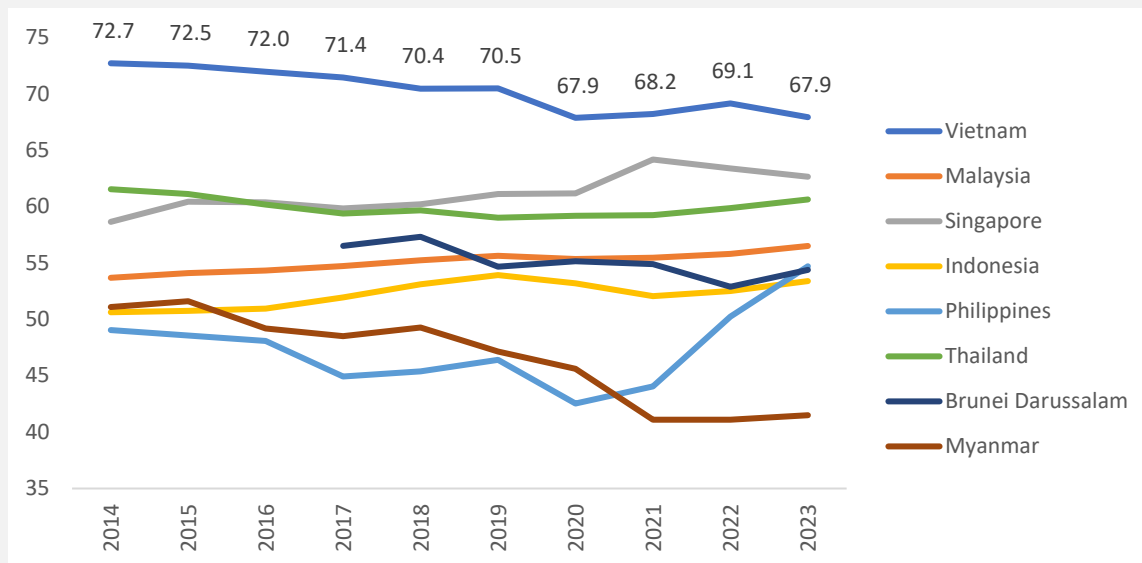
1. Employment (Amendment) Act 2022, Malaysia
2. Labour Force Statistics Report, December 2023. Department of Statistics Malaysia.
3. Labour Force in Singapore Advance Release 2024. Manpower Research and Statistics Department Singapore, Ministry of Manpower, Republic of Singapore. November 2024.
4. Labor Force Situation in Indonesia February 2024, Volume 6, Number 1, 2024. BPS-Statistics Indonesia.
5. Philippine Statistics Authority's Labor Force Survey (LFS) August 2024.
6. International Labour Organization. "ILO Modelled Estimates and Projections database (ILOEST)" ILOSTAT

Box Article 5.2

Vietnam's High Female Labour Force Participation Rate

Vietnam has consistently maintained one of the highest female labour force participation rates globally, with approximately 62.7 per cent of women aged 15 and above engaged in the workforce as of 2022. This sustained participation places Vietnam among the leading nations in female employment and is significantly higher than many other countries in the region.

Female labour force participation rate, selected ASEAN countries, 2014-2023



Source: International Labour Organization. "ILO Modelled Estimates and Projections database (ILOEST)" ILOSTAT. <https://ilostat ilo.org/data/> and <https://genderdata.worldbank.org/>

Historically, the Vietnam War played a crucial role in integrating women into the workforce, a legacy that has continued across generations. Cultural norms also reinforce women's economic participation, as they are expected to contribute financially and domestically. Additionally, Vietnam's economic structure, particularly its strong agricultural and manufacturing sectors, has provided ample employment opportunities for women, further supporting high labour market engagement.

One key policy that has contributed to sustaining women's employment is Vietnam's generous maternity leave provisions. The country offers six months of fully paid maternity leave, one of the longest durations in Asia, which is funded through the Social Insurance Fund rather than directly by employers. This policy ensures that women in the formal sector can take time off for childbirth without economic insecurity, potentially encouraging continued workforce participation. Additionally, an extra month of leave is granted per additional child for multiple births. However, despite this comprehensive policy, its direct impact on overall female labour force participation is complex. A large portion of Vietnam's female workforce, particularly those in the informal sector, does not have access to these maternity benefits, as they are ineligible for social insurance. This limits the reach of maternity policies in influencing total labour force participation.

Source: Banerji, A., Hlatshwayo, S., Gjonbalaj, A., Anh, V.L. Asian Women at Work. Finance & Development Magazine, International Monetary Fund. September 2018. <https://www.imf.org/en/Publications/fandd/issues/2018/09/female-labor-force-participation-in-vietnam-banerji>

Policies addressing childcare during the early months of childbirth require a comprehensive reassessment to promote greater female participation in the labour market. The International Labour Organization (ILO) recommends a minimum of 18 weeks of maternity leave to provide women with adequate time to recover and bond with their newborns without the burden of economic insecurity. In line with this recommendation, Malaysia is proposed to extend its current maternity leave duration of 98 days (14 weeks) to 126 days (18 weeks). This adjustment would align Malaysia's policies more closely with international standards, offering enhanced support for working mothers.

Box Article 5.3

Malaysia's Recent Changes and ILO's Recommendation

In comparison, Malaysia has recently amended its maternity leave policy, increasing the entitlement from 60 to 98 days under the Employment (Amendment) Act 2022. The paternity leave provision has also been included in the recent amendment, which states that a male employee is entitled to paid paternity leave for a period of 7 days for each confinement, capped at 5 confinements, irrespective of the number of spouses. This improvement aligns with international standards but still falls short of the generous durations observed in Norway, Canada, and Sweden. Moreover, while Malaysia has introduced 7 days of paternity leave, it has yet to fully implement extensive shared parental leave provisions, which could further enhance gender equity and family support systems. The International Labour Organization has policy recommendations for maternity, paternity and parental leave, as summarised in **Table 5.3**.

Table 5.3: Policy recommendation for maternity and related leaves by International Labour Organization

Aspect	ILO Recommendations	Notes
Maternity Leave Duration	Minimum 18 weeks	The Maternity Protection Convention, 2000 (No. 183), recommends at least 14 weeks of maternity leave.
Paternity Leave	Encouraged, but not mandated	Although the ILO does not specify paternity leave as mandatory, it encourages member states to provide fathers with family leave to promote shared responsibilities.
Parental Leave	Supported through flexibility	The ILO supports provisions that allow either parent to take leave, promoting shared responsibilities between parents.
Job Protection	Prohibited dismissal	Workers cannot be dismissed during maternity leave or for reasons connected to pregnancy or childbirth. They must be guaranteed the right to return to the same or an equivalent position.
Extension of Leave	Additional leave for complications	Workers should be entitled to additional leave in cases of illness or complications arising from pregnancy or childbirth.
Parental Benefits	Flexible systems	Member states are encouraged to establish social security or other schemes to fund maternity and parental benefits.

Sources:

1. Maternity Protection Recommendation, 2000 by International Labour Organization
2. Maternity, Paternity at Work, Baby steps towards achieving big results, by International Labour Organization

Moreover, many developed countries have implemented shared parental leave policies that are still unavailable in Malaysia. Introducing shared parental leave could encourage equitable caregiving responsibilities between parents, redefining traditional gender roles and facilitating a faster return to work for women. When formulating policies to address this gap, the economic costs of raising children and the psychosocial well-being of parents must be considered. Enhanced parental leave provisions have the potential to mitigate the financial and emotional pressures of child-rearing, resulting in better outcomes for families and fostering a more inclusive and balanced labour market. These provisions could also include flexible arrangements that allow parents to tailor leave-sharing to their specific circumstances, thereby ensuring higher workforce participation among mothers.

Public awareness campaigns should be implemented alongside these reforms to promote shared caregiving responsibilities and foster cultural acceptance of such initiatives. Nordic countries, such as Sweden, provide exemplary parental leave schemes, including shared leave provisions, advancing gender equality in childcare. These models have successfully reduced gender disparities in labour force participation and highlight the broader societal benefits of robust parental leave policies.

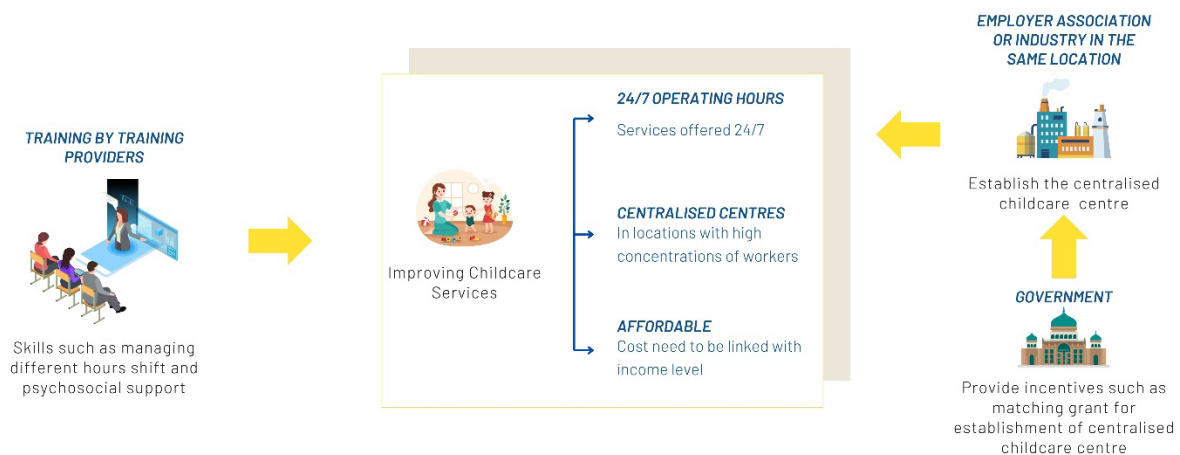
By adopting policy elements from countries with comprehensive parental leave systems, Malaysia can advance gender equality in caregiving, strengthen family units, and increase female labour force participation. Furthermore, investing in these reforms demonstrates a commitment to social sustainability and economic resilience, positioning Malaysia as a leader in adopting global best practices in workforce policies.

W1.2 Enhance Flexible-Hour Childcare Services to Cater to Parents Working in Shift-Based Roles, such as Healthcare, Manufacturing, and Hospitality

Childcare centres should operate extended hours, including early mornings, evenings, and weekends, to accommodate non-traditional work schedules. This initiative would enable parents in shift jobs to balance work and family responsibilities without compromising. Additionally, policies should encourage the establishment of 24/7 childcare centres in areas with high concentrations of shift workers. In locations with high concentrations of shift workers, there should also be a pilot project to establish centralised childcare centres, with cooperation among the employers within a specific mileage. Based on this pilot project, a dedicated licensing and regulatory framework is to be developed to facilitate the effective establishment, implementation, and monitoring of 24/7 childcare centres nationwide. These programmes act as a two-pronged approach to ensure childcare services are available 24/7 and that they are located near the workplace to attract women to work and reduce the challenges posed by childcare responsibilities. The cost for this service must be affordable, and the determination of affordability must be linked to income, ensuring accessibility to this service.

Financial incentives could be provided to employers and private operators to set up these centres and ensure affordability. Incentives should also be given to employers that can set up a centralised childcare centre through firm incentives or employer associations. Services offered by the childcare centres should also integrate features like pre-scheduled booking systems and pay-per-hour arrangements to make childcare accessible and cost-effective for working parents. Including training for caregivers on managing irregular schedules and emergencies will further enhance the quality of these services. The same approach of providing childcare centres near workplaces and longer operating hours can also be further explored for elderly care. The ecosystem summary is shown in **Figure 5.11**.

Figure 5.11: The improvement in childcare services



Box Article 5.4

Expanding 24/7 Childcare Services Across South Korea

The government of Korea has introduced several measures to support working parents, particularly in the area of childcare services. A notable initiative is the partnership between Hana Financial Group and the Ministry of Health and Welfare to establish "365 daycare centres". Announced in September 2023, this five-year project aims to open 40 daycare centres operating on weekends and holidays from 9 a.m. to 6 p.m., with an additional 10 centres providing 24-hour services for parents working night shifts, such as police officers, firefighters, nurses, and the self-employed.

Complementing this initiative, the Seoul Metropolitan Government revealed plans in February 2023 to open ten weekend childcare facilities for parents required to work on Saturdays and Sundays. These facilities were slated to begin operations by June 2023. Additionally, the city committed to building four more centres offering round-the-clock services, bringing the total number of such facilities to 15 by the end of the year. The overarching goal is establishing at least one weekend or 24-hour childcare centre in Seoul's 25 districts.

These interventions reflect a broader strategy to ease the childcare burdens faced by working parents, thereby encouraging higher birth rates. By expanding access to flexible childcare services, the government aims to create an environment where parents can better balance work and family responsibilities. Collaborating with private entities like Hana Financial Group highlights a multifaceted approach to addressing demographic challenges.

Despite these efforts, South Korea struggles with a low birth rate. Factors such as high living costs, demanding work cultures, and shifting societal values contribute to the reluctance of many young adults to start families. The government's multifaceted approach, including expanding childcare services, represents a concerted effort to create a more supportive family environment.

In summary, South Korea's government interventions, particularly in expanding 24/7 childcare services through partnerships and municipal initiatives, showcase a proactive approach to addressing the nation's demographic challenges. These measures aim to reduce the childcare burden on working parents, fostering a more family-friendly society.

Source: South Korean firm pioneers 24/7 childcare to boost employee retention available at <https://hrmasia.com/south-korean-financial-group-pioneers-24-7-childcare-to-boost-employee-retention/>

W1.3 Strengthen Flexible Work Arrangements

In 2024, the Flexible Work Arrangement (FWA) Guidelines were launched by the Ministry of Human Resources (KESUMA) in collaboration with the Department of Labour Peninsular Malaysia (JTKSM) and Talent Corporation Malaysia Berhad (TalentCorp). These guidelines aim to assist employers in optimising human resources and operational costs while empowering employees through adaptable work practices. Aligned with the Employment Act 1955 [Amendment] 2022, which grants employees the right to request FWA under sections 60P and 60Q, the guidelines provide comprehensive information on implementation methods, application procedures, and the responsibilities of both employers and employees in ensuring effective FWA adoption.

To ensure the relevance and effectiveness of these guidelines, the guidelines must be tailored to the unique requirements of different sectors and industries. Each sector and job role has distinct needs, meaning that a standard approach may not address specific challenges or opportunities. The government can play a key role in providing an initial framework and guidance, but the responsibility for developing sector-specific guidelines should lie with the industries. Through platforms such as the Future Skills Talent Council (FSTC), industries can collaborate to create practical, relevant guidelines that align with their operational realities. Engaging industry players in this process ensures that the guidelines reflect on-the-ground insights and balance flexibility with operational efficiency.

In addition to local industry engagement, connecting with international players who have successfully implemented FWA arrangements is crucial. Learning from global best practices can offer valuable insights into innovative solutions, challenges faced, and strategies for overcoming obstacles. By incorporating these international perspectives, Malaysia can refine its sectoral guidelines, ensuring they are aligned with global standards while promoting wider adoption of flexible work practices across industries. This approach not only strengthens local implementation but also enhances workforce agility and competitiveness on a global scale.

Trade unions and employers must play a central role in actively promoting the adoption of FWAs within their sectors. Trade unions are key in advocating for workers' rights and ensuring that FWA arrangements are equitable and beneficial. At the same time, employers must take the lead in implementing and normalising these flexible practices in the workplace. Both parties should work together to raise awareness, engage employees, and create a supportive environment that encourages the uptake of FWAs. By taking proactive steps, such as offering guidance and sharing success stories, trade unions and employers can drive the cultural shift towards more flexible work arrangements across industries.

Through the JTKSM, the Department of Labour Sabah and the Department of Labour Sarawak, the government can provide additional support by promoting FWA on a national scale. This can be achieved through online platforms and media campaigns that educate employers and employees on the benefits and practicalities of FWA. In collaboration with TalentCorp, the JTKSM, the Department of Labour Sabah and the Department of Labour Sarawak can ensure that resources, tools, and best practices are widely shared, helping to increase understanding and adoption. By leveraging these communication channels, the Department of Labour and TalentCorp can amplify the efforts of trade unions and employers, ensuring that FWAs become a mainstream and well-understood practice across Malaysia.

Box Article 5.5

Netherlands – Flexible Working Hours Act (2016)

The Flexible Working Hours Act (2016) in the Netherlands grants employees the right to request changes to their work schedule or location formally. This includes adjustments to working hours, the work location (e.g., remote work), and work patterns (e.g., compressed workweeks or job sharing).

Employer Responsibilities and Transparency

Employers are legally obligated to seriously consider requests for flexible work arrangements. If an employer denies the request, they must provide a clear, justifiable reason. The burden of proof falls on the employer to demonstrate that the adjustment would cause significant harm to business operations. This law empowers employees with greater autonomy over their work environment, promoting a better work-life balance, especially for women with caregiving responsibilities.

Impact on Female Workforce Participation

The Flexible Working Hours Act has significantly impacted female workforce participation in the Netherlands. By ensuring the right to request flexible work, the Act has reduced barriers for women in accessing and retaining employment. It has enabled women to remain in the workforce while balancing personal responsibilities, leading to a marked increase in female labour force participation, particularly among parents and caregivers.

Promoting Leadership and Inclusivity

The ability to work remotely or adjust hours has allowed women to pursue higher-paying, leadership, and decision making roles previously constrained by rigid work schedules. This flexibility has contributed to a more inclusive and diverse workforce, encouraging more women to pursue careers while maintaining a healthy work-life balance.

As a result of these flexible work arrangements, women have gained **greater economic independence** and **career growth opportunities**, contributing to their increased representation in leadership positions and **higher-paying roles**. Additionally, this shift has led to a **stronger overall economy** by retaining a more diverse and experienced workforce. The **workplace culture** has also become more inclusive, with flexible options encouraging a broader range of individuals, including caregivers and parents, to continue working and contribute to the labour market. This has a ripple effect on other countries and companies, inspiring them to adopt similar policies to boost female workforce participation and enhance work-life balance globally.

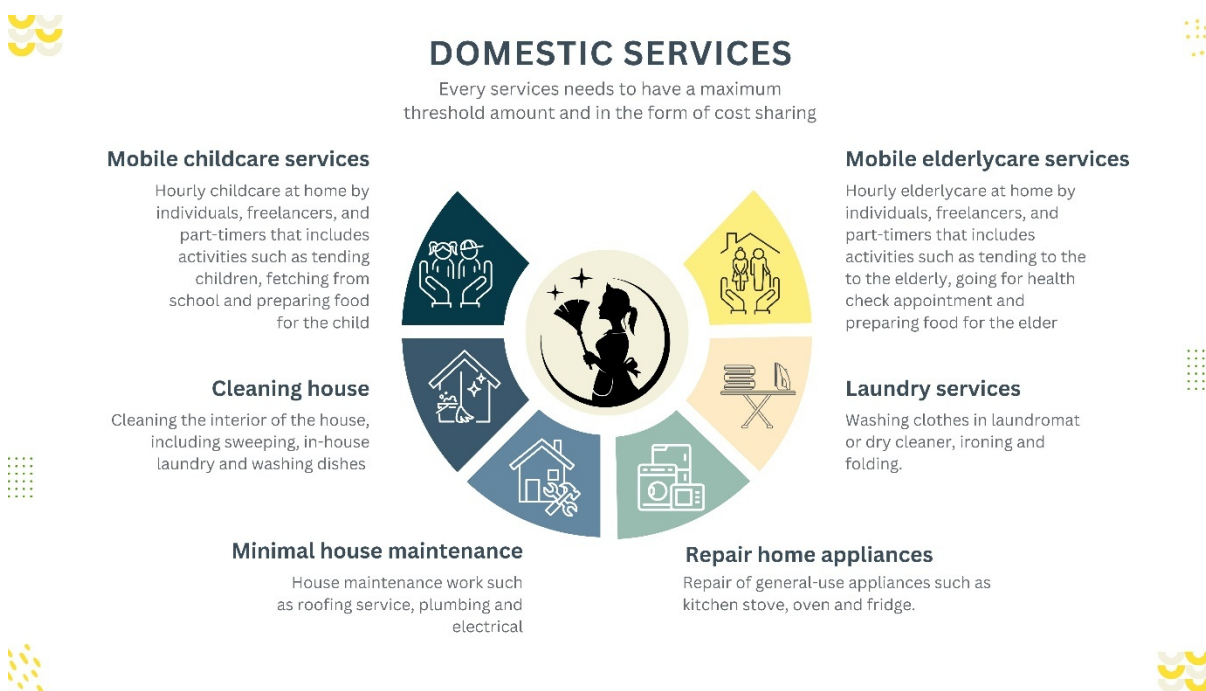
Source: <https://www.kvk.nl/en/managing-and-growing/flexible-working-act-in-practice/>

W1.4 Establish a Framework for Subsidised Domestic Services

A structured fiscal assistance framework for domestic services is essential to enhance work-life balance and improve workforce participation, particularly among women. Current tax reliefs and subsidies primarily focus on childcare and elderly care. Still, the current mechanism leaves a significant gap in support for essential household services such as home cleaning, maintenance, and other domestic chores. As workplace demands increase and telecommunication technology blurs the boundaries between work and personal life, many workers are expected to be constantly available, further complicating the management of household responsibilities.

To address this gap, a targeted policy approach is needed that extends fiscal support beyond childcare and elderly care, incorporating direct financial assistance for domestic services, including hourly childcare and elderly care at home. The current fiscal measures mainly rely on tax reliefs, which primarily benefit middle- and high-income earners, leaving lower-income households and those outside the tax bracket without adequate support. Expanding these mechanisms to include direct subsidies for domestic services, such as home cleaning and hourly caregiving services, would provide immediate financial relief for families, particularly low and middle income households. Service vouchers or cash assistance could enable access to registered service providers, while employer-supported caregiving benefits could help promote workplace contributions for caregiving and domestic work. The domestic services that can be considered in this framework are shown in Figure 5.12.

Figure 5.12: Domestic services related to household responsibilities



Box Article 5.6**Fiscal Assistance for Childcare and Elderly Care in Malaysia**

Ensuring access to affordable childcare and elderly care services is essential for promoting workforce participation, particularly among women, and supporting families in managing caregiving responsibilities. In response, Malaysia has introduced various fiscal measures to ease the financial burden on households. These include tax reliefs, subsidies, and employer-supported benefits designed to make childcare and elderly care services more accessible. These measures aim to alleviate caregiving costs by providing financial incentives while promoting the formalisation of caregiving services. The following sections outline key fiscal assistance available in Malaysia.

Childcare Tax Relief and Subsidies

Malaysia provides several tax incentives to ease the financial burden of childcare. Parents can claim up to RM3,000 annually in tax relief for fees paid to registered childcare centres and kindergartens for children six years and younger. Employers that provide employee childcare benefits, such as on-site childcare facilities or childcare subsidies, can also claim tax deductions on related expenses. To further support working parents, the government has also introduced childcare subsidies for lower-income households, particularly under initiatives such as the Perlindungan Tenang Voucher Programme, which provides financial assistance for essential family services.

Elderly Care Tax Relief and Allowances

Families caring for elderly parents can benefit from tax relief of up to RM8,000 per year for medical treatment, special needs, and care expenses incurred for their parents. This relief covers nursing home care and home-based caregiving services provided they are registered with the relevant authorities. In addition, starting from the Year of Assessment 2025, tax relief will also apply to care expenses for grandparents, expanding the scope of financial assistance for multi-generational households. Employees receiving elderly care allowances from their employers are eligible for an income tax exemption of up to RM3000 per year, similar to existing exemptions for childcare allowances.

Source:

1. Tax Reliefs, Lembaga Hasil Dalam Negeri
<https://www.hasil.gov.my/en/individual/individual-life-cycle/how-to-declare-income/tax-reliefs/>
2. PwC's Malaysian Tax Booklet for 2024/2025
<https://www.pwc.com/my/en/publications/mtb.html#:~:text=This%20publication%20is%20a%20quick%20refere,nce%20guide%20outlining,is%20based%20on%20taxation%20laws%20and%20current%20practices.>

A comprehensive review of existing fiscal assistance measures is necessary to ensure inclusivity and effectiveness. This review should explore a range of mechanisms, including tax deductions and direct financial assistance, service vouchers, and employer-supported benefits, ensuring that support is accessible to all income groups, particularly low- and middle-income households. By incorporating these diverse tools, fiscal support can be better targeted and reach a broader range of households, enabling greater economic participation and improving access to essential domestic services. The outcome should lead to a framework that makes quality domestic services more accessible to all, reducing the financial burden on households and promoting equality across income levels. This framework must also integrate efforts to formalise informal childcare, elderly care, and domestic services, especially those offered by individual providers, freelancers, and part-timers.

Box Article 5.7

Household Services Tax Relief in Europe

Household services tax relief schemes have emerged as a European policy tool to enhance affordability, encourage formal employment and address undeclared work in domestic services. By offering financial incentives, these schemes facilitate access to essential services such as childcare, household maintenance and personal assistance while supporting job creation in the domestic work sector. Countries like Sweden, France and Belgium have implemented different fiscal measures to ease the financial burden on households seeking domestic assistance. These initiatives not only contribute to labour market participation, particularly among women but also provide legal employment opportunities and social protections for workers. The following sections explore Sweden’s RUT deduction, France’s crédit d’impôt pour l’emploi d’un salarié à domicile and Belgium’s Service Voucher System, highlighting their structures, benefits and broader economic implications.



Sweden's RUT Deduction

In Sweden, RUT (Cleaning, Maintenance, and Laundry) deductions are tax incentives designed to reduce the cost of labour for specific services. The RUT deduction provides a 50% tax reduction on labour costs for domestic services, including cleaning, childcare, gardening, moving services, and minor IT repairs. These deductions apply solely to labour costs, excluding expenses for materials, travel, or administrative charges. Furthermore, services rendered for close relatives do not qualify for these tax benefits.

RUT services allowed for tax deduction	Babysitting
	Fiber and IT services
	Moving and packing
	Transport to sale for reuse
	Furnishings
	Taking care of a person and providing care
	Repair appliances
	Shoveling snow
	Clean
	Washing, mending and sewing
	Laundry at a laundry facility
	Gardening – felling and pruning trees
	Gardening – maintenance, mowing and digging
	Supervision

Service providers typically reduce the invoice amount by the eligible deduction to access these deductions and subsequently apply to the Swedish Tax Agency (Skatteverket) for reimbursement. The combined maximum allowance for ROT and RUT deductions is capped at SEK 50,000 (USD4,544.69 exchange rate as of 30 Jan 2025) per person annually. These tax relief measures are designed to enhance affordability for household services, encourage formal employment within these sectors, and reduce undeclared work.



France's Tax Credit for Personal and Household Services

In France, individuals employing a domestic worker for personal services can benefit from a tax credit known as the crédit d’impôt pour l’emploi d’un salarié à domicile. This tax credit covers 50% of the expenses incurred, subject to an annual ceiling that varies based on the taxpayer’s situation. The standard ceiling is €12,000, which can increase by €1,500 per dependent child, per household member over 65 years old, or per ascendant over 65 years old receiving the Allocation Personnalisée d’Autonomie (APA), up to a maximum of €15,000. For first-time employment of a domestic worker, the ceiling is €15,000, while households with a member holding a disability card can receive a higher ceiling of €20,000. Eligible services under this scheme include childcare, tutoring, housekeeping, meal preparation, laundry services, assistance to the elderly or disabled (excluding medical care), gardening, minor DIY tasks (e.g., assembling furniture, minor repairs), and computer assistance (e.g., software installation, troubleshooting).

Since January 2022, France has introduced an immediate advance payment system, allowing taxpayers to deduct the tax credit directly during service payment. This means that individuals only pay 50% of the actual service cost (including wages and social contributions) upfront instead of waiting for reimbursement through tax returns. This system is available through platforms like

Cesu+ for direct employment or via service providers. It is optional and free of charge, significantly easing the financial burden on households hiring domestic help. Taxpayers are advised to keep all payment receipts as the tax authorities may request them for verification. If the tax credit exceeds the amount of income tax owed, the surplus is refunded to the taxpayer, ensuring that even non-taxable individuals can fully benefit from the scheme.



Belgium's Service Voucher System

Belgium's Service Voucher System, introduced in 2004, is a government-subsidised initiative designed to create jobs in the domestic service sector and reduce undeclared work. The system operates as a tripartite arrangement involving the user, an officially recognised agency, and the employee. Individuals residing in Belgium can purchase service vouchers to pay for household tasks such as cleaning, ironing, cooking, running errands, and transport for people with reduced mobility. Each voucher corresponds to one hour of service and is priced at €9 for the first 400 vouchers per year, with an increase to €10 for the subsequent 100 vouchers, allowing a maximum of 500 vouchers per individual annually. Exceptions exist for specific groups, such as single parents and individuals with disabilities, who may be entitled to up to 2,000 vouchers per year. Users also benefit from tax deductions on a portion of these vouchers, further incentivising participation in the scheme.

The Service Voucher System has successfully formalised domestic work, providing legal employment opportunities with benefits such as social security, health insurance, paid holidays, and pension rights for workers. By the end of 2011, approximately 112,961 domestic workers were employed under this scheme, many for three years or more, indicating the creation of long-term employment opportunities. The system has also facilitated a better work-life balance for users, enabling them to increase their working hours or re-enter the labour market by outsourcing household chores. However, the system's financial sustainability poses a challenge due to its high cost to the government, leading to periodic adjustments in voucher pricing. Additionally, there is a continuous need to supply enough qualified domestic workers to meet the growing service demand.

Sources:

1. RUT Deduction <https://www.skatteverket.se/foretag/skatterochavdrag/rotochrut.4.2ef18e6a125660db8b080002674.html>
2. France crédit d'impôt emploi domicile <https://www.economie.gouv.fr/particuliers/credit-impot-services-personne#>
3. Service Voucher System at Fair Work <https://www.fairworkbelgium.be/en/workers/domestic-workers/service-vouchers/>
4. Impact of Service Voucher System <http://impact-phs.eu/national-practices/belgium-the-service-voucher-system/>

Strategy W2 Empowering women through Strategic Career Initiatives

W2.1 Strengthen Networking and Mentorship Platforms for Women

Malaysia has significantly promoted women's workforce participation through various initiatives. However, to maximise the impact of these efforts, it is crucial to strengthen coordination, enhance mentorship models, leverage data analytics, and deepen private sector engagement.

Box Article 5.8

Supporting Women's Workforce Participation through TalentCorp

WANITA MYWIRA

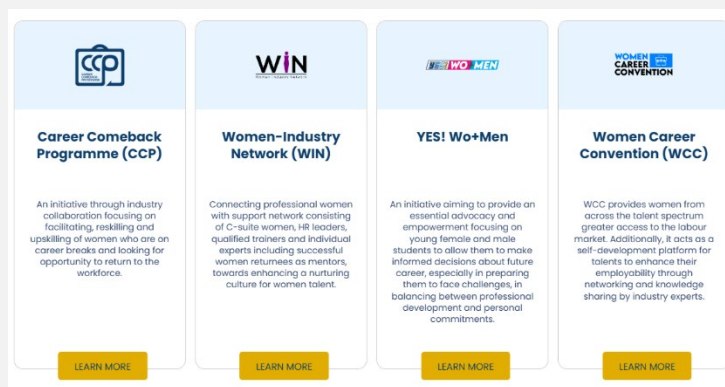
Home / Our Initiatives / For Professionals / WANITA MYWIRA

WANITA MYWIRA

STRENGTHENING, ACCELERATING AND ENHANCING WOMEN TALENTS OF MALAYSIA

TalentCorp's Women Programmes department was established with the vision of increasing and improving women's socio-economic contribution to accelerate Malaysia's economic growth.

TalentCorp has been at the forefront of empowering Malaysian women through targeted career development initiatives. The Wanita MyWira framework consolidates several programmes designed to enhance women's employability, leadership potential, and workforce retention. These initiatives include:

**Women-Industry Network**

A platform that facilitates industry engagement, mentorship, and career development opportunities for women across various sectors.

Women Career Convention

A dedicated event that provides networking opportunities, career guidance, and industry insights for women seeking professional growth.

Career Comeback Programme

A structured initiative that supports women returning to the workforce by providing training, job-matching services, and employer incentives.

YES! Women (Young Employable and Skilled Women Initiative)

A programme designed to equip young women with career exposure, upskilling opportunities, and industry connections to enhance their employability.

Through these efforts, TalentCorp aims to address barriers to women's workforce participation, promote leadership pathways, and foster an inclusive work environment. Strengthening these initiatives through data-driven insights, industry collaboration, and structured sponsorship models will further enhance their impact, ensuring sustainable progress in Malaysia's gender diversity agenda.

Source: <https://talentcorp.com.my/our-initiatives/for-professionals/women/>

Despite numerous programmes supporting women's career advancement, many operate independently, leading to duplication and inefficiencies. A centralised coordination framework should be established to align and integrate existing initiatives under a unified strategy. This framework will serve as a national platform consolidating mentorship opportunities, career progression pathways, and industry engagement efforts, ensuring that women receive consistent support at different career stages. Additionally, a national database tracking women's participation in these initiatives can provide insights into programme effectiveness and enable data-driven improvements.

While mentorship programmes offer guidance and knowledge-sharing, structured sponsorship models should be introduced to promote women into leadership positions actively. Sponsorship differs from mentorship in that sponsors advocate for their protégés, opening doors to career opportunities. Establishing formal sponsorship networks within industries where senior executives actively support high-potential women can accelerate career progression. Furthermore, male allyship initiatives should be expanded to foster inclusive leadership cultures, ensuring that gender diversity is a shared responsibility rather than solely a women's issue.

Box Article 5.9

The Male Allyship Concept

Male allyship involves men actively promoting gender equality by challenging biases, advocating for women's career advancement, and fostering inclusive environments. The HeForShe Alliance's Male Allyship Toolkit highlights how men can disrupt social and institutional structures that privilege them, providing practical steps to amplify women's voices and challenge gender stereotypes in the workplace. Beyond passive support, allyship requires active intervention, whether through calling out bias, advocating equitable policies, or mentoring women into leadership roles.

By leveraging their influence, male allies play a key role in expanding women's professional networks and fostering a workplace culture where their contributions are recognised. Research from the Utah Women & Leadership Project found that mentorship and sponsorship by male allies significantly enhance women's leadership prospects, offering guidance, confidence, and access to career opportunities. The HeForShe toolkit underscores the importance of collaborative allyship practices, ensuring that women's career growth is supported by organisational commitment to inclusivity rather than solely individual effort.

Moreover, male allies can enhance women's representation in leadership by advocating for gender-balanced hiring and promotion policies. Organisations integrating allyship training and accountability measures tend to see higher retention and advancement rates for women. The impact of male allyship extends beyond individual relationships; it shapes workplace cultures, strengthens women's professional networks, and fosters sustainable pathways for gender inclusion. As workplaces evolve, structured allyship initiatives will be crucial in closing gender gaps and ensuring equal career opportunities for all.

Sources:

1. Madsen, S. R., Townsend, A., & Scribner, R. T. (2020). Strategies That Male Allies Use to Advance Women in the Workplace. *The Journal of Men's Studies*, 28(3), 239-259. <https://doi.org/10.1177/1060826519883239>
2. Male Allyship Is About Paying Attention by W. Brad Johnson and David G. Smith. *Harvard Business Review* at <https://hbr.org/2021/02/male-allyship-is-about-paying-attention>
3. The HeForShe Alliance Launches the Male Allyship Toolkit: A Resource for Building Inclusive Workplaces <https://www.heforshe.org/en/heforshe-alliance-launches-male-allyship-toolkit-resource-building-inclusive-workplaces>

Integrating big data and AI-driven analytics into women's career development initiatives can provide tailored support based on career aspirations, industry demand, and skill gaps. An AI-powered career mapping platform can offer real-time job-matching services, upskilling recommendations, and career trajectory insights, ensuring women are equipped for evolving labour market needs. Furthermore, enhanced data tracking on women's workforce participation will enable policymakers to identify barriers, assess programme effectiveness, and refine strategies accordingly.

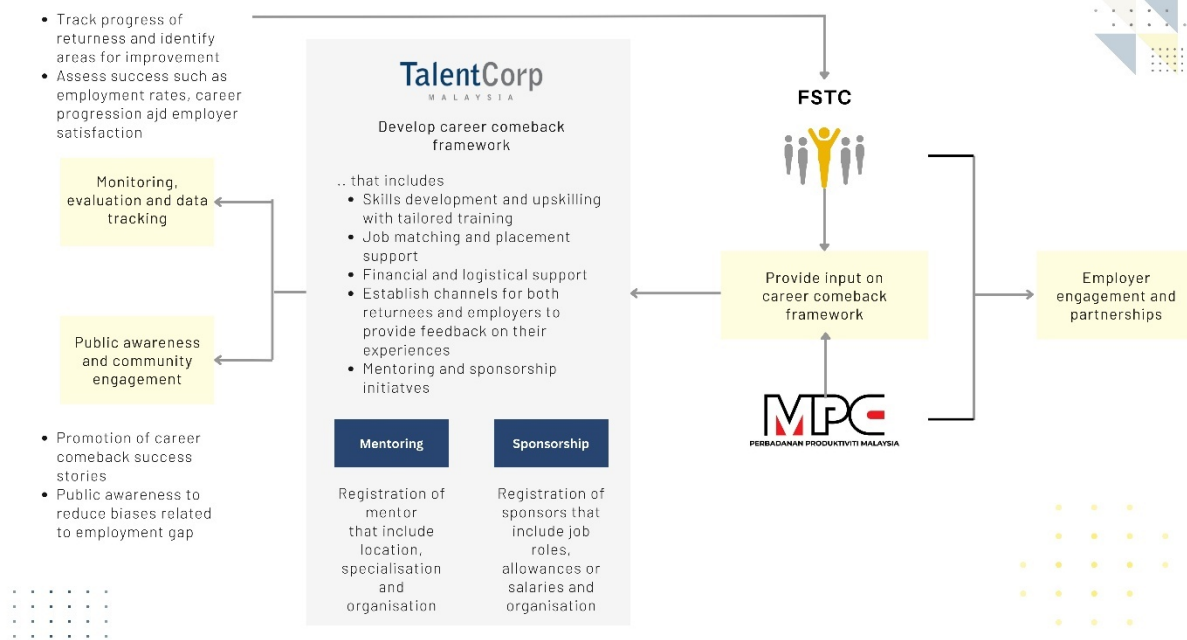
The private sector is crucial in creating inclusive workplaces supporting women's career progression. Strengthening incentive-based partnerships with companies demonstrating measurable progress in gender diversity and inclusion (DEI) efforts can encourage adopting best practices. Additionally, industry-specific women's leadership programmes should be introduced in traditionally male-dominated sectors, such as STEM, energy, and manufacturing, to ensure women have equitable access to leadership pathways. By embedding gender diversity initiatives into corporate performance metrics, organisations can be held accountable for fostering an inclusive workforce.

To further enhance the impact of these initiatives, the Future Skills Talent Council (FSTC) can play a critical role in driving the active development and management of mentorship and sponsorship networks. By collaborating with both public and private sector organisations, FSTC can establish a robust mentoring and sponsorship infrastructure that supports women in their career journeys and actively fosters leadership potential. This could include the creation of an industry-specific mentorship framework whereby women are paired with senior leaders in sectors experiencing skill shortages or significant transformation, such as digitalisation, sustainability, and green technologies. FSTC's involvement would ensure that mentorship and sponsorship are not isolated efforts but part of a coordinated, nationwide approach addressing the unique challenges faced by women in various industries.

Additionally, FSTC can facilitate targeted, strategic partnerships with private companies, helping embed gender diversity and inclusion within their corporate culture. By incentivising companies to create formal sponsorship programmes, FSTC can ensure that high-potential women receive the advocacy and career opportunities needed to break through leadership barriers. These collaborations could also lead to joint training and upskilling initiatives tailored to address the evolving demands of the labour market, particularly in high-growth sectors where women are underrepresented in leadership roles. Through these actions, FSTC can catalyse systemic change, driving industry-wide transformations that empower women to take on leadership roles and realise their career aspirations.

By leveraging big data and AI-driven analytics, FSTC can further enhance the effectiveness of these initiatives. It could implement real-time tracking of women's career progression, identifying gaps and opportunities for targeted interventions, and ensuring that the proper support is provided at each stage of their journey. This data-driven approach will also enable the continuous refinement of mentorship and sponsorship models, ensuring they remain aligned with labour market needs and industry developments, ultimately ensuring that women are equipped to thrive in an ever-changing workforce landscape. The database and tracking can be done via TalentCorp's current Career Comeback programme. The ecosystem of this recommendation is shown in Figure 5.13.

Figure 5.13: Career comeback framework



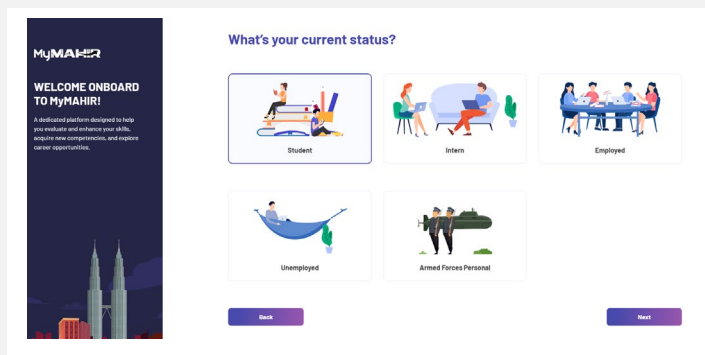
W2.2 Strengthening Early Career Guidance Programme for Women

To strengthen career guidance programs and ensure young women are equipped with the knowledge, skills, and exposure to enter high-growth and emerging industries, expanding the scope and outreach of initiatives like MyNext by TalentCorp, MyMahir by TalentCorp, and SOCSO's Career Exploration Program is essential. These programs should be enhanced and tailored to provide comprehensive support, including extending their reach to rural areas where access to career guidance is often limited. Strengthening collaboration with the Ministry of Education (MOE) to integrate career guidance from lower primary school onwards will help cultivate career-savvy students from an early age. By introducing career exploration modules at a younger age, students will better understand diverse career options, especially in STEM, green technologies, and emerging industries.

Career guidance should be embedded throughout all educational pathways, starting from the lower primary level. Early intervention through career exploration in the curriculum enables young students to learn about various career options, particularly in underrepresented fields. Introducing career modules within subjects such as science, technology, entrepreneurship, and environmental studies will introduce students to future labour market trends and the skills required for success. These initiatives should continuously align with industry needs, ensuring students are equipped for the evolving job market. Stronger collaboration with industry partners to provide workplace visits, job shadowing, and mentorship programs will offer students valuable hands-on experience and industry insights. Career fairs, industry-led talks, and networking events can help students build professional connections and clarify their career pathways. Strengthening the linkages between educational institutions and national talent development initiatives, such as TalentCorp's MyNext, MyMahir, and SOCSO's Career Exploration Program, will significantly enhance the effectiveness of career guidance.

Box Article 5.10

Malaysia's Career Guidance Initiatives – MyMahir by TalentCorp



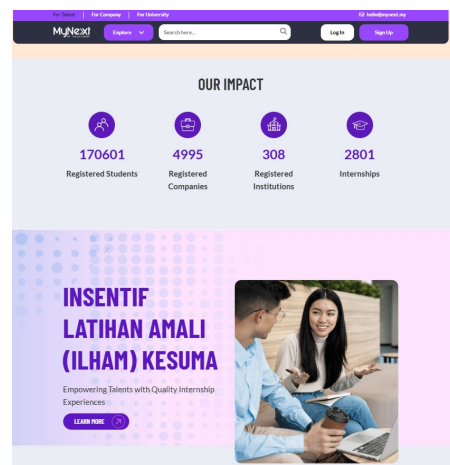
MyMAHIR platform, developed by TalentCorp to support Malaysia's workforce in adapting to the evolving demands of the labour market. The platform enables users—particularly jobseekers, employers, and policymakers—to identify roles affected by emerging trends such as digitalisation, automation, and the green economy. It also provides

access to curated upskilling and reskilling programmes, helping individuals bridge skill gaps and stay competitive.

In addition, MyMAHIR serves as a career discovery tool, guiding users toward potential new career pathways that align with industry needs and future job growth. The platform also engages students as young as 15 years old, offering early exposure to career options and supporting informed decision-making on education and training. At the organisational level, it helps companies assess which roles within their workforce may be at risk or evolving, enabling them to stay agile, respond strategically to shifting trends, and future-proof their talent pipelines.

TalentCorp's MyNext

MyNext is a comprehensive career development platform launched by TalentCorp Malaysia, designed to help individuals, particularly recent graduates and mid-career professionals, navigate their career journey by providing guidance, training, and job placement opportunities. The platform focuses on equipping users with the necessary skills and resources to thrive in a rapidly changing job market. MyNext offers various services such as career coaching, skills development, job-matching, and access to training programs tailored to specific industries and emerging fields. By bridging the skills gap and connecting users with potential employers, MyNext plays a crucial role in enhancing employability and fostering career progression. Through its AI-powered career guidance, MyNext ensures that individuals are aligned with the right opportunities based on their skills, interests, and market demand.



SOCSCO's MYFutureJobs Career Exploration Programme (CEP)

The MYFutureJobs Career Exploration Programme (CEP) by SOCSCO is a structured career guidance initiative for secondary school students. The programme aligns students' career aspirations with labour market demands, helping them make informed decisions about their future studies and employment pathways.

Since its introduction, over 9,500 students have participated in the programme, providing personalised career exploration sessions based on their interests and skills. PERKESO aims to expand CEP to at least 552 schools nationwide, covering various educational streams to ensure inclusivity.

CEP enhances students' understanding of career opportunities by providing guidance on education pathways, skills requirements, and job market trends. By engaging in career exploration activities, students develop a clearer vision of their potential career trajectories and make informed choices about their education and training.

Sources:

1. MyMahir at <https://www.mymahir.my/home>
2. MyNext at <https://www.mynext.my/>
3. PERKESO sasar 552 sekolah sertai 'MYFutureJobs Career Exploration Programme' <https://www.astroawani.com/berita-malaysia/perkeso-sasar-552-sekolah-sertai-myfuturejobs-career-exploration-programme-471642>
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5. MYFUTUREJOBS CAREER EXPLORATION PROGRAMME (CEP) 2024 @ WISMA PERKESO KUALA LUMPUR. https://www.linkedin.com/posts/myfuturejobsofficial_eisperkeso-perkeso-myfuturejobs-activity-7253290765378846720-5Gad/

To reach a wider audience, platforms such as MyNEXT and MyMAHIR should also offer bilingual (Bahasa Melayu and English) versions of their websites to ensure accessibility for all. Additionally, creating a comprehensive e-Book or printed guidebook for school counsellors will help them navigate the various career guidance programs more effectively, ensuring that they can provide targeted, informed advice to students.

Box Article 5.11

International Best Practices for Strengthening Career Guidance in Malaysia



New Brunswick Career Education Framework, Canada

The New Brunswick Career Education Framework is an evidence-based career development model designed to ensure that students, particularly those from disadvantaged backgrounds, receive personalised career guidance throughout their education. Developed in partnership with the OECD, this initiative integrates career exploration into the school curriculum and provides additional support to students who face barriers in transitioning into the workforce.

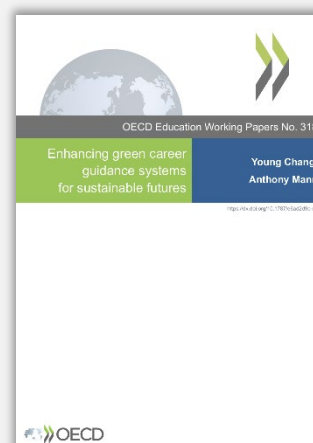
A key feature of the framework is its three-tiered intervention model, which categorises students based on their career readiness levels and provides tailored support to ensure smooth transitions from school to work. Schools collaborate closely with employers and community organisations to provide work placements, mentorship, and networking opportunities. Research has shown that students participating in the programme are more likely to pursue higher education and secure stable employment. Malaysia can adopt similar targeted interventions to address inequalities in career access and ensure that all students, including those in vocational training, receive structured career development support.

Green Career Guidance, OECD Global Initiative

Recognising the shift towards a sustainable economy, the OECD has developed Green Career Guidance Systems to prepare students for careers in environmentally sustainable industries. The initiative provides structured career guidance that aligns education pathways with green job opportunities, helping students understand the skills required for emerging careers in renewable energy, environmental management, and sustainability-related fields.

The programme includes hands-on learning experiences, workplace visits, and career talks with industry experts to expose students to the evolving labour market. It also integrates environmental literacy into school curricula to ensure students are aware of global sustainability challenges and their role in addressing them.

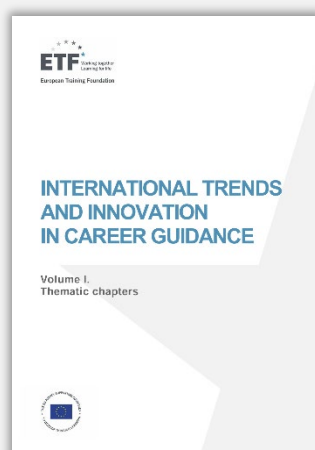
Countries implementing green career guidance, such as Germany and the Netherlands, have reported increased student interest in green jobs and a stronger pipeline of talent entering sustainability-focused careers. Malaysia can enhance its career guidance efforts by incorporating sustainability-focused career pathways, ensuring alignment with national green economy policies.



Integration of Career Management Skills (CMS) into Education, Finland

Finland has successfully embedded Career Management Skills (CMS) into its education system, ensuring students develop competencies such as self-awareness, opportunity awareness, decision-making, and transition skills. Career education is integrated into the school curriculum, helping students understand career pathways, labour market demands, and skills needed for future employment.

This approach has resulted in higher student engagement and improved career readiness, as students are encouraged to plan their careers from an early age actively. Schools work closely with career counsellors and industry professionals to provide structured career learning experiences. Implementing CMS in Malaysia's education system would enhance students' career adaptability and resilience, preparing them for an evolving job market.



Lifelong Career Guidance Systems, Norway

Norway has developed a lifelong career guidance system, ensuring that individuals receive continuous career support at different stages of their lives. This initiative provides career guidance to students and adults seeking career transitions or re-entering the workforce.

Career centres offer one-on-one counselling, upskilling programmes, and industry-linked mentorship opportunities, ensuring that individuals can adapt to changing job market conditions. Implementing a lifelong career guidance model in Malaysia would strengthen workforce adaptability and resilience, particularly in response to emerging labour market trends.

Sources:

1. Teenage career development in England. https://www.oecd.org/en/publications/teenage-career-development-in-england_13452cbe-en.html
2. Challenging Social Inequality Through Career Guidance https://www.oecd.org/en/publications/challenging-social-inequality-through-career-guidance_619667e2-en.html
3. Enhancing green career guidance systems for sustainable futures. https://www.oecd.org/en/publications/enhancing-green-career-guidance-systems-for-sustainable-futures_e6ad2d9c-en.html

4. Indicators of teenage career readiness. https://www.oecd.org/en/publications/indicators-of-teenage-career-readiness_cec854f8-en.html
5. International trends and innovation in career guidance – Volume I. Thematic chapters. <https://www.etf.europa.eu/en/publications-and-resources/publications/international-trends-and-innovation-career-guidance-0>

Raising the visibility of women in strategic sectors remains essential for inspiring and encouraging young women to pursue careers in fields such as STEM, technology, and green industries. Schools, TVET institutions, and universities should introduce guest speaker sessions featuring successful female professionals, showcasing role models who can serve as inspiration. Leveraging digital platforms and social media to create career exploration tools, interactive guides, and multimedia content will help raise awareness and highlight the skills needed for success in high-demand industries. These efforts will ensure that career guidance is not only accessible but also engaging, empowering students to make informed decisions about their future careers.

W2.3 Strengthen Women's Labour Market Participation Through Community-Based Employment Hub

In Malaysia, the Ministry of Women, Family and Community Development (KPWKM) has implemented various initiatives to enhance women's participation in the labour market. Programmes such as Wanita Bangkit@KPWKM, developed in collaboration with multiple public and private entities, strengthen women's economic empowerment through employment and entrepreneurship opportunities. Efforts have also been made to improve structural support, including workplace childcare centres, acknowledging the critical role of care infrastructure in enabling female labour force participation. However, despite these measures, several structural and socio-economic barriers constrain women's labour market participation.

Persistent challenges, particularly in rural and underserved areas, contribute to underutilising women's potential in the economy. Limited access to affordable childcare, insufficient job training opportunities, and a lack of employment placement services continue to deter women from entering or remaining in the workforce. Existing programmes fail to sufficiently address the heterogeneity of women's employment constraints, leading to uneven labour market outcomes. The inefficiencies in connecting female job seekers to suitable employment, particularly in areas with high economic vulnerability, further exacerbate disparities in workforce participation.

Box Article 5.12

The Solar Mamas Program

The Solar Mamas model is a successful case study for designing Community-Based Employment Hubs that integrate training, employment creation, and social empowerment.

The Solar Mamas program, initiated by Barefoot College in India, empowers illiterate and semi-literate women from impoverished rural areas to become solar engineers, bringing sustainable energy solutions to their communities.

Established in 1997, the program targets women, typically aged between 35 and 50, with little to no formal education and come from non-electrified villages. The initiative is managed by Barefoot College, headquartered in Tilonia, Rajasthan, India. While specific budget details are not publicly disclosed, the program has received support from various international organisations and government agencies, including India's Ministry of External Affairs and UN Women.

Participants undergo a six-month residential training program at Barefoot College. The curriculum focuses on designing, fabricating, installing, and maintaining solar equipment, such as solar lanterns and home lighting systems. Innovative teaching methods, including colour coding, sign language, and practical hands-on experience, are employed to accommodate the trainees' diverse linguistic and educational backgrounds.

Women are selected based on criteria such as age, lack of formal education, and a commitment to return to their villages to implement solar projects. The selection process often involves collaboration with local communities and organisations to identify suitable candidates. Upon completing the training, participants return to their villages equipped with the necessary tools and knowledge to assemble, install, and maintain solar systems. They establish rural electronic workshops, providing ongoing maintenance and repair services, thereby creating sustainable employment opportunities for themselves and contributing to the economic development of their communities.

The Solar Mamas model exemplifies the principles of Community-Based Employment Hubs by providing decentralised training that directly links women to local job opportunities. Through its structured approach, women receive technical training at designated rural centres and return to their villages to apply their skills, fostering employment within their own communities. This approach eliminates the need for migration and ensures that economic benefits remain within the local economy. Similarly, Community-Based Employment Hubs operate on the same principle by offering skill-based training tailored to local labour market demands, allowing women to transition directly into employment or entrepreneurship. These hubs enhance women's economic resilience while strengthening community development by integrating vocational training, job placement assistance, and financial literacy.

Beyond technical training, Solar Mamas provides a holistic support system that includes financial literacy, mentorship, and social empowerment, addressing the broader challenges that women face in securing and sustaining employment. Community-Based Employment Hubs must incorporate these elements by offering child-friendly facilities, financial inclusion programmes, and structured mentorship networks to create a more inclusive and supportive work environment. Furthermore, by addressing gender-specific barriers such as social mobility restrictions and economic dependency, these hubs can ensure that women, particularly those from disadvantaged backgrounds, have equitable access to employment. Sustainable employment pathways must be prioritised, focusing on demand-driven skills in green energy, agriculture technology, and digital entrepreneurship, enabling long-term economic participation and stability.

Source: The Solar Mamas Program by Barefoot College. <https://barefoot.college/impact/solar/>

Community-based employment hubs tailored for women must be established to address these constraints. These hubs will function as integrated service centres providing childcare support, job training, and placement assistance, creating a comprehensive framework for enhancing women's employability. Access to re-skilling programmes, mentorship, and professional networks must be facilitated to improve labour market efficiency by aligning female workforce participation with

industry demand. Collaboration with local agencies under KPWKM, local authorities, and advisory councils in rural and urban poverty areas is essential to ensure policy responsiveness and effective resource allocation. A decentralised approach to labour market interventions will strengthen employment linkages and optimise female workforce participation, contributing to broader economic growth and productivity gains.

W2.4 Improve Return-to-Work Programmes

Malaysia has made significant progress in promoting women's workforce participation through various initiatives, particularly those led by TalentCorp. Despite these efforts, women returning to the workforce after career breaks continue to face barriers, such as skill mismatches, lack of confidence, and limited access to professional networks. Strengthening return-to-work programmes through structured initiatives, data-driven approaches, and deeper private sector collaboration can help address these challenges.

Box Article 5.13

Strengthening Career Comeback Programmes in Malaysia

Empowering Women's Return to Work through TalentCorp

TalentCorp's Career Comeback Programme (CCP) has played a pivotal role in supporting women re-entering the workforce by providing job-matching services, training, and employer incentives. The CCP focuses on helping women rebuild their professional skills and confidence while fostering industry engagement. Key components of the programme include:

- 1. Skill-Building Workshops**

These workshops are tailored to bridge gaps in essential professional skills, equipping women with updated competencies needed to thrive in current job roles.

- 2. Employer Incentives**

Financial incentives encourage companies to hire and support women returning from career breaks, thus reducing hiring risks for employers.

- 3. Networking Opportunities**

Platforms for women to reconnect with professional peers and establish new industry contacts, creating opportunities for mentorship and collaboration.

Sources:

1. <https://www.talentcorp.com.my/careercomebacktax/>
2. <https://www.talentcorp.com.my/ccp/>

Despite these positive strides, gaps remain in the structure and execution of return-to-work programmes. Many initiatives lack standardisation and comprehensive coordination, leading to fragmentation and inefficiencies. Benchmarking successful global models, such as the Goldman Sachs Returnship Program, offers valuable lessons for Malaysia to create a more robust ecosystem for women re-entering the workforce.

Establishing formal returnship programmes offering paid roles, mentorship, and networking opportunities to improve female workforce participation can help women smoothly transition back into the workforce. Personalised skill development through AI-driven platforms can provide tailored upskilling based on individual career aspirations and industry needs.

Additionally, integrating mentorship with sponsorship initiatives, where senior leaders advocate for high-potential women, can accelerate their career progression. Flexible work arrangements such as remote work and adaptable schedules should be adopted to support women balancing work and family. Lastly, a national database tracking participation in return-to-work programmes can provide data-driven insights to enhance programme effectiveness.

Box Article 5.14

The Goldman Sachs Returnship Program

The Goldman Sachs Returnship Program provides a 12-week paid internship designed for individuals re-entering the workforce after a career break. This initiative is a prominent example of a structured programme aimed at enhancing female participation in the workforce, particularly for those returning after a career break. This programme, designed to support women in their professional re-entry, combines several key elements that have proven to be effective. The programme's structure and impact offer valuable insights for Malaysia as it looks to develop more inclusive policies for female workers, especially those returning to work after a career hiatus.

1. **Return-to-Work Pathways:** The Goldman Sachs Boxed programme offers a structured re-entry process, which includes temporary paid roles, mentorship, and networking opportunities. This helps women to ease back into the workforce while honing relevant skills. The model also allows participants to gain real-time, hands-on experience, which increases their confidence and competence in a professional environment.
2. **Personalised Skill Development:** The programme provides tailored career coaching and skill development sessions based on the participant's background and aspirations. Goldman Sachs uses AI-driven tools and a team of mentors to offer bespoke upskilling tailored to industry needs. This personalised approach helps women re-align their career goals and bridge gaps in their knowledge or experience.
3. **Mentorship and Sponsorship:** A critical component of the programme is the mentorship and sponsorship model. Mentors guide participants through the challenges of re-entering the workforce, while sponsors, typically senior executives, actively advocate for their mentees' career advancement. This dual model fosters both personal and professional growth and accelerates career progression, particularly for women seeking to re-enter leadership positions.
4. **Flexible Work Arrangements:** Goldman Sachs offers flexible working hours and remote work opportunities to support women balancing career and family responsibilities. This approach not only reduces the barriers to returning to the workforce but also ensures that employees can maintain a work-life balance that is often crucial for women caregivers.
5. **Data-Driven Insights:** The programme collects data to evaluate its success and to identify areas of improvement. By tracking the career progression of participants, the programme's administrators can provide better support and make informed decisions about policy changes or improvements in the structure of the programme.

By adapting and integrating these key features of the Goldman Sachs Boxed initiative, Malaysia can foster a more inclusive, supportive, and dynamic environment for women, particularly those returning to the workforce. This would contribute significantly to enhancing gender equality in the workplace and ensuring that women can fully participate in and contribute to the nation's economic growth.

Source: Goldman Sachs Returnship available at <https://www.goldmansachs.com/careers/programs-for-professionals/returnship>

W2.5 Enhance Sector-Specific Incentives for Female Employment

To increase female participation in male-dominated sectors such as STEM, manufacturing, and construction, sector-specific financial incentives should be introduced. These may include tax reliefs, grants, or subsidies for companies that actively recruit, retain, and promote women. The sector focus must be aligned with targeted sectors in the New Industrial Master Plan (NIMP) 2030, shown in Figure 5.14. To ensure long-term impact, these initiatives must encourage entry into these fields and career progression. TalentCorp's Career Comeback Programme (CCP) in Malaysia is a key example of supporting women returning to work after career breaks. It provides employer incentives, including tax benefits, job-matching services, and professional development.

Figure 5.14: Targeted sectors in the New Industrial Master Plan 2030

Priority Sectors	Sectors
AEROSPACE 	<ol style="list-style-type: none"> 1. Digital and Information and Communication Technology (ICT) 2. Automotive 3. Food Processing 4. Global Services and Professional Services 5. Halal 6. Machinery and Equipment (M&E) 7. Manufacturing-Related Services (MRS) 8. Metal 9. Mineral 10. Palm Oil-based Products 11. Petroleum Products and Petrochemicals 12. Rail 13. Rubber-based Products 14. Shipbuilding and Ship Repair (SBSR) 15. Textile, Apparel and Footwear 16. Wood, Paper and Furniture
CHEMICAL 	
ELECTRICAL & ELECTRONICS (E&E) 	
PHARMACEUTICAL 	
MEDICAL DEVICES 	

To maximise effectiveness, incentives should be linked to measurable outcomes such as gender diversity targets, mentorship programmes, and leadership representation. Financial support must translate into real progress, increasing female participation in high-skilled sectors. Additionally, incentives should encourage new job creation rather than just replacing existing roles. This ensures companies generate fresh opportunities for women in underrepresented industries. A focus on sustainable growth will help close gender gaps while strengthening the economy.

Malaysia can further enhance these initiatives by adopting global best practices and aligning financial incentives with clear targets. Learning from successful international models (**Box article 5.15**) can help

refine policies and improve accountability. Employer-driven support should be integrated to ensure businesses actively foster inclusive work environments. A structured approach will create a more supportive ecosystem for women in male-dominated industries. This will drive long-term improvements in gender diversity and workforce inclusion.

Box article 5.15

Australia's Women in STEM and Women in Trades Initiatives

Australia has been actively promoting women's participation in male-dominated sectors, particularly in STEM (Science, Technology, Engineering, and Mathematics) and trades, through targeted initiatives that offer financial incentives and support structures for businesses. The **Women in STEM and Women in Trades initiatives** are prime examples of how sector-specific incentives can play a pivotal role in driving gender diversity in these industries.

These initiatives are designed to **encourage companies to hire and retain women** in fields where female representation is traditionally low, such as engineering, construction, and technology. Financial incentives, including **grants, subsidies, and tax breaks**, are provided to businesses that actively recruit and support women in these sectors. By offering these incentives, the initiatives aim to reduce barriers for women entering male-dominated fields and provide companies with the resources to foster a more inclusive work environment.

A key aspect of these initiatives is their focus on **targeted training programmes**. These programmes are tailored to address the skills gap and equip women with the competencies necessary to thrive in industries like STEM and trades. By providing women with access to specialised training, Australia helps to build a talent pool that is equipped for the demands of these sectors, while also closing the gender gap in industries that face a critical shortage of female professionals.

The success of these programmes has been further bolstered by mentorship opportunities and **networking platforms** designed to support women's career development. Through these support systems, women in STEM and trades have the chance to connect with industry leaders, gain insights, and develop the professional relationships needed to advance their careers. This approach ensures that women not only enter these industries but are also given the tools to succeed and rise to leadership positions.

Moreover, **awareness campaigns** accompany these initiatives to challenge societal stereotypes and inspire more women to pursue careers in these traditionally male-dominated fields. These campaigns highlight success stories, showing the positive impact women have in STEM and trades, and helping to shift societal perceptions of what women can achieve in these industries.

By providing sector-specific incentives, tailored training, and support structures, Australia's initiatives are playing a crucial role in **boosting female representation** in STEM and trades, fostering a more inclusive and diverse workforce. These efforts are helping to create long-term, sustainable changes that benefit both women and the industries in which they work. The success of these programmes offers valuable insights for other countries, such as Malaysia, looking to strengthen female participation in male-dominated sectors.

Sources:

1. Women in STEM (Australian Government, Department of Industry, Science, Energy and Resources)
2. Women in Trades (Australian Government, Department of Education, Skills and Employment)

Strategy W3 Upskilling and Reskilling in Future Skills

W3.1 Improving Industry-Specific Training for Women

To increase female representation in high-growth sectors such as technology, green energy, and advanced manufacturing, partnerships with private companies are essential to develop industry-specific training programmes for women. These initiatives should equip women with market-relevant skills and address barriers to entry, such as skill gaps, limited access to mentorship, and societal biases.

In Malaysia, initiatives such as MYWiE (Malaysian Women in Energy) and Women in Tech Malaysia are pivotal in promoting women's participation in male-dominated industries. MYWiE provides networking opportunities, mentorship programmes, and knowledge-sharing platforms to encourage women's involvement in the energy sector. Meanwhile, MDEC's Digital Skills Training Initiatives, including the Digital Skills for All Programme, support women by offering courses in emerging technologies like artificial intelligence, data analytics, and cloud computing. These initiatives are crucial in preparing women for careers in technology and related sectors.

The AWS "We Power Tech" programme exemplifies how industry-specific training can empower women in male-dominated sectors (**Box article 5.16**). The initiative provides free technical courses, mentorship, and job placement support, significantly increasing female representation in cloud computing roles. Malaysia could adopt a similar approach by integrating mentorship, flexible learning options, and workforce placement services into its existing training frameworks. By addressing these areas, Malaysia can create a more inclusive, dynamic, and responsive training ecosystem, ensuring women are well-equipped to contribute to high-growth industries and foster economic resilience.

The Future Skills Talent Council (FSTC), established by TalentCorp and led by industry leaders, can play a critical role in ensuring that training programmes are aligned with the specific skills required by various industries. With its members having direct insights into the ever-evolving job market needs, the FSTC can guide the development of targeted, job-specific training that will equip women with the most relevant and in-demand skills. Moreover, as the FSTC is closely connected with the industries it represents, it can also serve as a bridge to disseminate information about available training resources, enabling women to access the best educational opportunities. This approach should not be limited to those already employed or unemployed. Still, it should extend to women outside the formal workforce, empowering them to gain the skills necessary to enter high-growth sectors.

To further support these initiatives, community hubs can act as accessible platforms for disseminating information about training programmes and skill development opportunities. These hubs can help bridge the gap for women who may not have immediate access to formal educational resources, offering information on available courses, scholarships, and mentorship opportunities. Establishing strong partnerships with local community centres, educational institutions, and industry leaders can create a widespread network that promotes upskilling and reskilling. These community-based centres can host workshops, training showcases, and informational sessions to ensure that all women, regardless of location, have the knowledge and resources to pursue opportunities in high-growth sectors. Collaboration between federal, state and local governments is vital in ensuring information can reach the target group.

Box Article 5.16**Empowering Women through Amazon Web Services' (AWS) "We Power Tech" Initiative**

The Amazon Web Services (AWS) "We Power Tech" initiative stands as a model example of how industry-specific training can successfully empower women to thrive in traditionally male-dominated sectors such as technology. This global programme is designed to increase diversity in the tech workforce by providing women with access to essential cloud computing skills, mentorship, and career development opportunities.

Free Technical Training

AWS offers free courses covering in-demand technologies such as cloud computing, machine learning, and data analytics, ensuring participants gain industry-relevant skills.

Mentorship and Networking Opportunities

Participants benefit from guidance by experienced industry professionals and join a supportive community that fosters collaboration and career growth.

Hands-On Projects and Certifications

The initiative includes practical learning opportunities and certification exams, enabling women to demonstrate their technical capabilities to potential employers.

Workforce Placement Support

AWS provides job placement resources, connecting participants to employment opportunities with its global network of partner companies.

The "We Power Tech" initiative has successfully increased female representation in the cloud technology sector by bridging skills gaps and empowering women with the tools needed to thrive in high-tech careers. The programme's model offers valuable lessons for Malaysia as it seeks to boost female participation in emerging industries like technology and advanced manufacturing.

Sources:

1. Empowering diversity and inclusion in technology through We Power Tech available at <https://aws.amazon.com/blogs/publicsector/empowering-diversity-inclusion-we-power-tech/>
2. How AWS is helping women and girls succeed in technology careers available at <https://www.aboutamazon.com/news/aws/how-aws-is-helping-women-and-girls-succeed-in-technology-careers>

W3.2 Enhance Digital Upskilling Initiatives to Prepare Women for the Future Workforce and Safety

National programmes should focus on equipping women with digital literacy and advanced technological skills to remain competitive in a rapidly evolving job market. Entrepreneurship training can complement these initiatives, encouraging women to explore self-employment opportunities. Additionally, tailored digital literacy programmes should target women in rural areas to bridge the digital divide, enabling them to leverage technology for employment and entrepreneurial ventures. Expanding remote work opportunities through targeted training and infrastructure support can further empower rural women, providing access to a broader range of employment options without needing geographical relocation.

Malaysia currently has the Smart Village initiative, which aims to bridge the urban-rural divide by introducing modern technology to rural areas, fostering innovation and entrepreneurship. However, this program does not have any specific gender focus. Further discussions with Telekom Malaysia (TM) are needed to review the progress of this program and explore how it can be leveraged to enhance female labour force participation in rural areas. These discussions should focus on identifying gaps, aligning the initiative with national priorities, and expanding its scope to include targeted digital literacy programmes and remote work opportunities for women.

The upskilling training should also include digital safety and financial literacy modules. Digital safety in this context refers to measures to safeguard personal information, particularly for a novice user. Similarly, financial literacy also safeguards to ensure low financial fraud, including money laundering and scams.

In addition, transparent monitoring and evaluation mechanisms should be established to track the programme's impact and ensure continuous improvement. Collaboration between various ministries, including the Ministry of Local Government Development (KPKT), the Ministry of Women, Family and Community Development (KPWKM), and the Ministry of Economy (KESUMA), is essential to create a cohesive and comprehensive strategy. Such coordination will enable the pooling of resources and expertise, fostering an inclusive approach to empowering rural women and maximising the economic potential of the Smart Village initiative.

Box Article 5.17

Empowering Rural Workforce by Leveraging Digital Literacy and Remote Work Opportunities

Digital literacy programs and remote work opportunities have emerged as transformative tools for workforce participation, particularly in rural areas. These initiatives unlock the economic potential of underutilised labour pools by addressing the digital divide and equipping individuals with essential skills. Rural communities, often constrained by geographical isolation and limited access to traditional employment opportunities, can benefit significantly from digital inclusion and flexible work models. These efforts enhance individual employability and stimulate local economies through increased productivity and entrepreneurship.

From an economic perspective, investments in digital infrastructure and skill-building programs generate a multiplier effect. For instance, improved digital literacy equips rural residents to access global markets, diversify income sources, and explore entrepreneurial ventures such as e-commerce. Additionally, remote work opportunities help retain talent within rural areas, reducing urban migration and ensuring economic benefits remain within local communities. This localisation of economic activity fosters regional development, enhances household incomes, and contributes to overall national economic growth.

Examples from countries such as India, Spain, and Finland illustrate the viability of such initiatives. Programs like India's Internet Saathi, Spain's PROFEA Initiative, and Finland's Village Internet Pilot highlight how strategic public-private collaborations and pilot projects can bridge digital skills and infrastructure gaps. These initiatives address immediate employability challenges and position rural communities as active participants in the digital economy. Rural states can create inclusive, resilient, and economically vibrant communities by replicating such models. Details of the programs are shown in Table 5.4.

Table 5.4: Benchmarking the digital literacy and remote work initiatives for rural workforce development, selected countries

Country	Initiative	Description	Pilot Program	Training Approach
India	Internet Saathi Program	Collaborative program by Google India and Tata Trusts to train rural women in digital literacy, enabling them to educate others in their community.	Yes: Piloted in 1,000 villages to test training methods and scalability before expanding to other regions.	Training was conducted through local "Saathis" using hands-on demonstrations and peer-to-peer learning, often in informal settings such as homes or villages.
Spain	PROFEA Digital Literacy Initiative	Focuses on providing digital literacy training to women in rural areas, particularly in Andalusia and Extremadura.	None	Training sessions were conducted in community centres using formal workshops with digital tools like computers and projectors.
Finland	Village Internet Pilot Program	Aimed at enhancing regional development by enabling professionals to work remotely from rural areas while accessing shared office spaces with high-speed internet.	Yes: Piloted in rural villages to test broadband capacity, the effectiveness of co-working hubs, and the feasibility of remote work.	Training included workshops to teach participants how to use teleconferencing tools, manage remote work schedules, and optimise home office setups.

Malaysia has a similar programme in the benchmark countries named the Smart Village initiative. It aims to bridge the urban–rural divide by introducing technology, fostering innovation and entrepreneurship. While initially proposed for 191 villages, the plan targets expansion to 15,000 villages. In 2024, the programme will begin with three pilot villages selected from MADANI Village Award winners. Led by KKDW, with Telekom Malaysia and UiTM, it focuses on Smart Living, Smart Agriculture, and Smart Education. The pilot emphasises digital infrastructure, literacy, and inclusive rural development.

However, there are differences in policies, target groups, implementation, monitoring, and evaluation aspects between the Smart Village initiatives and the selected countries. Programs like Internet Saathi and PROFEA clearly focused on empowering women, addressing specific societal gaps, and ensuring that the benefits of digital literacy reached those most in need. Next, Finland's approach to implementing pilot projects in selected villages allowed for the testing and refinement of strategies before a broader rollout, ensuring the effectiveness of the initiatives.

Additionally, comprehensive training is conducted to ensure quality outcomes. Successful programs provided hands-on training and continuous support, ensuring participants could effectively utilise new technologies. For instance, Internet Saathi used local women as trainers, facilitating peer-to-peer learning in familiar settings. Furthermore, infrastructure plays an important role. Ensuring the availability of necessary infrastructure, such as high-speed internet and access to digital devices, was crucial. Finland's investment in broadband infrastructure and co-working hubs made remote work feasible in rural areas.

Finally, monitoring and evaluation allow continuous improvement. Regular assessment of the programs' impact allowed for adjustments and improvements, ensuring that the initiatives met their objectives and provided tangible benefits to the communities involved. For example, Spain's PROFEA Digital Literacy Initiative implemented periodic evaluations through local government agencies and EU-funded reports to measure the effectiveness of training programs. These evaluations tracked metrics such as the number of participants who gained employment, improvement in digital skills, and the economic impact on rural areas. Feedback collected from

participants was used to refine training content and delivery methods, ensuring continuous improvement and alignment with community needs. Table 5.5 summarises the comparison between Malaysia and the selected countries.

Table 5.5: Comparison between Malaysia and selected countries on the digital literacy and remote work initiatives for rural workforce development

Country	Initiative	Scope and Scale	Gender Specificity	Factors Contributing to Success
Malaysia	Smart Village Program	A pilot program with 191 villages, aiming to expand to 15,000 villages nationwide.	It is not gender-specific; it targets the general rural community.	Ambitious nationwide scale, focus on digital infrastructure and community inclusion but lacks targeted gender-specific focus and extensive pilot testing.
India	Internet Saathi Program	Reached 20 million women across 200,000 villages, focusing on digital literacy and internet skills for rural women.	Specifically targeted rural women.	Targeted approach for women, peer-to-peer learning model, strong private sector involvement, and informal community-based training.
Spain	PROFEA Digital Literacy Initiative	Focused on rural women in Andalusia and Extremadura, aiming to equip 180,000 women with digital skills.	Specifically targeted rural women.	Focused training for women, structured workshops in community centres, and strong public-private partnerships.
Finland	Village Internet Pilot Program	Conducted pilot programs in selected rural villages to test broadband infrastructure, co-working hubs, and remote work feasibility.	It was not explicitly gender-specific but benefited all genders.	Pilot testing to refine strategies, investment in broadband infrastructure, and co-working hubs to foster regional economic activity.

Sources:

1. Inside Malaysia's Smart Village Project available at <https://www.tmone.com.my/think-tank/inside-malaysias-smart-village-project/>
2. Internet Saathi, Tata Trusts, available at <https://www.tatatrusters.org/our-work/digital-transformation/digital-literacy/internet-saathi>
3. PROFEA program for the digital literacy of rural women, <https://www.sepe.es/HomeSepe/que-es-el-sepe/comunicacion-institucional/noticias/detalle-noticia.html?folder=/2022/Diciembre/&detail=Proyecto-PROFEA-El-valor-del-aprendizaje-a-lo-largo-de-la-vida>
4. Nordregio Report 2024 Remote Work in Rural Areas: Possibilities and uncertainties, <https://pub.nordregio.org/r-2024-7-remote-work-in-rural-areas/introduction.html>

Strategy W4 Creating an Inclusive and Unified Digital Ecosystem for Employment Services

W4.1 Transform the Current Digital Employment Platform into an Integrated, Gender-Inclusive Ecosystem

To enhance workforce inclusivity and employment accessibility, a comprehensive digital employment platform should streamline access to job opportunities, training programmes, and career resources.

The system must integrate existing databases into a unified ecosystem, ensuring seamless navigation and consolidated information for job seekers and employers. By leveraging advanced analytics, the platform can provide personalised job matches, targeted training recommendations, and real-time labour market insights tailored to individual profiles.

A key component of this initiative is the integration of HRD Corp under Akademi Kesuma, which offers a cohesive ecosystem that connects demand-supply matching with structured upskilling and reskilling programmes. The unified platform should include a gender-specific job-matching and monitoring module, enabling targeted employment interventions. Moreover, firms accredited with gender-inclusive hiring practices should be showcased, encouraging more organisations to adopt equitable workforce policies. Collaboration between TalentCorp, SOCSO, and HRD Corp will ensure data interoperability, enhanced resource efficiency, and a seamless user experience.

Box Article 5.18

Best Practices in Gender-Specific Labour Force Monitoring

Many countries have advanced mechanisms for monitoring women's participation in the labour force, ensuring that both employment and economic inactivity data are accurately captured for policy interventions.

1. The UK's Find a Job System – A Model for Labour Market Integration

The United Kingdom's Find a Job system is a government-backed digital employment platform that integrates job listings, skills training, and employer resources in a centralised ecosystem. A key strength of the system is its gender-sensitive labour market monitoring, allowing authorities to track female workforce participation, job return trends, and skill gap analysis in real time. The system incorporates AI-driven job matching, employer accreditation for gender-inclusive hiring, and targeted interventions for women re-entering the workforce.

One of its standout features is data interoperability, enabling collaboration between different government agencies such as the Department for Work & Pensions (DWP), the Office for National Statistics (ONS), and workforce development agencies. This allows for comprehensive tracking of women's participation inside and outside the labour force, improving policymaking and labour market planning.

2. Finland's Labour Market Monitoring – A Data-Driven Approach

Finland has one of the highest female labour force participation rates in Europe due to its strong data-driven monitoring and active labour market policies. The government tracks detailed employment data by gender, sector, job flexibility, and employment continuity, ensuring that re-skilling efforts and childcare support policies align with workforce demands. The Finnish Employment Services Portal integrates training, childcare incentives, and targeted job placement schemes to support women's participation in high-value industries.

3. South Korea's Digital Gender Employment Framework

South Korea has pioneered digital labour force monitoring for women through its Employment & Labour Information System (ELIS). The system captures detailed employment trends among women, identifying workforce exit patterns due to family responsibilities or lack of upskilling opportunities. The government uses predictive analytics to forecast demand for flexible work arrangements, leading to better policy interventions such as tax incentives for companies with gender-inclusive hiring and re-employment programs for women returnees.

Sources:

1. Department for Work & Pensions (DWP), UK Government. (2023). Find a Job: Enhancing Employment Services for a Modern Workforce. Retrieved from www.gov.uk
2. Ministry of Economic Affairs and Employment of Finland. (2022). *Employment and Gender Equality Policies in Finland*. Retrieved from www.tem.fi.
3. Ministry of Employment and Labour, South Korea. (2023). Labour Market Statistics & Gender Monitoring in South Korea. Retrieved from www.moel.go.kr.

Strategy W5 Introducing a Regional Award for Excellence in Workplace Inclusivity

W5.1 Elevate the Current Life at Work Award towards the Regional Level

The current national inclusivity award, known as the Life at Work Award (LAWA), recognises organisations championing diversity and inclusivity in the workplace. The award acknowledges companies implementing innovative workplace policies to create equitable opportunities for all employees, particularly women, caregivers, and PWD dependents. Strengthening the value proposition of LAWA is important to ensure that this award is recognised as being on par with the international award.

Box Article 5.19

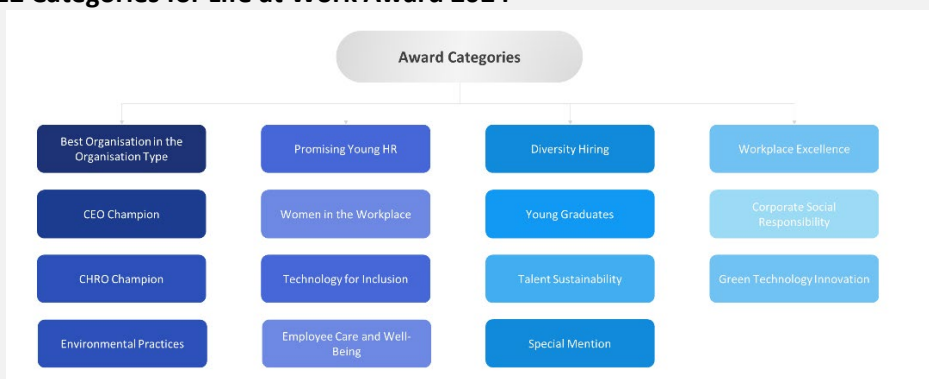


The Life at Work Award

The LIFE AT WORK Awards (LAWA) is TalentCorp's annual initiative recognising employers committed to progressive workplace strategies and the Diversity, Equity & Inclusion (DEI) agenda. The awards were held consecutively for seven years, from 2013 to 2019.

Between 2020 and 2022, the awards were temporarily suspended due to challenges posed by the COVID-19 pandemic. In 2023, TalentCorp successfully reinstated LAWA, receiving over 100 submissions and hosting a significant awards ceremony. The LAWA 2024 edition was successfully held on 20 November 2024, following an open submission period beginning in June 2024. This year, the initiative drew participation from 200 companies, including multinational corporations (MNCs), public-listed companies (PLCs), private limited companies (LTDs), small and medium enterprises (SMEs), public sector organisations, and others. A total of 37 awards and 1 Special Mention Award were presented across 14 award categories, including newly introduced categories as shown in **Figure 5.12**.

Figure 5.12 Categories for Life at Work Award 2024



Source: Life at Work Award website at <https://lifeatwork.my/#awards-sec>

Building on the existing LAWA, efforts to enhance its quality and international recognition are crucial in positioning Malaysia as a leader in workplace inclusivity. Strengthening the award's framework will ensure its credibility aligns with globally recognised standards, reinforcing its value as a benchmark for best practices in DEI. Expanding LAWA's influence at the regional level presents a first-step opportunity for international recognition.

To achieve this, improving the quality and prestige of the award is essential to ensure it is on par with internationally recognised accolades. This can be achieved by refining the award criteria, incorporating a more rigorous evaluation process, and engaging a broader panel of regional and global experts in workplace inclusivity. By doing so, LAWA can serve as a trusted reference for employers committed to progressive workplace policies, ultimately increasing its appeal to a broader spectrum of organisations.

Additionally, developing a regional-level framework will attract firms across ASEAN, enhancing Malaysia's reputation as a champion of workplace inclusivity. Establishing a structured regional platform for LAWA will encourage multinational corporations and regional businesses to adopt best practices, fostering cross-border collaboration and knowledge-sharing in workplace inclusivity.

Box Article 5.20

Internationally Recognised Award Around the Globe

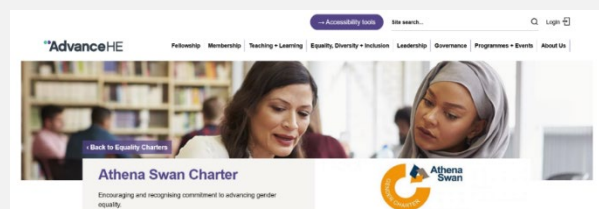


HR Asia Best Companies to Work for in Asia Awards

The HR Asia Best Companies to Work for in Asia Awards recognises organisations that excel in employee engagement and workplace culture. Since its inception, over 20,000 companies and 1.5 million employees have

participated across mainland China, Cambodia, Hong Kong, Indonesia, India, Japan, Korea, Macau, Malaysia, the Philippines, Singapore, Taiwan, Thailand, the UAE, and Vietnam,

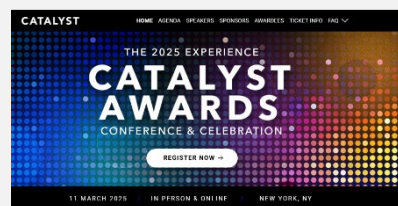
making it one of Asia's most extensive employer recognition initiatives. The awards feature categories such as Best Companies to Work for in Asia, Diversity, Equity, and Inclusion Awards, Most Caring Company Awards, and Sustainable Workplace Awards, assessed through the Total Engagement Assessment Model (TEAM), which evaluates workplace culture and HR best practices. Its regional reach and rigorous assessment make it a globally recognised benchmark for outstanding workplace policies. The prestige of the award is reflected in its highly competitive selection process. In 2023 alone, 78 workplaces in Malaysia were honoured from 320 nominations based on 21,800 employee surveys. Winning this award strengthens employer branding, enhances talent attraction, and reinforces an organisation's commitment to excellence in workplace inclusivity.



Athena Swan Silver Award

The Athena Swan Silver Award is a prestigious recognition under the Athena Swan Charter established by Advance HE to promote gender equality in higher education and research institutions. While the Bronze Award acknowledges institutions that identify gender-related challenges and develop action plans, the Silver Award is granted to those that have implemented

meaningful initiatives and demonstrated measurable impact in fostering an inclusive academic environment. Widely recognised in the United Kingdom, Ireland, Australia, and Canada, the award enhances institutional credibility, supports research funding eligibility, especially from bodies like the National Institute for Health Research (NIHR) and strengthens talent attraction and retention by affirming an institution’s commitment to diversity and career progression for underrepresented groups. It has practical implications for funding, recruitment and institutional prestige, making it a highly sought-after recognition in academia and research.



Inspiring Workplaces Awards

The Inspiring Workplaces Awards is a globally recognised accolade that celebrates organisations prioritising employee engagement, workplace culture, and inclusivity. Covering regions such as Asia, Australasia, Europe, North America, and the UK & Ireland, this award acknowledges companies that implement innovative people-first strategies, enhancing employee experience and organisational success. With winners spanning multiple continents, it has gained widespread recognition as a benchmark for progressive workplace policies and employee well-being.

Catalyst Award



The Catalyst Award is an internationally prestigious honour recognising organisations that excel in advancing gender equity and inclusion in the workplace. Established by Catalyst, Inc., the award has been presented to leading multinational corporations demonstrating measurable progress in fostering diverse and inclusive work environments. With recipients from North America, Europe, Asia, and beyond, it is widely accepted as a global standard for

workplace gender equality, influencing corporate policies worldwide and reinforcing the business case for diversity, equity, and inclusion (DEI).

Sources:

1. The HR Asia Best Companies to Work for in Asia Awards at <https://hr.asia/awards/about/>
2. The Athena Swan Silver Award at <https://www.advance-he.ac.uk/equality-charters/athena-swan-charter>
3. Inspiring Workplaces Awards at <https://www.inspiring-workplaces.com/iw-awards/>
4. The Catalyst Award at <https://events.catalyst.org/event/2025-catalyst-award/home-r1>

Furthermore, in conjunction with Malaysia’s Chairmanship of the 2025 ASEAN Meetings, there is an opportunity to elevate LAWA to the ASEAN level, positioning it as a regional award that recognises and promotes inclusive workplace strategies across member states. This initiative will strengthen Malaysia’s leadership in human capital development and contribute to ASEAN’s broader inclusive and sustainable economic growth agenda, ensuring that workplace inclusivity remains a key driver of workforce transformation in the region. Table 5.6 summarises the enhancements to LAWA.

Table 5.6 Proposed enhancements to the Life at Work Award

No.	Category	Improvement
1.	Alignment with Standards	Benchmark against global awards (e.g., Fair360, EOCGE) and incorporate UN SDG criteria.
2.	Expanded Categories	Add new categories such as Technology-Driven Inclusivity, Green Workplaces, and Diversity & Inclusion Leadership in ASEAN.
3.	Evaluation Process	Implement a data-driven framework and involve international experts as judges.

No.	Category	Improvement
4.	Recognition Benefits	Provide certifications and showcase winners at global forums like ASEAN or WEF events.
5.	Digital Platform	Launch a global dashboard to feature winners, case studies, and best practices.
6.	Local-Regional Partnerships	Collaborate with ASEAN to introduce regional categories and promote Malaysian excellence globally.

Strategy W6 Advancing Workplace Equity Through Openness and Accountability

W6.1 Promote Gender Pay Equity Through Transparency Measures

Reducing the gender pay gap can increase female labour force participation by enhancing economic incentives, improving workplace equity, and fostering fairer career progression opportunities. When women receive equal pay for equal work, employment becomes more financially viable, particularly in balancing costs such as childcare and commuting. Pay transparency and gender pay gap reporting can help break occupational segregation by encouraging more women to enter higher-paying fields. Ensuring fair wages also strengthens household economic security, reducing reliance on a single income and enabling more women to participate in the workforce.

Malaysia lacks specific legislation mandating employers to disclose salary information publicly or report on gender pay gaps. While specific regulations exist concerning disclosing personal information, including salary and wages, none directly address gender pay equity. This absence of transparency makes it challenging to assess and rectify disparities, leaving gender pay gaps unaddressed. Ensuring equitable pay structures as the labour market evolves is crucial in fostering an inclusive and fair workplace.

Box Article 5.22

Current Challenges in Managing the Gender Pay Gap in Malaysia

Employment Act 1955. Malaysia does not have specific legislation mandating employers to disclose salaries or report gender pay gaps publicly. The Employment Act 1955 establishes fundamental employment terms but does not require salary transparency.

The Employment Act 1955 is Malaysia's principal labour law, setting out fundamental employment terms such as wages, working hours, leave entitlements, and termination conditions. However, it does not mandate salary transparency or require employers to disclose pay information to employees or the public.

The absence of such provisions means that employees have limited access to salary comparisons across roles, industries, or genders. This lack of transparency can contribute to pay disparities, including gender wage gaps, as employees may be unaware of wage differences or lack the necessary information to negotiate equitable salaries.

Salary negotiations in Malaysia are often conducted individually, with limited access to benchmarked pay data. This may disadvantage certain groups, particularly women, who may face challenges in negotiating competitive salaries due to information asymmetry or societal norms.

Personal Data Protection Act (PDPA) 2010. The PDPA 2010 also governs personal data collection, storage, and disclosure, including salary information. Employers must obtain consent before sharing an employee's salary details with third parties. This regulation poses challenges for external bodies and researchers in accessing individual salary data without company cooperation.

Sources:

1. Employment Act 1955 (Act 265). Online version of updated text of reprint as at 1 January 2023. [https://lom.agc.gov.my/ilims/upload/portal/akta/outputaktap/1741197_BI/Act%20265_FINAL_as%20at%201%20Jan%202023%20\(30.3.23\).pdf](https://lom.agc.gov.my/ilims/upload/portal/akta/outputaktap/1741197_BI/Act%20265_FINAL_as%20at%201%20Jan%202023%20(30.3.23).pdf)
2. Personal Data Protection Act 2010 (Act 709). Online version of updated text of reprint as at 15 June 2016. <https://lom.agc.gov.my/ilims/upload/portal/akta/LOM/EN/Act%20709%2014%206%202016.pdf>

The gender pay gap in Malaysia is influenced by multiple factors, including societal norms, occupational segregation, and a lack of robust data to track wage differences systematically. The absence of mandatory reporting contributes to the challenge, as employers are not required to evaluate or rectify gender-based wage disparities. Without structured mechanisms in place, women may continue to face pay inequities that limit their economic opportunities and long-term financial security. Addressing these issues requires a concerted policy effort to introduce transparency and accountability into wage structures. As such, legislative reform is needed to allow for pay transparency at the firm level. To do this, a thorough study needs to be undertaken, and engagement with industries needs to be done before amending current legislation and introducing a legislative reform.

Box Article 5.23

Reducing the Gender Pay Gap through Laws and Regulations

Gender pay disparities remain a persistent challenge in many economies, prompting legislative interventions to ensure transparency and fairness in wage structures. Several countries have introduced legal frameworks to reduce the gender pay gap by requiring employers to assess and disclose salary information, implement corrective measures, and promote workplace equality. Laws such as Norway's Equality and Anti-Discrimination Act (2018) and Germany's Transparency in Wage Structures Act (2017) provide examples of regulatory approaches designed to enhance accountability and reduce wage inequalities. These legislative measures empower employees with the right to request salary information while requiring employers to conduct systematic reviews of pay structures to identify and address potential discrimination. The following sections outline key provisions under these laws.

Equality and Anti-Discrimination Act (2018) in Norway

The Norwegian Equality and Anti-Discrimination Act requires employers to actively promote equality and prevent discrimination on various grounds, including gender, ethnicity, disability, and sexual orientation. Employers must make targeted and systematic efforts to ensure equal treatment in areas such as recruitment, pay, working conditions, and career development. Public undertakings and private companies with more than 50 employees must regularly assess potential discrimination risks, including gender-based pay disparities and involuntary part-time work, and implement corrective measures. Private companies with 20 to 50 employees must also comply if requested by employees or their representatives. The law emphasises continuous efforts in collaboration with employee representatives, ensuring a proactive approach to fostering workplace equality. All efforts undertaken by the employer must be documented. The following is an example of the related provision under the Act:

Section 26. Activity duty of employers

All employers shall, in their operations, make active, targeted and systematic efforts to promote equality, prevent discrimination on the basis of gender, pregnancy, leave in connection with childbirth or adoption, care responsibilities, ethnicity, religion, belief, disability, sexual orientation, gender identity, gender expression or combinations of these grounds, and shall seek to prevent harassment, sexual harassment and gender-based violence. Such efforts shall encompass the areas of recruitment, pay and working conditions, promotion, development opportunities, accommodation and the opportunity to combine work with family life.

All public undertakings, regardless of size, and private undertakings that ordinarily employ more than 50 persons shall, in the context of their operations

- a. investigate whether there is a risk of discrimination or other barriers to equality, including by reviewing pay conditions by reference to gender and the use of involuntary part-time work every two years,
- b. analyse the causes of identified risks,
- c. implement measures suited to counteract discrimination and promote greater equality and diversity in the undertaking, and
- d. evaluate the results of efforts made pursuant to a) to c).

The same shall apply to private undertakings that ordinarily employ between 20 and 50 persons if requested by the employees or employee representatives.

«Involuntary part-time work» shall mean part-time work where the person holding the position wishes and is available to work more.

Efforts as specified in this provision shall be documented. Efforts as specified in the second paragraph of the provision shall be made on an ongoing basis and in cooperation with employee representatives.

The King may issue regulations containing supplementary provisions on the content and conduct of the pay review.

The Transparency in Wage Structures Act (Entgelttransparenzgesetz) 2017 in Germany

The act aims to promote pay equity by enhancing salary transparency. Under this law, employees in companies with more than 200 employees have the right to request information on the salaries of colleagues in comparable roles to identify potential gender pay disparities. Additionally, companies with more than 500 employees must conduct internal pay equity audits to assess and address unjustified wage gaps. While the Act does not mandate public disclosure of pay data, it encourages greater accountability among employers. It provides employees with the necessary information to challenge potential discrimination in pay structures. The following is an example of the related provision under the Act:

Section 17
Internal company evaluation procedures

(1) Private employers with a workforce that usually counts more than 500 employees are called upon to use internal company evaluation procedures to assess their remuneration provisions and the various remuneration components disbursed, as well as the way in which they are applied, on a regular basis, to determine compliance with the principle of equal pay as laid down by the present Act. If, within a corporate group, the controlling company has a decisive influence on the remuneration conditions of at least one enterprise within the group, the controlling company can conduct the internal company evaluation procedure pursuant to sentence 1 for all of the companies within the corporate group.

(2) If an internal company evaluation procedure is conducted, it shall take place under the employer's own responsibility with the assistance of the procedures pursuant to Section 18 and with the participation of the employee or worker representatives.

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Section 23
Evaluation and reporting

(1) Following the entry into force of the present Act, the Federal Government shall continuously evaluate its effectiveness and shall report on its findings every four years, beginning two years after entry into force. The evaluation shall describe the implementation of the principle of equal pay for women and men performing the same work or work of equal value in establishments and companies of all forms and sizes that fall under the scope of application of Part 2 of the present Act.

(2) The Federal Government shall report on the development of the principle of equal pay for women and men performing the same work or work of equal value in establishments with a workforce that usually counts less than 200 employees, every four years, beginning two years after the entry into force of the present Act.

(3) The Federal Government shall include the statements of the social partners in the evaluation pursuant to subsection 1 and in the filing of the report pursuant to subsection 2.

Conclusion

Addressing wage disparities can drive broader cultural and organisational shifts, such as inclusive hiring, career advancement opportunities, and flexible working arrangements, making workplaces more accessible for women. Additionally, equal pay policies can encourage greater investment in education and skills development, increasing female representation in high-growth industries.

However, closing the gender pay gap alone is not sufficient; it must be supported by measures such as affordable childcare, parental leave policies, and flexible work arrangements to create an environment where women can fully engage in the labour market.

Sources:

1. Lov om likestilling og forbud mot diskriminering (likestillings- og diskrimineringsloven). Abbrv: Equality and Anti-Discrimination Act in Norway 2018. Last Updated 17 January 2022. <https://www.nord.no/sites/default/files/2024-10/Equality%20and%20Anti-Discrimination%20Act.pdf>
2. The Transparency in Wage Structures Act (Entgelttransparenzgesetz) 2017 in Germany at https://www.gesetze-im-internet.de/englisch_entgtranspg/englisch_entgtranspg.html#p0060

While legislative reforms are being developed, an immediate step Malaysia can take is introducing a voluntary disclosure initiative through a pilot project involving government-linked companies (GLCs) and Bursa Malaysia-listed entities. This initiative would encourage companies to disclose gender pay gap data while ensuring compliance with the Personal Data Protection Act (PDPA). The pilot project would also help refine guidelines for voluntary reporting, ensuring that companies can participate without legal or confidentiality concerns. The findings from this initiative could then inform future regulations, making the transition towards mandatory pay transparency smoother and more effective.

For a long-term impact, Malaysia must establish a comprehensive pay transparency law that extends beyond gender and includes disparities based on age, education level, and skill sets. A robust legislative framework will ensure that wage equity is institutionalised across various demographic groups, promoting fairness and inclusivity in the workforce. By embedding pay transparency measures into law, Malaysia can create a labour market that values and rewards individuals equitably based on their contributions rather than systemic biases.

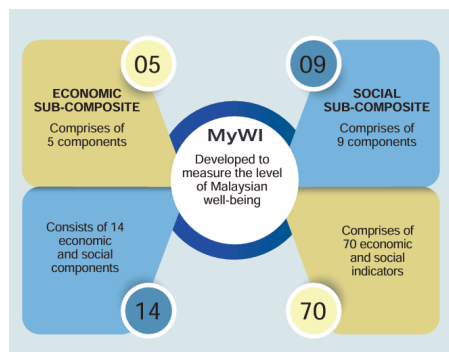
Strategy W7 Implementing a Comprehensive Framework for Psychosocial Support in the Workforce

W7.1 Enhancing Psychosocial Support for Women in the Workforce

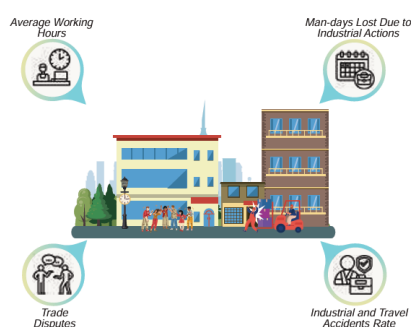
Despite growing awareness of workplace mental health issues, many women continue to face significant psychosocial challenges in the workforce. These challenges include elevated stress levels, difficulties achieving work-life balance, and a lack of structured support for building resilience. To address these concerns, it is important to implement a comprehensive framework for psychosocial support that promotes mental well-being and develops a National Psychosocial Well-being Index. This index would systematically evaluate psychosocial variables across gender and specific age groups, such as youth and older workers. It would be a robust tool to monitor progress and guide targeted interventions across sectors.

Box Article 5.24

The MyWI Sub-Composites



The Working Life Index components



Source: Extract from MyWI 2023

The Working Life Index is closely related to the intended development of the National Psychosocial Well-being Index. However, the limitation of variables in the Working Life Index makes it hard to gauge specific conditions that must be measured to evaluate the current psychosocial well-being in the workplace.

The Working Life measurements include average working hours, man-days lost due to industrial actions, trade disputes and industrial and travel accidents rate.

Source: Malaysia Well-Being Index (MyWI) 2023, Department of Statistics Malaysia

Malaysia Well-Being Index (MyWI)

The Malaysian Well-Being Index (MyWI) is a composite measure developed by the Department of Statistics Malaysia to assess Malaysians' economic and social well-being. The MyWI is divided into two main sub-composites namely, the Economic Sub-Composite and the Social Sub-Composite.

The Economic Sub-Composite consists of 5 components based on 14 economic and social components. These components collectively measure economic factors that influence the well-being of individuals, such as income, employment, and economic stability.

The Social Sub-Composite comprises 9 components and considers a broader range of well-being factors. This includes 70 economic and social indicators covering social determinants such as health, education, and community engagement to provide a comprehensive view of social well-being.

One of the indices measured under the economic sub-composite is the Working Life Index. The Working Life

The proposed framework must also advocate for gender-inclusive strategies that combine tailored psychosocial support initiatives with continuous upskilling and productivity-linked incentives. Organisations can foster a more supportive work environment by encouraging employers to adopt practices such as wellness workshops, stress management training, and other mental health programmes. A key element of this framework is benchmarking progress through established tools such as the Psychosocial Safety Climate (PSC-12) Index, which assesses organisational policies, practices, and values concerning psychological well-being. This approach facilitates regular evaluation and improvement of current initiatives and ensures that support measures are responsive to the specific needs of women in the workforce. For a detailed description of PSC-12, please refer to Box Article 5.25. The development of this index will also include older workers and veterans. This index should also be able to include analysis based on age group.

Box Article 5.25

Canada's National Standard for Psychological Health and Safety in the Workplace

Canada's National Standard for Psychological Health and Safety in the Workplace is a pioneering framework designed to promote mental well-being and prevent psychological harm within organizational settings. Launched in January 2013, it stands as the world's first standard of its kind, offering voluntary guidelines, tools, and resources to assist organizations in fostering psychologically healthy and safe workplaces.

The Objective of the Framework

The primary goal of the Standard is to provide a systematic approach for organizations to develop and sustain environments that promote psychological health and safety. It emphasizes the prevention of psychological harm and promoting mental well-being among employees, aiming to integrate these practices into existing occupational health and safety management systems.

The Standard outlines several core elements essential for creating a psychologically healthy workplace:

- **Leadership Commitment:** Senior management must demonstrate a clear commitment to psychological health and safety, establishing policies that reflect this dedication.
- **Planning:** Organizations should identify psychological hazards, assess risks, and develop objectives and targets for improvement.
- **Implementation:** This involves developing and maintaining a supportive infrastructure, including awareness training, communication strategies, and preventive measures.
- **Evaluation and Corrective Action:** Regular monitoring and evaluation of the implemented strategies are crucial, with mechanisms in place to address identified issues promptly.
- **Management Review and Continual Improvement:** Ongoing assessment by leadership to ensure the effectiveness of the psychological health and safety management system, fostering a culture of continuous improvement.

The Standard provides a flexible framework suitable for organizations of all sizes, including Small and Medium-sized Enterprises (SMEs). It offers guidance on tailoring the implementation process to align with an organization's specific context and resources. Key steps include:

- **Gap Analysis:** Assessing current workplace practices against the Standard's requirements to identify areas needing enhancement.
- **Resource Allocation:** Determining the necessary resources, such as personnel, training, and financial investment, to support implementation.
- **Employee Engagement:** Involving employees at all levels in the development and execution of psychological health and safety initiatives to ensure relevance and effectiveness.
- **Continuous Monitoring:** Establishing metrics and feedback mechanisms to monitor progress and inform ongoing improvements.

Adopting the Standard offers numerous advantages, which include:

- **Enhanced Employee Well-being:** Promoting mental health increases job satisfaction and overall well-being.
- **Improved Productivity:** A psychologically healthy workplace can increase engagement and efficiency.

- **Risk Mitigation:** Proactively addressing psychological hazards reduces the likelihood of work-related mental health issues.
- **Positive Organisational Culture:** Fostering an environment that values mental health contributes to a supportive and inclusive workplace culture.

Sources:

1. Mental Health Commission of Canada at <https://mentalhealthcommission.ca/national-standard/>
2. Psychological Health in the Workplace at <https://www.canada.ca/en/employment-social-development/services/health-safety/reports/psychological-health.html>

The development of this index will also include older workers and veterans. This index should also be able to include analysis based on age group.

Strategy W8 Strengthening Institutional Leadership and Governance for Workplace Gender Equity

W8.1 Leveraging the National Women and Family Council to Monitor Gender Equality in Employment According to the Target in the National Women's Policy

Malaysia has established the National Women and Family Council (MWKN) to facilitate discussions and exchange ideas on issues related to women and families. To enhance women's welfare, it is crucial to empower the MWKN to actively shape policies promoting women's employment opportunities. Strengthening the MWKN's role as an advisory body for gender-responsive employment policies will enable better alignment across ministries. Relevant ministries with programmes, particularly in rural and underdeveloped urban areas, should reassess their initiatives by incorporating gender-specific data and interventions. This approach will optimise the use of the existing ministerial network. Additionally, revising the MWKN's Terms of Reference (TOR) to include gender equality explicitly in the employment agenda will help ensure that gender considerations are prioritised in employment-related policies.



Box Article 5.26**The National Women and Family Council (MWKN)**

The National Women and Family Council (MWKN) was established on 17 March 2023, in line with the decision of the National Social Council Meeting No. 1 of 2023, chaired by the Deputy Prime Minister. MWKN is a platform for exchanging views and ideas involving stakeholders to empower women and strengthen the family institution more comprehensively.

MWKN comprises federal government agencies, representatives from the private sector, academic representatives, and non-governmental organisations (NGOs), with 31 members.

The establishment of MWKN aims to perform the following functions:

- a. To set the direction, policies, and strategies related to the empowerment of women and the strengthening of the family institution;
- b. To provide advice and recommendations on issues concerning women and families; and
- c. To ensure that high-impact, cross-agency issues concerning women and families discussed in MWKN are forwarded for consideration by the National Social Council Meeting.

MWKN also serves as an effective platform for developing and enhancing policies, strategies, and initiatives to empower women and strengthen the family institution in the country. Additionally, MWKN provides a space for sharing views and relevant information about women and family issues, directly contributing to the government's ability to make informed decisions.

Source: Ministry of Women, Family and Community Development

JPW should be granted the authority to co-develop and monitor national frameworks on workplace equity with KESUMA, including establishing precise mechanisms for pay transparency, anti-discrimination enforcement, and equitable career advancement. However, in the long term, considering JPW function to be more inclusive without separating power between ministries should be re-examined. As shared in the Box Article 5.25, the Federal Office for Gender Equality (FOGE) covers all aspects, including welfare and employment. Streamlining functions into one agency can allow efficient policy coordination and timely monitoring. In the short run, improving the council's TOR and frequent discussions and real-time data analysis will improve the current policy coordination efforts.

Box Article 5.27**Advancing Gender Equality in Switzerland through the Federal Office for Gender Equality (FOGE)**

The Federal Office for Gender Equality (FOGE) is a Swiss federal authority dedicated to promoting equality between men and women across all facets of life, including law, professional environments, family, education, politics, and society. Established in 1988, FOGE operates under the Federal Department of Home Affairs and is governed by the Gender Equality Act. Its central objectives encompass ensuring workplace equality and eradicating violence against women and domestic violence.

FOGE functions as a specialised federal agency with a mandate to develop, coordinate, and monitor gender equality policies at the national level. Its structure includes:

- i. The Policy and Legal Affairs Unit is responsible for legislative proposals, legal assessments, and policy development.

- ii. Equality in the Workplace Division focuses on gender parity in employment, including wage transparency and career progression.
- iii. Violence Prevention and Awareness Division addresses gender-based violence, including domestic violence, through national strategies and public awareness campaigns.
- iv. Research and Data Monitoring Unit collects and analyses data on gender equality trends to guide policymaking and assess progress.

FOGE's mandate covers four key areas:

i. Workplace Gender Equality

- Implements measures to address the gender pay gap and ensure compliance with the Gender Equality Act (GEA).
- Provides tools such as the Logib Pay Analysis Tool, enabling employers to assess wage equality.
- Supports organisations in adopting gender-inclusive workplace policies and leadership development initiatives.

ii. Legislative and Policy Development

- Contributes to drafting gender-related legislation and ensures policies align with equality principles.
- Conducts gender impact assessments for laws and regulations.
- Advises federal, cantonal, and municipal authorities on integrating gender perspectives into governance.

iii. Prevention of Gender-Based and Domestic Violence

- Develop national strategies to combat domestic violence and improve victim protection.

iv. Provides funding and resources for victim support services.

- Collaborates with law enforcement agencies to enhance responses to gender-based violence cases.

FOGE actively engages with national and international stakeholders to strengthen gender equality efforts through strategic collaboration. At the national level, it works closely with key federal agencies to integrate gender considerations into policy development. Its partnership with the State Secretariat for Economic Affairs (SECO) ensures that labour market policies reflect gender equality principles, while collaboration with the Federal Social Insurance Office (FSIO) addresses disparities in pension and social security systems. Additionally, FOGE coordinates with the Swiss Federal Commission for Women's Issues (FCWI) to advance women's rights and social inclusion. At the regional level, FOGE works with cantonal gender equality offices to implement national policies effectively and supports local initiatives that promote equal career opportunities and gender-sensitive education programmes. These partnerships enable FOGE to embed gender equality considerations into various governance and economic planning aspects.

Internationally, FOGE represents Switzerland in United Nations (UN) committees, the Council of Europe's Gender Equality Commission, and OECD Working Groups on Gender Equality, contributing to global discussions on best practices and policy advancements. It also participates in the Equal Pay International Coalition (EPIC), advocating for global wage transparency standards to close gender pay gaps. Collaboration with European counterparts further allows FOGE to exchange insights on gender equality enforcement, strengthening Switzerland's policy framework through shared knowledge and coordinated efforts. These engagements ensure that Switzerland remains

aligned with international gender equality standards while refining domestic strategies based on global expertise.

Sources:

1. About the Federal Office for Gender Equality (FOGE) at <https://www.ebg.admin.ch/en/about-the-foge>
2. Publications of the Federal Office for Gender Equality (FOGE). <https://www.ebg.admin.ch/en/publications-foge>
3. https://www.ohchr.org/sites/default/files/Documents/Issues/Development/SR/visit-to-switzerland/foge_GE.pdf
4. Cooperation in Switzerland and internationally. <https://www.ebg.admin.ch/en/cooperation-in-switzerland-and-internationally>

Additionally, JPW and KESUMA should establish structured collaboration with the Ministry of Economy to ensure that national economic planning incorporates gender-inclusive employment strategies. Strengthening inter-ministerial cooperation will create a unified framework for gender equality, ensuring that policies are consistently implemented across sectors and aligned with Malaysia's broader economic and workforce development goals.

Box Article 5.28

Best Practices from Global Initiatives

Norway has established itself as a global leader in gender equality by institutionalising strong collaborative mechanisms between the government, private sector, and CSOs. A key aspect of its approach lies in developing national action plans that mandate cross-sector engagement in advancing gender equity. These plans outline clear roles for businesses, civil society organisations, and policymakers, ensuring accountability and sustained progress. By embedding gender equality within its broader economic and social policies, Norway has created a governance structure that aligns private sector responsibilities with national development goals, enabling a more effective and coordinated effort.

Example of Norway Gender Equity Collaboration

Stakeholder	Role	Description
Businesses	Mandatory Gender Reporting and Inclusive Practices	Norwegian companies are required to submit gender diversity reports detailing workforce composition, pay gaps, and leadership representation. Large corporations must ensure at least 40% female representation on corporate boards, with penalties for non-compliance. Employers implement family-friendly workplace policies, such as flexible work arrangements and extended parental leave, to support gender balance.
CSOs	Bridging Gaps and Advocacy	CSOs receive government funding to support women's career advancement in male-dominated sectors, such as technology and engineering. Non-profits actively monitor and report on gender policy implementation, ensuring accountability for businesses and the government.

		CSOs play a crucial role in providing gender education and awareness programmes, influencing societal attitudes towards workplace equality
Government	Policy Coordination and Incentives	<p>The Norwegian government enforces gender equity laws and ensures that all public sector agencies comply with national gender diversity standards</p> <p>Authorities provide financial incentives and tax breaks for companies that excel in gender inclusion.</p> <p>A centralised Gender Equality Ombudsman is responsible for addressing gender discrimination cases and ensuring compliance across sectors.</p>

One of Norway's most impactful strategies is the legal requirement for businesses to implement gender-inclusive policies and report on workforce diversity. Through mechanisms such as mandatory gender representation quotas on corporate boards and incentives for companies demonstrating gender-balanced leadership, the Norwegian model ensures that gender equity is not just an aspirational goal but a business imperative. Additionally, the government funds CSO-led initiatives that bridge workplace gender gaps, particularly in traditionally male-dominated industries, further strengthening partnerships across sectors. This structured approach has resulted in increased female representation in leadership positions and improved women's economic participation across industries.

Norway's model also strongly emphasises data-driven policymaking and impact assessment. A centralised national gender data repository consolidates gender-disaggregated data from businesses and CSOs, enabling real-time monitoring and policy refinement. This level of transparency allows stakeholders to assess progress, address gaps, and drive continuous improvement. Furthermore, regular stakeholder consultations, including public-private-CSO roundtables, ensure that gender policies remain responsive to evolving societal and economic needs. Through sustained collaboration and clear accountability frameworks, Norway has demonstrated that achieving gender equity requires a multi-stakeholder approach that integrates policy enforcement, private sector commitment, and grassroots advocacy

Sources:

1. Gender Equality <https://www.norad.no/en/thematic-areas/thematic-areas-in-norwegian-aid/equality/>
2. Norway Action Plan for Gender and Sexual Diversity:
3. <https://www.regjeringen.no/en/aktuelt/the-norwegian-government-bolsters--efforts-for-gender-and-sexual-diversity-in-new-action-plan/id2963498/#:~:text=The%20Norwegian%20government%E2%80%99s%20Action%20Plan%20for%20Gender%20and,recognition%20of%20gender%20and%20sexual%20diversity%20in%20society>
4. Norway to strengthen international efforts to support women's rights and gender equality <https://www.regjeringen.no/en/aktuelt/norway-to-strengthen-international-efforts-to-support-womens-rights-and-gender-equality/id3007589/>
5. https://www.regjeringen.no/en/topics/foreign-affairs/the-un/innsikt/womens_rights/id439433/

W8.2 Improve Monitoring Mechanism on Progress and Outcomes of Inclusive Policies

Malaysia has implemented various inclusive workforce policies to improve gender equity and workforce participation. However, no centralised framework is dedicated to systematically monitoring the effectiveness and impact of these policies. While agencies such as the Department of Statistics Malaysia (DOSM) and the Ministry of Human Resources (KESUMA) provide labour market data, these

reports do not comprehensively analyse inclusivity outcomes. Existing monitoring mechanisms lack real-time tracking, independent evaluations, and comparative benchmarking with international standards, making it difficult to assess the long-term impact of these policies.

Box Article 5.29

Assessing Malaysia's Gender Equality Progress Through the Global Gender Gap Index



Introduction to the Global Gender Gap Index

The Global Gender Gap Index (GGGI), published annually by the World Economic Forum (WEF), is a key measure of gender disparities across four main areas:

- i. Economic Participation and Opportunity
- ii. Educational Attainment
- iii. Health and Survival
- iv. Political Empowerment.

The index evaluates the gap between men and women rather than overall levels of development, providing a benchmark for tracking progress in gender equality worldwide. Countries are ranked based on their scores, with 1.000 representing full equality. By offering a comparative perspective, the GGGI helps policymakers identify challenges and implement strategies to improve gender inclusivity in education, employment, and governance.

Malaysia Global Gender Gap Index Rank

Malaysia's position in the 2024 Global Gender Gap Index reflects achievements and areas needing attention. The country ranks 114th out of 146 nations with an overall score of 0.668, dropping from 102nd place in 2023. While Malaysia has achieved full gender balance in Educational Attainment (1.000) as well as Health and Survival (0.989), progress remains slow in Economic Participation and Opportunity (0.634, ranked 102nd) and Political Empowerment (0.088, ranked 134th). The decline in ranking is largely due to limited improvements in female workforce participation, income differences, and the low presence of women in leadership roles, particularly in politics. Although high literacy and tertiary education enrolment rates indicate strong educational achievements, these have not yet translated into better access to employment or leadership positions.

This report provides important insights into Malaysia's gender dynamics by highlighting structural and societal barriers that affect women's participation in the economy and decision-making roles. The significant gap in economic and political involvement points to the need for targeted policies that enhance workforce participation, improve wage fairness, and increase women's representation in leadership positions. Additionally, the low percentage of women in ministerial and parliamentary roles suggests broader societal challenges in ensuring equal opportunities in governance. While the GGGI serves as a global reference, Malaysia does not have a dedicated national gender index to assess gender-related disparities within its unique socio-economic context. Developing a national index would allow for a more detailed understanding of gender differences at the local level, helping to shape policies aligned with Malaysia's development goals and international commitments to gender equality.

Source: Global Gender Gap Index Report 2024, World Economic Forum

The absence of a structured monitoring framework limits the ability to track progress over time and identify areas requiring intervention. Data on gender equity, workforce participation, and policy adoption across industries remain fragmented, preventing a holistic understanding of inclusivity trends. Without a national-level inclusivity index, benchmarking progress is challenging, and there is no interactive platform to enable stakeholders to review developments and provide feedback. The lack of a systematic approach constrains efforts to enhance accountability and refine evidence-based policies.

Box Article 5.30

Developing a Malaysia-Specific Gender Index for National Monitoring

Malaysia could benefit from a national gender index tailored to its demographic, socio-economic, and cultural context. A localised index should consider:

- i. Expanding economic indicators by including gender disparities in informal employment, entrepreneurship, and access to digital jobs
- ii. Addressing sectoral differences by analysing gender gaps in high-growth industries such as STEM, finance, and public administration
- iii. Incorporating social and cultural aspects by measuring unpaid domestic labour, caregiving responsibilities, and gender-based constraints in work-life balance
- iv. Enhancing governance and leadership metrics by capturing women's representation in corporate boards, state government positions, and grassroots leadership

By using national data sources such as labour force surveys, enterprise censuses, and administrative records, Malaysia can develop an index that provides granular, real-time insights into gender disparities. This would enable the government to set targeted policies and track progress more effectively than relying solely on global indices.

A national gender index would serve as a strategic tool for evidence-based policymaking, helping Malaysia move towards a more inclusive and equitable workforce while aligning with global gender equality commitments

Malaysia requires a structured framework to track inclusivity outcomes systematically. A National Inclusivity Index must be developed to measure workforce participation rates, gender equity, and industry policy adoption. A real-time data tracking system integrated with an interactive digital dashboard will provide transparency and accessibility, enabling stakeholders to monitor progress effectively. Structured feedback mechanisms, including surveys and focus groups, must be introduced to capture on-the-ground experiences and inform policy refinements. Independent evaluations will strengthen accountability, with findings published in annual inclusivity reports. Aligning national inclusivity assessments with global benchmarks through comparative studies will ensure that policies remain relevant and responsive to emerging challenges, driving continuous improvements in workforce inclusivity.

Detailed Policy Implementation Mechanism

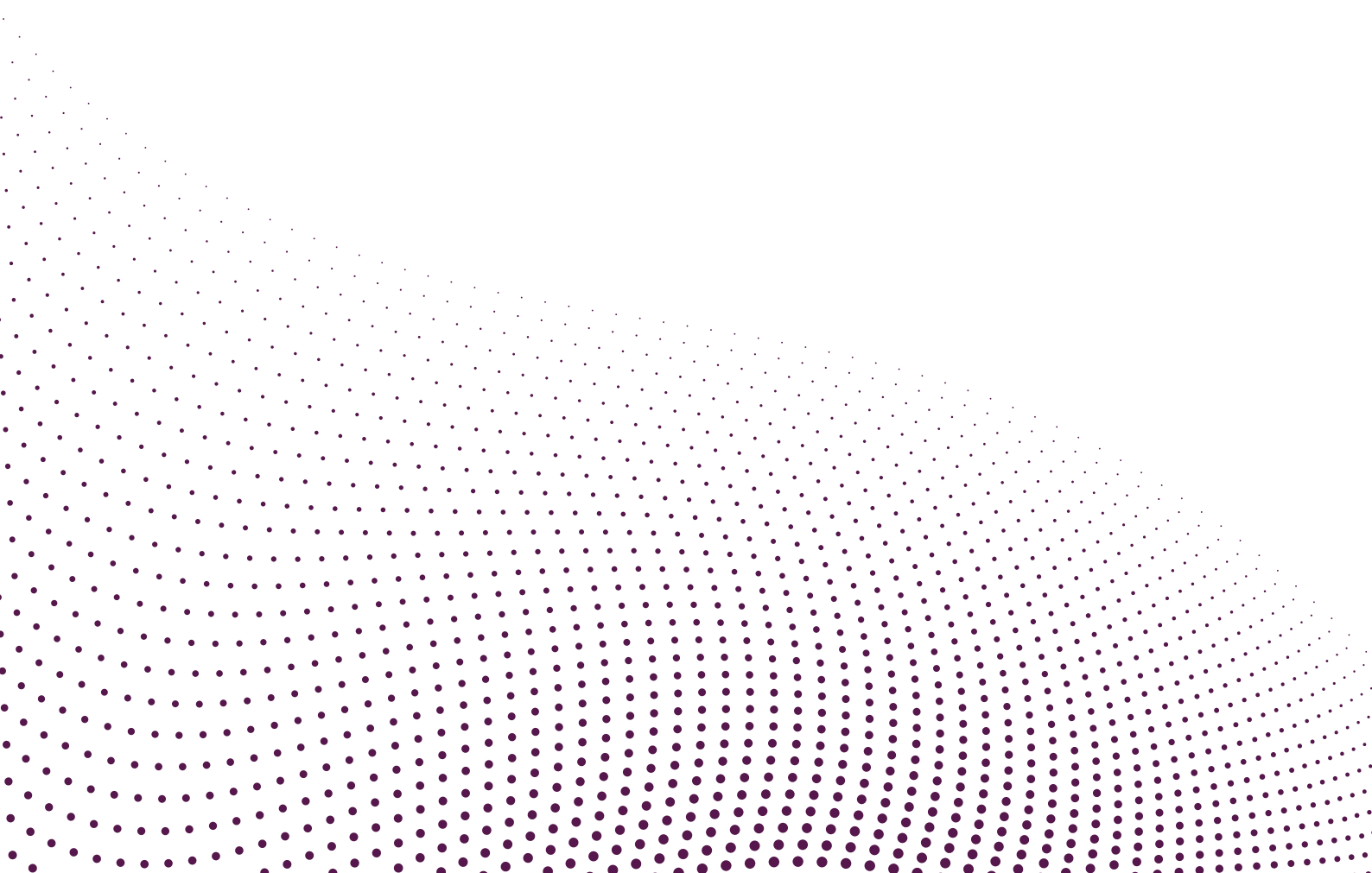
This section presents a structured framework for enhancing female labour force participation through targeted strategies and initiatives. The table below outlines key strategies, specific initiatives, implementation timelines, and the roles of key and supporting ministries/agencies in facilitating these efforts.

Strategy	Initiatives	Timeline	Key Ministries/Agencies	Supporting Ministries/Agencies	Outcome
W1 Balancing Professional and Caregiving Responsibilities	W1.1 Implement Comprehensive Maternity and Parental Leave Policies	Medium-term In the 13th Malaysia Plan period	<ul style="list-style-type: none"> Ministry of Human Resources 	<ul style="list-style-type: none"> Ministry of Women, Family and Community Development Malaysia Productivity Corporation (MPC) 	<ul style="list-style-type: none"> Increase female labour participation in the workforce Increase overall labour force participation rate Encourage the registration of informal childcare and domestic services
	W1.2 Enhance Flexible-Hour Childcare Services to Cater to Parents Working in Shift-Based Roles, Such as Healthcare, Manufacturing, and Hospitality	Medium-term	<ul style="list-style-type: none"> Ministry of Women, Family and Community Development Ministry of Human Resources 	<ul style="list-style-type: none"> Ministry of Housing and Local Government Malaysia Productivity Corporation Talent Corporation Malaysia Berhad 	
	W1.3 Strengthen Flexible Work Arrangements	Medium-Term	<ul style="list-style-type: none"> Talent Corporation Malaysia Berhad 	<ul style="list-style-type: none"> Ministry of Human Resources Department of Labour Peninsular Malaysia (JTKSM) Malaysia Productivity Corporation 	
	W1.4 Establish a Framework for Subsidised Domestic Services	Medium-Term	<ul style="list-style-type: none"> Ministry of Human Resources 	<ul style="list-style-type: none"> Ministry of Domestic Trade and Cost of Living Ministry of Women, Family and Community Development 	
W2 Empowering Women through Strategic Career Initiatives	W2.1 Strengthen Networking and Mentorship Platforms for Women	Medium-Term	<ul style="list-style-type: none"> Ministry of Women, Family and Community Development Talent Corporation Malaysia Berhad 	<ul style="list-style-type: none"> Ministry of Human Resources Ministry of Rural and Regional Development Social Security Organisation 	<ul style="list-style-type: none"> Changing the mindset of society regarding women's potential beyond the traditional roles Well-informed society regarding career opportunities and career pathway especially in the emerging fields such as green technologies Increase in the number of participants in reskilling and upskilling activities
	W2.2 Strengthen Early Career Guidance Programme for Women	Medium-Term For career week in school Long-term For embedding career modules in curriculum	<ul style="list-style-type: none"> Ministry of Women, Family and Community Development Ministry of Human Resources 	<ul style="list-style-type: none"> Ministry of Higher Education Ministry of Rural and Regional Development Ministry of Science, Technology and Innovation National TVET Council Social Security Organisation 	

	W2.3 Strengthen Women's Labour Market Participation Through Community-Based Employment Hub	Medium-Term	<ul style="list-style-type: none"> Ministry of Women, Family and Community Development 	<ul style="list-style-type: none"> Ministry of Human Resources Ministry of Rural and Regional Development Malaysia Productivity Corporation Ministry of Entrepreneur and Co-operative Development Ministry of Housing and Local Government 	<ul style="list-style-type: none"> Improve coordination and management efficiency of RTW program Increase demand for female employment by industry
	W2.4 Improve Return-to-Work Programmes	Medium-Term	<ul style="list-style-type: none"> Ministry of Human Resources Ministry of Women, Family and Community Development 	<ul style="list-style-type: none"> Social Security Organisation Talent Corporation Malaysia Berhad Malaysia Productivity Corporation Department of Statistics Malaysia 	
	W2.5 Enhance Sector-Specific Incentives for Female Employment	Medium-Term	<ul style="list-style-type: none"> Ministry of Human Resources 	<ul style="list-style-type: none"> Ministry of Women, Family and Community Development Ministry of Economy Ministry of Investment, Trade and Industry Malaysia Productivity Corporation 	
W3 Upskilling and Reskilling in Future Skills	W3.1 Improving Industry-Specific Training for Women	Medium-Term	<ul style="list-style-type: none"> Ministry of Human Resources Talent Corporation Malaysia Berhad Human Resources Development Corporation 	<ul style="list-style-type: none"> Ministry of Women, Family and Community Development Ministry of Rural and Regional Development Ministry of Entrepreneur & Cooperatives Development 	Increase in female participation in targeted upskilling and reskilling programme
	W3.2 Enhance Digital Upskilling Initiatives to Prepare Women for the Future Workforce and Safety	Medium-Term	<ul style="list-style-type: none"> Talent Corporation Malaysia Berhad 	<ul style="list-style-type: none"> Ministry of Human Resources Ministry of Women, Family and Community Development Ministry of Rural and Regional Development Ministry of Digital 	
W4 Creating an Inclusive and Unified Digital Ecosystem for Employment Services	W4.1 Transform the Current Digital Employment Platform into an Integrated, Gender-Inclusive Ecosystem	Medium-Term	<ul style="list-style-type: none"> Ministry of Human Resources 	<ul style="list-style-type: none"> Social Security Organisation Talent Corporation Malaysia Berhad Human Resources Development Corporation 	<ul style="list-style-type: none"> Increase in job-matching from available profiles, starting with training Increase in service delivery satisfaction

<p>W5 Enhance the Life at Work Award for Excellence in Workplace Inclusivity</p>	<p>W5.1 Elevate the Current Life at Work Award towards the Regional Level</p>	<p>Short Term- Introducing/ Launching LAWA at the ASEAN meeting</p> <p>Medium-Term- Conducting LAWA at the ASEAN level</p> <p>Long-Term- Getting international recognition from other regions</p>	<ul style="list-style-type: none"> Ministry of Human Resources Talent Corporation Malaysia Berhad 	<ul style="list-style-type: none"> Ministry of Foreign Affairs 	<p>Increase recognition of LAWA value among global enterprises</p>
<p>W6 Advancing Workplace Equity Through Openness and Accountability</p>	<p>W6.1 Promote Gender Pay Equity Through Transparency Measures</p>	<p>Short-Term- Basic framework and pilot project</p> <p>Medium-Term- Study on the pilot project and development of a comprehensive framework</p> <p>Long-Term- Legislative reform by introducing new act on wage transparency or additional provision under the Employment Act 1955</p>	<ul style="list-style-type: none"> Ministry of Human Resources 	<ul style="list-style-type: none"> Ministry of Women, Family and Community Development Ministry of Economy 	<ul style="list-style-type: none"> Increase female labour productivity in the workplace Reducing payment gap between different groups with similar skill levels and qualification
<p>W7 Implementing a Comprehensive Framework for Psychosocial Support in the Workforce</p>	<p>W7.1 Enhance Psychosocial Support for Women in the Workforce</p>	<p>Medium-Term</p>	<ul style="list-style-type: none"> Ministry of Human Resources Ministry of Women, Family and Community Development Department of Occupational, Safety and Health 	<ul style="list-style-type: none"> Ministry of Communications 	<p>Increase female worker safety and satisfaction in the workplace</p>
<p>W8 Strengthening Institutional Leadership and Governance for Workplace Gender Equity</p>	<p>W8.1 Leveraging the National Women and Family Council to Monitor Gender Equality in Employment According to the Target in the National Women's Policy</p>	<p>Medium-Term- Realigning functions</p> <p>Long-Term- Empowering through recognition of function in cabinet and gazetted ministry functions</p>	<ul style="list-style-type: none"> Ministry of Women, Family and Community Development Department of Women's Development 	<ul style="list-style-type: none"> Prime Minister's Department Ministry of Economy Ministry of Human Resources Public Services Department 	<p>Improve initiatives coordination between government, industries, and CSOs</p>

	<p>W8.2 Improve Monitoring of Progress and Outcomes of Inclusive Policies</p>	<p>Short-Term- Developing the index framework</p> <p>Medium-term- Announcing the result of the Index- by State, by sector, by industry, top 10 firms for each industry, SME categories etc</p>	<ul style="list-style-type: none"> • Ministry of Women, Family and Community Development 	<ul style="list-style-type: none"> • Ministry of Economy • Ministry of Human Resources • Department of Statistics Malaysia 	
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06

Untapped Talents of Older Worker

This section presents findings based on the surveys conducted for the study, focusing on older workers and industries. These surveys provide complementary insights to the macroeconomic assessment, adding depth and detail to the quantitative analysis. By capturing perspectives, challenges, and opportunities unique to each group, the survey data enrich understanding of how these demographics contribute to economic growth, productivity, and workforce dynamics.



Untapped Older Talents

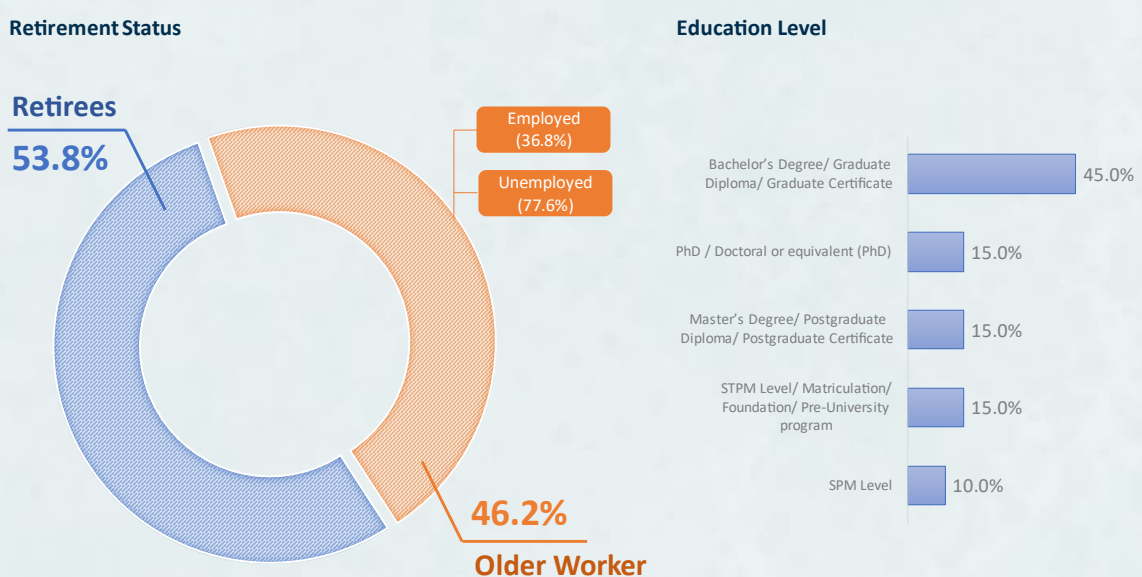
This section presents findings based on the surveys conducted for the study, focusing on older workers and industries. These surveys provide complementary insights to the macroeconomic assessment, adding depth and detail to the quantitative analysis. By capturing perspectives, challenges, and opportunities unique to each group, the survey data enrich understanding of how these demographics contribute to economic growth, productivity, and workforce dynamics.

Older Worker

A nearly even split exists between retirees and active older workers. The data reveals that 53.8% of older individuals are retirees, enjoying their post-career years, while a significant 46.2% remain active in the workforce. This demonstrates a strong desire among nearly half of older individuals to stay productive and continue contributing to the economy. However, among those who choose to remain in the labour force, only 36.8% are employed, while a striking 77.6% are unemployed. This disparity underscores the barriers older workers face in securing employment, despite their willingness and ability to work.

Older workers are highly educated, with a majority holding advanced qualifications. Education plays a key role in shaping employment opportunities for older workers. The majority, 45.0 percent, of those in the workforce hold a Bachelor’s Degree or equivalent qualifications, while 15.0 percent each have achieved PhDs, Master’s Degrees, or STPM-level certifications. These statistics reflect the critical importance of advanced education in helping older individuals secure meaningful roles that align with their expertise. Conversely, only 10.0 percent of older workers possess SPM qualifications, which may limit their access to higher-paying or specialized positions. This underscores the need for continuous skill development and lifelong learning to support those with lower educational attainment.

Figure 6.1 Profiling of older workers drawn from the survey

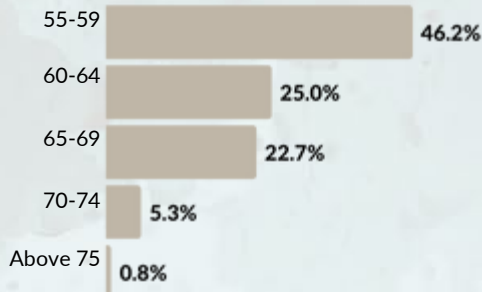


Source: Analysis is based on Survey of Untapped Older Worker, conducted with 200 respondents.

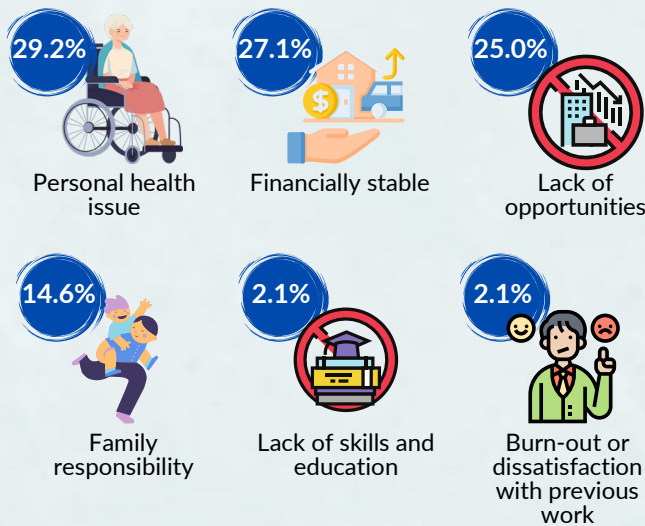
Figure 6.2

RETIREEES

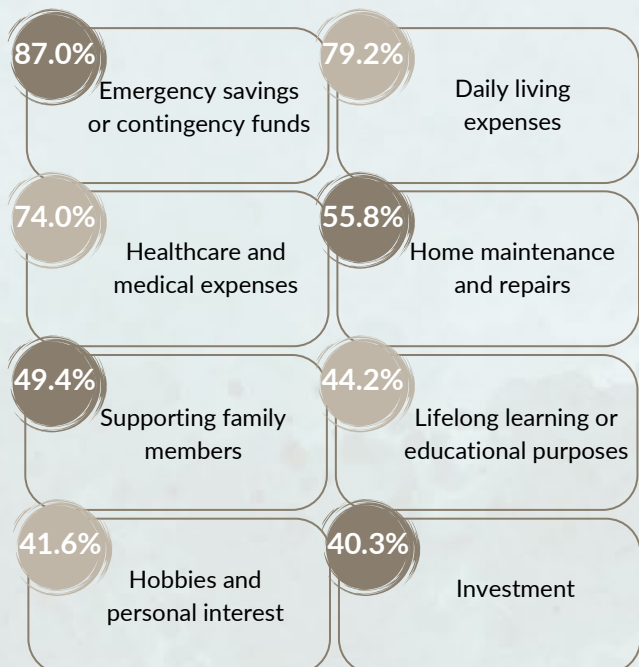
B. Age category



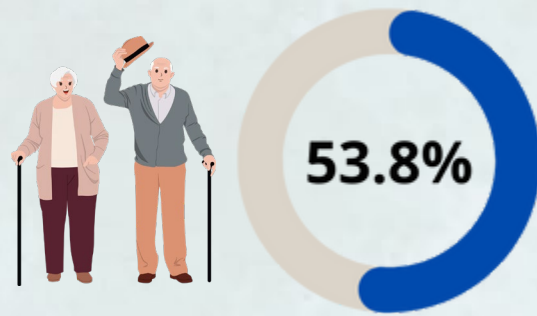
D. Reason of unemployment



F. Expenses in managing retirement savings



A. Status of retired



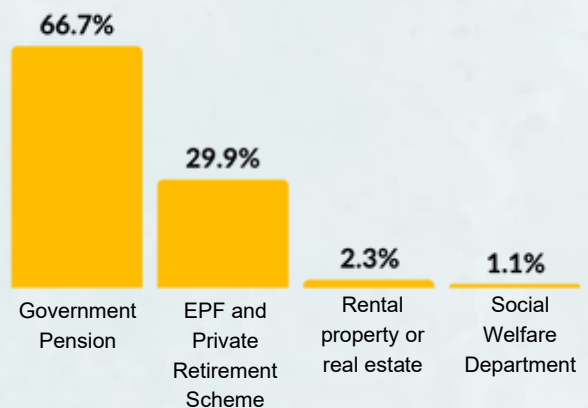
of respondents reported are retirees

C. Status of unemployment

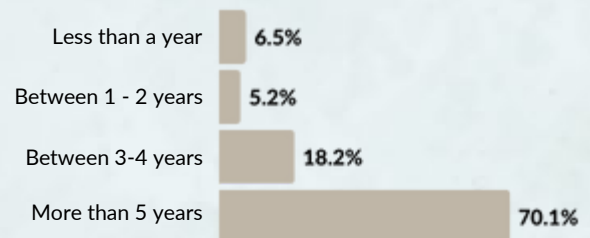


of respondents reported are unemployed

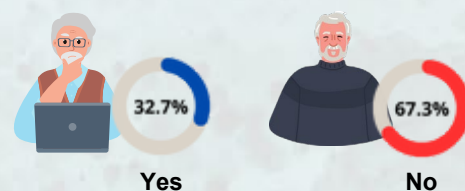
E. Sources of retirement income



G. Retirement savings to last after retiring



H. Intention to work



Health and Employment Challenges for Retirees

Unemployment among older worker is driven by health issues and limited opportunities. Personal health issues emerged as the leading cause of unemployment at 29.2%, reflecting the physical challenges many older workers face in maintaining consistent employment. Financial stability, cited by 27.1%, suggests that some retirees choose not to work due to sufficient income, while 25.0% report a lack of job opportunities. This indicates the need for targeted interventions to improve access to healthcare and create age-friendly job opportunities to enable workforce participation among older individuals (Figure 6.2D).

Healthcare and emergency savings dominate retirement expenses for older individuals. Based on Figure 6.2F, emergency savings or contingency funds are the top financial priority for 87.0% of retirees, followed by daily living expenses (79.2%) and healthcare (74.0%). These figures highlight the critical need for robust financial planning and accessible healthcare services to support retirees. Additionally, expenses for supporting family members (49.4%) and lifelong learning (44.2%) show that older individuals continue to have diverse financial responsibilities beyond their own immediate needs.

Government pensions are the primary source of retirement income, leaving gaps in private savings. The data shows that 66.7% of retirees rely on government pensions, compared to only 29.9% who draw from EPF or private retirement schemes. This dependence on government supports the need to promote private savings plans and alternative investment strategies to ensure long-term financial stability in retirement. The minimal reliance on social welfare (1.1%) and rental property income (2.3%) further highlights the limited diversification of income sources (Figure 6.2E).

Most retirees feel confident in their retirement savings, but a minority are at financial risk. As shown in Figure 6.2G, while 70.1% of retirees believe their savings will last more than five years, 6.5% report savings that would last less than a year. This suggests that while the majority are financially secure, there remains a vulnerable subset of retirees at risk of financial instability. Strengthening financial literacy and early savings initiatives could help mitigate this risk for future retirees.

A significant portion of retirees are open to rejoining the workforce under the right conditions. Although 67.3% of retirees have no intention of working again, 32.7% expressed interest in returning to work as, shown in Figure 6.2H. This suggests that a substantial number of retirees could be re-engaged through flexible work arrangements, reskilling programs, and age-friendly workplaces. These initiatives could help address the labour market's needs while providing older workers with supplemental income and purpose.

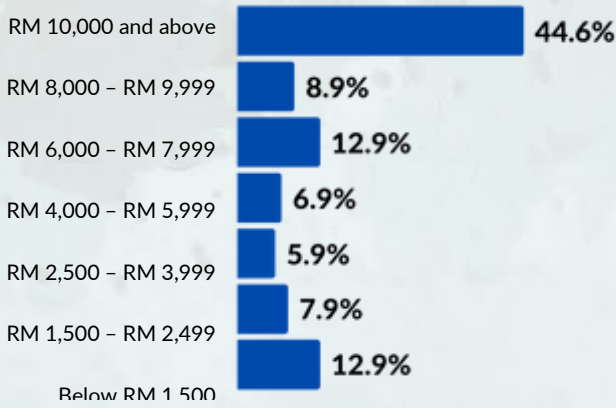
Older Workers in Senior Roles with Competitive Salaries

Older workers occupy senior roles and earn competitive salaries, but financial need remains a primary motivation. Among employed older workers, 38.6% hold senior-level positions, and 37.6% are in managerial roles, showcasing their expertise and leadership capabilities (Figure 6.3A). Despite this, financial need drives 67.9% of older workers to remain in the workforce, with an additional 67.9% motivated by opportunities for social interaction (Figure 6.3C). Notably, 44.6% of older workers earn RM 10,000 or more per month, reflecting their seniority, while a smaller segment (12.9%) earns below RM 1,500, highlighting income disparities within this demographic (Figure 6.3B).

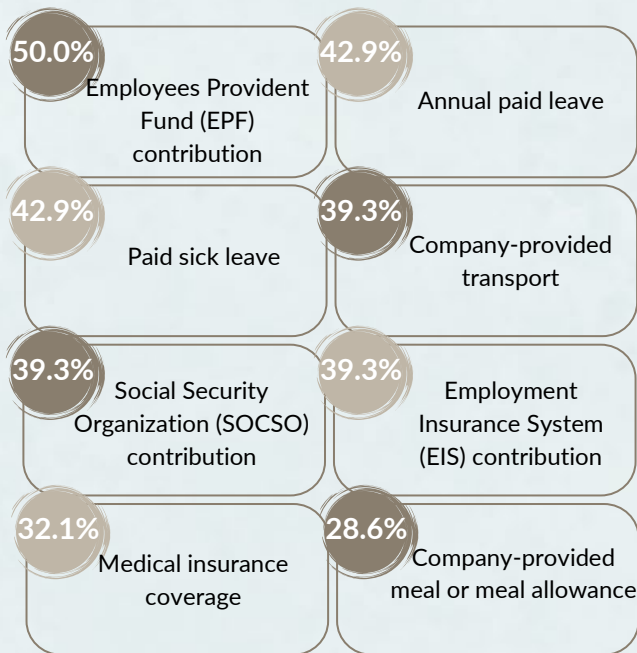
Figure 6.3

WORKING RETIREES

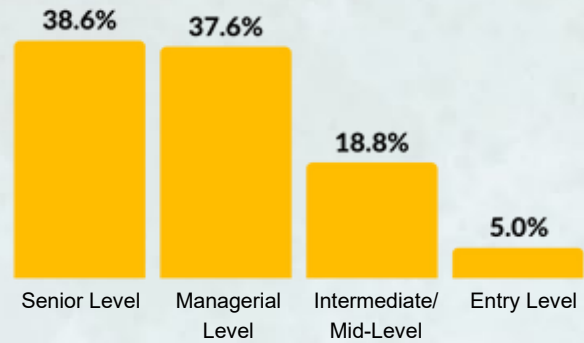
B. Monthly income



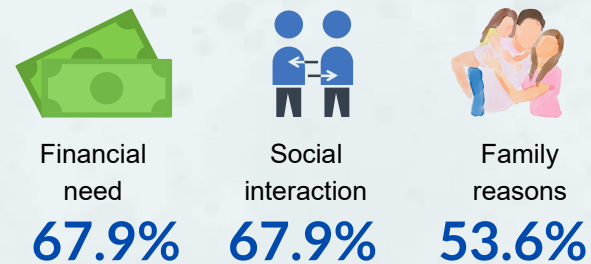
D. Current employment benefits



A. Current job position level



C. Factors influenced decision to work after retiring



E. Barriers in career advancements



F. Future working planning



Access to employment benefits for older workers remains inconsistent, with notable gaps in essential areas. While 50.0% of older workers receive Employees Provident Fund (EPF) contributions and 42.9% have access to both paid annual leave and paid sick leave, other key benefits are less widespread. Only 32.1% benefit from medical insurance coverage, while 28.6% receive company-provided meals or meal allowances. Additionally, 39.3% of respondents report access to company transport, SOCSSO and EIS contributions, highlighting the need for more inclusive and standardised benefit packages that support the financial security and well-being of older workers (Figure 6.3D).

Barriers to career advancement hinder older workers despite their experience and skills. The most common challenge, cited by 50.0%, is the limited availability of jobs suitable for older individuals. Outdated skills or qualifications, affecting 42.9%, further exacerbate this issue, emphasizing the need for targeted reskilling programs. Additionally, 28.6% report experiencing bias or discrimination in the workplace, underscoring the importance of fostering age-inclusive hiring practices and career advancement policies (Figure 6.3E).

Opportunities for flexible work arrangements and re-skilling programmes could empower older workers to continue thriving in the workforce. As shown in Figure 6.3F, 53.6% of older workers plan to continue in their current roles, while 21.4% are looking to explore new opportunities. Only 25.0% have no plans to continue working in the future. These findings highlight the potential of structured initiatives—such as targeted training, flexible work policies, and age-inclusive practices—to bridge skill gaps, rebuild confidence, and support sustained workforce participation among older adults.

Flexible Work Preferences and Financial Expectations of Older Workers

Older workers strongly prefer flexible work arrangements that align with their capabilities. Based on Figure 6.4C, older workers demonstrate a strong inclination toward flexible work arrangements, with 69.1% preferring flexible time work, far surpassing preferences for hybrid work (13.6%), in-office roles (8.6%), or remote work (6.2%). This preference aligns with their ability to manage work-related stress effectively (88.9%) and their high levels of physical and mental fitness (85.2% reporting consistent energy and task efficiency) (Figure 6.4D). These results suggest that flexible work modes cater to older workers' needs for autonomy, health management, and work-life balance, enabling them to remain productive contributors to the workforce.

Most older workers intend to stay in the workforce, with high financial expectations. Despite the official retirement age of 60, a significant portion of older workers plan to continue working either in their current roles (53.6%) or by exploring new opportunities (21.4%). Only 25.0% have no intention of continuing employment, indicating that the majority of this demographic remains open to workforce participation (Figure 6.4A). This is further supported by their high expectations for salary, with 34.6% aiming for RM 10,000 and above and 17.3% targeting RM 4,000–RM 5,999. These figures highlight the importance of aligning job opportunities with both their expertise and financial expectations, as older workers continue to seek roles that reflect their professional value (Figure 6.4B).

Barriers to career advancement create a mismatch between older workers' capabilities and opportunities. According to Figure 6.3E, barriers to career advancement, such as outdated skills (42.9%) and limited suitable roles for older workers (50.0%), create challenges despite the strong physical and mental fitness reported by most older workers. With 80.2% stating they are capable of handling both administrative and demanding tasks, the lack of opportunities that match their abilities and experience likely contributes to the preference for flexible and well-compensated positions. Moreover, 77.8% report being physically able to meet job demands, emphasizing the need for roles that accommodate their health and leverage their expertise (Figure 6.4D).

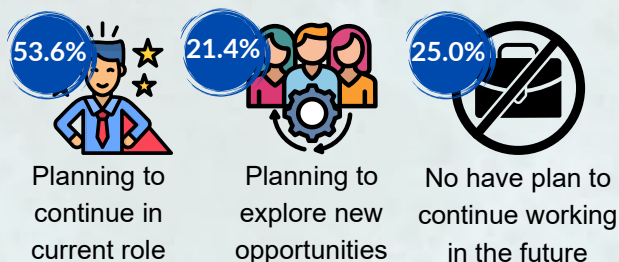
Figure 6.4

INTENTION TO WORK

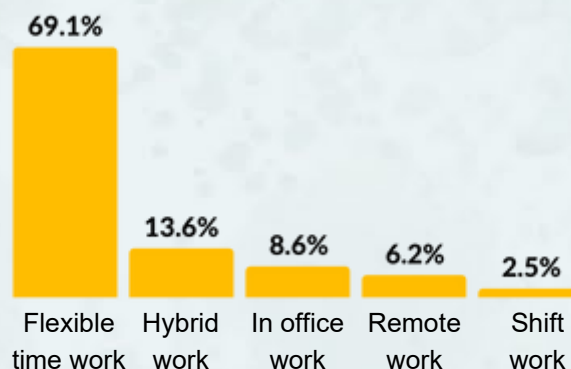
B. Expected Salary Range



A. Future working planning



C. Type of mode work



D. Responses based on fitness level



88.9% I can manage work-related stress effectively given my current health.



85.2% I am consistently energized and capable of completing my tasks efficiently throughout the workday.



80.2% I am physically capable and mentally alert, allowing me to handle both administrative and demanding tasks.



77.8% I am physically able to meet the demands of job daily.



88.5% My physical health allows me to work regular hours (e.g., 9-5) without feeling overly fatigued.

Financial need is a key motivator for older workers to stay employed. Financial motivations remain a critical factor for post-retirement employment, as 67.9% (Figure 6.3C) financial need as a key driver for continuing to work. This aligns with the high percentage expecting RM 10,000 or more in salary (34.6%) and the finding that only a small portion of older workers (3.7%) are willing to accept salaries below RM 1,500 (Figure 6.4B). The demand for financial stability is also reflected in the fact that 53.6% (Figure 6.3C) of older workers cite family-related reasons, such as supporting dependents, as influencing their decision to remain in the workforce. These insights emphasize the importance of ensuring competitive pay scales and adequate workplace benefits for this demographic.

Workplace benefits are crucial but inconsistently provided for older workers. As shown in **Figure 6.3D**, while 50.0% of older workers receive Employees Provident Fund (EPF) contributions, other essential supports—such as medical insurance (32.1%) and severance pay (25.9%)—are less commonly available. Given that financial and health-related security are key priorities for many older workers, these gaps may discourage continued workforce participation. Furthermore, **Figure 6.3E** indicates that 25.0% of older workers report a lack of confidence in pursuing career advancement. This highlights the need for retraining opportunities and inclusive workplace policies that recognise and support the contributions of older employees.

A holistic approach to flexible work, financial security, and reskilling can unlock the potential of older workers. The intersection of fitness, financial expectations, and flexible work preferences provides clear guidance for employers and policymakers. Older workers exhibit high resilience and capability, with 85.2% reporting consistent energy levels throughout the workday, yet they face systemic challenges such as limited role availability and outdated skills. Offering roles with flexible schedules, competitive pay, and reskilling opportunities could effectively bridge these gaps. For example, the preference for flexible time work could be paired with opportunities in mentoring, consulting, or part-time roles that capitalize on their expertise while accommodating their lifestyle needs (**Figure 6.4D**).

Older workers remain a valuable workforce segment with diverse needs. In conclusion, older workers are an experienced, capable, and resilient workforce segment that remains eager to participate in the labour market, provided that their financial, health, and flexibility needs are met. Employers that invest in flexible work options, competitive compensation packages, and age-inclusive policies will be well-positioned to retain and attract this valuable demographic, ultimately benefiting both businesses and the broader economy.

Support for Updated Retirement Schemes and Policies

Older workers overwhelmingly support an updated retirement scheme to ensure financial security. The majority of older workers (87.7%) agree that an updated retirement scheme is necessary to provide financial security in post-retirement years. Additionally, 53.1% advocate raising the retirement age above 60, and 40.7% support the concept of a lifelong retirement age. These findings reflect the growing recognition of extended work-life capabilities and the need for policies that adapt to changing demographic and economic realities (**Figure 6.5A**).

Financial and personal factors drive the need to revise the retirement age policy. As shown in **Figure 6.5B**, older workers highlight financial commitments (17.4%) and the rise in life expectancy (15.2%) as key reasons for revising the retirement age policy. Other factors include supporting family (14.4%) and recognizing that individuals over 60 are capable of maintaining high work performance (13.6%). Harnessing the potential of experienced workers to drive economic growth (10.6%) and addressing labour shortages in certain sectors (9.8%) further underscore the broader economic and societal benefits of updating retirement policies.

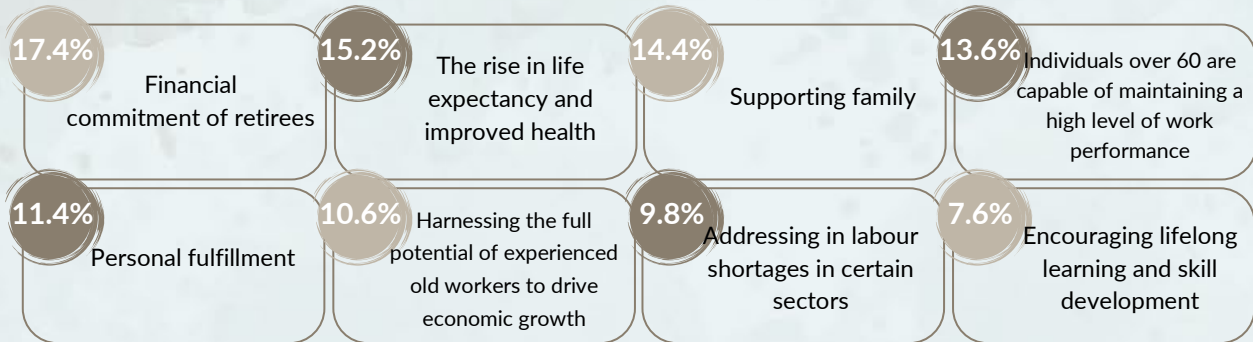
Most older workers do not support gender-specific retirement policies. A majority (53.1%) of respondents disagree with basing retirement age on gender-specific life expectancy, such as 73 for men and 78 for women. Instead, many older workers appear to favor universal policies that emphasize individual capabilities and personal choice. This preference for inclusivity highlights the importance of policies that treat older workers equitably, regardless of demographic factors (**Figure 6.5A**).

Figure 6.5

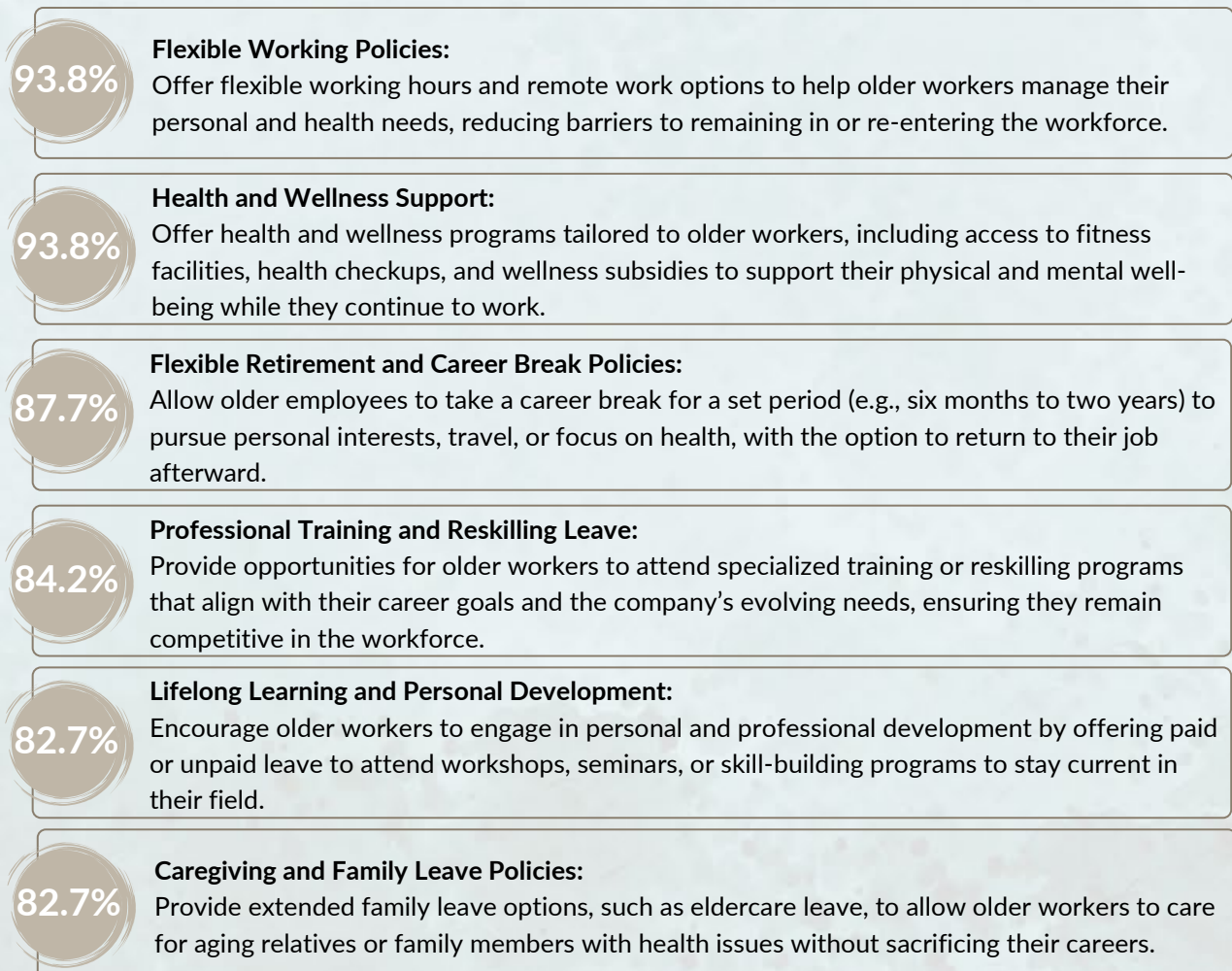
A. Perception on government's retirement age policy



B. The need for revising the current retirement age policy



C. Policies that most encourage older workers to remain active in the labour market



Flexible work arrangements and health support are key to retaining older workers. According to **Figure 6.5C**, flexible working policies, cited by 93.8% of respondents, are the most important benefit encouraging older workers to remain active in the labour market. Health and wellness support programs are equally prioritized (93.8%), emphasizing the need for initiatives that address physical and mental well-being. These policies align with older workers' preferences for manageable workloads and better work-life balance, enabling them to stay productive while meeting personal and health needs.

Flexible retirement and career break policies enhance job satisfaction and retention. Flexible retirement and career break policies are favoured by 87.7% of respondents, allowing older workers to take time off for personal interests, health, or family responsibilities while retaining the option to return to work. This reflects the importance of accommodating life transitions and providing opportunities for personal fulfilment as workers age (**Figure 6.5C**).

Training and lifelong learning are essential to keep older workers competitive. Professional training and reskilling leave are valued by 84.2% of respondents, while 82.7% support lifelong learning and personal development programs (**Figure 6.5C**). These opportunities ensure older workers remain competitive and adaptable to evolving workplace demands. Encouraging continuous skill development also empowers older workers to pursue meaningful career paths and stay engaged in the workforce.

Caregiving leaves policies recognize the diverse responsibilities of older workers. Extended family leave options, including eldercare leave, are supported by 82.7% of respondents. These policies address the caregiving responsibilities often assumed by older workers, enabling them to balance their personal and professional lives. By reducing the conflict between caregiving and career demands, such policies create a supportive work environment and encourage workforce participation among older individuals (**Figure 6.5C**).

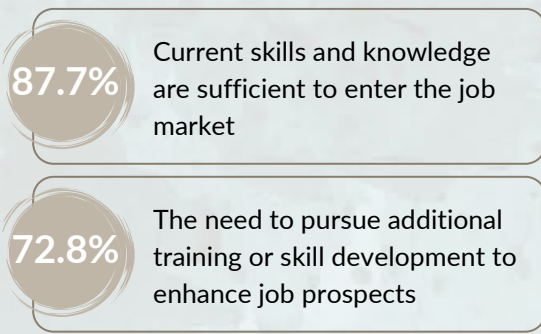
Confidence in Readiness with a Focus on Skill Development

Older workers are confident in their readiness but recognize the need for skill development. A significant 87.7% of older workers believe their current skills and knowledge are sufficient to re-enter the job market. However, 72.8% acknowledge the need to pursue additional training or skill development to enhance job prospects. This demonstrates a balanced perspective where older workers feel equipped but also recognize the value of continuous learning to remain competitive in a rapidly evolving job market (**Figure 6.6A**).

Digital literacy and entrepreneurship training are essential for competitiveness. Among training opportunities, digital literacy and technology practices are prioritized by 80.2% of older workers, reflecting the growing demand for tech-savvy professionals across industries. Entrepreneurship training, favored by 71.6%, highlights interest in alternative career paths beyond traditional employment, such as starting businesses. Additionally, communication skills (67.9%) and confidence-building programs (63.0%) underline the importance of soft skills in maintaining employability. Returnship programs (55.6%) also provide structured support for older workers transitioning back into the workforce (**Figure 6.6B**).

Figure 6.6

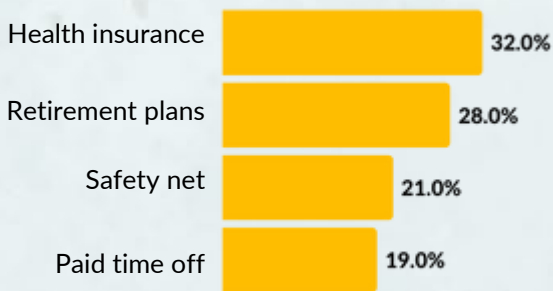
A. Readiness for the job market



B. Training or skill development opportunities to remain the role competitiveness



C. Most important types of benefits



D. Fairness for older worker to receive the following non-monetary benefits, similar to current employees



E. The need to establish ageing institution to protect the welfare of ageing worker



Health insurance and retirement plans are the most valued benefits for older workers. When considering benefits, 32.0% of older workers emphasize the importance of health insurance, followed by retirement plans (28.0%) and safety nets (21.0%). Paid time off, though valued, ranks lower at 19.0%. These findings highlight older workers' focus on financial and health security, reinforcing the need for employers to provide comprehensive benefits that address these priorities (Figure 6.6C).

Older workers value non-monetary benefits for fairness and inclusivity. Supportive leadership (91.4%) and an inclusive workplace culture (90.1%) are seen as the most critical non-monetary benefits for older workers, emphasizing the need for age-inclusive policies. Work-life balance support (85.2%) and recognition and rewards (84.0%) are also highly valued, suggesting that a positive workplace environment and acknowledgment of contributions are key motivators. Professional development opportunities (81.5%) and career mobility (77.8%) further indicate the desire for growth and meaningful roles among older workers (Figure 6.6D).

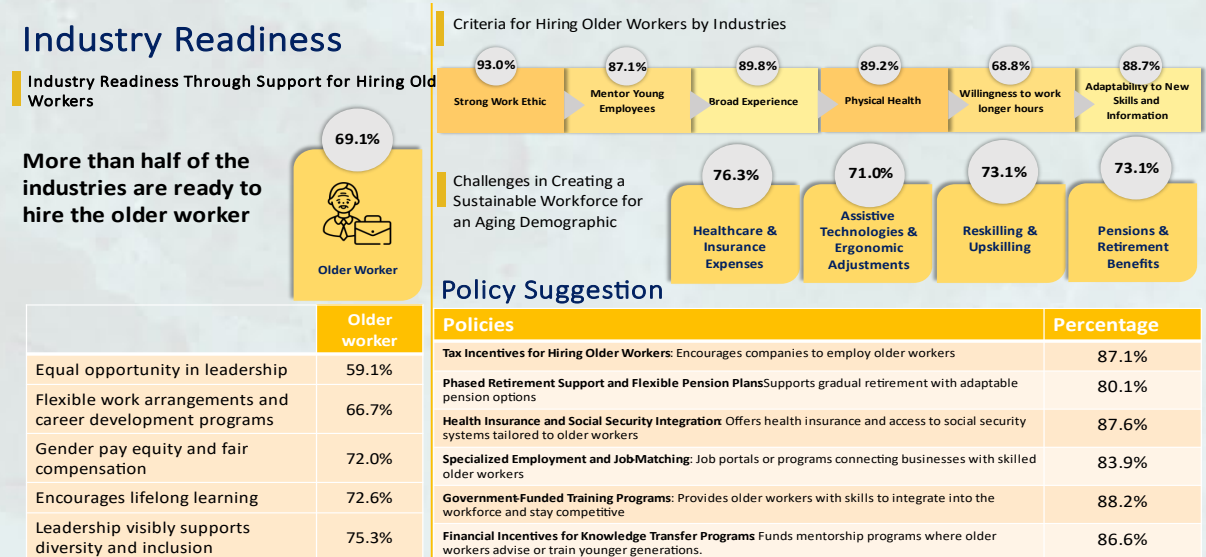
An ageing institution is vital to safeguard older workers' welfare. Based on Figure 6.6E, a resounding 93.8% of older workers agree on the need to establish an aging institution dedicated to protecting their welfare. Such an institution could serve as a platform to advocate for policies, provide resources, and address challenges unique to aging workers, ensuring their rights and contributions are recognized in the labour market.

Industry Readiness and Support for Older Workers

Industry readiness to hire older workers is promising but requires targeted support. As shown in **Figure 6.7**, the survey reveals that 69.1% of industries are prepared to hire older workers, indicating an overall positive outlook. However, challenges such as healthcare and insurance expenses (76.3%), assistive technologies and ergonomic adjustments (71.0%), reskilling and upskilling (73.1%), and pensions and retirement benefits (73.1%) highlight the necessity of systematic interventions to sustain the readiness for older workforce inclusion.

Strong work ethic and broad experience are key motivators for hiring older workers. Criteria like a strong work ethic (93.0%) and broad experience (89.8%) ranked highest among industry preferences for hiring older workers. This demonstrates that older employees bring valuable attributes to the table. However, lower emphasis on willingness to work longer hours (68.8%) reflects realistic expectations from employers who may prioritize skills over extended labour commitments.

Figure 6.7 Industry perspectives for hiring older worker



Policy interventions align with industry needs but require broader adoption. Policies like health insurance and social security integration (87.6%) and government-funded training programs (88.2%) scored the highest support levels among the suggested interventions. These initiatives directly address barriers like healthcare costs and skill gaps, which are vital for fostering a sustainable older workforce. However, less prominence given to phased retirement support (80.1%) suggests a need for more awareness about gradual retirement benefits among employers (**Figure 6.7**).

Leadership and diversity support are pivotal for inclusive workplaces. Findings show 75.3% of industries recognize leadership’s role in supporting diversity and inclusion, while 72.6% encourage lifelong learning. Such practices are essential to integrate older workers effectively. Yet, lower scores in equal leadership opportunities (59.1%) point toward the need for enhanced strategies to ensure equitable representation of older workers in decision-making roles.

Flexible arrangements and equitable compensation drive retention. With 66.7% of industries supporting flexible work arrangements and 72.0% backing gender pay equity, the survey highlights the importance of these practices in retaining older workers. Tailored roles and fair compensation

serve as significant motivators for this demographic, ensuring their continued participation in the labour force.

Bridging the Gap Between Untapped Workforce Supply and Industry Demand

Shared Priorities Between Older Workers and Industries

Flexible work arrangements are a key shared priority, providing a mutually beneficial solution for workforce retention. Older workers strongly advocate for time-related flexibility to balance personal responsibilities, health, and work commitments, which aligns with industries' recognition of the importance of flexible schedules in non-intensive roles. Structured and well-defined flexible work policies could address these needs effectively, helping older workers remain active in the workforce while enabling industries to maintain productivity and benefit from experienced talent.

Reskilling and upskilling are critical for maintaining older workers' employability and meeting industries' evolving demands. Older workers acknowledge the importance of continuous learning to adapt to new roles, with a focus on digital literacy, and entrepreneurship. At the same time, industries prioritize targeted training programs to bridge skill gaps and support government-funded initiatives to enhance workforce readiness. Policymakers can foster collaboration between training providers and industries, ensuring that reskilling initiatives address real-world job demands and empower older workers to seize broader career opportunities.

Employment benefits are a shared priority, with older workers seeking security and industries needing support to provide comprehensive packages. Health insurance, retirement plans, and paid leave are highly valued by older workers as essential to their decision to remain in the labour market. However, industries often face challenges in offering such benefits, particularly related to healthcare, pensions, and social security. Policymakers can alleviate this burden by introducing subsidies or tax incentives to encourage industries to implement robust benefit packages. This approach would enhance job satisfaction for older workers while enabling industries to attract and retain their expertise.

Critical Gaps Between Older Workers and Industries

A mismatch in job availability and expectations creates significant barriers for older workers and industries. While older workers often perceive limited opportunities matching their skills and experience, industries are ready to fill specific roles requiring targeted expertise. Furthermore, older workers' financial expectations, driven by their working experience and need for stability, would heighten the industries challenges for hiring. Policymakers could address this gap by supporting centralized job-matching platforms and crafting tailored job descriptions that align older workers' capabilities with industry demands, facilitating a better fit between the supply and demand of talent.

The readiness of workplace environments remains a significant challenge for both older workers and industries. Older workers emphasize the importance of health and wellness support, including ergonomic adjustments and physical accommodations, as essential for sustaining their productivity and well-being. However, industries often face barriers in adopting assistive technologies and

implementing ergonomic solutions, potentially due to limited knowledge and expertise in creating conducive working environments for older workers. Policymakers can address this gap by introducing grants or funding programs to support industries in developing age-friendly workplaces. Furthermore, awareness campaigns and training initiatives focused on inclusive workplace practices can empower industries to better accommodate older workers, enabling them to thrive while leveraging the diverse skills and experience this demographic offers.



Policy Recommendation

Focus on Untapped Talents of Older Worker

Strategy OW1

Increasing Workforce Participation Among Older Professionals and Non-Professionals



Initiative OW1.1

Integrated Age-Inclusive Labour Market Policies

Initiative OW1.2

Enhance Lifelong Learning for Older Workers

Initiative OW1.3

Improve Incentive-Based Employment Models for Older Workers

Initiative OW1.4

Transform the Current Digital Employment Platform into an Integrated, Age-Friendly Ecosystem

Initiative OW1.5

Introduce an Age-Inclusive Employer Recognition Program

Initiative OW1.6

Strengthen the Role of National Advisory and Consultative Council for the Elderly

Initiative OW1.7

Expand Sector-Specific Opportunities for Non-Professional Older Workers

Initiative OW1.8

Review the Retirement Age Policy to Support Active Ageing and Workforce Sustainability



Strategy OW2

Promoting Health and Well-Being in Employment

Initiative OW2.1

Introduce Comprehensive Workplace Wellness for Older Workers

Initiative OW2.2

Develop Comprehensive Psychosocial Support Framework for Older Workers



Detailed Policy Recommendation

Strategy OW1 Enhancing Workforce Participation Among Older Professionals and Non-Professionals



OW1.1 Integrated Age-Inclusive Labour Market Policies

Malaysia is facing a significant demographic shift, with an increasing proportion of its population ageing rapidly. Despite this, the country has yet to implement comprehensive policies addressing the employment of older workers, particularly professionals and non-professionals (see definition in Box Article 6.1), and the development of the eldercare industry. The existing Dasar Warga Emas is long overdue for review and updating to align with current trends and future needs, ensuring that older Malaysians are better integrated into the workforce and society.

Box Article 6.1

Defining Professional and Non-Professional using Malaysia Standard Classification of Occupations (MASCO)

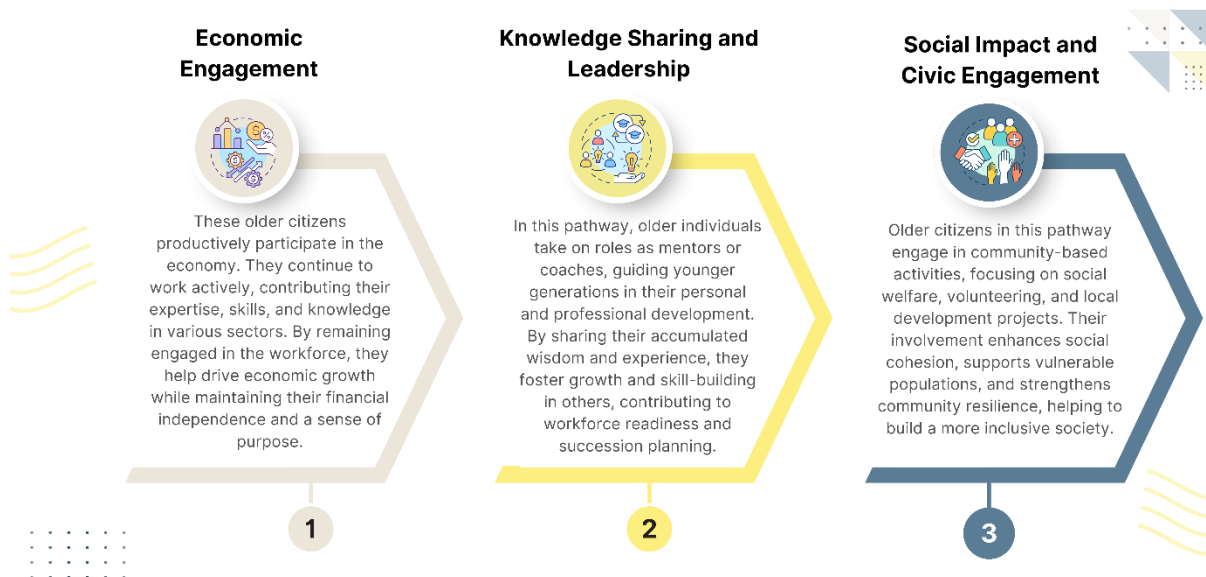
The categories used in this study closely follow MASCO's definition of professional and non-professional based on occupation in the following table. However, for this study, the term professional includes manager, technician and associate professionals. Meanwhile, the non-professional category includes those with primary and secondary or post-secondary education levels.

Education Level	Occupation	PMET/ Non-PMET	Skilled Category	Categories used in the Study
Not tied to level of education	1 Managers	PMET JOB CATEGORY Professional, manager, executive and technician	Skilled job	 Professional
Tertiary education University Degree Postgraduate Degree Malaysian Skill Advanced Diploma (DLKM) Level 5 & Above	2 Professionals			
Tertiary education Not equivalent to a first degree Malaysia Skill Certificate (SKM) Level 3 Malaysia Skill Diploma (DKM) Level 4	3 Technician & Associate Professionals			
Secondary or Post-Secondary Sijil Pelajaran Malaysia (SPM) Malaysia Skill Certificate (SKM) Level 3 Sijil Tinggi Pengajian Malaysia (STPM) Sijil Tinggi Agama Malaysia (STAM)	4 Clerical & Support Workers	NON-PMET JOB CATEGORY	Semi-skilled job	 Non-Professional
	5 Service & Sales Workers			
	6 Skilled Agriculture, Forestry, Livestock & Fisheries Workers			
	7 Craft and Related Trades Workers			
	8 Plants and Machine Operation and Assemblers			
Primary education	Elementary Occupation		Low-skilled job	

Source: Malaysia Standard Classification of Occupations

To address these challenges, it is recommended that Malaysia develop a comprehensive policy framework focused on ageing demography. The policy framework will address different tracks for ageing demography to ensure a better quality of life. The tracks can be divided into three segments, as shown in Figure 6.6.

Figure 6.6 Ageing demography pathway



Similarly, the ageing framework should also be able to distinguish the issue of older workers. As such, the policy framework should also incorporate a special chapter on retaining and employing older workers across all sectors. The framework should include targeted strategies such as promoting lifelong learning and skills development of age-inclusive with appropriate infrastructure and facility. The policy should also create sustainable employment opportunities for professional and non-professional older workers, fostering a more inclusive and diverse labour market. Meanwhile, the issue of social security contribution needs to be reviewed to ensure the welfare of older workers, especially those after the retirement age of 60 years.

Box Article 6.2

National-Level Older Worker Policies

Several countries have recognised the importance of retaining and integrating older workers into their national labour markets through targeted policies. These policies aim to keep older individuals employed and address the broader social and economic challenges posed by an ageing population. As the global workforce ages, it is increasingly vital for governments to establish frameworks that enable older individuals to remain engaged in the labour market, utilising their experience and skills. Such policies can also help mitigate the potential economic challenges of an ageing population, including reduced labour force participation and increased dependency ratios. Countries like Germany, Finland, Norway, and Sweden have all introduced successful programs focused on older workers, offering valuable lessons on the best practices for creating age-inclusive employment environments and promoting active participation among older citizens.

Germany

Germany's Silver Economy initiative encourages the involvement of older individuals in various roles such as consultancy, advisory positions, and community service. The program is designed to use older workers' extensive skills and knowledge, offering them opportunities to remain engaged in the workforce for longer. The initiative is part of a broader strategy to address the challenges of demographic change, ensuring that the ageing population contributes meaningfully to the economy and society.

The Silver Economy focuses on the economic contributions of older workers while fostering social inclusion. Older individuals are encouraged to take on mentoring or advisory roles within industries, which allows for transmitting their expertise to younger generations. This policy helps to ensure that older workers are not sidelined as they age but instead remain valuable contributors in a wide range of sectors.

Finland

Finland's Age-Friendly Employment Policies aim to retain older workers in the labour force by offering job retention initiatives and career development programs tailored to the needs of older individuals. The policies are designed to promote lifelong learning, enabling older workers to acquire new skills and adapt to industry changes. This is particularly important in a rapidly evolving economy where technological advancements often require workers to update their skill sets.

Finland's policies strongly emphasise mental and physical health in the workplace, recognising that these factors can significantly affect an older worker's ability to continue in their role. The program encourages employers to create age-friendly work environments that accommodate the needs of older employees, such as ergonomic workspaces and flexible hours. Finland's commitment to supporting older workers through training and career development has helped maintain one of Europe's highest employment rates for older individuals.

Norway

Norway's Active Ageing and Labour Market Participation policy supports older workers who wish to remain in the workforce. The initiative encourages older individuals to stay engaged by offering a range of training opportunities, job retention programs, and a phased retirement model that allows individuals to reduce their working hours gradually. The program also includes incentives for employers to hire or retain older workers, ensuring that they can contribute to the economy for longer.

The phased retirement model is one of the key features of the Norwegian approach, allowing workers to transition into retirement gradually. This flexibility is crucial in accommodating older workers' varying needs and preferences, enabling them to remain employed while managing their work-life balance. The policy has proven successful in keeping older individuals active in the workforce longer, helping to address the challenges of an ageing population and ensuring that older workers are not pushed out of the labour market prematurely. Norway introduced adjustments to its pension system in 1973, lowering the statutory retirement age from 70 to 67. Unlike Sweden's pension model, the Norwegian approach focused on encouraging a phased retirement only after age 67 rather than before. Furthermore, the pension amount would be reduced if the pension were received alongside income surpassing a certain earnings threshold.

Sweden

Sweden's Flexible Retirement Systems allow older workers to transition gradually into retirement by offering flexible part-time work options. This system aims to maintain older individuals' workforce participation, helping them adjust to a phased retirement process that suits their needs

and lifestyle. Sweden's approach is part of a broader strategy to ensure that the labour market remains inclusive and accommodating to people of all ages.

The system enables workers to reduce their working hours over time without fully retiring, giving them the flexibility to remain in the workforce as long as they wish. This gradual transition supports older workers who may not want to retire fully but still wish to adjust their work commitments. Sweden's flexible retirement system has been widely regarded as successful, with older workers benefiting from the opportunity to continue contributing to the economy while adjusting to the physical and emotional changes of ageing.

Sources:

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3. National Programme on Ageing 2030 For an Age-Competent Finland. 2020. Ministry of Social Affairs and Health. Available at <https://ageing-policies.unece.org/browse-policy/2926>
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5. 2024 Ageing Report, Norway- Country Fiche. December 1, 2023. Economic Policy Committee-Ageing Group.
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A few crucial distinctions are needed when developing micro-level policies for older workers. Firstly, the definition of the older worker must follow the international definition of the older worker, who is 55 and above (International Labor Organization). Secondly, although 60 is the retirement age in Malaysia, programmes and policies should include those who have not reached 60 because some opted for early retirement, such as those in the civil service retiring within the range of 55 to 60. The early intervention allows better upskilling and reskilling outcomes as they have not reached the current mandatory retirement age.

Thirdly, the micro-level analysis must be done, especially at the job specification level. The current study considers the sectoral level instead of job specification due to the study limitation. However, during the development of the age-inclusive policy for older workers, job specification analysis can give better information to policymakers. Finally, there is a need for a cultural shift in thinking that older workers are unproductive. There is a need to change by showcasing the successful integration of older workers in the work environment. Collaboration with organisations like MyAgeing at UPM and Malaysian Productivity Corporation will be critical in developing a forward-thinking framework that reflects these changing dynamics.

OW.1.2 Enhance Lifelong Learning for Older Workers

Malaysia can effectively enhance older workers' and senior citizens' knowledge and skills by introducing structured upskilling and reskilling programmes tailored to their specific needs and aligned with the jobs they actively pursue. By reskilling and upskilling the ageing workforce to meet current and future industry demands, the country can better align workforce capabilities with evolving skill requirements, unlocking their full potential. Introducing advanced certifications in emerging fields like

renewable energy, digital transformation, and healthcare innovation for professionals, alongside TVET programmes focused on practical skills such as digital literacy, financial literacy, logistics, eldercare, and sustainable agriculture for non-professionals, would ensure a holistic approach. Training should not be confined to the current public skill training institutions. Opportunities to learn should be expanded to include higher education institutions such as universities.

A review of the current lifelong learning program is essential. It is necessary to relook at the modules and pair them with on-the-job training, especially for the non-professional older worker who upgraded their skills to venture into a different field from their previous work experience. This approach will ensure that the learning process remains relevant and aligned with the evolving demands of the labour market. Additionally, incorporating mentorship opportunities with industry experts could provide practical insights and enhance older workers' confidence in navigating new career paths.

Another opportunity for older workers' lifelong learning using the currently available system is the Sistem Latihan Dual Nasional (SLDN). SLDN is a training system that combines practical and theoretical learning, offering workers a dual approach to skill development. Currently, it is available for actively employed workers, providing them the chance to enhance their competencies while remaining in their jobs. Since the training includes hands-on opportunities in real-world work environments, it is an ideal medium for older workers, particularly those who wish to reskill or change their career paths. This can help them stay relevant in the workforce and embrace new roles, ensuring continuous personal and professional growth.

In addition to SLDN, the Senior Citizens Activity Centres (PAWE) can serve as valuable facilities for older workers' training and development. These centres, designed for the well-being and engagement of the elderly, can be actively utilised for training programmes aimed at equipping older workers with new skills. By allowing the private sector and civil society organisations (CSOs) to use these centres for training, PAWE can become a hub for lifelong learning. This initiative would enable older workers to access tailored training opportunities in a familiar and supportive environment, fostering social interaction and skill development. Collaboration with various sectors could broaden the scope of training programmes available, encouraging older workers to remain active, adaptable, and competitive in the job market.

The cost of lifelong learning should be free or with a minimal cost. Leveraging government funding, employer partnerships, and subsidies can make training programmes more accessible and attractive while integrating these initiatives into a unified national platform can enhance visibility and participation. Prioritising lifelong learning and targeted strategies for older workers will boost their employability, promote active ageing, and sustain their economic contributions. There is an opportunity to relook at the usage of HRDF beyond the current limited regulations concerning training. The stringent rules, such as restricting engaging unlicensed trainers not registered under HRDF, should be reconsidered to allow greater flexibility and inclusivity in delivering upskilling and reskilling programmes. HRDF's involvement in providing financial support for upskilling and reskilling programmes targeted at older workers and senior citizens is essential to expanding the availability of financial assistance and ensuring broader access to these opportunities.

Additionally, to reduce dependency on government funding, a sustainable approach would be to utilise the HRD Corp levy, which can be allocated to support training initiatives for various groups, including unemployed individuals, particularly older citizens. By tapping into this existing levy, training

programmes can be expanded to include older workers and other interest groups such as women and army veterans. This would ensure that a broader range of individuals has access to continuous skills development, enhancing their employability and productivity without placing additional financial strain on government resources. By leveraging the HRD Corp levy, training opportunities can be made more inclusive, helping to empower individuals from diverse backgrounds to remain active and competitive in the workforce.

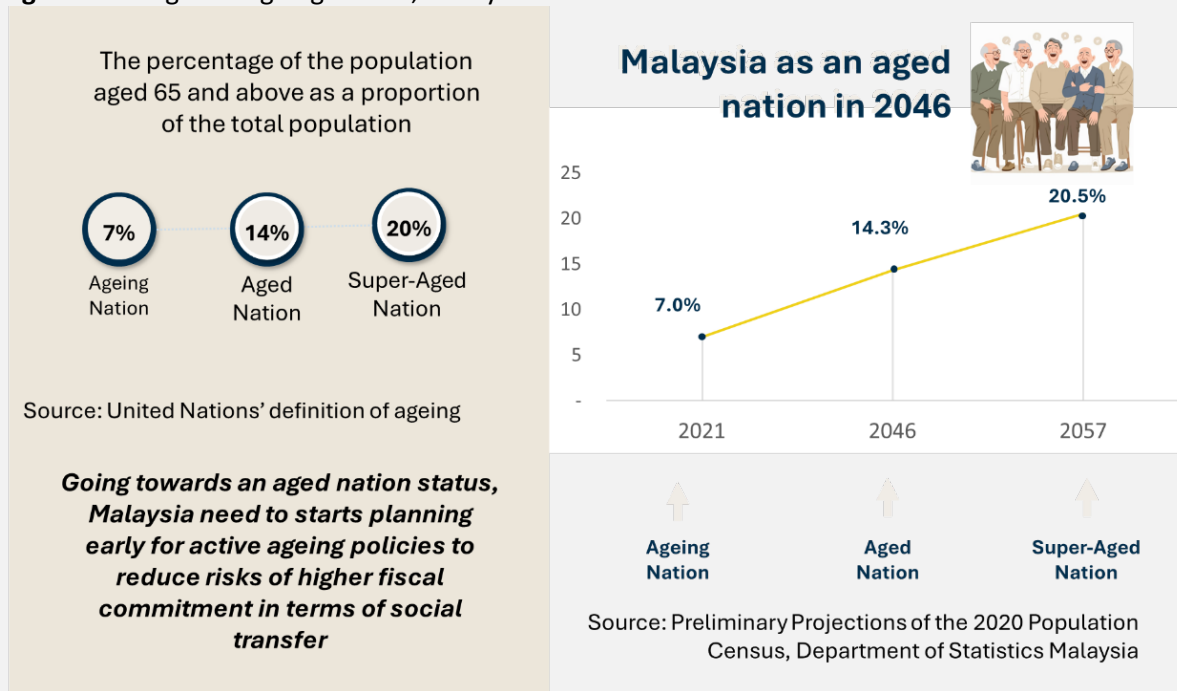
Lifelong learning programmes should be promoted as a national priority and implemented through diverse and inclusive strategies that reach all population segments. This effort must go beyond the traditional reliance on formal agency websites or social media platforms. It should include broader outreach initiatives such as public service announcements on television and radio, partnerships with community organisations, and engagements through print media like newspapers and magazines. Additionally, targeted campaigns can be conducted in collaboration with local authorities, employers, and educational institutions to ensure the message reaches diverse communities, including rural and underserved areas. By adopting such an approach, the promotion of lifelong learning can gain greater visibility, encourage widespread participation, and foster a culture of continuous skill development across the nation.

Box Article 6.3

Malaysia's Ageing Status

Malaysia is set to transition to an Aged Nation status by 2046, as shown in Figure 6.7. This significant demographic shift highlights the need for proactive and well-structured policies to address the challenges and opportunities of an ageing population. Enhancing the courses offered and aligning them with industry skill demands is critical to ensuring that older individuals can effectively acquire new knowledge and continue contributing to the economy.

Figure 6.7 Stages of Ageing Nation, Malaysia



Currently available programmes for lifelong learning in Malaysia

Malaysia is actively implementing initiatives to enhance older workers' and senior citizens' knowledge and skills through structured upskilling and reskilling programmes. The Senior Back in Action (SEBA) programme under the Program Latihan Madani by HRD Corp is one such initiative. It empowers retirees and senior citizens aged 60 and above with relevant skills to improve their employability and income-generation opportunities. This programme offers training in various fields, including digital literacy and vocational skills, tailored to the needs of individuals aged 60 and above. The average allowable course fee for non-certification and certification courses is RM5,000 per participant.



U3A program by MyAgeing, UPM

Another program available is UPM's University of the Third Age (U3A) program. Various courses are available under eight (8) categories, namely Art & Craft, Information Communication & Technology, Living Skills, Music & Dance, Health, Islamic Studies, Languages and Adult Development & Ageing.

Pusat Aspirasi Anak Perak (PASAK), as part of the Perak TVET Corridor and the Human Capital Empowerment and Lifelong Learning Programme, is currently offering a dedicated TVET programme for the elderly. This initiative, known as TVET for Senior Citizens, aligns with the "One Citizen, One Skill" agenda by providing short-term training sessions designed to enhance participants' skills, enabling them to secure industry placements



or create income-generating opportunities. The program currently offers a range of courses tailored to the needs of senior citizens, including the Digital Empowerment for Senior Citizens Course, the Basic Elderly Care Course, the Advanced Elderly Care Services Course, and the Fertigation Planting System Course. Participants benefit from a training allowance of RM200, with all training provided free of charge, and will also receive a certificate upon successfully completing their chosen course.

Various programmes conducted in the Senior Citizens Activity Centre (PAWE)

One of the programmes identified in the National Policy on Older Persons Action Plan is the establishment of the Senior Citizens Activity Centres, previously known as the Senior Citizens Day Care Centres (PJHWT). The Senior Citizens Activity Centre (PAWE) offers a service focused on social companionship and development for the elderly, which involves strategic collaboration between the Ministry of Women, Family, and Community Development (KPWKM), other government agencies, and non-governmental organisations (NGOs). PAWE is aimed at individuals aged 60 and above who are healthy and able to care for themselves. The programme emphasises the potential development of senior citizens, highlighting their ability to contribute their services and expertise to the local community, given their continued health and vitality.

The primary objectives of PAWE are to diversify and expand facilities for the well-being and development of older persons, enhance their quality of life in line with the concept of active and productive ageing, and provide them with a platform to share their experiences and expertise. Additionally, the programme fosters unity across different ethnic groups, races, and religions. The operational concept of PAWE is based on several key elements, including community engagement, intergenerational interactions, and interactivity. PAWE targets two main groups: directly, healthy elderly individuals who are independent, and indirectly, local community members such as children, teenagers, women, persons with disabilities (OKU), families, and vulnerable groups, ensuring the facilities are accessible to all.

Other than the above, there is limited information on lifelong programmes specifically designed for older workers, particularly in Malaysia's reskilling and upskilling areas. Based on the information from the available websites, the current focus of courses is not linked to enhancing skills for the job market. Most courses are on non-work-related skills such as painting, crocheting, and cooking. Even for digital literacy, the level of the literacy module cannot be determined due to information being unavailable on the course's website. This reduces the limits for further evaluation. Additionally, the courses have some fees that need to be paid by the potential trainee.

Senior Back in Action by HRDCorp

The Seniors Back in Action (SEBA) program, launched by HRDCorp as part of the MADANI Training Program (PLM), focuses on providing senior citizens, particularly those aged 60 and above, with upskilling and reskilling opportunities. This initiative aims to enhance the employability of seniors by equipping them with new skills or refining existing ones, enabling them to secure new job opportunities or generate income through part-time or freelance work. The training duration ranges from 3 days to a maximum of 3 months, with a completion deadline of 6 months from the issuance of the appointment letter. The program seeks to alleviate financial burdens on older individuals while encouraging their active participation in the workforce, fostering economic inclusion for this demographic.

In addition to providing valuable skills training, SEBA aligns its offerings with the current demands of the labour market, particularly in sectors such as healthcare, information technology, and customer service. The program also promotes collaboration with private sector employers willing to hire senior citizens, ensuring participants have tangible employment opportunities after training. By engaging both the public and private sectors, SEBA helps create a more inclusive and supportive environment for seniors, facilitating their transition back into the workforce and contributing to a more sustainable workforce amidst Malaysia's ageing population.

Global Practices and Comparative Insights

Malaysia has considerable opportunities to adopt proven strategies compared to global practices, particularly in countries with dedicated agencies managing active ageing policies. These countries often conduct comprehensive, industry-specific analyses to identify workforce demands and establish strong alignments between the required skills and the necessary TVET programmes. By adopting similar approaches, Malaysia can better prepare its ageing workforce to remain productive and competitive nationally and internationally.

Table 6.1 provides a comparison of courses offered by selected countries. Traditional perceptions of physical capability should not limit training programmes for older workers or senior citizens. Instead, the focus should be on enhancing productivity per worker within this group, leveraging technologies and digitalisation to maximise their potential and capacity.

Table 6.1 Comparison of courses offered to senior citizens group, selected countries

Country	Focus Areas	Features	Funding/Support
Germany Qualification Opportunities Act (QCG)	Promotes lifelong learning and upskilling to address digitalisation and structural labour market changes	Offers universal access to training, employer incentives, targeted sectors, simplified processes, and stakeholder collaboration.	Provides government subsidies for training costs and wage replacements, cost-sharing with employers, and support for ancillary expenses.
Singapore SkillsFuture	Promotes lifelong learning and skills development to prepare Singapore's workforce for future economy demands.	Provides personalised learning accounts, sector-specific programmes, career guidance, and industry collaboration.	Offers training subsidies, credits for individual learning, employer incentives, and funding for sectoral initiatives.
South Korea	Supports active ageing by promoting employment, social	Develops customised training materials, online and offline training	Offers financial and logistical support for training programmes,

Senior Employment and Social Activity Support Program (SESAP)	participation, and activity-based engagement for seniors.	modules, and skill-building curricula for specific job roles.	including subsidies for participating employers and training providers.
Finland Training within the Vocational Education and Training (VET) System, including Apprenticeships (Part of Apprenticeships Development for Universal Lifelong Learning and Training (ADULT) by ILO)	Focuses on providing flexible, individualised training to enhance employability and career development skills.	Personal Competence Development Plans (PCDPs) tailor training to individual needs, emphasising a competence-based approach, workplace learning, and optional theoretical modules.	Jointly financed by central and local governments, with subsidies and incentives for employers, apprentices receive wages and are supported by VET providers.

Source:

1. Pendidikan dan Latihan Teknikal Dan Vokasional- TVET Warga Emas, Pusat Aspirasi Anak Perak (PASAK), available at <https://perakpasak.org/tvet-warga-emas/2/>
2. Senior Back in Action (SEBA) by HRD Corp available at https://hrdcorp.gov.my/wp-content/uploads/2024/09/1_SEBA_PLM_092024.pdf
3. University of the Third Age Malaysia, <https://u3aklssel.wixsite.com/malaysia>
4. Senior Back in Action available at <https://manfaat.mof.gov.my/index.php/b2025/individu/seba> and <https://supportcentre.hrdcorp.gov.my/portal/en/kb/articles/senior-back-in-action-seba>
5. SkillsFuture Mid-Career Enhanced Subsidy, SkillsFuture Singapore website available at <https://www.skillsfuture.gov.sg>
6. Qualification Opportunities Act (QCG) available at <https://www.dein-hilfexpert.de/arbeit/wegebau/>
7. South Korea Programs, https://www.kordi.or.kr/upload/attach/74/437374_202205301349031710.pdf
8. Finland, https://pact-for-skills.ec.europa.eu/community-resources/publications-and-documents/country-level-report-apprenticeships-adults-and-older-workers-finland_en

OW1.3 Improve Incentive-Based Employment Models for Older Workers

Adopting a varied approach using global best practices and local initiatives is essential to increase workforce participation among older workers. One effective strategy is to implement targeted financial and social incentives to support the retention and reemployment of older workers. For non-professionals, wage subsidies, like those in Finland and Australia, can provide employers with financial support while creating job opportunities for older workers. These subsidies should be carefully designed to benefit specific groups and ensure they lead to real job creation, avoiding deadweight effects. In Malaysia, measures such as tax incentives, flexible employment policies, and the Self-Employment Social Security Scheme (SPS) provide a strong foundation.

Box Article 6.4**Malaysia's Incentives for Older Workers**

Like many countries, Malaysia is taking proactive steps to address the challenges and opportunities of an ageing workforce. Recognising senior citizens' valuable skills, experience, and contributions, the government and private sector have introduced a range of incentives and initiatives to encourage older workers' continued participation in the labour market. These measures aim to create a supportive environment for older individuals, fostering their economic engagement while addressing financial and social needs. From tax incentives and flexible employment policies to social security schemes and specialised employment platforms, these initiatives reflect Malaysia's commitment to promoting an inclusive workforce that leverages the potential of its ageing population.

Tax incentives	<p>To further encourage the employment of senior citizens (i.e. those above 60 years of age), ex-convicts, parolees, supervised persons and ex-drug dependents, in Budget 2021, the Government proposed that the further deductions given on the remuneration of such individuals employed in a full-time capacity be extended to the year of assessment (YA) 2025. The monthly remuneration for employees in these categories cannot exceed RM4,000.</p> <p>This proposal has now been legislated under the Income Tax (Deduction for Employment of Senior Citizen, Ex-Convict, Parolee, Supervised Person and Ex-Drug Dependant) (Amendment) Rules 2021 [P.U.(A) 47] gazetted on 9 February 2021.</p>
Flexible Employment Policies	<p>The Human Resources Ministry has encouraged employers to retain and hire workers above the retirement age of 60. Employers are urged to offer flexible working hours and conditions to accommodate the needs of older employees, recognising the valuable experience and skills they bring to the workforce.</p>
Self-Employment Social Security Scheme (SPS)	<p>The government offers the SPS Contribution Matching initiative for senior citizens engaged in self-employment, where individuals pay 20% of the contribution rate, and the government covers the remaining 80%.</p>
Employment Platforms for Seniors	<p>Organisations like Hire.Seniors connect mature and experienced professionals, including retirees, with companies seeking skilled resources. These platforms facilitate part-time, full-time, freelance, and temporary placements, helping seniors find suitable employment opportunities and enabling employers to tap into an experienced talent pool.</p>

Sources:

1. https://www.ey.com/en_my/technical/tax-alerts/incentives-for-employment-of-senior-citizens-ex-convicts-etc
2. Govt calls on employers to hire workers over age 60 is available at <https://theedgemalaysia.com/article/govt-calls-employers-hire-workers-over-60>
3. HR Ministry: Senior citizens want to continue working due to financial commitments: <https://www.malaymail.com/news/malaysia/2023/06/14/hr-ministry-senior-citizens-want-to-continue-working-due-to-financial-commitments/74303>
4. Hire.Seniors information is available at <https://hireseniors.my/>

Further improvements can include subsidies for net job creation and workplace adaptations like assistive technologies to make environments more age-friendly. Learning from Germany, it is also crucial to create policies that discourage early retirement by aligning retirement benefits with continued employment.

Box Article 6.5

Incentive-Based Strategies for Enhancing Employment Among Older Workers: Global Insights and Lessons

Globally, governments are implementing targeted strategies to encourage the employment of older workers, recognising the importance of leveraging their skills and experience while addressing demographic shifts such as ageing populations. Wage subsidies and employment incentives are key tools used to reintegrate older workers into the labour market, discourage early retirement, and promote sustainable employment opportunities.

Finland: Wage Subsidy Program (2006–2010)

In Finland, a large-scale wage subsidy program was implemented between 2006 and 2010, targeting low-wage workers aged 54 and older. The subsidy covered 16% of gross monthly earnings for individuals earning less than €2,000. This initiative aimed to increase employment among low-skilled workers and discourage early retirement by incentivising full-time employment, which increased working hours.

An evaluation of the program using Finnish Longitudinal Employee-Employer Data revealed a marginal increase in employment rates, with a one percentage point rise for low-wage workers. However, the impact was limited, as labour demand remained inelastic. The subsidy did not substantially affect employment among newly hired workers. It primarily served to prevent early retirement for workers aged 58 and older, evidenced by a decline in part-time employment within this age group. Despite its annual cost of approximately €90 million, the policy's effectiveness in boosting overall employment for older workers was limited.

The Finnish experience underscores that wage subsidies can influence retirement decisions but may not significantly enhance overall employment rates among older workers.

Germany: Integration Supplement (EGZ)

Germany introduced hiring subsidies 1998 through the integration supplement (EGZ) to support unemployed workers' reintegration into the labour market. In 2002, eligibility for these subsidies expanded to include all unemployed individuals aged 50 and older.

An evaluation using a difference-in-differences approach compared employment outcomes for eligible workers (50–50.5 years) and non-eligible workers (49–49.5 years) before and after the eligibility change. Results showed that subsidy eligibility marginally reduced the probability of remaining unemployed after 180 days, though the impact was statistically non-significant.

The 2002 reform increased the likelihood of exiting unemployment into subsidised jobs by two percentage points, a more pronounced effect than total employment (subsidised and unsubsidised). However, deadweight effects, which refer to subsidies supporting jobs that would have been created anyway, undermined the policy's effectiveness. These effects outweighed

potential benefits, limiting the program's success in fostering sustainable employment for older workers.

Lessons Learned from Finland and Germany

1. **Target Subsidies More Effectively:** Focus on specific population groups most likely to benefit, reducing deadweight effects and maximising the impact of financial support.
2. **Condition Subsidies on Net Job Creation:** Provide subsidies only when there is an actual increase in total employment within firms to ensure genuine job creation.
3. **Discourage Early Retirement:** Implement policies that incentivise older workers to stay in the workforce by adjusting retirement benefits and providing continued employment incentives.
4. **Enhance Employability of Older Workers:** Invest in upskilling, reskilling, and age-friendly workplace practices instead of relying solely on wage subsidies.

Australia: Restart Program

The Australian Government's Restart Program aims to support mature-age individuals aged 50 and older in re-entering the workforce by incentivising employers to hire eligible job seekers. Employers who recruit individuals who have been unemployed and on income support for six months or longer can receive a wage subsidy of up to \$10,000 (GST inclusive).

Key eligibility criteria for the program include:

- **Job Conditions:** The position must average at least 20 hours per week over six months and offer suitable pay, adhering to national award wage standards.
- **Ongoing Employment:** Jobs must be ongoing, with apprenticeships and traineeships qualifying for the subsidy.
- **Restrictions:** Subsidised jobs cannot displace existing employees or involve commission-based work, subcontracting, self-employment, or employment with immediate family members.

The Restart Program's comprehensive design ensures employers and employees benefit from sustainable and equitable employment opportunities for mature-age workers.

Sources:

1. [JobAccess](#)
2. Boockmann, B. (2015). *The effects of wage subsidies for older workers*. IZA World of Labor, 189. doi: 10.15185/izawol.189

OW1.4 Transform Current Digital Employment Platform into an Integrated Age-Friendly Ecosystem

A comprehensive online platform can streamline access to jobs, training, and resources for older workers. This platform should feature dedicated sections for professional and non-professional roles, offering job-matching algorithms based on skills, health conditions, and location. Integrating existing databases such as SOCSO, HRD Corp, and Talent Corp can provide seamless access to a comprehensive online resource that offers job listings, training and guidance on age-inclusive employment practices and policies.

Recognising that health is a critical factor in the employability of older workers, the platform should integrate health and wellness information tailored to their needs. This functionality can enable transparency regarding workers' health conditions, ensuring that workers and employers make informed decisions. Collaboration with healthcare providers and insurance agencies could offer personalised health assessments, wellness programmes, and occupational health advice, ensuring that older workers' physical and mental well-being aligns with job requirements. This integration would foster trust between employers and employees while promoting an inclusive workforce.

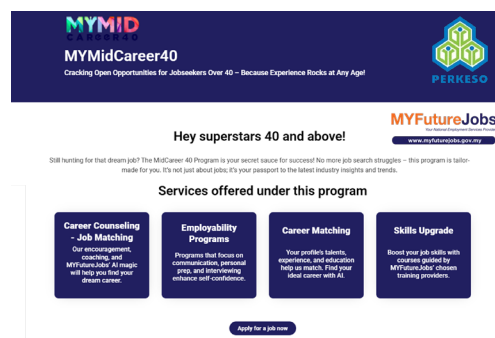
While current digital employment platforms are designed for all age groups, they lack tailored solutions for older workers. An age-specific module should enhance their search experience by offering targeted job results and personalised career advice. This module could be further enriched with recommendations for training opportunities, reskilling programmes, and access to local training sessions. Such features ensure that older workers receive relevant support to remain competitive and productive in the evolving labour market.



Box Article 6.6

MyFuture Jobs by SOCSO

SOCSO Malaysia's digital employment services platform, MYFutureJobs, serves as the national employment portal, leveraging AI technology and validated matching algorithms to connect job seekers with suitable employment opportunities based on their skills and competencies. The platform collaborates with strategic partners and private employment agencies to enhance job search capabilities, offering a comprehensive ecosystem that combines social protection and employment functions, including personalised assistance and real-time labour market infrastructure.

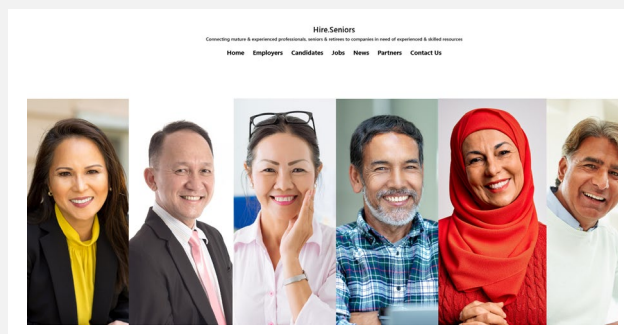


The MyMidCareer40 by PERKESO for persons above 40 years old

Current job seekers categories include job hunters, women, persons with disabilities (PWD), Orang Asli and Second Chance such as Orang Diparol (ODP), Orang yang Diselia (ODS), Orang Yang Bebas Berlesen (OBB) and ex-convicts. Although there are no older worker categories, to address the unique challenges faced by job seekers aged 40 and above, SOCSO introduced the MyMidCareer40 initiative. This program focuses on providing career counselling, employability programs, and skills upgrading tailored to mid-career individuals, aiming to enhance their competitiveness in the job market. From January to July 2023, MyMidCareer40 successfully facilitated the reemployment of over 13,000 individuals in this age group, demonstrating its effectiveness in supporting Malaysia's transition towards an ageing nation.

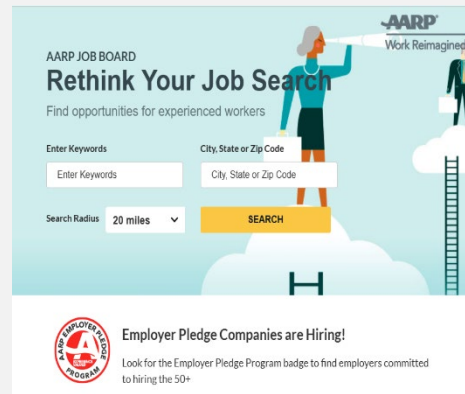
Private sector initiatives by Hire.Seniors

Hire.Seniors is a social enterprise connecting mature professionals, seniors, and retirees with employers seeking experienced and skilled workers. The platform offers a range of flexible employment options, including full-time, part-time, freelance, and temporary placements, catering to various industries and roles. Hire.Seniors targets companies facing resource shortages by providing access to a diverse pool of seasoned talent, from senior management to general business support roles. With the ageing population in Malaysia growing rapidly, Hire.Seniors helps bridge the talent gap by promoting the value that older workers bring, including their wealth of experience, reliability, and strong work ethic. The platform also supports seniors in finding meaningful work that aligns with their preferences, whether to stay active, contribute to society, or explore new career opportunities.



United States AARP Job Board

The United States AARP Job Board is a dedicated platform connecting employers with job seekers aged 50 and older. Managed by the American Association of Retired Persons (AARP), the platform facilitates age-friendly employment through various innovative features and partnerships.



i. Age-Inclusive Features

The platform highlights age-friendly employers through the Employer Pledge Program. Employers participating in this programme commit to fostering age diversity in their hiring practices, making it easier for older workers to identify inclusive workplaces. For specific needs, such as the Veterans Wanted filter, filters cater to unique subgroups within older job seekers.

ii. Integrated Resources

Provides tailored career advice, including resume-building tools, interview preparation tips, and personalised job recommendations. Offers training resources and upskilling opportunities, helping older workers remain competitive in a dynamic labour market.

iii. Health and Wellness Integration

While not directly integrated with healthcare providers, the AARP Job Board features resources addressing older workers' physical and mental health needs through its broader AARP network.

iv. Employer Engagement

Employers are encouraged to design roles suitable for older workers, promoting flexible work arrangements and jobs that align with older employees' physical and cognitive capacities.

Sources:

1. MyFutureJobs at <https://myfuturejobs.gov.my/>
2. Hire.Seniors information is available at <https://hireseniors.my/>
3. Socso: MyMidCareer40 helped over 13,000 individuals to be reemployed by MalayMail Online. https://www.malaymail.com/news/malaysia/2023/08/06/socso-mymidcareer40-helped-over-13000-individuals-to-be-reemployed/83906?utm_source=chatgpt.com
4. <https://jobs.aarp.org/>

While MyFuture Jobs is the primary platform for job matching across all age groups, Hire.Seniors can play a critical role by focusing on older workers, offering a dedicated space catering to their unique needs. By specialising in connecting experienced seniors with employers looking for mature talent, Hire.Seniors can complement the broader scope of MyFuture Jobs. It can enhance the job search experience for older workers by providing job-matching algorithms tailored to their skills, health conditions, and preferences. Furthermore, Hire.Seniors can help address gaps in employment by offering targeted opportunities that align with the health and wellness of older workers, ensuring that roles are suitable for their physical and mental well-being.

Additionally, Hire.Seniors can collaborate with MyFuture Jobs to bridge the gap in training and upskilling for older workers, offering a focused approach to reskilling. While MyFuture Jobs provides

general training resources, Hire.Seniors can focus on providing industry-specific courses, including digital literacy and health-focused skills, which are crucial for older workers to stay competitive in the evolving job market. By partnering with employers, healthcare providers, and training institutions, Hire.Seniors can foster a comprehensive support system, from job placement to continuous professional development. This collaboration would create an integrated ecosystem that supports older workers at every stage of their careers, ensuring they remain an integral part of Malaysia's workforce.

In addition to the efforts of MyFuture Jobs and Hire.Seniors, the Future Skills Talent Council (FSTC) can play a pivotal role in enhancing the career opportunities for older workers by integrating future skills into the ecosystem. FSTC can collaborate with both platforms to ensure the skills training is future-ready, focusing on emerging industries such as digital technology, green energy, and cybersecurity. By identifying and promoting the skills most needed in the future workforce, FSTC can help design targeted training programs tailored to the evolving needs of older workers, ensuring they stay competitive in high-growth sectors.

Furthermore, FSTC can facilitate partnerships with industry leaders to provide mentorship and sponsorship opportunities for older workers, ensuring they have access to professional networks that foster career advancement. Through its role, FSTC can also guide the development of policies and best practices for age-inclusive employment, working closely with MyFuture Jobs, Hire.Seniors, and employers to create a seamless support system. By driving innovation in skills development and industry collaboration, FSTC will create an integrated age-friendly ecosystem that supports older workers throughout their career journey, from employment training. This holistic approach will ensure that older workers remain employable and thrive in a workforce that values their experience and adaptability.

OW1.5 Introduce an Age-Inclusive Employer Recognition Program

Increasing the demand for older workers is essential to ensuring equitable access to job opportunities for this valuable workforce segment. A national Age-Inclusive Employer Recognition Program can play a pivotal role in encouraging industries to adopt age-friendly practices. Drawing inspiration from the UK's Age-Friendly Employer Pledge and the US's Certified Age Friendly Employer (CAFE) program, this initiative would provide a certification recognising organisations that actively support age-inclusive employment through policies and practices that benefit employers and employees.

The positive reputation gained through such accreditation can enhance an organisation's image domestically and internationally. For example, a certified age-inclusive employer could stand out in the global marketplace by aligning with emerging demographic and workforce trends, such as fostering multigenerational teams and addressing skills shortages. Beyond certification, recognised organisations could benefit from non-monetary advantages such as access to exclusive networking opportunities, visibility on national and global platforms, and tailored resources to support their age-friendly strategies.

This program must deliver tangible benefits to employers, such as improving employee retention, enhancing workplace diversity, and fostering innovation through multigenerational collaboration. It also positions organisations as leaders in addressing the challenges of an ageing workforce, ensuring readiness for current and future global macroeconomic changes while fostering a more inclusive and sustainable labour market in Malaysia.

Box Article 6.7

Employer Recognition Program from the US and UK

United States of America

Certified Age Friendly Employer (CAFE) Program

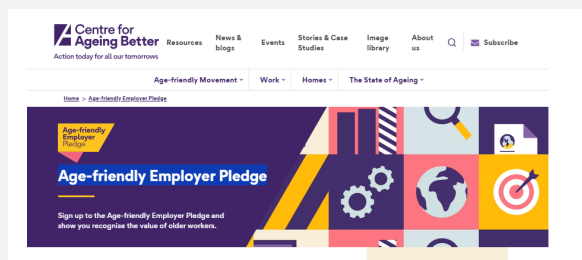


The Certified Age Friendly Employer (CAFE) program, launched by the non-profit Age-Friendly Institute in 2006, is a globally recognised initiative that certifies organisations dedicated to supporting employees aged 50 and above. Participating employers gain access to resources like the Older Workforce Analytics Report for benchmarking age-friendly practices and improving HR, compensation, and benefits standards. The program also connects employers to a global community through exclusive roundtable events for sharing best practices.

Certified organisations benefit from enhanced visibility by using the widely recognised CAFE seal on marketing materials and job postings, signalling a commitment to age inclusivity. Employers also receive recognition on platforms such as RetirementJobs.com and AgeFriendly.com. The program offers training on "Age Bias" to foster cultural change and supports phased retirement plans, helping employers create inclusive, multigenerational workplaces.

United Kingdom

Age-Friendly Employer Pledge



The Age-Friendly Employer Pledge promotes workplaces that value older workers and foster inclusive employment practices.

The Age-Friendly Employer Pledge is a nationwide programme designed for employers who acknowledge the importance and value of older workers. It is aimed at organisations committed to enhancing work opportunities for individuals in their 50s, 60s, and beyond, fostering a supportive environment for their growth and success. Employers who take part pledge to take meaningful action to ensure that older workers thrive as part of a multigenerational workforce.

Employers joining the UK's Age-Friendly Employer Pledge benefit by gaining access to a broader talent pool, leveraging the skills and experience of older workers to address skills shortages and enhance workforce diversity. This commitment improves an organisation's reputation as an inclusive employer, making it more attractive to both employees and customers. Age-friendly practices, such as flexible working arrangements and health support, also lead to higher employee satisfaction and retention. Additionally, fostering a multigenerational workforce promotes collaboration, knowledge-sharing, and innovation, strengthening organisational culture and competitiveness in a dynamic labour market.

Sources:

1. Certified Age Friendly Employer Program, <https://institute.agefriendly.com/initiatives/certified-age-friendly-employer-program/>
2. Age-friendly Employer Pledge, <https://ageing-better.org.uk/age-friendly-employer-pledge>

OW1.6 Strengthen the Role of National Advisory and Consultative Council for the Elderly

The Ministry of Women, Family and Community Development (KPWKM) is central in overseeing initiatives for older persons in Malaysia. While some efforts have been made, particularly in the budget announcements, to support older workers, the country lacks a comprehensive policy framework to effectively integrate older workers into the workforce. These initiatives remain fragmented and insufficiently coordinated, and Malaysia's national policy on ageing is still in development. Given these gaps, there is a clear need to strengthen the Majlis Penasihat Warga Emas (Council of Elderly Advisory), which could be crucial in formulating and advancing a more cohesive and holistic strategy. By enhancing the council's capacity and influence, Malaysia can better address the specific needs of older workers, ensuring their inclusion in the national workforce and broader societal development.

Box Article 6.8**Majlis Penasihat Warga Emas**

The National Advisory and Consultative Council for the Elderly plays a vital role in shaping policies and initiatives that support the well-being of older citizens in Malaysia. Chaired by the Minister of Women, Family, and Community Development, this Council brings together representatives from various ministries, the private sector, civil society organisation (CSOs), and experts in fields related to the elderly. Its main objective is to provide strategic guidance and recommendations to improve the quality of life for older people in Malaysia. The Council collaborates with the National Elderly Policy Technical Committee, which is divided into seven subcommittees focusing on different aspects of elderly welfare.

Subcommittees under the National Elderly Policy Technical Committee

Each subcommittee, including the Employment Subcommittee chaired by the Ministry of Human Resources, works on specific areas related to the employment and development of older workers. The Council ensures that the needs of the elderly are addressed through coordinated efforts, promoting active ageing and enhancing their participation in various sectors of society.

To strengthen the Majlis Penasihat Warga Emas, particularly concerning older workers' employment, it is essential to ensure that the existing Committee on Employment within the council holds regular meetings to actively monitor, review, and evaluate policies to increase older workers' participation in the workforce. This committee can facilitate dialogue between government agencies, the private sector, and civil society, identifying key barriers and opportunities for older workers. One critical

function would be to use data such as from the Employees Provident Fund (EPF) to detect individuals with insufficient retirement savings. By conducting regular analyses of EPF data, the committee can proactively identify older workers at risk of inadequate financial security and address their needs. The committee could then match these individuals with targeted skills training, retraining programmes, financial literacy initiatives, and job opportunities to ensure they remain employable and financially secure.

Strengthening the council's mandate to act as a central advisory body will create a more coordinated approach to integrating older persons into the labour market. Regular cross-ministerial collaboration is necessary to develop a comprehensive strategy that aligns with national ageing policies. Additionally, by reviewing and refining existing programmes, particularly in rural and underdeveloped urban areas, the committee can design tailored interventions to meet the specific needs of older workers. This will optimise the impact of the current ministerial network, ensure more effective gender-specific interventions, and significantly contribute towards a more inclusive and sustainable labour force. Revising the council's terms of reference (TOR) will ensure that employment for older persons is consistently prioritised, driving policy change and fostering a more inclusive workforce.

Box Article 6.9

Dedicated Older Worker Agencies in Other Countries

Japan, South Korea, and the United Kingdom have a specific organisation supporting elderly and older workers. These organisations demonstrate the importance of having a centralised agency to address the unique needs of older workers, including employment opportunities, training, and policy development. By consolidating efforts, such agencies can streamline resources and initiatives to support the ageing demographic better. The following table summarises the available institutions dedicated to ageing

Country	Name of Organisation	Brief Description	Responsible Entity
South Korea	Korea Labor Force Development Institute for the Aged (KORDI)	Community-based organisations provide part-time job opportunities for senior citizens, promoting active	Government-supported operated locally
Japan	Silver Human Resource Centres (SHRC)	Government institutes are dedicated to supporting older workers through training, job placement, and policy development.	Government
United Kingdom	Centre for Ageing Better	Independent organisation working to improve employment, housing, health, and community inclusion for older adults.	Independent non-profit, supported by CSOs

Sources:

1. KORDI, <https://www.kordi.or.kr/eng/>
2. Changes in Elderly Employment and New Roles of Silver Human Resources Centers. Hoshi I, Yamaguchi S and Takada N. NRI Papers No 214 March 2017.
3. Centre for Ageing Better, <https://ageing-better.org.uk/>

OW1.7 Expand Sector-Specific Opportunities for Non-Professional Older Workers

Non-professional older workers, particularly those without tertiary education, face unique challenges in re-entering or remaining active in the workforce. Targeted opportunities in specific sectors can significantly enhance workforce participation among non-professional older workers. The eldercare industry, for instance, offers roles such as companion caregivers, community health aides, and home support workers, where older adults' empathetic nature and lived experiences can provide substantial value. These positions can be tailored to accommodate physical limitations by focusing on non-strenuous tasks such as administrative support, meal preparation, or emotional companionship.

Similarly, the agriculture and agri-business sectors hold promise, particularly for those in rural areas. Opportunities like farm management assistance, agricultural goods processing and packaging, and community-based organic farming initiatives can leverage older adults' traditional knowledge and willingness to work within close-knit communities. Programmes that integrate modern agricultural techniques with the preservation of local farming practices can provide meaningful and sustainable employment. Governments and cooperatives can further support these efforts by offering subsidies for tools, seeds, and training while facilitating market access for their produce. By focusing on sector-specific solutions, these strategies can create meaningful pathways for non-professional older workers to remain productive and economically active.

Box Article 6.10**Enhancing Income and Social Participation for Older Adults through South Korea's Senior Employment Program**

Implemented in 2004, South Korea's Senior Employment Program provides supplemental income, boosts social participation, and supports the health of individuals aged 60 and older. By 2021, approximately 840,000 participants, or 6.4% of those aged 60 or above, benefited from the program, with monthly earnings ranging from KRW 270,000 to KRW 1,961,000 (USD 209 to USD 1,521). The program offers three job opportunities: public service roles for low-income individuals, private sector jobs supported by government subsidies, and social care service roles responding to the growing demand for elderly care. Eligibility varies, but priority is often given to low-income households.

The program has significantly improved participants' quality of life by narrowing income gaps and enhancing social relationships, physical health, and mental well-being. A 2021 assessment showed a 16% reduction in the income gap relative to the national poverty line and a decrease in out-of-pocket medical expenses amounting to KRW 700 million (USD 543 million) annually. Despite its widespread support and proven cost-effectiveness, challenges remain, including limited budget allocation, low wage levels, and the need to expand higher-quality jobs to accommodate a more educated ageing population.

Source: The Inequality Solutions at <https://www.sdg16.plus/policy>

OW1.8 Review the Retirement Age Policy to Support Active Ageing and Workforce Sustainability

Malaysia should review and update the Minimum Retirement Age Act 2012 to align with international best practices. By incrementally raising the retirement age to 63 or 65, similar to Singapore and Japan, Malaysia can better support workforce sustainability and active ageing. This adjustment will help address the financial needs of retirees facing increased longevity and living costs, ensuring their financial security.

To complement the mandatory retirement framework, Malaysia should implement a flexible retirement policy that allows phased retirement and re-employment opportunities. This policy would enable employees to gradually reduce working hours while contributing to the workforce, benefiting both employers and workers. Additionally, following Singapore's model, employers must offer continued employment to eligible older workers, particularly in roles that leverage their experience and expertise. These measures would address the diverse needs of Malaysia's ageing population and promote an inclusive and sustainable labour market.

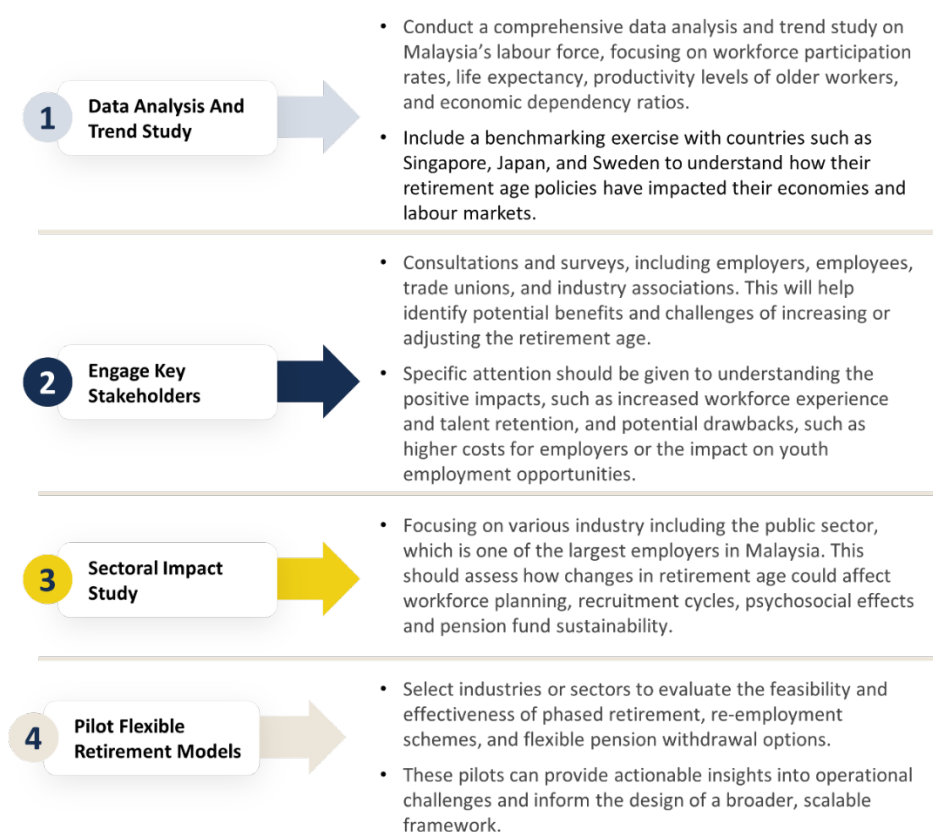


Table 6.2: Recommendations for Improving Retirement Age and Flexible Retirement in Malaysia

Focus Area	Current Situation	Recommendations	Expected Outcomes
Mandatory Retirement Age	Set at 60 years for all formal sector employees.	Gradually increase the retirement age to 63 or 65, similar to regional peers like Singapore and Japan—link retirement age to life expectancy.	Align with demographic trends and increase labour force participation among older workers.
Flexible Retirement Age	Limited formal frameworks for phased retirement or flexible work arrangements.	Introduce phased retirement programs to allow a gradual reduction in working hours. Enable flexible pension withdrawal options for partial retirees.	Facilitate a smooth transition to retirement while retaining older workers in the labour market.
Legislation and Policy	Minimum Retirement Age Act 2012 governs retirement policies and limited flexibility provisions.	Amend existing legislation to include flexible retirement frameworks. Create specific policies for retirees regarding re-employment and part-time roles.	Strengthen legal and institutional support for flexible retirement.
Awareness and Training	Low awareness of flexible retirement options among employers and employees.	Conduct awareness campaigns on the benefits of flexible retirement. Implement lifelong learning and reskilling programs for older workers. Empower trade unions to advocate.	Increase adoption of flexible retirement practices and improve older worker productivity.
Regional and Global Benchmarking	Malaysia lags behind peers like Singapore (mandatory re-employment until 68) and Sweden (flexible pension withdrawal).	Benchmark policies and programs from countries with advanced flexible retirement systems, such as Japan, Sweden, and Singapore.	Adopt best practices tailored to Malaysia's socio-economic context.

Reviewing the retirement age policy requires a comprehensive and evidence-based approach to ensure its alignment with demographic, economic, and workforce dynamics. This involves a series of structured activities and analyses, as illustrated in Figure 6.8, designed to evaluate critical factors, gather robust data, and formulate informed recommendations that address the evolving needs of both employees and employers.

Figure 6.8: Structured activities and analyses to review retirement age policy



Box Article 6.11

Comparison of Retirement Age and Flexible Retirement Policies

This Box Article highlights the variations in retirement age policies and approaches to flexible retirement across different organisations. It outlines the recommendations by international bodies, focusing on strategies to balance economic sustainability, fairness, and the inclusion of older workers in the labour market.

The following table summarises the recommendations provided by key international organisations regarding retirement age. It highlights their focus areas, including labour market inclusion, pension system sustainability, and the promotion of flexible retirement options to address demographic and economic changes.

Table 6.3: Recommendations on Retirement Age by International Organisations

Organisation	Recommendation on Retirement Age	Focus Area
International Labour Organization (ILO)	Advocates for a gradual increase in retirement age to align with rising life expectancy and demographic changes. Encourages policies that balance economic sustainability and fairness.	<ul style="list-style-type: none"> Equality of opportunity for older workers. Encourages phased retirement and re-employment options. Highlights the need for age-inclusive labour market policies.
Organisation for Economic Co-operation and Development (OECD)	The retirement age should be raised progressively to maintain the sustainability of the pension system and support older-age employment rates.	<ul style="list-style-type: none"> Emphasizes the positive impact of delayed retirement on labour market participation. Advocates for flexible pension withdrawal options.

International Social Security Association (ISSA)	It provides a global database of pensionable ages for comparison but does not set specific retirement age recommendations.	<ul style="list-style-type: none"> Promotes sharing of best practices across nations. Highlights variations in retirement age policies worldwide.
World Bank	Suggests linking retirement age to life expectancy as part of pension reforms to ensure financial sustainability.	<ul style="list-style-type: none"> Recommends automatic adjustments to retirement age based on demographic trends. Supports integrating flexible work arrangements for older workers.

Next, Table 6.4 overviews retirement age policies and flexible retirement options in selected countries. It showcases legislative frameworks and practices that support phased retirement, re-employment, and flexible work arrangements for older workers.

Table 6.4: Comparison of retirement ages and flexible retirement policies selected countries

Country	Mandatory Retirement Age	Legislation/Regulation	Explanation	Types of Flexibility Offered
Japan	65	Elderly Employment Stabilization Law	Employers must retain employees until 65. Workers can work beyond 65, but terms are employer-specific.	Part-time work and re-employment contracts
Sweden	65	Employment Protection Act	Workers have the right to remain employed until 68 as of 2020. Phased pension withdrawal allows flexibility.	Phased pension withdrawal and part-time options.
Finland	63-68	Employees Pensions Act	Employees can retire within this range, with pensions adjusted accordingly. Early retirement reduces benefits; delayed retirement increases benefits.	Phased retirement and job-sharing options.

Table 6.5 provides a comparative analysis of retirement age policies and flexible retirement practices across ASEAN countries, highlighting significant disparities in statutory retirement ages and the availability of flexible arrangements. While some nations, such as Singapore and Malaysia, have implemented legislation to extend work opportunities for older workers, others, like Brunei and Cambodia, lack comprehensive frameworks, leaving flexibility largely unavailable. The analysis demonstrates the need for policy reforms in certain ASEAN countries to support demographic shifts and enhance labour market inclusivity for ageing populations. This comparison also reveals a regional trend towards gradually increasing retirement ages to address pension sustainability and workforce challenges.

Table 6.5: Comparison of ASEAN countries and flexible retirement policies

Country	Mandatory Retirement Age	Legislation/Regulation	Explanation	Types of Flexibility Offered
Malaysia	60	Minimum Retirement Age Act 2012	The statutory retirement age applies to all formal sector employees	Limited phased retirement and flexible work arrangements in select sectors.
Singapore	63	Retirement and Re-employment Act	Statutory retirement age applies, with mandatory re-employment up to age 68 for eligible workers.	Re-employment and flexible hours.
Thailand	60	Civil Service Act	The mandatory retirement age applies to government employees only. The private sector varies based on contracts.	Not available

Indonesia	57	National Social Security System (SJSN) Law	Gradual increase of mandatory retirement age to 65 by 2043 for formal sector under pension reforms.	Limited phased retirement options.
Vietnam	60 (men), 55 (women)	Labour Code 2019	A gradual increase to 62 for men and 60 for women by 2035 under labour code reform.	Not available
Philippines	60	Social Security Act of 1997	Retirement age is standard for public and private sector employees, with early retirement options.	Not available
Brunei	55	Pensions Act	Statutory retirement age is among the lowest in ASEAN.	Not available
Cambodia	None	None	No statutory retirement age.	Not available
Laos	60	Labour Law	The statutory retirement age applies equally to men and women.	Not available
Myanmar	None	None	There is no statutory retirement age.	Not available

Sources:

1. <https://www.etk.fi/>, The Finnish Centre for Pensions
2. **Minimum Retirement Age Act 2012**, Department of Labour, Malaysia, jtksm.mohr.gov.my
3. **Retirement and Re-employment Act**, Ministry of Manpower, Singapore, mom.gov.sg
4. **Elderly Employment Stabilization Law**, Ministry of Health, Labour and Welfare, Japan, mhlw.go.jp
5. **National Careers Service on Retirement**, Department for Work and Pensions, United Kingdom, gov.uk
6. **Flexi-Rente Law**, Federal Ministry of Labour and Social Affairs, Germany, bmas.de

Table 6.6: Recommendations for Improving Retirement Age and Flexible Retirement in Malaysia

Focus Area	Current Situation	Recommendations	Expected Outcomes
Mandatory Retirement Age	Set at 60 years for all formal sector employees.	<ul style="list-style-type: none"> Gradually increase the retirement age to 62 or 65, similar to regional peers like Singapore and Japan. Link retirement age to life expectancy. 	<ul style="list-style-type: none"> Align with demographic trends and increase labour force participation among older workers.
Flexible Retirement Age	Limited formal frameworks for phased retirement or flexible work arrangements.	<ul style="list-style-type: none"> Introduce phased retirement programs to allow gradual reduction in working hours. Enable flexible pension withdrawal options for partial retirees. 	<ul style="list-style-type: none"> Facilitate smooth transition to retirement while retaining older workers in the labour market.
Legislation and Policy	Minimum Retirement Age Act 2012 governs retirement policies; limited flexibility provisions.	<ul style="list-style-type: none"> Amend existing legislation to include flexible retirement frameworks. Create specific policies for re-employment and part-time roles for retirees. 	<ul style="list-style-type: none"> Strengthen legal and institutional support for flexible retirement.

Focus Area	Current Situation	Recommendations	Expected Outcomes
Awareness and Training	Low awareness of flexible retirement options among employers and employees.	<ul style="list-style-type: none"> ▪ Conduct awareness campaigns on the benefits of flexible retirement. ▪ Implement lifelong learning and reskilling programs for older workers. ▪ Empowering trade unions to advocate 	<ul style="list-style-type: none"> ▪ Increase adoption of flexible retirement practices and improve older worker productivity.
Regional and Global Benchmarking	Malaysia lags behind peers like Singapore (mandatory re-employment until 68) and Sweden (flexible pension withdrawal).	<ul style="list-style-type: none"> ▪ Benchmark policies and programs from countries with advanced flexible retirement systems, such as Japan, Sweden, and Singapore. 	<ul style="list-style-type: none"> ▪ Adopt best practices tailored to Malaysia's socio-economic context.

Reviewing the retirement age policy requires a comprehensive and evidence-based approach to ensure its alignment with demographic, economic, and workforce dynamics. This involves a series of structured activities and analyses, as illustrated in Figure 6.9, designed to evaluate critical factors, gather robust data, and formulate informed recommendations that address the evolving needs of both employees and employers.



Figure 6.9: Structured activities and analyses to review retirement age policy



Box Article 6.12

Comparison of Retirement Agas and Flexible Retirement Policies

This Box Article highlights the variations in retirement age policies and approaches to flexible retirement across different organisations. It outlines the recommendations by international bodies, focusing on strategies to balance economic sustainability, fairness, and the inclusion of older workers in the labour market.

The following table summarises the recommendations provided by key international organisations regarding retirement age. It highlights their focus areas, including labour market inclusion, pension system sustainability, and the promotion of flexible retirement options to address demographic and economic changes.

Table 6.7: Recommendations on Retirement Age by International Organisations

Organisation	Recommendation on Retirement Age	Focus Area
International Labour Organization (ILO)	Advocates for a gradual increase in retirement age to align with rising life expectancy and demographic changes. Encourages policies that balance economic sustainability and fairness.	<ul style="list-style-type: none"> ▪ Equality of opportunity for older workers. ▪ Encourages phased retirement and re-employment options. ▪ Highlights the need for age-inclusive labour market policies.

Organisation for Economic Co-operation and Development (OECD)	Recommends raising the retirement age progressively to maintain pension system sustainability and support older-age employment rates.	<ul style="list-style-type: none"> Emphasizes the positive impact of delayed retirement on labour market participation. Advocates for flexible pension withdrawal options.
International Social Security Association (ISSA)	Provides a global database of pensionable ages for comparisons but does not set specific retirement age recommendations.	<ul style="list-style-type: none"> Promotes sharing of best practices across nations. Highlights variations in retirement age policies worldwide.
World Bank	Suggests linking retirement age to life expectancy as part of pension reforms to ensure financial sustainability.	<ul style="list-style-type: none"> Recommends automatic adjustments to retirement age based on demographic trends. Supports integrating flexible work arrangements for older workers.

Next, Table 6.8 provides an overview of retirement age policies and flexible retirement options in selected countries. It showcases legislative frameworks and practices that support phased retirement, re-employment, and flexible work arrangements for older workers.

Table 6.8: Comparison of retirement ages and flexible retirement policies, selected countries

Country	Mandatory Retirement Age	Legislation/Regulation	Explanation	Types of Flexibility Offered
Japan	65	Elderly Employment Stabilization Law	Employers must retain employees until 65. Workers can work beyond 65, but terms are employer-specific.	Part-time work and re-employment contracts
Sweden	65	Employment Protection Act	Workers have the right to remain employed until 68 as of 2020. Phased pension withdrawal allows flexibility.	Phased pension withdrawal and part-time options.
Finland	63-68	Employees Pensions Act	Employees can retire within this range, with pensions adjusted accordingly. Early retirement reduces benefits; delayed retirement increases benefits.	Phased retirement and job-sharing options.

Table 6.9 provides a comparative analysis of retirement age policies and flexible retirement practices across ASEAN countries, highlighting significant disparities in statutory retirement ages and the availability of flexible arrangements. While some nations, such as Singapore and Malaysia, have implemented legislation to extend work opportunities for older workers, others, like Brunei and Cambodia, lack comprehensive frameworks, leaving flexibility largely unavailable. The analysis demonstrates the need for policy reforms in certain ASEAN countries to support demographic shifts and enhance labour market inclusivity for aging populations. This comparison also reveals a regional trend towards gradually increasing retirement ages to address pension sustainability and workforce challenges.

Table 6.9: Comparison of ASEAN countries and flexible retirement policies

Country	Mandatory Retirement Age	Legislation/Regulation	Explanation	Types of Flexibility Offered
Malaysia	60	Minimum Retirement Age Act 2012	Statutory retirement age applies to all formal sector employees	Limited phased retirement and flexible work arrangements in select sectors.

Singapore	63	Retirement and Re-employment Act	Statutory retirement age applies, with mandatory re-employment up to age 68 for eligible workers.	Re-employment and flexible hours.
Thailand	60	Civil Service Act	Mandatory retirement age applies to government employees only. Private sector varies based on contracts.	Not available
Indonesia	57	National Social Security System (SJSN) Law	Gradual increase of mandatory retirement age to 65 by 2043 for formal sector under pension reforms.	Limited phased retirement options.
Vietnam	60 (men), 55 (women)	Labour Code 2019	Gradual increase to 62 for men and 60 for women by 2035 under labour code reform.	Not available
Philippines	60	Social Security Act of 1997	Retirement age is standard for both public and private sector employees, with early retirement options.	Not available
Brunei	55	Pensions Act	Statutory retirement age is among the lowest in ASEAN.	Not available
Cambodia	None	None	No statutory retirement age.	Not available
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Myanmar	None	None	No statutory retirement age.	Not available

Sources:

1. <https://www.etk.fi/>, The Finnish Centre for Pensions
2. **Minimum Retirement Age Act 2012**, Department of Labour, Malaysia, jtksm.mohr.gov.my
3. **Retirement and Re-employment Act**, Ministry of Manpower, Singapore, mom.gov.sg
4. **Elderly Employment Stabilization Law**, Ministry of Health, Labour and Welfare, Japan, mhlw.go.jp
5. **National Careers Service on Retirement**, Department for Work and Pensions, United Kingdom, gov.uk
6. **Flexi-Rente Law**, Federal Ministry of Labour and Social Affairs, Germany, bmas.de

Strategy OW2 Promoting Health and Well-Being in Employment

OW2.1 Introduce Comprehensive Workplace Wellness for Older Workers

As Malaysia's workforce continues to age, it is essential to implement comprehensive health and wellness programmes that address the specific needs of older workers. Such initiatives contribute to employees' well-being, enhance productivity, reduce healthcare costs, and foster a positive work environment. Learning from international examples, a national policy framework should be established, outlining the standards and guidelines for workplace health and wellness programmes tailored for older workers. This framework should incorporate best practices, benchmarks, and evaluation metrics to ensure the effectiveness and sustainability of these initiatives.

Incentives should be provided to employers to encourage the implementation of wellness programmes. Tax incentives, grants, and subsidies can serve as practical tools to motivate companies to invest in the health and well-being of their ageing workforce. For instance, similar to the United States, where the Patient Protection and Affordable Care Act (PPACA) supports wellness initiatives through grants and assistance from the Centers for Disease Control and Prevention (CDC), Malaysia can develop similar support mechanisms.

Promoting age-friendly workplace initiatives, such as flexible working hours, ergonomic assessments, and age-appropriate fitness programmes, is essential. In the United Kingdom, companies offer mental health training, fitness memberships, and financial well-being coaching initiatives. Malaysia can adopt similar practices to create a positive work environment and enhance employee engagement and productivity. Access to counselling services and stress management workshops is crucial for addressing older workers' mental health challenges, reducing absenteeism and enhancing productivity.

Collaboration with healthcare providers is recommended to offer on-site health screenings, preventive care, and wellness workshops. Early detection and management of health issues are vital for ensuring that older workers receive the necessary care and support. The European Union's emphasis on occupational safety and health (OSH) management for the ageing workforce highlights the importance of promoting a healthy lifestyle and adapting work environments.

Educational and training programmes should be conducted regularly to raise awareness among older workers about the importance of health and wellness. Providing nutrition, exercise, stress management, and preventive care resources empowers employees to take charge of their well-being. For example, the UK's "Mid-life MOT" programme helps individuals review their jobs, health, and finances to plan for their future at work.

A system for monitoring and evaluating the effectiveness of workplace wellness programmes should be implemented. Collecting data on employee health outcomes, participation rates, and satisfaction levels is essential for continuously improving and adapting these programmes. In Australia, tools like the WorkWell Toolkit and Healthy Older Worker (HOW) Toolkit offer practical steps and resources for creating a mentally healthy workplace and assessing the impact of an ageing workforce.

Box Article 6.13

Workplace Health and Wellness Programs Around the World

As the global workforce ages, many countries have developed targeted workplace health and wellness programs to support older workers. These programs aim to enhance employee well-being, increase productivity, and create a more inclusive work environment. Here, we explore the approaches taken by the United States, the United Kingdom, European Union members, Australia, and South Korea, along with examples of wellness programs that can improve the effectiveness of these initiatives.

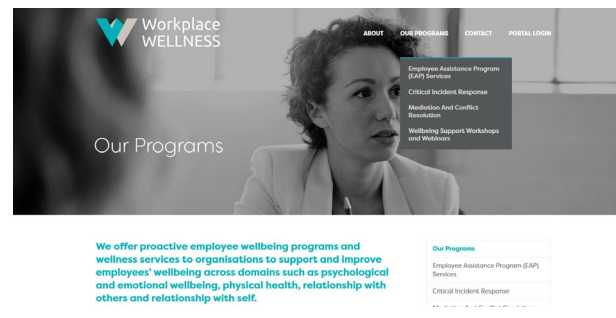
United States

Workplace-based health and wellness programs (HWPs) in the United States are designed to promote employee health, reduce healthcare costs, and boost productivity. Approximately half to two-thirds of U.S. employers offer some form of HWP. These programs include health screenings, fitness initiatives, nutrition education, stress management workshops, and smoking cessation programs. The 2010 Patient Protection and Affordable Care Act (PPACA) supports these programs,

mandating that the Centers for Disease Control and Prevention (CDC) assist employers in implementing and evaluating wellness initiatives. Additionally, the PPACA authorises the Health and Human Services (HHS) Secretary to award grants to small employers to develop comprehensive wellness programs. For example, companies might offer yoga classes, walking clubs, and health coaching to address the specific needs of older workers.

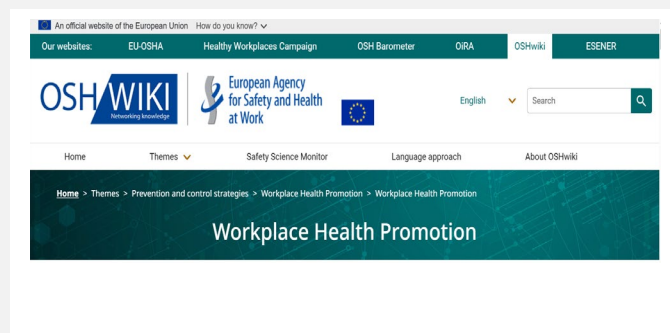
United Kingdom

In the UK, workplace wellness programs have gained popularity, with companies such as Dishoom and Digital, offering mental health training, fitness memberships, and financial well-being coaching initiatives. These programs focus on creating a positive work environment and enhancing employee engagement and productivity. Examples of effective wellness programs include flexible working options, allowing older workers to adjust their working hours and conditions to suit their needs better, and the "Mid-life MOT," which helps individuals in mid-life review their job, health, and finances to plan for their future at work. Employers can also introduce mindfulness sessions and ergonomic assessments to support the well-being of older employees.



European Union

EU members have implemented various initiatives to promote health and well-being at work for older workers. The EU Directive on Safety and Health at Work aims to protect workers and promote their rights in the workplace. Additionally, the OSH management for the ageing workforce focuses on managing occupational safety and health (OSH) for older workers, including promoting a healthy lifestyle and adapting work environments. Workplace health promotion activities, such as on-site fitness facilities, healthy eating programs, and stress management workshops, are encouraged to improve the health and well-being of older workers. Examples of successful programs include regular health screenings, sports clubs, and mental health support services.



Australia

Australia emphasises workplace wellness through programs like Employee Assistance Programs (EAP), mental health support, and fitness initiatives. Workplace Wellness Australia offers proactive programs addressing mental health, workplace issues, and personal well-being to improve employee health. Examples of effective programs include the WorkWell Toolkit, which provides practical steps and resources to help employers create a mentally healthy workplace for older workers, and the Healthy Older Worker (HOW) Toolkit, which identifies and assesses the



impact of an ageing workforce on workplace health and safety systems. Additionally, age-friendly workplace initiatives encourage employers to create a diverse and inclusive work environment that supports older workers, such as offering tailored fitness classes and ergonomic workstations.

Conclusion

Implementing comprehensive health and wellness programs for older workers is essential for creating a supportive and productive work environment. By offering various wellness programs tailored to the specific needs of older employees, employers can promote a culture of health and well-being, ensuring that all workers can thrive.

Sources:

1. Poscia, A., Moscato, U., La Milia, D.I. et al. Workplace health promotion for older workers: a systematic literature review. *BMC Health Serv Res* 16 (Suppl 5), 329 (2016). <https://doi.org/10.1186/s12913-016-1518-z>
2. Centers for Disease Control and Prevention (CDC) - Productive Aging and Work Program: https://www.cdc.gov/niosh/centers/productive-aging.html#cdc_program_profile_program_pri-program-priorities
3. Workplace Wellness Australia: <https://www.workplacewellnessaustralia.com.au/>
4. Workplace Health Promotion: <https://oshwiki.osha.europa.eu/en/themes/workplace-health-promotion>
5. Apps for wellness monitoring: <https://sparkyourhealth.co.uk/>
6. Health and well-being at work: <https://www.eurofound.europa.eu/en/topic/health-and-well-being-work>
7. Employee Wellness Programs, UK: A Brief List of the Best: <https://www.hirequotient.com/blog/employee-wellness-programs-uk>

OW2.2 Comprehensive Psychosocial Support Framework for Older Workers

Ensuring the psychosocial well-being of older workers is critical for sustained engagement and productivity in the workforce. Older workers often face challenges such as feelings of isolation, fear of being left behind in a rapidly evolving job market, or stress from adapting to new technologies. A dedicated framework should be established to address these concerns, incorporating mental health support, social integration initiatives, and workplace adjustments to create a supportive environment. Key components of the framework include:

- i. **Counselling Services.** Provide accessible counselling and psychological support to address stress, anxiety, and feelings of obsolescence.
- ii. **Peer Support Networks.** Establish mentorship and peer collaboration programs where older workers can share experiences and provide mutual support.
- iii. **Inclusive Training.** Deliver training programs in a non-intimidating and collaborative manner, focusing on skill development while building confidence in technology and modern workplace tools.
- iv. **Work-Life Balance Initiatives.** Promote flexible work arrangements that allow older workers to balance professional responsibilities with personal needs.

Box Article 6.14

Singapore's Tripartite Standards

Singapore's Tripartite Standards represent a set of progressive employment practices jointly developed by the government, employers, and unions to foster inclusive and fair workplaces. Organizations that adopt these standards are recognized as progressive employers, demonstrating a commitment to fostering a supportive work environment. A key component of this initiative is the Tripartite Standard on Age-Friendly Workplace Practices, which aims to create inclusive, equitable, and sustainable workplaces that support older employees.

The Tripartite Standard on Age-Friendly Workplace Practices establishes a framework for effective age management strategies, ensuring that all employers implement best practices to support older workers. The standard is built on seven key pillars:

1. **Fair Recruitment Practices:** Age is not used as a criterion in job advertisements, shortlisting, or selection processes, ensuring equal opportunities for candidates of all ages.
2. **Leadership Commitment:** A senior management member is designated to champion age-friendly workplace initiatives, underscoring the organization's dedication to inclusivity.
3. **Training and Development:** Older employees receive training to perform their roles effectively, promoting continuous learning and adaptability.
4. **Workplace Health Programs:** Implementation of workplace health programs tailored for older employees, such as ergonomics interventions, exercise sessions, and regular health check-ups.
5. **Job and Workplace Redesignation:** Jobs and workplaces are designed to be age-friendly, focusing on making work physically easier, safer, and smarter through ergonomic adjustments and the use of technology.
6. **Equitable Compensation:** Older employees with satisfactory performance who are not at the top of their salary ranges receive annual increments, aligning with company-wide practices.
7. **Re-employment Engagement:** Employers engage employees on re-employment matters at least six months before they reach the retirement age, ensuring clarity and mutual agreement on future work arrangements.

Adopting these age-friendly employment standards benefits both older workers and businesses. These includes:

Benefits for Older Workers:

- **Job Security & Equal Opportunity:** Fair recruitment and re-employment practices provide older workers with greater confidence in their continued employment prospects.
- **Skills Enhancement & Career Growth:** Access to continuous learning opportunities ensure older workers remain relevant and competent in an evolving job market.
- **Health and Well-being:** Tailored workplace health initiatives contribute to physical well-being, job satisfaction, and overall quality of life.

Benefits for Industries:

- **Retention of Experience:** Organizations retain valuable institutional knowledge and expertise, preventing skill shortages and enhancing productivity.

- **Expanded Talent Pool & Workplace Diversity:** Inclusive hiring practices promote diversity, fostering innovation and improved decision-making.
- **Enhanced Employer Branding:** Adopting the Tripartite Standards enhances the organization's reputation as a progressive employer, aiding in attracting and retaining top talent.

In summary, Singapore's Tripartite Standard on Age-Friendly Workplace Practices offers a comprehensive framework that supports the psychosocial well-being of older workers. By implementing these progressive policies, organizations can enhance workforce inclusivity, strengthen employee well-being, and sustain long-term economic growth. This framework provides a structured and effective approach to promoting age diversity, ensuring mutual benefits for both employees and industries.

Source: Tripartite Alliance for Fair & Progressive Employment Practices, Singapore



Detailed Policy Implementation Mechanism

This section presents a structured framework for enhancing older worker participation through targeted strategies and initiatives. The table below outlines key strategies, specific initiatives, implementation timelines, and the roles of key and supporting ministries/agencies in facilitating these efforts.

<input type="text" value="Untapped Older Worker"/> Filter					
Strategy	Initiatives	Timeline	Key Ministries/Agencies	Supporting Ministries/Agencies	Outcome
OW1 Increasing Workforce Participation Among Older Professionals and Non-Professionals	OW1.1 Integrated Age-Inclusive Labour Market Policies	Medium-term	<ul style="list-style-type: none"> Ministry of Economy Ministry of Women, Family and Community Development Ministry of Human Resources 	<ul style="list-style-type: none"> Ministry of Higher Education Malaysia Productivity Corporation 	<ul style="list-style-type: none"> Increase productive older worker participation in the workforce Improve coordination efficiency between government, industries, and CSOs Increase in older worker participation in targeted upskilling and reskilling programme Increase retention rates among older workers
	OW1.2 Enhance Lifelong Learning for Older Workers	Medium-term	<ul style="list-style-type: none"> Ministry of Higher Education Ministry of Human Resources Ministry of Entrepreneur and Co-operative Development Ministry of Women, Family and Community Development 	<ul style="list-style-type: none"> Ministry of Digital Malaysia Digital Economy Corporation Human Resource Development Corporation (HRDCorp) Pusat Aktiviti Warga Emas 	
	OW1.3 Improve Incentive-Based Employment Models for Older Workers	Medium-term	<ul style="list-style-type: none"> Ministry of Human Resources 	<ul style="list-style-type: none"> Ministry of Economy Human Resource Development Corporation (HRD Corp) Social Security Organisation (SOCSCO) 	
	OW1.4 Transform the Current Digital Employment Platform into an Integrated, Age-Friendly Ecosystem	Medium-term	<ul style="list-style-type: none"> Ministry of Human Resources Ministry of Digital Malaysia Digital Economy Corporation 	<ul style="list-style-type: none"> Ministry of Women, Family and Community Development Social Security Organisation (SOCSCO) Human Resource Development Corporation (HRD Corp) Talent Corporation Malaysia Berhad (TalentCorp) 	
	OW1.5 Introduce an Age-Inclusive Employer Recognition Program	Medium-term	<ul style="list-style-type: none"> Ministry of Human Resource Ministry of Entrepreneur and Co-operative Development 	<ul style="list-style-type: none"> Ministry of Women, Family and Community Development Talent Corporation Malaysia Berhad (TalentCorp) Department of Industrial Relation Malaysia 	

	OW1.6 Strengthen the Role of National Advisory and Consultative Council for the Elderly	Medium-term	<ul style="list-style-type: none"> Ministry of Women, Family and Community Development 	<ul style="list-style-type: none"> Ministry of Economy Ministry of Human Resources Public Services Department 	
	OW1.7 Expand Sector-Specific Opportunities for Non-Professional Older Workers	Medium-term	<ul style="list-style-type: none"> Ministry of Human Resources 	<ul style="list-style-type: none"> Ministry of Women, Family and Community Development Malaysia Productivity Corporation (MPC) 	
	OW1.8 Review the Retirement Age Policy to Support Active Ageing and Workforce Sustainability	Long-term	<ul style="list-style-type: none"> Ministry of Human Resources 	<ul style="list-style-type: none"> Ministry of Economy Ministry of Women, Family and Community Development Department of Public Services Employees Provident Fund (EPF) 	
OW2 Promoting Health and Well-Being in Employment	OW2.1 Introduce Comprehensive Workplace Wellness for Older Workers	Medium-term	<ul style="list-style-type: none"> Ministry of Women, Family and Community Development Ministry of Human Resources 	<ul style="list-style-type: none"> Ministry of Youth and Sports Department of Occupational, Safety and Health 	<ul style="list-style-type: none"> Increase in older worker productivity Increase older worker safety and satisfaction in the workplace
	OW2.2 Develop Comprehensive Psychosocial Support Framework for Older Workers	Medium-term	<ul style="list-style-type: none"> Ministry of Human Resources Ministry of Women, Family and Community Development 	<ul style="list-style-type: none"> Ministry of Communications Department of Occupational, Safety and Health 	



07

Untapped Talents of Veteran

This section presents findings based on the surveys conducted for the study, focusing on veterans and industries. These surveys provide complementary insights to the macroeconomic assessment, adding depth and detail to the quantitative analysis. By capturing perspectives, challenges, and opportunities unique to each group, the survey data enrich understanding of how these demographics contribute to economic growth, productivity, and workforce dynamics.



Untapped Veteran Talents

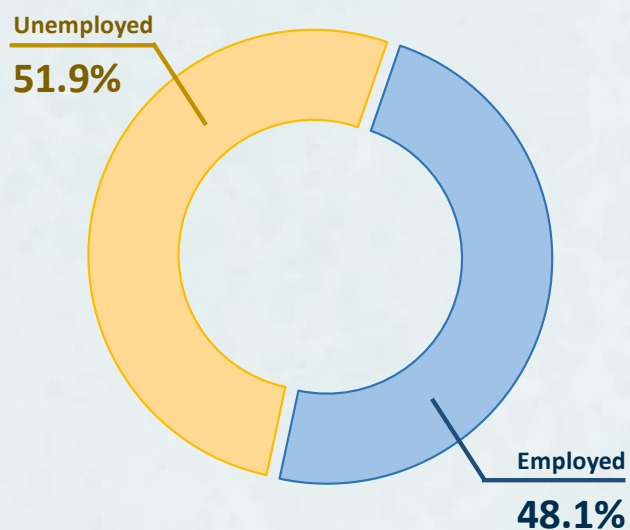
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Veteran

Nearly half of veterans are actively contributing to the workforce. The data shows that 48.1 percent of veteran respondents are currently employed, demonstrating that a significant portion of this demographic remains actively engaged in the labour market. This reflects the capability and willingness of veterans to continue contributing their skills and experience in various industries, making them valuable assets to the economy. Despite the encouraging employment **Figure 7.1**, 51.9 percent of veterans remain unemployed, indicating a pressing need for support systems to help bridge the employment gap.

Figure 7.1 Profiling of veterans drawn from the survey

Almost half of the veteran respondents are currently working

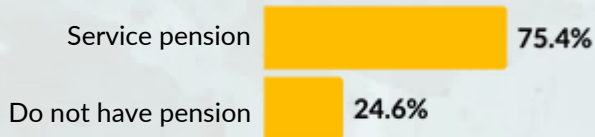


Source: Analysis is based on Survey Untapped Veteran of ATM, conducted with 200 respondents.

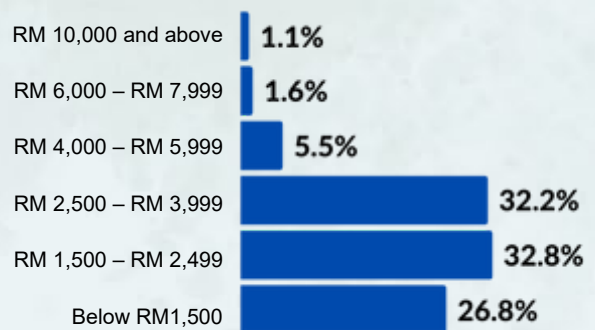
Figure 7.2

VETERAN OF ATM

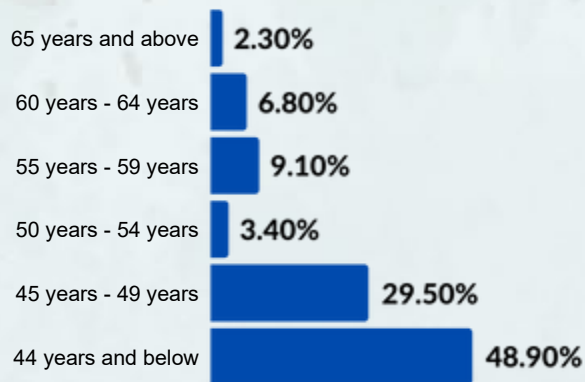
A. Pension category



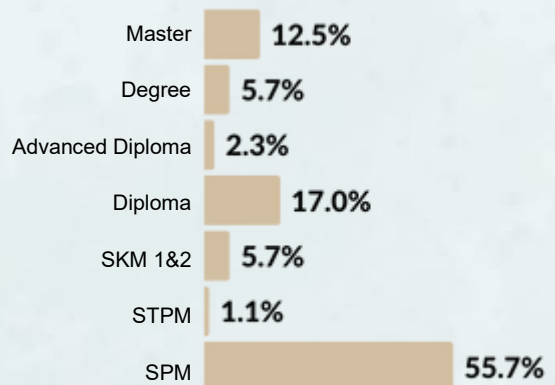
B. Pension range



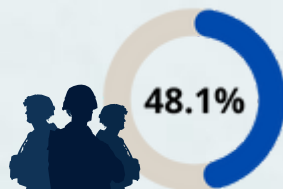
C. Age group



D. Education level



E. Status of employment



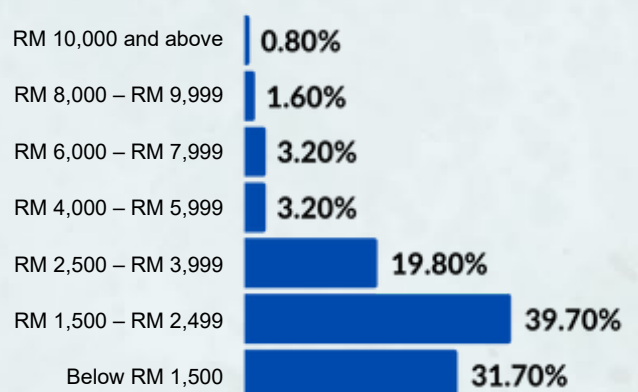
of respondents reported being employed

In average, most of them having

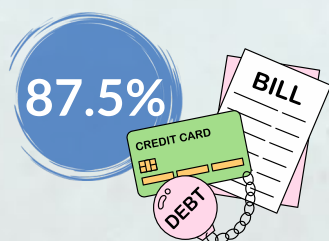
4 dependents

including children and parents.

F. Current salary



G. Debt status

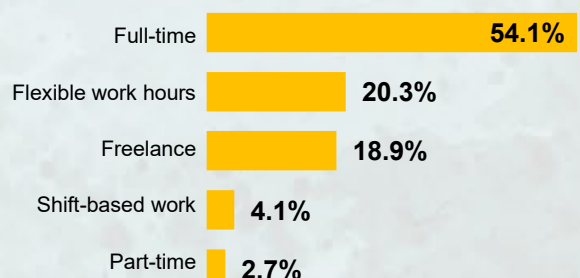


Having debt



No have debt

H. Type of work



Challenges for Veterans of ATM

Veterans face diverse financial circumstances but struggle with debt management post-retirement.

As shown in **Figure 7.2**, the survey findings reveal that while 75.4% of veterans receive a service pension, a significant 24.6% do not have any pension, creating financial vulnerabilities. Among those with pensions, 59.6% earn below RM2,500, reflecting limited financial flexibility. Additionally, 87.5% of veterans report being in debt, suggesting widespread financial strain (**Figure 7.2G**). This financial burden is a key driver for post-retirement employment, as evidenced by 78.4% seeking work for financial necessity (**Figure 7.3C**). These findings highlight the need for targeted financial literacy programs and support mechanisms to enhance veterans' financial resilience.

Educational qualifications among veterans limit their access to better job opportunities. A majority of veterans (55.7%) hold only SPM-level education, with only 12.5% attaining a master's degree or higher (**Figure 7.2D**). This limited educational attainment restricts access to higher-paying roles and more specialized positions. Consequently, 51.9% (**Figure 7.1**) of veterans are unemployed, and among the employed, 71.4% earn less than RM2,500 (**Figure 7.2F**). These findings highlight the importance of upskilling and educational initiatives tailored to veterans, enabling them to transition into better-paying and more fulfilling civilian careers.

Veterans' Intentions and Challenges in Rejoining the Workforce

Social and personal fulfilment drive veterans' desire to work post-retirement. The survey reveals that 77.9% of veterans intend to work after retirement, with social interaction (93.2%), mental and physical health (91.9%), and self-fulfilment (83.8%) being their primary motivators, as shown in **Figure 7.3C**. While financial necessity is also a factor, these findings indicate that veterans view employment as a means to maintain their well-being and contribute to society. Designing roles that offer meaningful engagement, and personal growth could better align with veterans' aspirations.

Disconnection between salary expectations and market realities for veterans. Many veterans intend to earn higher salaries than those currently achieved by their employed counterparts. For instance, while 35.1% (**Figure 7.3D**) expect salaries between RM2,500–RM3,999, only 19.8% (**Figure 7.2F**) of currently employed veterans fall within this range. Similarly, 28.4% anticipate earning above RM4,000, compared to only 8% currently earning this amount. This mismatch highlights the importance of managing expectations and equipping veterans with the skills necessary to meet higher salary benchmarks.

Veterans show a preference for stability but are open to flexibility in employment. Many veterans seeking work post-retirement prefer public sector jobs (51.4%) (**Figure 7.3F**) and full-time roles (54.1%), likely due to the stability and structure these options provide. However, flexibility is also valued, with 20.3% preferring flexible schedules (**Figure 7.2F**). This suggests that employment programs for veterans should balance structure with adaptability to accommodate varying personal and professional needs.

Veterans are interested in technology-driven careers but need targeted upskilling to fully engage. The survey highlights veterans' interest in emerging fields such as drone operations (12.0%), digital business (10.1%), and cybersecurity (10.1%). However, lower interest in areas like blockchain (5.7%) and coding (7.5%) suggests a gap in familiarity and specialized skills required with these advanced technologies. Addressing this through targeted training programs can help veterans harness opportunities in high-growth industries and improve their employability (**Figure 7.3E**).

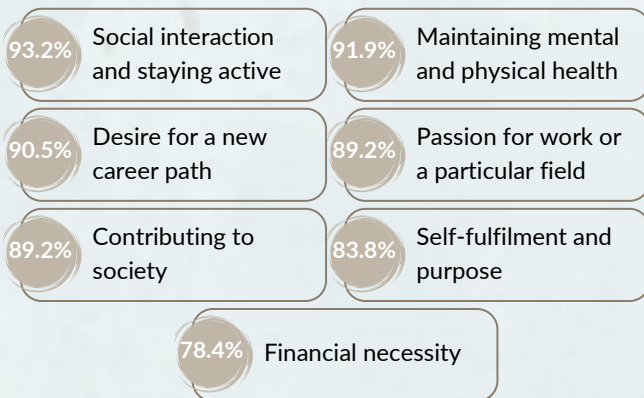
Figure 7.3

INTENTION TO WORK

B. Pension category



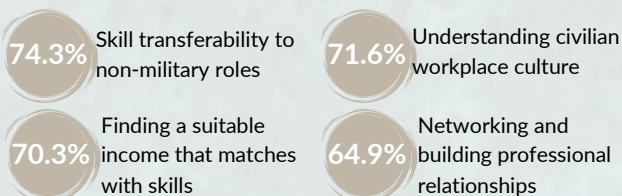
C. Motivates to seek employment after retirement



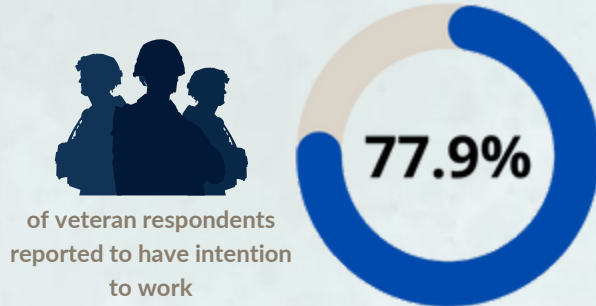
E. Interested in exploring job opportunities related to the latest technologies



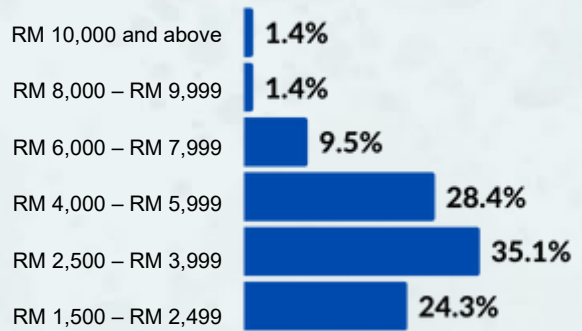
H. Challenges adapting non-military environment



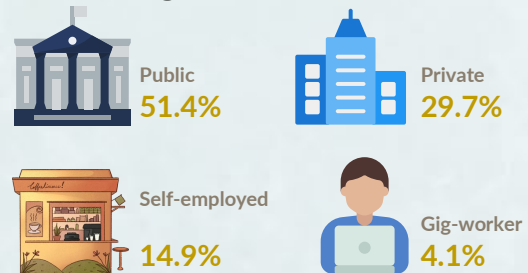
A. Intention to work



D. Expected salary



F. Interested in working in the following sectors



G. Challenges working after retirement



Age discrimination and skill gaps hinder veterans' workforce integration. Based on **Figure 7.3G**, the findings show that 16.4% of veterans face age discrimination, while 17.4% lack relevant skills for civilian jobs. Additionally, 74.3% struggle to transfer military skills to non-military roles, and 71.6% face challenges in adapting to civilian workplace culture (**Figure 7.3H**). These barriers highlight the need for transitional programs focusing on skill transferability, mentorship, and prospective employer engagement to ease veterans' integration into civilian careers.

Health and family responsibilities complicate veterans' employment decisions. While health issues affect 5.9% of veterans, family commitments influence 10.5%, reflecting non-work-related factors that impact employment (**Figure 7.3G**). This aligns with preferences for part-time or remote roles, suggesting that flexible work arrangements could better suit veterans' personal circumstances. Employers offering such options would likely find a more engaged and productive workforce among veterans.

Building confidence in civilian workplace skills is essential for veterans' success. Veterans report difficulties in skill transferability (74.3%) and understanding civilian workplace culture (71.6%). Limited networking opportunities (64.9%) further complicate their transitions (**Figure 7.3H**). Additionally, interest in fields like e-commerce (8.1%) and data analysis (8.1%) suggests room for growth in these areas (**Figure 7.3E**). Strategic partnerships for upskilling and networking can empower veterans to adapt confidently to civilian workplaces and thrive in modern industries.

Industry Perspectives on Supporting Veteran Employment

Industries show moderate readiness to hire veterans but need enhanced policies for greater inclusion. The survey findings reveal that only 52.4% of industries are prepared to support veteran hiring, suggesting moderate readiness (**Figure 7.4**). While many companies acknowledge the importance of diversity and inclusion, only 50.0% report leadership visibly supporting these initiatives. This indicates a need for industry-specific measures that focus on veterans, as the broader diversity efforts currently cater more to women and older workers. Targeted policies and frameworks could help bridge this readiness gap and foster a more inclusive approach to veteran employment.

Industries recognize the need for veteran-focused policies but require stronger implementation strategies. As shown in **Figure 7.4**, most respondents (69.4%) agree that specific policies for veterans are essential, with only 2.7% disagreeing. Despite this consensus, inclusivity measures such as flexible work arrangements and career development programs are available in only 59.1% of companies, showing a lack of alignment between intent and practice. Strengthening these initiatives and ensuring robust implementation could significantly enhance workplace inclusivity for veterans.

Industry support for veteran hiring incentives is strong but requires effective collaboration with policymakers. The findings reveal that 83.9% of companies support recognition programs for hiring veterans, and 83.9% advocate for financial incentives such as tax benefits (**Figure 7.4**). Additionally, 84.9% of industries highlight the importance of training and skill development programs. These results underscore the need for coordinated efforts between industries and policymakers to create sustainable incentives and support systems that encourage veteran hiring.

Figure 7.4: Industry perspectives for hiring veterans

Industry Readiness

Industry Readiness Through Support for Hiring Veterans

More than half of the industries are ready to hire the veterans



	Veteran
Equal opportunity in leadership	40.9%
Flexible work arrangements and career development programs	59.1%
Gender pay equity and fair compensation	63.4%
Encourages lifelong learning	48.4%
Leadership visibly supports diversity and inclusion	50.0%

Bringing Veterans to Work

Veterans in the Workforce

The need for specific policies for veterans

Agreed		69.4%
Neutral		28.0%
Disagreed		2.7%



Industry Supports in Hiring Veterans

Industry Supports	Percentage
Recognition Programs	83.9%
Government-Provided Placement and Recruitment Assistance	84.9%
Training and Skill Development Programs	84.9%
Financial Incentives (Tax benefits and subsidies)	83.9%

Tailored training programs are critical to addressing veterans’ skill gaps in civilian roles. A significant 84.9% of industries prioritise training and skill development programs for veterans (Figure 7.4), while 50.0% support partnerships with training institutions. Soft skills and technical upskilling were also among the highlighted challenges by veterans, with 70.3% reporting their skills were not in line with current market needs (Figure 7.3H). These preferences reflect the industry’s recognition of the diverse skill sets veterans require and the critical role of targeted training in preparing them for new career opportunities.

Access to veteran qualifications and recruitment resources is a growing priority for industries. More than half of the respondents (58.3%) highlight the need for more information on veterans’ qualifications, while 54.2% advocate for a centralized recruitment portal to streamline hiring processes (Figure 7.4). Partnerships with training institutions, supported by 50.0% of industries, are also seen as an effective way to align veterans’ skills with industry needs. This indicates a strong demand for structured platforms and networks to facilitate veteran employment.

Inclusivity and upskilling efforts for veterans must address structural gaps in policy and practice. While industries recognise the value of hiring veterans, structural gaps remain evident. Only 48.4% of companies actively encourage lifelong learning, and even fewer offer flexible work arrangements, available in 59.1% of companies (Figure 7.4). These findings suggest the need for comprehensive policy reforms and enhanced training programs to effectively address barriers to veteran inclusion and upskilling. Collaborative efforts between industries and external stakeholders could significantly improve these outcomes.

Bridging the Gap Between Untapped Workforce Supply and Industry Demand

Shared Priorities Between Veterans and Industries

Veterans and industries both emphasise the critical importance of skill development for successful integration into civilian roles. Veterans recognise the need to build confidence in transferring military skills and adapting to the nuances of civilian workplace cultures. Barriers such as limited networking opportunities and difficulties understanding civilian environments often hinder their transition. Similarly, industries highlight the necessity of role-specific, technical, and soft skills training as key components of workforce readiness. Collaborative initiatives, such as tailored training programs, mentorship, and strategic partnerships for upskilling and networking, can bridge these shared priorities, enabling veterans to excel in civilian roles while meeting industry demands for a skilled workforce.

Critical Gaps Between Veterans and Industries

A disconnect exists between veterans' salary expectations and industries' understanding of veterans' qualifications. Veterans often lack sufficient information about market salary structures, leading to unrealistic expectations about earnings in civilian roles. Conversely, industries face difficulties accessing comprehensive information on veterans' qualifications and transferable skills, hindering their ability to align roles with veterans' capabilities. This gap underscores the need for centralised recruitment platforms and streamlined communication channels. Such tools would enable veterans to better align their expectations with market realities while allowing industries to assess and utilise veterans' skills effectively.

Workplace culture differences create barriers for veterans, while industries lack inclusive practices. Veterans struggle to adapt to civilian workplace cultures, which often differ greatly from the structured environments they are accustomed to. At the same time, few industries actively support inclusive practices, such as flexible work arrangements and robust career development programs, which are essential for accommodating veterans' needs. Bridging this gap requires industries to adopt structural reforms, including promoting inclusive workplace policies and implementing targeted career development initiatives. By addressing these barriers, industries can facilitate smoother transitions for veterans, creating a more supportive and inclusive workforce that benefits both parties.

Policy Recommendation

Focus on Untapped Talents of Veterans

Strategy V1 Empowering Veterans Through Lifelong Learning and Career Advancement



Initiative V1.1
Strengthen Tailored Education, Reskilling, and Upskilling Pathways

Strategy V2 Fostering Veteran-Friendly Employment and Comprehensive Support Systems



Initiative V2.1
Introduce Flexible and Veteran-Friendly Employment Programs

Initiative V2.2
Strengthen Collaboration for Employer Engagement Initiatives

Initiative V2.3
Implement Comprehensive Transition Support Programs



Strategy V3 Leveraging Data Analytics for Veteran Workforce Integration

Initiative V3.1
Use Data Analytics to Identify Trends and Gaps



Strategy V4 Improving Governance for Comprehensive Veteran Support

Initiative V4.1
Strengthen JHEV's Governance Role for Veteran Management



Detailed Policy Recommendation

Strategy V1 Empowering Veterans Through Lifelong Learning and Career Advancement

V1.1 Strengthen Tailored Education, Reskilling, and Upskilling Pathways

To enhance Malaysia's reskilling and upskilling programmes for Armed Forces veterans, the government should intensify the alignment of training initiatives with high-demand industries and foster partnerships with private sector employers. The training initiatives should be enhanced by incorporating certifications in technology-related fields and advanced manufacturing to align with current market demands. This can be achieved through collaborations with leading companies to design and deliver targeted training modules. Additionally, fostering partnerships with employers, as exemplified by international benchmarks, can ensure structured pathways for veterans to transition into civilian roles. This includes offering mentorship programmes, reserving roles specifically for veterans, and recognising military-acquired skills in recruitment processes.

Building on existing collaborations such as the programme with Micron, the government should actively engage with various large industry players, particularly multinational corporations (MNCs), across diverse industries. These engagements should aim to co-develop specialised training programmes tailored to industry needs and create employment pipelines for veterans. By fostering such collaborations, veterans can access various career opportunities and gain valuable exposure to global standards and practices.

The success of the Micron pilot project, which involved 25 pioneers, highlights how skill upgrades for veterans can significantly improve productivity and operational outcomes. Following their training, these veterans have seamlessly transitioned into roles as technicians and supervisors, contributing effectively to Micron's operations. Sharing such success stories can help demonstrate the tangible benefits of these initiatives, encouraging other firms to participate in similar programmes. This approach will enhance the veterans' employability and address critical skill gaps in Malaysia's workforce.

Box Article 7.1

On-going Education, Reskilling, and Upskilling Pathways Initiatives in Malaysia

Through the Perbadanan Hal Ehwal Bekas Angkatan Tentera (PERHEBAT), the Malaysian government has introduced several initiatives to support veterans in enhancing their skills and securing sustainable employment. Other initiatives in collaboration with the Ministry of Defence are also available for the education, upskilling, and reskilling of army veterans in Malaysia.

i. Program Reskilling & Upskilling Veteran ATM (PRUV ATM)

Launched under the 2021 Budget, PRUV ATM focuses on improving the socioeconomic status of veterans affected by the COVID-19 pandemic. It offers four guidance programs: Career Coaching with Employers, Short-Term Training & Courses, Technical Guidance in Agriculture & Livestock, and Entrepreneurship & Retail Guidance.

ii. Recognition of Prior Experiential Learning (RPEL)

The special Recognition of Prior Experiential Learning (RPEL) programme, managed by PERHEBAT and accredited by the Department of Skills Development (JPK), recognises the skills and experience of Malaysian Armed Forces personnel and veterans by awarding Diploma or Advanced Diploma certifications. Designed for flexibility, the programme allows participants to balance their duties without attending formal classes, with completion in just 3 to 5 months at highly affordable fees. It aligns with Malaysia's goal of creating a skilled and competitive workforce by equipping participants with recognised qualifications, enhancing their career prospects and contributing to national development.



As of 2023, PERHEBAT is monitoring the career progress of 6,851 retirees who have completed Transition Training, with 60% securing second careers- 17% employed by organisations, 23% as budding entrepreneurs or self-employed, and 20% as entrepreneurs. Meanwhile, 40% of veterans are actively seeking employment.

iii. Empowering Malaysian Armed Forces Veterans through Veteran MyWIRA Programme

Launched on 22 January 2024, the Veteran MyWIRA programme is a collaboration between the Ministry of Human Resources (KESUMA) and the Ministry of Defence Malaysia, led by TalentCorp and PERHEBAT. This initiative connects Malaysian Armed Forces (ATM) veterans with industry-driven career pathways through strategic partnerships with members of the Future Skills Talent Council (FSTC). By aligning veterans' skills with market demands, the programme enhances their integration into the private sector while contributing to a more diverse national talent pool.



The first cohort, in collaboration with Micron Memory Malaysia (Micron), consisted of 25 retired armed forces personnel who completed a three-month training programme at the Penang Skills Development Centre (PSDC) and the Walta Centre of Excellence (COE). Following their training, all participants were hired by Micron in full-time roles, where they now serve as technicians and supervisors, utilising their prior experience and skills. This success demonstrates the programme's ability to support seamless career transitions for ATM veterans while strengthening Malaysia's workforce with experienced, skilled talent.

iv. Upskill Malaysia Platform

An integrated, centralised platform that offers information and assistance on training programs across various ministries and agencies, facilitating continuous learning and skill development for all Malaysians, including veterans.

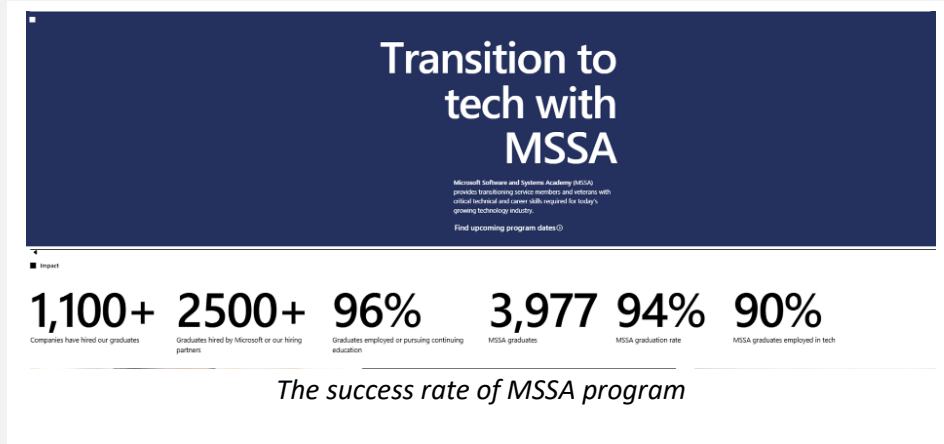
v. Work-Based Learning Collaboration with the Ministry of Higher Education

The Ministry of Defence and the Ministry of Higher Education have partnered to empower Malaysian Armed Forces personnel with upskilling opportunities and formal qualifications, facilitating their transition into civilian careers. The collaboration includes 10 Work-Based Learning (WBL) diploma programmes aligned with military roles such as Culinary Arts, Hotel Management, and Geospatial Technology. Around 236 personnel with at least 15 years of service have been identified for the programme, which evaluates participants' work experience and competencies instead of traditional university attendance. Backed by RM3 million, the programme ensures minimal fees, with participating universities, including UiTM, UPM, and UTHM, validating the skills acquired during military service. Defence industry collaborations and community-focused initiatives complement this effort, showcasing a unified government commitment to enhancing the capabilities of the armed forces community.



Benchmarking Initiatives for Veterans' Upskilling and Reskilling

It is essential to draw lessons from established international benchmarks to strengthen Malaysia's upskilling and reskilling programmes for veterans. The Microsoft Software & Systems Academy (MSSA) in the United States demonstrates the value of aligning veteran training with high-demand technology fields, ensuring direct employment pathways through partnerships with leading



companies. Similarly, the UK's Armed Forces Covenant showcases how strong employer commitments can facilitate successful veteran transitions into civilian roles through tailored mentorships, internships, and recognition of military-acquired skills. Malaysia can enhance its programmes by adopting these practices, fostering deeper collaborations with multinational corporations and creating structured, outcome-oriented pathways for veterans to contribute effectively to critical sectors like technology and advanced manufacturing. These informations are summarised as follows:

Country	Initiative	Brief Description	Key Success Factor	Outcome
United States	Microsoft Software & Systems Academy (MSSA)	A training programme focused on reskilling veterans in high-demand technology fields, including cybersecurity, cloud computing, and software development.	Collaboration with leading tech companies ensures certifications and direct pathways to employment in tech industries.	Over 90% of MSSA graduates secure employment in tech roles within months of completing the program, with companies like Microsoft, Amazon, and Dell among the top employers.
United Kingdom	Armed Forces Covenant	A programme supporting veterans' transitions into civilian roles through internships, apprenticeships, and recognition of prior skills.	Commitment from employers to provide work-based learning opportunities and support during the transition phase, such as offering mentorship programs, reserving roles expressly for veterans, and adapting job requirements to acknowledge military-acquired skills.	11,349 organisations from the private sector and CSOs have signed the Covenant, resulting in thousands of veterans successfully transitioning into civilian roles annually, with a high retention rate due to tailored employer support

Sources:

1. Program PRUV: <https://www.perhebat.com.my/en/pruv/>
2. Army Veteran RPEL: <https://myrpel.mod.gov.my/> and <https://www.perhebat.com.my/rpel/>
3. MINDEF bantu tingkat nilai tambah dan kebolehpasaran veteran ATM. Siaran Media Kementerian Pertahanan. https://www.mod.gov.my/images/mindef/upload/akhbar_2024/28%20Mei%202024%20-%20RPEL%20PERHEBAT.pdf
4. Talent Corp Veteran MyWira programme website at <https://www.talentcorp.com.my/our-initiatives/for-professionals/veteranmywira/>
5. TalentCorp's 'VETERAN MyWIRA' to pave Sustainable Post-Retirement Careers and Upskilling for ATM Veterans: <https://www.talentcorp.com.my/resources/press-releases/talentcorps-veteran-mywira-to-pave-sustainable-post-retirement-careers-and-upskilling-for-atm-veterans>
6. Upskilling army personnel with diploma courses, New Straits Times. <https://www.nst.com.my/news/nation/2024/12/1142665/upskilling-army-personnel-diploma-courses>
7. VETERAN MYWIRA PROGRAMME LAUNCHING CEREMONY. <https://www.mod.gov.my/index.php/en/media3/news/veteran-mywira-programme-launching-ceremony>
8. Information and statistics on MSSA program: <https://military.microsoft.com/mssa/>
9. Data on UK covenant pledge: <https://www.gov.uk/government/publications/search-for-businesses-who-have-signed-the-armed-forces-covenant>

Strategy V2 Fostering Veteran-Friendly Employment and Comprehensive Support Systems

V2.1 Introduce Flexible and Veteran-Friendly Employment Programs

Flexible employment programs can better accommodate veterans' needs for stability and adaptability. These programs could include hybrid work models, tailored part-time roles, and remote work options. Employers offering such opportunities should be recognised through incentive schemes, such as government-sponsored veteran-friendly workplace certifications or awards. Pilot initiatives with select industries can help establish best practices and scalable models for broader implementation.

Box Article 7.2

Australia's Veteran Employment Commitment (VEC)

Australia's Veteran Employment Commitment (VEC) is a national initiative designed to encourage and recognize employers who actively support the hiring, retention, and career progression of veterans. The program aims to bridge the gap between military service and civilian employment by guiding businesses to implement veteran-friendly workplace policies. To ensure effective implementation, the VEC framework offers three tiers of employer recognition:

- **Veteran Employment Supporter** – Companies that publicly commit to improving veteran employment but are in the early stages of implementation.
- **Veteran Friendly Employer** – Organizations that actively recruit and support veterans with structured policies and workplace adjustments.
- **Veteran Employer of Choice** – Employers demonstrating exemplary leadership in veteran hiring, training, and retention, setting industry-wide best practices.

To assist employers in achieving these standards, the VEC provides policy guidelines, industry networking opportunities, and government-backed incentives that help businesses integrate veteran employment into their workforce strategy. This ensures that veteran's transition seamlessly into meaningful careers that align with their military-acquired skills and experiences.

For employers to gain VEC recognition, they must demonstrate veteran-friendly employment workplace policies in key areas:

- **Recruitment:** Actively sourcing and hiring veterans by recognizing military-acquired skills as valuable assets in the civilian workforce.
- **Support & Retention:** Implementing workplace initiatives such as mentorship programs, leadership development, and tailored training to help veterans adjust and thrive.
- **Leadership & Public Commitment:** Engaging in advocacy, promoting best practices, and serving as role models for other organizations in veteran employment.

By meeting these criteria, companies help build an ecosystem where veterans can succeed—ensuring they receive the right workplace support, career growth opportunities, and industry recognition for their contributions.

A structured veteran employment initiative like VEC yields significant advantages for businesses. The following are the benefits that the employers could gain:

- **Access to Skilled Talent** – Veterans bring discipline, problem-solving skills, teamwork, and leadership, qualities that enhance productivity and efficiency in any organization.
- **Improved Workplace Culture** – A diverse, veteran-friendly environment enhances innovation and team performance.
- **Government Incentives & Public Recognition** – Businesses certified under VEC receive public recognition, government incentives, and access to exclusive veteran employment networks, enhancing their reputation as socially responsible organizations.

By adopting the VEC model, Malaysia can create a sustainable, industry-driven veteran employment policy that benefits industries while ensuring that veterans seamlessly integrate into civilian careers with the necessary support and recognition.

Source: Department of Veterans' Affairs, Australia

V2.2 Strengthen Collaboration for Employer Engagement Initiatives

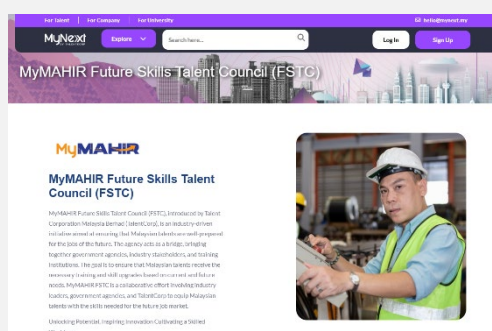
Policymakers, employers, and training institutions should explore further the current collaborative frameworks to enhance veterans' employability. Malaysia can leverage on the Future Skills Talent Council (FSTC) to enhance the demand and match the skills of veterans by collaborating with industry stakeholders to ensure their existing expertise is recognised and upgraded according to current needs. This collaboration can promote the development of targeted training programmes that address the specific skills gaps within the veteran community and other interest groups, ensuring a more seamless transition into future job markets. By expanding the scope of the FSTC beyond its initial focus on the Electrical and Electronics sector, Malaysia can create a more dynamic and adaptable workforce, contributing to a competitive and productive labour force. Programs should also include a more significant and active FSTC role to guide policy development, mentorship networks to connect veterans with industry leaders, and recruitment platforms specifically designed for veterans.

Box Article 7.3

The Future Skills Talent Council (FSTC)

The Future Skills Talent Council (FSTC), introduced by TalentCorp, is a significant initiative to address Malaysia's talent challenges by aligning workforce skills with the evolving demands of various industries. The council brings together government agencies, industry leaders, and training institutions to address talent challenges, reduce underemployment, and enhance workforce competitiveness. FSTC aims to create a highly skilled, future-ready workforce by identifying evolving industry needs and providing targeted skill upgrades. Its collaborative approach helps participants, including the unemployed, fresh graduates, and the B40 group, access essential training, fostering innovation and strengthening Malaysia's economy.

Source: <https://www.mynext.my/fstc>



This initiative should also include other interest groups, such as women and older workers, to ensure programme development, monitoring, and coordination efficiency.

Box Article 7.4

South Australian's Veteran Employer Network

The South Australian Veteran Employer Network is a state government-led initiative established by the South Australian Government to enhance employment opportunities for veterans and their partners. Launched in January 2024, the network comprises local employers from both private and public sectors who recognize the unique skills and experiences that veterans bring to the civilian workforce.

Key Functions of the Network:

- **Relationship Building:** The network fosters non-competitive, collaborative relationships among employers through regular meetings and events, creating a supportive environment for veteran employment.
- **Awareness and Education:** By promoting a strengths-based approach, the network aims to counter negative stereotypes and highlight the value veterans add to organizations, educating leadership, HR teams, and the broader employment sector.
- **Promoting Best Practices:** The network mentors and supports organizations in employing and retaining veterans, sharing best practices around recruitment, workplace support, and cultural awareness.
- **Candidate Sharing:** With consent, the network facilitates the sharing of potential employee contacts among members, maximizing successful employment outcomes for veterans and their partners.

Impact on Veterans' Transition to Civilian Roles:

This collaborative framework significantly smoothens the transition of veterans into civilian employment by:

- **Creating Employment Pathways:** By connecting veterans with a network of employers committed to recognizing their skills, the initiative opens diverse career opportunities.
- **Providing Supportive Work Environments:** Employers within the network are educated on the unique experiences of veterans, enabling them to offer tailored support and integration strategies.
- **Facilitating Knowledge Exchange:** Regular interactions among network members allow for the exchange of successful strategies and experiences in hiring and retaining veterans, fostering continuous improvement.

By bringing together like-minded employers and providing structured support, the South Australian Veteran Employer Network plays a crucial role in ensuring that veterans and their partners find meaningful and sustainable employment, thereby facilitating their successful reintegration into civilian life.

Source: Veterans SA, Australia

V2.3 Implement Comprehensive Transition Support Programs

To address cultural and skill gaps, transition programs should provide veterans with structured guidance in adapting to civilian workplace environments. These programs could incorporate mentorship by industry professionals, workplace simulations, and tailored soft-skills training. Additionally, initiatives for employers, such as diversity and inclusion workshops, can help foster veteran-friendly workplace cultures. These dual approaches ensure veterans integrate seamlessly into civilian roles while encouraging organisations to recognise and utilise their unique strengths.

A comprehensive career transition and support program should be introduced to ensure the seamless integration of veterans into the civilian workforce. The program should include ongoing performance monitoring during their initial employment period, with structured feedback mechanisms to identify challenges and areas for improvement. To address these, veterans could access personalised upskilling or reskilling opportunities delivered through partnerships with training providers and employers. A mentorship network comprising experienced veterans and industry professionals can offer guidance and peer support throughout this journey.

Additionally, regular engagement with employers would ensure that workplace environments are conducive to veterans' growth while fostering an inclusive culture that values their unique contributions. By adopting this handholding approach, veterans would receive the continuous support needed to build sustainable and rewarding civilian careers.

Box Article 7.5

Australia's Veteran Employment Program (VEP)

The Veteran Employment Program (VEP) is an initiative by the Australian Government designed to support Australian Defence Force (ADF) veterans, their partners, and families in transitioning to civilian careers. The program recognises veterans' unique skills and experiences and aims to create long-term employment opportunities through structured support, employer engagement, and awareness campaigns.

The VEP offers a range of resources to assist veterans in their transition to civilian employment:

Pre-employment support:

- **Veteran Employment Toolkit:** Offers comprehensive career planning resources, resume-building guides, and interview preparation tips to help veterans translate military experience into civilian job roles.
- **Skill Identification and Development:** Helps veterans identify transferable skills and access training programs to bridge gaps between military and civilian workforce requirements.
- **Searchable Veteran-Friendly Employers Database:** An online platform where veterans can find employers who are committed to hiring and supporting ex-service personnel.
- **Self-Employment & Entrepreneurship Support:** Veterans who wish to start their own businesses can access resources on entrepreneurship, government grants, and training programs tailored for veteran-led startups.
- **Support for Veterans' Partners and Families:** A one-stop centre where veterans and their families can access employment assistance, housing advice, advocacy, social connections, and mental health services.

- **Public Awareness & Employability Campaigns:** Raise awareness among employers and the public about the value of hiring veterans and the diverse skill sets they bring to the civilian workforce.

Post-employment support:

Support for Employment Program (SFE): Provides targeted career transition assistance for veterans facing employment challenges such as unemployment, underemployment, difficulty adjusting to civilian workplaces, or the need for career changes.

VEP assists veterans before, during, and after employment and helps employers develop veteran-inclusive workplaces by offering guidelines, recognition programs, and ongoing engagement. Recognising the critical role employers play in veteran employment, the VEP provides:

- **Veteran Employment Commitment (VEC):** By joining the VEC, organisations publicly commit to employing veterans and creating environments where they can perform at their best (see **Box Article 7.2**).
- **Employer Resources:** The VEP offers advice, resources, guides, and templates to help employers implement and enhance veteran employment policies and practices in their workplaces. This includes guidance on recruitment, support, retention, leadership, and public commitment to veteran employment.
- **Veteran Employer Webinar Series:** A platform where employers or businesses share best practices based on real-world case studies for supporting veterans in the workplace.

Australia's Veteran Employment Program (VEP) is a comprehensive, multi-faceted initiative that prepares veterans for civilian careers and equips employers with the tools needed to support them long-term. By engaging veterans, employers, and families, the program ensures that veterans transition smoothly, thrive in civilian roles, and contribute meaningfully to the workforce.

Source: Department of Veterans Affairs, Australia

Strategy V3 Leveraging Data Analytics for Veteran Workforce Integration

V3.1 Use Data Analytics to Identify Trends and Gaps

To enhance veterans' employability and workforce integration, the government will expand the MyFutureJobs platform into a dedicated veteran-centric employment ecosystem in collaboration with MyWira by TalentCorp. This enhanced platform will include an employer engagement component focused on promoting veteran-friendly hiring practices. Employers committed to hiring veterans can be recognised through a "Veteran-Friendly Employers" badge, offering visibility and encouraging broader participation. Virtual job fairs and networking events co-hosted by MyFutureJobs and MyWira will connect veterans with prospective employers, creating pathways for direct engagement and building inclusive hiring networks.

Leveraging advanced data analytics within MyFutureJobs, in synergy with MyWira's targeted initiatives, will provide comprehensive insights into veterans' employment trends, geographical job preferences, skill gaps, and preferred industries. These analytics-driven insights will enable

policymakers to effectively refine veteran employment programs and address challenges. For example, critical skill gaps can be identified by mapping veterans' existing competencies to market demands and facilitating targeted upskilling initiatives under PERHEBAT and MyWira. MyWira's focus on professional development and career support can further strengthen this ecosystem by aligning training opportunities with high-growth industries. Additionally, analytics can empower employers by showcasing the unique strengths veterans bring to the workforce, fostering inclusivity and ensuring smoother transitions into civilian roles.

Strategy V4 Improving Governance for Comprehensive Veteran Support

V4.1 Strengthening JHEV's Governance Role for Veteran Management

Jabatan Hal Ehwal Veteran (JHEV) should adopt a governance framework that aligns with international best practices for veteran organisations to enhance its capacity to manage and support army veterans effectively. This can be achieved by broadening its mandate to encompass holistic veteran support services, including career transition, health and wellness, and financial planning. A dedicated JHEV division could oversee personalised career development plans, including job placement, reskilling programs, and long-term career progression.

JHEV should also strengthen its data management capabilities by implementing a comprehensive veteran database that tracks employment outcomes, training participation, and personal development milestones. This would enable JHEV to provide evidence-based recommendations to policymakers while ensuring services are tailored to veterans' evolving needs. Furthermore, partnerships with private sector employers, training institutions, and community organisations can enhance JHEV's capacity to deliver effective programs.

JHEV could introduce performance metrics and regularly publish reports on its initiatives to ensure accountability and transparency. A governance advisory council comprising industry leaders, veteran representatives, and policymakers could provide strategic direction and oversight. This enhanced governance structure would position JHEV as a central body capable of delivering integrated and sustainable support for veterans, empowering them to thrive in civilian life while strengthening public and private sector collaboration.

To support these objectives, JHEV is also recommended establish a dedicated research unit focused on conducting in-depth studies on veteran issues, analyzing emerging trends, and evaluating the effectiveness of existing programs. This unit would provide critical insights to guide policy formulation, program design, and continuous improvement, ensuring JHEV remains adaptive and proactive in meeting the needs of army veterans. For a head start, collaborative approach can be adopted with local universities to empower research capabilities of the unit.

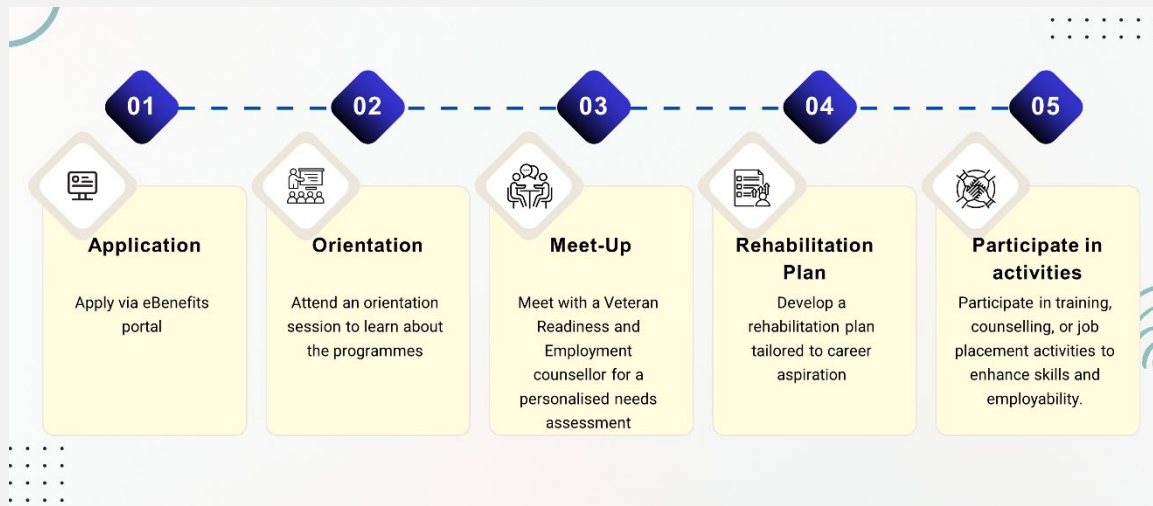
Box Article 7.6

**Veteran Readiness and Employment Program
Empowering Veterans for Meaningful Careers**

Department/Agency: *Department of Veterans Affairs (VA).*

KPIs: *Number of veterans employed, percentage achieving rehabilitation goals, and time-to-placement metrics.*

The Veteran Readiness and Employment (VR&E) Program, previously known as Vocational Rehabilitation and Employment, is a comprehensive initiative by the Department of Veterans Affairs aimed at assisting veterans with service-connected disabilities. The program provides personalised services such as career counselling, skills training, job placement assistance, and support for independent living. Its ultimate goal is to help veterans overcome employment barriers caused by disabilities and transition successfully into the civilian workforce. Additionally, the VR&E Program helps veterans pursue higher education and specialised training to align their skills with current labour market demands. The process to join the Veteran Readiness and Employment Program includes:



Detailed Policy Implementation Mechanism

This section presents a structured framework for enhancing veterans' participation through targeted strategies and initiatives. The table below outlines key strategies, specific initiatives, implementation timelines, and the roles of key and supporting ministries/agencies in facilitating these efforts.

Untapped Veterans Filter					
Strategy	Initiatives	Timeline	Key Ministries/Agencies	Supporting Ministries/Agencies	Outcome
V1 Empowering Veterans Through Lifelong Learning and Career Advancement	V1.1 Strengthen Tailored Education, Reskilling, and Upskilling Pathways	Short-Term- Promotion and getting industry commitment Medium-term- Evaluation of current skill and required skill.	<ul style="list-style-type: none"> Ministry of Defence Ministry of Human Resources National TVET Council (MTVET) Department of Veterans Affairs (JHEV) Talent Corporation Malaysia Berhad 	<ul style="list-style-type: none"> Perbadanan Hal Ehwal Bekas Angkatan Tentera (PERHEBAT) Ministry of Higher Education Department of Skills Development State Skill Development Centre Human Resource Development Corporation (HRDCorp) Malaysia Productivity Corporation 	Increase veteran participation in the workforce
V2 Fostering Veteran-Friendly Employment and Comprehensive Support Systems	V2.1 Introduce Flexible and Veteran-Friendly Employment Programs	Medium-term	<ul style="list-style-type: none"> Ministry of Human Resources Ministry of Defence Talent Corporation Malaysia Berhad (TalentCorp) 	<ul style="list-style-type: none"> Perbadanan Hal Ehwal Bekas Angkatan Tentera (PERHEBAT) Malaysia Productivity Corporation (MPC) Department of Labour Peninsular Social Security Organisation (SOCSO) Department of Veterans Affairs (JHEV) 	<ul style="list-style-type: none"> Increase in training that aligns with industry demand Improve industry acceptance towards veteran Increase veteran's interest in participating in the job market immediately after retirement
	V2.2 Strengthen Collaboration for Employer Engagement Initiatives	Medium-term	<ul style="list-style-type: none"> Ministry of Human Resources Ministry of Defence Talent Corporation Malaysia Berhad 	<ul style="list-style-type: none"> Department of Veterans Affairs (JHEV) Perbadanan Hal Ehwal Bekas Angkatan Tentera (PERHEBAT) 	
	V2.3 Implement Comprehensive Transition Support Programs	Medium-term	<ul style="list-style-type: none"> Ministry of Human Resources Ministry of Defence Department of Veterans Affairs (JHEV) Perbadanan Hal Ehwal Bekas Angkatan Tentera (PERHEBAT) 	<ul style="list-style-type: none"> Talent Corporation Malaysia Berhad (TalentCorp) 	

<p>V3 Leveraging Data Analytics for Veteran Workforce Integration</p>	<p>V3.1 Use Data Analytics to Identify Trends and Gaps</p>	<p>Medium-term</p>	<ul style="list-style-type: none"> • Ministry of Human Resources • Ministry of Defence • Department of Veterans Affairs (JHEV) • Perbadanan Hal Ehwal Bekas Angkatan Tentera (PERHEBAT) • Talent Corporation Malaysia Berhad (TalentCorp) 	<ul style="list-style-type: none"> • Social Security Organisation (SOCSO) • Human Resource Development Corporation (HRDCorp) • Ministry of Entrepreneur and Co-operative Development 	<p>Improve coordination efficiency for all transition programs across agencies, from training to employment</p>
<p>V4 Improving Governance for Comprehensive Veteran Support</p>	<p>V4.1 Strengthen JHEV's Governance Role for Veteran Management</p>	<p>Long-term</p>	<ul style="list-style-type: none"> • Ministry of Defence • Veterans Association of Malaysian Armed Forces (JHEV) • Public Service Department 	<p>Perbadanan Hal Ehwal Bekas Angkatan Tentera (PERHEBAT)</p>	



The image features a vibrant yellow background with a central blue wave-like shape. The top and bottom yellow sections are decorated with a pattern of thin white lines forming various geometric shapes like hexagons, triangles, and rectangles. The logo is centered within the blue wave.

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