

MINISTRY OF ECONOMY DEPARTMENT OF STATISTICS MALAYSIA

GRADUATES STATISTICS 2021

Introduction

The year 2021 had observed the unprecedented COVID-19 public health crisis prolonged in the second year after the World Health Organisation announced the virus as a global pandemic in March 2020. The continuously high number of daily cases and deaths posted challenges to countries around the world in executing strategies and initiatives towards social and economic recovery. Since Malaysia too was no exception to the challenging situation in 2021, a more targeted and strategic mechanism was exercised throughout the year to protect lives, reduce the burden of the public health system and ensure the livelihood of the nation.

Numerous initiatives were rolled out by the Government to cushion the impact of COVID-19 pandemic towards multiple groups including employers & employees, micro, small & medium enterprises (MSMEs), graduates and youths. The overarching stimulus package namely National Economic Recovery Plan (PENJANA) which encompassed an allocation of RM35 billion was an inclusive and holistic approach for supporting Malaysia's economic recovery. Among the initiatives in PENJANA were The Hiring Incentive Programme, an economic recovery initiative to promote job creation among employers while increasing employment prospects. Additionally, PENJANA KPT-CAP Programme covered three sub-programmes namely Place and Train, Entrepreneurship and Gig Economy intended to address the challenges of graduates' employability and unemployment.

Graduates Statistics 2021 presents the statistics of graduates within and outside the labour force as well as the salaries & wages of graduates in Malaysia. Various data sources were utilised in compiling the statistics namely the Labour Force Survey, Higher Education Statistics, Graduate Tracers Study and Salaries & Wages Survey. Graduates are defined as individuals aged 15 years and above with highest certificate obtained from universities, colleges, polytechnics, recognised bodies or equivalent, in which the duration of study is at least two years. Graduates are classified into two categories of certification namely Diploma and Degree.

This publication covers the disaggregation for statistics of graduates by demographic and socioeconomic variable of age group, sex, ethnic group, urban and rural strata, occupation, status in employment, skill level, economic activity, and state.

Principal Statistics of Graduates

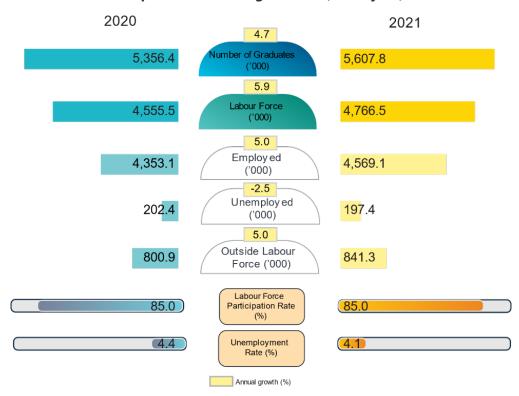


Chart 1: Principal statistics of graduates, Malaysia, 2020-2021

In 2021, the number of graduates in Malaysia increased by 4.7 per cent to record 5.61 million persons (2020: 5.36 million persons). The number of graduates in the labour force which encompassed of employed and unemployed rose 4.6 per cent to 4.77 million persons (2020: 4.56 million persons). Meanwhile, graduates' labour force participation rate (GLFPR) remained as in the previous year at 85.0 per cent.

Employed graduates went up by 5.0 per cent as against 2020 to register 4.57 million persons (2020: 4.35 million persons). On the other hand, graduates' unemployment rate eased to 4.1 per cent as compared to 4.4 per cent recorded in the preceding year. Accordingly, the number of unemployed graduates reduced by 2.5 per cent (-5.0 thousand) to 197.4 thousand persons as opposed to 202.4 thousand unemployed graduates in 2020.

In the meantime, the number of graduates outside labour force increased by 5.0 per cent to 841.3 thousand persons (2020: 800.9 thousand persons). **[Chart 1]**

Employed Graduates

Looking at gender distribution of employed graduates in 2021, the share of female was higher at 51.9 per cent or 2.37 million persons while male comprises of 48.1 per cent (2.20 million persons). As compared to the previous year, the number of female employed graduates experienced higher annual growth of 7.4 per cent in 2021 as opposed to an increase of 2.5 per cent in the number of male employed graduates.

By status in employment, nearly 90 per cent of employed graduates were in the category of employee with 4.03 million persons. Employed graduates in the category of own account worker which could also be associated with entrepreneurship comprised of 6.4 per cent (290.4 thousand persons), followed by employer at 4.3 per cent (196.6 thousand persons). Meanwhile, another 1.1 per cent (48.9 thousand persons) of employed graduates were unpaid family workers.

Analysis by occupation category, around two-third of employed graduates (64.8%) were in the skilled occupations category, accounting for 2.96 million persons. The highest share of 41.1 per cent (1.88 million persons) were employed in Professional occupation, followed by Technicians and associate professionals with 16.6 per cent (758.2 thousand persons). On the contrary, another 35.2 per cent of graduates worked in semi-skilled and low-skilled occupation categories. These groups could be identified as occupation mismatch considering their educations, knowledge and skills could not be fully utilised to their current work. Employed graduates in semi-skilled category which accounted for 32.9 per cent (1.50 million persons) were largely employed as Clerical support workers (14.4%), followed by Service and sales workers (10.8%) and Craft and related trades workers (4.2%). The remaining of 2.3 per cent (106.0 thousand persons) were employed in low-skilled category.

Graduates Time-Related Underemployment

Beyond unemployment, labour market underutilisation was also assessed in terms of time and skill-related underemployment. Time-related underemployment is defined as those employed less than 30 hours per week due to the nature of work or because of insufficient work, but were able and willing to accept additional hours of work. In line with multiple COVID-19 containment measures implemented in 2021 which among others also involved shorter business hours, graduates in time-related underemployment increased further during the year, registering an addition of 50.5 thousand to record 134.2 thousand persons. The rate of time-related underemployment among graduates surged 1.0 percentage points to 2.9 per cent (2020: 1.9%). Prior to the health crisis, the rate hovered between 0.9 per cent to 1.1 per cent.

Graduates Skill-Related Underemployment

Another dimension of underemployment is related to education, whereby graduates are employed in semi-skilled and low-skilled occupations. It can be observed that the situation of skill-related underemployment which has been one of the fundamental and structural issues in the labour market has intensified since the health crisis. In 2021, the rate of skill-related underemployment for graduates continued to trend up, registering 33.9 per cent or 1.55 million persons (2020: 1.36 million persons; 31.2%).

Unemployed Graduates

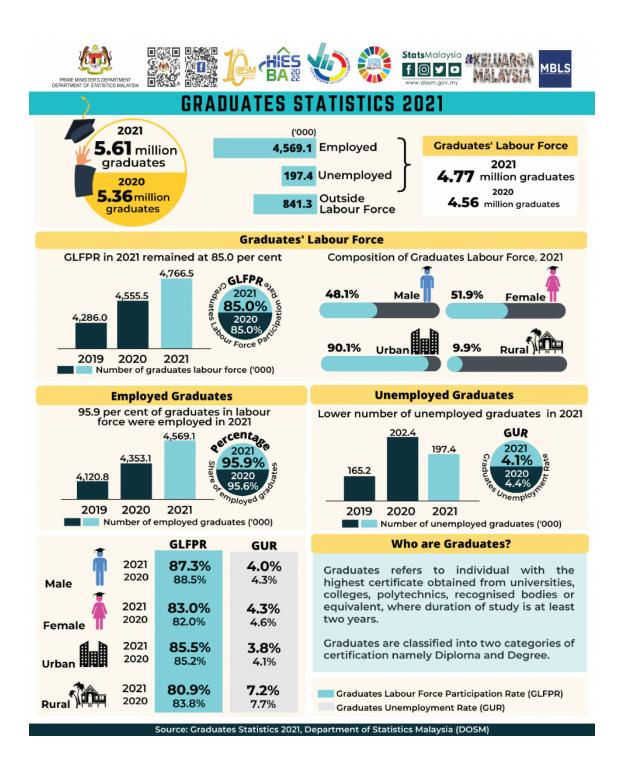
Female unemployed graduates composed of 54.2 per cent (106.9 thousand persons) while male made up a share of 45.8 per cent (90.5 thousand persons). The decline in unemployment of graduates for the year 2021 was due to the reduction in the number of male unemployed graduates by 5.3 per cent as against 2020, while the number of female unemployed graduates registered a marginal increase of 0.03 per cent.

The compositions of male and female unemployed graduates across age groups were similar whereby approximately half was concentrated in the age group of 25 to 34 years, followed by about one-third in the age group of 24 years and below which can be associated with new entrants into the labour market

Graduates Outside Labour Force

Further analysis found that a share of 35.3 per cent (296.6 thousand persons) of graduates were outside labour force in 2021 due to housework/ family responsibility. Those who were attending school/ training programme composed of 32.2 per cent (270.8 thousand persons), while another 4.9 per cent (49.0 thousand persons) were going to further study. Thus, education and training purposes ranked second for graduates to be outside labour force.

Interestingly, reasons for not seeking work varies among male and female graduates outside labour force. Almost half (43.8%) of male graduates outside labour force was due to old age and retirement, followed by more than one-third (34.2%) because of schooling and training. On the other hand, majority of female graduates were outside labour force due to housework/family responsibility, aking up a share of 52.9 per cent. This was followed by 30.9 per cent who were attending training/ schooling.



The detailed information and technical notes are published in the publication of Graduates Statistics, 2021. This publication is accessible and downloadable free of charge through the eStatistik application in DOSM web page, www.dosm.gov.my.

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