



International
Labour
Organization



UK Government

Skills for Prosperity Programme in Malaysia

March / 2020

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► At a glance



Duration

November 2019 –
March 2023



Donor

The United Kingdom
Government



Geographical coverage

Malaysia

► Background

Aiming for high-income status by 2030, Malaysia is boosting productivity and competitiveness. The development of high-skilled workforce and the promotion of diversity in the workplace are key to this endeavor.

The government has identified technical and vocational education and training (TVET) as a 'game changer' for achieving inclusive growth. It, thus, has implemented several TVET reform policies. However, there are many remaining challenges in foreseeing future skills demand, harmonising the TVET governance systems, promoting equity and inclusion, and enhancing industry engagement.

The Skills for Prosperity Programme in Malaysia (SfP-Malaysia) works with government, employers' and workers' organisations, and other local and international stakeholders to address these challenges and make Malaysian workforce resilient and adaptable to the changing world of work.

► Objectives

As part of the International Labour Organization's Skills for Prosperity in South-East Asia Programme, the SfP-Malaysia aims to increase national capacity for inclusive economic growth through more future-ready and equitable skills and TVET systems in order to improve employability, employment opportunities and earning potential of workers in Malaysia. It focuses on four areas of outcomes and outputs.

- **Equity:** Broadening women and vulnerable groups' access to TVET and skills systems through:
 - Gender equality and social inclusion (GESI) audit in TVET /skills development institutions.
 - Enhanced national strategies to promote GESI in TVET.

► Skills for Prosperity Programme in Malaysia

- ▶ Pilot initiatives in Sabah and Kedah, Malaysia's underdeveloped states, to build capacity of local TVET/skills training institutions and develop local TVET networks.
- ▶ Customised career progression maps for women and vulnerable groups in two selected sectors—construction and manufacturing.
- ▶ **Quality:** Improving coordination and future readiness of TVET/skills systems through:
 - ▶ Upgraded national occupational skills standards (NOSS) and curriculum that are responsive to changing industry skills needs.
 - ▶ Integration of generic skills related to science, technology, engineering, and mathematics (STEM) into TVET and skills training.
 - ▶ Labour market predictive analytics for future skills demand.
 - ▶ Sharing of integrated TVET data and information across relevant government agencies.
- ▶ **Relevance to industry skill needs:** Enhancing the relevance of TVET/skills training to long-term employers' skills needs and workers' upskilling aspiration through:
 - ▶ Industry upgrading maps and sectoral skills development strategies.
 - ▶ Institutional mechanisms for enhanced industry engagement in TVET/skills training.
 - ▶ Enhanced Recognition of Prior Experimental Learning (RPEL)—a process that gives formal qualification for skills a worker acquired through informal or on-the-job learning.
 - ▶ Pilot schemes for skills-based pay.
 - ▶ Enhanced work-based learning modalities.
- ▶ **Cost-effectiveness:** Improving financing modalities for TVET and skills development systems by developing alternative industry-led funding mechanisms including apprenticeships.

► Focus sectors

Given the diversity of skills need by sector, the programme adopts sectoral approaches to skills development by means of examining current and future skill demand and supply from the perspective of a particular industrial sector. It focuses on the construction and manufacturing sectors due to their high prospect for growth, employment, upskilling, and potential to promote GESI.

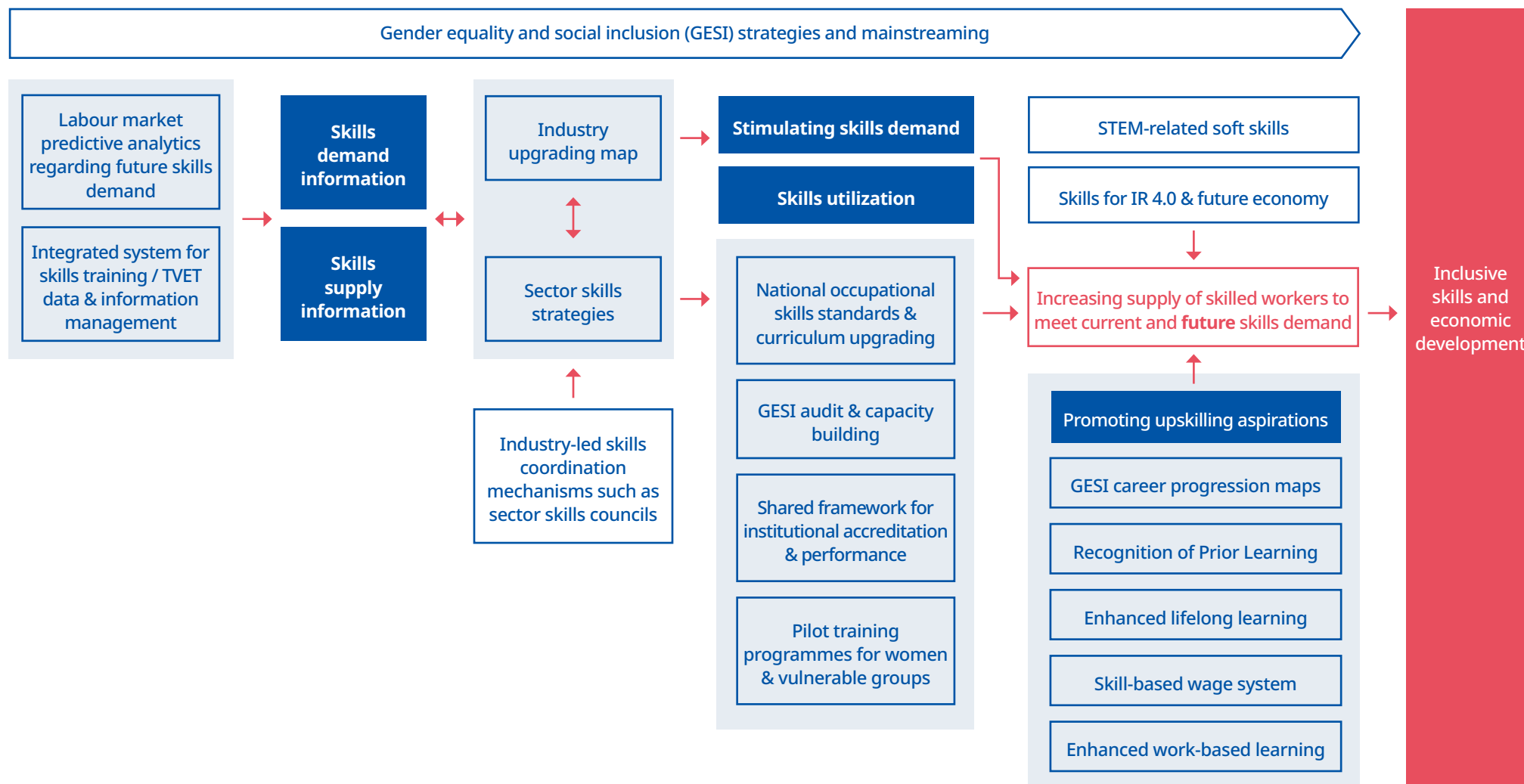
Construction: The demand for skilled workers will likely increase due to further mechanisation of the construction processes and the development and maintenance of 'smart buildings', which require digital and green technologies. Both the government and employers have given high priority to development and recognition of skills in this sector.

Manufacturing: This sector has been the driving force of industrialisation and employment generation for both males and female workers in Malaysia. There is high potential for upskilling since increasing application of digital technologies is likely to increase the demand for skilled workers, including technical support service staff like maintenance technicians.

► Programme approaches

- ▶ Formulating TVET and skills development policies through in-depth situational analysis and international comparison.
- ▶ Building technical know-how of public agencies and industries towards delivering inclusive and future-ready TVET and skills training at national and sub-national levels.
- ▶ Adapting international best practices for inclusive TVET and skills formation systems suitable for Malaysia's institutional context and then developing scalable, replicable and sustainable models for further application in the country.

► How the key outputs are interlinked



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