

We need better data on people outside of the labour force

ON July 7, the **Department of Statistics Malaysia** reported that the total population outside of the labour force in May this year was 7.26 million .

This number fell from 7.4 million in May last year.

"Population outside of the labour force" refers to people who are neither employed nor unemployed and have no intention of working.

Sometimes, they are economically inactive, for example, retirees and the disabled.

However, this is not always detrimental to society, as youths aged between 15 and 24, for example, are still in the education system and women aged between 24 and 35 may be on career breaks to raise children.

Similarly, there are those who choose to manage their households full-time, such as housewives and caregivers.

The challenge concerns individuals outside of the labour force who have no intention of looking for jobs even though they have neither family responsibilities nor health issues.

Allah SWT mentioned in the Quran: "...disperse throughout the land and seek the bounty of Allah" (Al-Jumuah, 62: 10).

Imam al-Khallāl, in his book al-Ḥaṭḥu, highlighted the recommendation to work and engage in business as opposed to idling around.

Likewise, the person who takes up business is better than the person who does nothing.

The Quran also states that the prophets and their companions worked for a living.

Prophet Muhammad SAW earned a living as a trader. Prophet Idris AS worked as a tailor and Prophet Zakaria AS was a carpenter.

Umar Al-Khattab mentioned that dying on a horse's saddle while seeking the blessings of Allah SWT was more desirable than dying on a mattress.

Traditionally, those who do not work become dependents of those who do, including those who intentionally have no interest in working.

Apart from being unproductive dependents, they are also living in contradiction to Islamic principles, as Prophet Muhammad SAW said a person looking for firewood to sell at the market was better than one hoping for help from others, uncertain if it would be given (Sahih Al-Bukhari).

The labour participation rate is one of the main factors in the economic development of a country, so we have to look at the issues contributing to the number of persons outside the labour force and act accordingly.

FIRST, the working environment may be less supportive of employees. For example, a large number of women may be outside of the labour force due to childcare issues.

SECOND, the figures may refer to the need to increase incentives for employees, who are also caregivers of the elderly or disabled.

THIRD, it is indicative of a change in society's perspective on jobs.

FOURTH, the job definition itself may not be clear.

In the Malaysian Labour Force Survey Report 2021, out of the 7.22 million people outside of the labour force, 45.2 per cent were there due to housework or family responsibilities, 41.1 per cent were schooling or in training, 1.5 per cent were going for further studies, 3.4 per cent were disabled, 7.8 per cent were retirees or the elderly, and one per cent were not interested in working.

Furthermore, jobs are no longer tied to traditional working hours, premises or employers. Many can now work with employers from abroad without being in close quarters.

Therefore, there is the possibility that individuals outside of the labour force are able to generate income without formal jobs since informal income-generating activities do not meet the traditional job standards.

A housewife who runs a home business and is a household caregiver, for example, is not an "economically inactive person".

Thus, collection of socioeconomic data is very important for national development planning.

With the information, policymakers may arrange strategic moves according to the needs and demands of each sector.

In the labour sector, accurate statistics provide an insight into the way labour markets work, its strengths and weaknesses, as well as the trends observed and expected.

It is also a way to observe the national economic performance.

<https://www.nst.com.my/opinion/columnists/2022/08/821289/we-need-better-data-people-outside-labour-force>