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## UNEMPLOYMENT RATE OF MALAYSIA

**Abstract:** the article describes the trends of unemployment rate of Malaysia. Malaysia's unemployment is relatively low and stable at around 3% which means the population is experiencing close to full employment. Malaysia's vibrant economy is considered one of the strongest in South-East Asia. Together with years of political stability, it has been supporting such a low unemployment rate and good growth rates each year. Industry has been a strong contributor to GDP and currently provides around 30% of employment opportunities. But even more - about 50% - of GDP is generated by the services sector. However, there is an increase in the unemployment rate among young people. In this regard, the government of Malaysia encourages companies that employ young people.

**Key words:** unemployment rate , Malaysia, GDP .

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## УРОВЕНЬ БЕЗРАБОТИЦЫ В МАЛАЙЗИИ

**Аннотация:** в статье описаны тенденции изменения уровня безработицы в Малайзии. Уровень безработицы в Малайзии относительно низок и стабилен - около 3%, это означает, что население почти полностью трудоустроено.

Динамичная экономика Малайзии считается одной из самых сильных в Юго-Восточной Азии. Вместе с годами политической стабильности поддерживался столь низкий уровень безработицы и высокие темпы роста каждый год. Промышленность вносит значительный вклад в ВВП и в настоящее время обеспечивает около 30% возможностей трудоустройства. Но еще больше - около 50% - ВВП генерируется сектором услуг. Однако, отмечается рост уровня безработицы среди молодежи. В связи с этим правительство Малайзии поощряет компании, которые трудоустраивают молодых людей.

Ключевые слова: Уровень безработицы, Малайзия, ВВП.

Unemployment is a very important issue for every country, especially developing country with a tremendous population. High unemployment means that labor resources are not being used efficiently. In consequence, full employment should be a major macroeconomic goal of government. This essential issue often being included in the government policy or agenda for parliament debate and discussion year after year. After a long period of discussion and debate, it seems no ultimate solution has been found to completely eliminate unemployment. Theoretically, industrial economies are cyclically sensitive as such when it expands, factors including employment, sales, prices and profits will rise. When our national economy is in recession, many firms and companies are close down, it will cause unemployment rate to increase.

So as for Malaysia's unemployment rate in 2017 was 3.41%. The Department of Statistics, Malaysia's (DOSM) latest Labour Force Survey (LFS) revealed there were 502,600 people unemployed in Malaysia in 2017. As for 2018, Malaysia unemployment rate was 3.36%, a 0.05% decline from 2017. This was a good news as more job were offered. In 2019, the unemployment rate in Malaysia was at approximately 3.4 percent. It rises 0.06% from the previous year [1]. And lastly, Malaysia unemployment rate for 2020 is estimated at 3.3% [4]. It can be seen that there were a declined of 0.1 %. Malaysia's unemployment rate average at 3.40 % is relatively low and stable at around 3% which means the population is experiencing

close to full employment. If Malaysia can keep this unemployment rate around 3% and if can, maybe becoming more lower than nowadays , I think less people will live in poverty and Malaysia can become a more modernise country.

There are many causes that leads to the unemployment. The causes of unemployment include increased population, rapid technological change, lack of education or skills and rising cost lead to financial, social and psychological problems. Firstly, the increased population which leads to higher unemployment rates [2]. As the number of people who are looking for jobs is increasing, it is more difficult to arrange jobs for all these huge numbers of workers. In this situation the demand for work will be more than the available occupations. This will result in increased number of unemployed individuals.

Secondly, There is a global rapid technological change which plays a big role in the increased unemployment problem [2]. Many jobs which were handled by hands are being done by different machines and technology nowadays. The new advanced technology replaced the low skilled or unskilled workers in different factories. This made production faster and more accurate, but it resulted in more unemployed people. For example; when personal computers replaced typewriters, typewriter become unemployed and had to find other industries to be employed in.

The third cause of unemployment is lack of education or skills for employment [2]. This happens when the qualifications of a person are not sufficient to meet his job responsibilities. If the education was not directed towards the labour market then a mismatch occurs thus leading to structural unemployment. These individuals face difficulties in learning new skills applicable for the required job e.g. computer skills, management and communication. As the need for skilled and educated workers increase for employers, the employment opportunities for those without a college education decrease leading to higher unemployment rate.

Lastly, Unemployment can be due to the rising cost [2]. The rising cost makes it hard for the companies to pay the usual optimum salary for the employees or even the minimum wage in some cases. Hence, the employees reject low wage jobs and leave the companies. For example if the price of petrol or electricity has increased

this definitely will affect the industries or factories which depend on these energy sources.

As we know, it is a bad situation if a country has a high unemployment rate and will causes many unpleasant consequences to the people of that country. Firstly, it will give a bad health state to that person [3]. These may happen due to many external factor such as depression, and stress. In addition to the obvious loss of income, unemployed workers were found to have lost friends and self-respect. Also, the longer the unemployment goes on, it becomes more difficult for the worker to find a job again. This is because because employers are wary of the long-time unemployed and also because over time, unemployed workers lose job skills.

Lastly , there will be an increase in the crime rate [3]. This is because they will need money to survive throughout the day and to fulfill some basic necessities. As an example, these unemployed people will tend to do rob and burglary. As a result, it does not matter whether it is day or night, the citizen's safety is at a risk . They will feel threaten whenever they want to go out alone. Other than that, they will also cause physical harm to the innocent people. As they are robbing, they will take the money by using force and at the same time will cause injury to other people nearby.

Table 1 : Malaysia unemployment rate over years

Year	Unemployment Rate (%)
2017	3.41%
2018	3.36%
2019	3.40%
2020	3.30%

Unemployment is a serious issue for any economy. It creates negative affects to unemployed as they are jobless and suffer from worse prospects to find new job and those who are employed feel less secure to keep their jobs in future. However for overall development of economy, government and individuals has to take initiative steps in increasing the productivity and improving the standard of living.

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