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Headline: **Budget initiatives will help alleviate pressure in labour market**

# Budget initiatives will help alleviate pressure in labour market

ECONOMY

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In his comments on Budget 2021, Malayan Banking Bhd group president and CEO Datuk Abdul Farid Alias (pic) said in a statement: "It is during times like these that we must find ways to assist struggling communities and businesses, the unemployed, and those whose income have been significantly reduced because of underemployment, pay cuts or loss of business."



PETALING JAYA: The government's initiatives to promote job creation and retention under [Budget 2021](#) are a welcomed relief to Malaysia's stressed labour market.

Economists note such efforts will not only help put the country's economy on the right track of growth, but they can also help prevent a potential social crisis.

"The Covid-19 public health crisis has resulted in joblessness among many households. If this is not tackled, it could evolve into a social crisis," one economist with a local bank pointed out.

"Hence, with efforts to promote job creation and retention, the government can help alleviate pressure faced by many households, especially those in the Bottom-40 level," he noted.

With job security and a positive labour market outlook, he explained, households would also be more willing to spend. This, in turn, is positive for the economy as a whole.

“In addition, schemes to retrain and upskill workers will help us move up the value chain. So, overall, I see these are efforts that put the country on the right track of growth,” he added. In an effort to save jobs and create new employment opportunities, the government yesterday unveiled various initiatives worth up about RM9bil for Budget 2021.

For instance, it would implement a new scheme, called the Skim Jaminan Penjanaan Pekerjaan (JanaKerja).

Worth RM3.7bil, the scheme is aimed at generating 500,000 new job opportunities, including skills development and retraining programmes, said Finance Minister Datuk Seri Tengku Zafrul Abdul Aziz during the tabling of Budget 2021.

The government noted that the unemployment rate rose to its highest since 1989 at 5.3%, or 820,000 unemployed, in May 2020, as a result of the Covid-19 pandemic. This compared with the average unemployment rate of 3.2%, or around 500,000 unemployed, over the last 10 years.

The jobless rate, however, improved to 4.7% in August 2020, thanks to the implementation of the Prihatin and Penjana initiatives between April and July to mitigate the impact of the Covid-19 on the country’s economy.

To address the issue of high unemployment, Tengku Zafrul said the government would work to enhance its hiring incentive programme under Perkeso, which is now known as PenjanaKerjaya, with an allocation of RM2bil next year. This initiative, he said, was expected to increase the employment opportunities for 200,000 job-seekers in the country.

In addition, under its ongoing reskilling and upskilling programmes, the government would be allocating RM1bil next year to benefit 200,000 trainees, he said.

Tengku Zafrul announced the government would also introduce MySTEP, short for Short-term Employment Programme, with an allocation of more than RM700mil.


“This initiative will offer 50,000 job opportunities on a contract basis in the public sector and government-linked companies (GLCs) starting January 2021,” he said.

“Under this initiative, 35,000 job opportunities will be offered in the public sector, with priority to fill up positions such as nurses, medical attendants, social welfare officers and temporary teachers.

“Meanwhile, GLCs will offer 15,000 job opportunities that prioritise technical and financial fields as well extending these opportunities for new graduates to participate in apprenticeship programmes,” he added.

According to Tengku Zafrul, a total of RM1.5bil would also be allocated to extend the Wage Subsidy Programme by another three months, specifically for the tourism industry, including the retail sector. This, he said, was expected to help about 70,000 employers and 900,000 employees.

Separately, with the continued development of Kwasa Damansara mixed project by the Employee Provident Fund, or EPF, more than 100,000 jobs could be created, Tengku Zafrul said.

In his comments on Budget 2021, [Malayan Banking Bhd](#)  group president and CEO Datuk Abdul Farid Alias said in a statement: "It is during times like these that we must find ways to assist struggling communities and businesses, the unemployed, and those whose income have been significantly reduced because of underemployment, pay cuts or loss of business."

Applauding the initiatives to protect and create jobs as well as provide various training programmes, Abdul Farid said organisations should support the government's agenda and strive to preserve jobs, invest in re-skilling and up-skilling their employees, and take care of their workers' welfare to overcome the current challenging environment and uncertain period.

"This should help lift the country's private consumption and economic growth ahead," he said in his earlier report.

Ahmad Nazmi noted the government's support towards the labour market has been extensive – not only in terms of addressing the potential surge in unemployment but also in providing aid for those who lost their jobs.

He said while a recovery was underway, the path towards normalcy would likely to be long and winding.

"Overall, the labour market may not return to the way it was prior to the pandemic. Changes in the economic structure, especially distance working, could dampen employment growth in urban service sector. On the plus side, preference for a more diversified supply chain may put Malaysia at an advantage, provided that the country seizes such opportunities," he explained.