

# Promoting Decent Work for Sustainable Development

Malaysia Decent Work Country Programme (DWCP)

Phase 1: 2019-20

Phase 2: 2021-25

Framework for cooperation between Malaysia and the International Labour Organization (ILO)



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# Acronyms and abbreviations

**11MP** Eleventh Malaysia Plan, 2016–20

**ACTRAV** Bureau for Worker' Activities (ILO)

ADB Asian Development Bank

**AEC** Asian Economic Community

**AQRF** ASEAN Qualifications Regional Framework

**ASEAN** Association of Southeast Asian Nations

ATUK ASEAN Trade Union Council

AUD Australian dollar (AUD\$)

BRIDGE Bridge to Global Action on Forced Labour

**Bumiputra** Malaysians of indigenous Malay origin

Bursa Malaysia Kuala Lumpur Stock Exchange

**CEACR** Committee of Experts on the Application of Conventions and Recommendations (ILO)

**COE-TVET** Centre of Excellence for TVET

**CP** Country Programme

cso civil society organization

DoL Department of Labour

DOSM Department of Statistics Malaysia

DWCP Decent Work Country Programme

**DWT** Decent Work Technical Support Team

**ECOSOC** United Nations Economic and Social Council

**EII** Employment Injury Insurance

**EIS** Employment Insurance System

**EPF** Employee Provident Fund

**EPI** Environmental Performance Index

**EPU** Economic Planning Unit

**FPRW** Fundamental Principles and Rights at Work

**GDP** gross domestic product

**GII** Gender Inequality Index (UNDP)

**GMS** Greater Mekong Sub-region

**GNI** gross national income

**HLPF** high-level political forum

**HRDF** Human Resources Development Fund

ICT information and communications technology

**ILC** International Labour Conference

**ILMIA** Institute for Labour Market Information and Analysis

**ILO** International Labour Organization

ILS international labour standards

IMF International Monetary Fund

**ISC** Industry Skills Council

ITC International Training Centre of the ILO

ITUC International Trade Union Confederation

ITUC-AP International Trade Union Confederation – Asia Pacific

IWG Industry Working Group

LCP Labour Contingency Plan

**LMG** labour migration governance

LMI labour market information

**LNOB** leaving no one behind

MAPO Council for Anti-Trafficking in Persons and Anti-Smuggling of Migrants

MBOT Malaysian Board of Technologists

MOHA Ministry of Home Affairs

MOHR Ministry of Human Resources

MPC Malaysia Productivity Commission

**MOU** memorandum of understanding

MRC Migrant Resource Centre

MRS mutual recognition of skills (ASEAN)

**MSMEs** micro, small and medium-sized enterprises

MTUC Malaysian Trades Union Congress

MWEA Migrant Workers Empowerment and Advocacy

MWR Migrant Worker Resource Centre

NAP national action plan

NGO non-governmental organization

NHRF National Human Resources Fund

NLAC National Labour Advisory Council

NOSS National Occupational Skills Standard

**NWCC** National Wages Consultative Council

**OSH** occupational safety and health

**P&B** programme and budget

**RBM** results-based management

RBSA Regular Budget Supplementary Account
RBTC Regular Budget Technical Cooperation

**RELA** People's Volunteer Corps

**ROAP** Regional Office Asia-Pacific (ILO)

**RPL** recognition of prior learning

**SDGs** Sustainable Development Goals

**SEAMEO** Southeast Asia Ministers of Education Organization

**SEAMEO VOCTECH** Regional Centre for Vocational and Technical Education and Training

**SMEs** small and medium-sized enterprises

SOCSO Social Security Organization (Malaysia)

**SSC** South-South cooperation

**SUHAKAM** Malaysian Human Rights Commission

TC technical cooperation

**TIP** trafficking in persons

**TPPA** Trans-Pacific Partnership Agreement

**TRIANGLE in ASEAN** Australian and Canadian government-funded migration programme

**TSC** tripartite steering committee

**TVET** technical and vocational education and training

**TWG** Technical Working Group

**UN** United Nations

**UNCT** United Nations Country Team

**UNHCR** United Nations High Commissioner for Refugees

**UNSDGF** Malaysia–United Nations Sustainable Development Goals Framework

**UNSPF** United Nations Strategic Partnership Framework

USDOL US Department of Labor
USDOS US Department of State

**UTHM** Universiti Tun Hussein Onn Malaysia



# Glossary, definitions and understandings

The following International Labour Organization (ILO) technical definitions have been current since 21 January 2019:

**Decent work.** Work that is productive and delivers a fair income, security in the workplace and social protection for families; better prospects for personal development and social integration; freedom for people to express their concerns, organize and participate in the decisions that affect their lives; and equality of opportunity and treatment for all women and men.

**Employment.** This comprises all persons of working age who, during a specified brief period such as one week, fall into the following categories: (a) paid employment, whether at work or with a job but not at work,; or (b) self-employment, whether at work or with an enterprise but not at work. Temporary absence from work includes such reasons as illness, maternity and parental leave, holiday, training, and industrial disputes.

**Formal employment.** The formal economy includes the businesses, enterprises and economic activities that are monitored, protected and taxed by the government.

**Gender equality.** The ILO mandate to promote equality in all respects between women and men in the world of work is enshrined in its Constitution and reflected in relevant international labour standards. The four key ILO gender equality Conventions include the Equal Remuneration Convention, 1951 (No. 100), Discrimination (Employment and Occupation Convention), 1958 (No. 111), Workers with Family Responsibilities Convention, 1981 (No. 156) and Maternity Protection Convention, 2000 (No. 183). Conventions No. 100 and 111 are also included among the eight fundamental Conventions, and the principles and rights enshrined in those Conventions are found in the ILO Declaration on Fundamental Principles and Rights at Work. The ILO mandate

on gender equality is reinforced by related Resolutions adopted by its highest decision-making body, the International Labour Conference.

**Gender mainstreaming.** In July 1997, the United Nations Economic and Social Council (ECOSOC) defined the concept of gender mainstreaming as follows:

Mainstreaming a gender perspective is the process of assessing the implications for women and men of any planned action, including legislation, policies or programmes, in any area and at all levels. It is a strategy for making the concerns and experiences of women as well as of men an integral part of the design, implementation, monitoring and evaluation of policies and programmes in all political, economic and societal spheres, so that women and men benefit equally, and inequality is not perpetuated. The ultimate goal of mainstreaming is to achieve gender equality.

**Informal economy.** This comprises activities and income that lie partially or fully outside government regulation, taxation and observation. Informal employment involves work without formal contracts and protection of labour rights in line with national legislation and international labour standards.

**International labour standards (ILS).** These are legal instruments drawn up by the ILO constituents (governments, employers and workers) that set out basic principles and rights at work. They are either Conventions, which are legally binding international treaties that may be ratified by Member States, or Recommendations, which serve as non-binding guidelines.

Standards are adopted by a two-thirds majority vote of the ILO constituents, and are therefore an expression of universally acknowledged principles. At the same time, they reflect the fact that countries have diverse cultural and historical backgrounds, legal systems and levels of economic development. Ratification is a formal procedure whereby a State accepts the Convention as a legally binding instrument. Once it has ratified a Convention, a country is subject to the regular ILO supervisory system responsible for ensuring that the Convention is applied.

**Labour force.** This refers to the sum of persons in employment plus persons in unemployment. Together these two groups of the population represent the current supply of labour for the production of goods and services in a country through market transactions in exchange for remuneration.

**Labour migration.** A "migrant worker" is defined as a person who migrates from one country to another (or who has migrated from one country to another) with a view to being employed other than on his or her own account, and includes any person regularly admitted as a migrant for employment. In the Malaysian context, the term covers both foreign temporary workers and Malaysian citizens working abroad.

**Social dialogue.** This activity includes all types of negotiation, consultation or simple exchange of information between, or among, representatives of governments, employers and workers, on issues of common interest relating to economic and social policy. Promoting and strengthening social dialogue represents a DWCP cornerstone, and provides a primary ILO mechanism in furthering better living and working conditions as well as social justice.

**Social partners**. These are the employers' and workers' organizations which, along with governments, make up the tripartite national constituents that serve as the membership base of the ILO at all levels.



## Introduction

The Malaysia Decent Work Country Programme (DWCP) 2019–20 provides a framework for the first of two phases of structured cooperation between the ILO, the Government of Malaysia, the Malaysian Employers Federation (MEF) and the Malaysian Trades Union Congress (MTUC). Following an evaluation of cooperation through 2019–20, a revised DWCP document, one that follows the same three broad priorities that guide the current programme, will be developed for the period 2021–2025.

DWCP Phase 1 has supported national efforts to achieve the Eleventh Malaysian Plan (2016–20), the Eleventh Malaysian Plan's new priorities and emphases for the period 2018–20, and the Sustainable Development Goals (SDGs) by 2030. In particular, the DWCP will support Malaysia in implementing SDG 8, promoting sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all. To reinforce this link, SDG 8 has been adopted as the overarching DWCP goal. The Decent Work Agenda is further reflected in the targets and indicators of several SDGs beyond those of SDG 8.

The programme is underpinned by globally agreed ILO principles and standards, Malaysia's national development objectives and relevant priorities of the Government of Malaysia, the MEF and the MTUC. It describes the ILO support required to ensure measurable progress at the country level towards the goal of decent work for all women and men, and reflects the constituents' commitment to promote this goal both individually and in cooperation with each other, in part through development partnerships.

Underpinning ILO engagement for the current period are relevant outcomes set out in its Programme and Budget (P&B) 2018–19 as well as international labour Conventions, resolutions and Recommendations adopted jointly by governments, employers' organizations and workers' organizations through the International Labour Conference (ILC) and other international forums.

Prominent among these is the landmark ILO Declaration on Social Justice for a Fair Globalization (2008). This affirms ILO values and the ILO's key role in helping to achieve progress and social justice in the context of globalization. The Declaration promotes decent work through a coordinated approach to achieving four strategic objectives: employment, social protection, social dialogue, and fundamental principles and rights at work. As reaffirmed in the 2016 resolution on Advancing Social Justice through Decent Work, gender equality and non-discrimination are crosscutting components of the ILO's strategic objectives. Among other things, these principles are key to improving productivity and skill development and certification, and ensuring that no one is left behind in the implementation of the 2030 Agenda.

At the regional level, key policy frameworks supporting the ILO partnership with national constituents to promote decent work priorities in Malaysia include the Vientiane Declaration on Transition from Informal Employment to Formal Employment towards Decent Work Promotion in ASEAN (2016) and the Bali Declaration adopted by the 16th ILO Asia and the Pacific Regional Meeting, Bali, Indonesia, 6–9 December 2016.

"Prosperous, Inclusive and Resilient Futures", the Malaysia–United Nations Sustainable Development Goals Framework (UNSDGF) for the period 2018–20,¹ provides a further key framework to which the current DWCP aligns. The UNSDGSF describes the joint work of participating United Nations (UN) agencies, funds and programmes of the UN Country Team (UNCT) in support of Malaysia's attainment of the 2030 Agenda and SDGs, and Malaysia's transformation into a high-income advanced nation. The ILO is a non-resident member of the UNCT.

The formulation of the DWCP followed an initial dialogue between the ILO and representatives of the Government of Malaysia, the MEF and the MTUC in March 2017. It was agreed that such a framework was necessary to (1) ensure alignment of ILO support to the Eleventh Malaysian Plan (2016–2021); (2) increase ILO engagement in Malaysia; (3) strengthen coherence and coordination across and between ILO activities in Malaysia; and (4) support Malaysia's implementation of the SDGs. The DWCP draws on further consultation with the Government of Malaysia, the MEF and the MTUC during 2017, 2018 and 2019. It reflects the achievements, experience and lessons of ILO engagement in Malaysia since 1957.

Consistent with Malaysia's status as a high-middle-income country, ILO technical cooperation has focused on the development and strengthening of relevant legal and policy frameworks; building related Government of Malaysia capacities; the MEF and the MTUC; promoting social dialogue; providing technical advice; and promoting international labour standards (ILS). In line with Malaysia's significant resource capacity, technical cooperation is financed through a combination of (1) international donor contributions through development cooperation projects aligned to DWCP outcomes and (2) Malaysian-financed trust-fund agreements based on the employment-related provisions of the Malaysian Government's "New Economic Model "and the Eleventh Malaysian Plan. Annex 2 sets out a full list of all such agreements and projects as of February 2019. The ILO contributes programme coordination, specialist technical advice, capacity development support and access to other country experience in agreed priority areas.

The Government of Malaysia, the MEF and the MTUC will continue to work together to strengthen local ownership of DWCP initiatives and outcomes and to ensure long-term sustainability and impact. The Tripartite Steering Committee, a key framework for such cooperation, will be set up to provide oversight and coordination for DWCP implementation. This Committee will be supported by three Tripartite Technical Working Groups, each one aligned to a DWCP priority. The DWCP will be implemented and updated as necessary in line with the Bali Declaration, constituent needs and progress towards the 2030 Sustainable Development Agenda.

The following document was endorsed by the Government of Malaysia, the Malaysian Employers Federation and the Malaysian Trades Union Congress in Geneva, 19 June 2019. It reflects their priorities and is informed by an analysis of decent work trends, opportunities and challenges in Malaysia for the period concerned.

<sup>1</sup> UN Country Team Malaysia, "Prosperous, Inclusive and Resilient Futures" (draft). Malaysia: UN Sustainable Development Goals Framework 2018–20. PDF file available.

# DWCP at a glance

<b>DWCP</b> contribution	to achievement	of Malaysia's natio	nal developmen	t agenda by 2030
DWCF CONTINUUTION	to acmevement	. OI Maidysid's Haliu	mai developmen	it dueliud by 2030

2030 Global 2030 Agenda – Sustainable Development Goals (SDGs)

"Vision 2020" for Malaysia to become an advanced nation that is inclusive, sustainable and fully developed along all dimensions – economically, politically, socially, spiritually, psychologically and culturally.

**2020** Eleventh Malaysian Plan (2016–20) and Priorities and Emphases for 2018–20

## 2020 Malaysia DWCP 2018-20

Overarching goal: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.

Country Priority 1: Rights at work – Protecting and promoting rights at work

**Outcome 1.1:** Strengthened labour legislation to ensure compliance with International Labour Standards.

**Outcome 1.2**: Eradication of forced labour and child labour.

**Outcome 1.3:** Harmonious industrial relations.

**Outcome 1.4:** Strengthen social security in labour dimension.

Country Priority 2: Future of work – Strengthening national capacities to meet the needs of current and future of work

**Outcome 2.1:** Increased knowledge and analytical base on future of work-related issues.

**Outcome 2.2**: Inclusive skills development, recognition and certification.

**Outcome 2.3**: Strengthened institutional capacity for labour market analysis.

Country Priority 3: Labour migration – Strengthening labour migration governance

**Outcome 3.1:** Strengthened implementation of labour migration governance in line with the ILO Multilateral Framework and standards and ASEAN instruments.

**Outcome 3.2:** Increased capacity to improve implementation of labour migration governance.

**Outcome 3.3:** Increased access to and enhancement of support services for migrant workers.



#### Alignment of the DWCP to national and international frameworks

## Eleventh Malaysia Plan (2016-20): Six Strategic Thrusts and New Priorities and Emphases 2018-20

### **Six Strategic Thrusts**

- Enhancing inclusiveness towards an equitable society.
- ► Improving well-being for all.
- ▶ Accelerating human capital development for an advanced nation.
- ▶ Pursuing green growth for sustainability and resilience.
- ▶ Strengthening infrastructure to support economic expansion.
- ▶ Re-engineering economic growth for greater prosperity.

#### Pillars 2019-20

- Pillar II: Enhancing inclusive development and well-being
- ▶ Pillar IV: Empowering human capital
- ▶ Pillar VI: Strengthening economic growth
- ► The DWCP further aligns to the Strategic Plan of the Malaysian Ministry of Human Resources (MOHR), 2016–20.

## 2030 Agenda for Sustainable Development: Sustainable Development Goals (SDGs)

Decent work is core to the following SDG Goals and Targets: Goal 1 (targets 1.1, 1.3, and 1.a), goal 4 (target 4.3), goal 5 (target 5.5), goal 8 (targets 8.2, 8.3, 8.5 – 8.8, and 8.b), goal 10 (targets 10.4 and 10.7), goal 14 (target 14.c), and goal 16 (target 16.10). The following highlights those goals and targets of particular relevance to this DWCP:

#### **Goal 1: End poverty, reduce inequality:**

▶ **Target 1.3:** Nationally appropriate social protection systems and measures for all.

### **Goal 4: Ensure quality education, promote lifelong learning:**

- ► **Target 4.2:** Ensuring equal access for all women and men to affordable and quality technical and vocational education and training (TVET) and tertiary education, including university.
- ► **Target 4.4:** Substantially increasing the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship.
- ▶ **Target 4.5:** Eliminating gender disparities in education and ensuring equal access to all levels of education and vocational training for the vulnerable, including persons with disabilities, indigenous peoples and children in vulnerable situations.

#### Goal 5: Gender equality, empowerment of women and girls, particularly in the following areas:

- ▶ Target 5.1: Ending all forms of discrimination against women and girls everywhere
- ► **Target 5.2:** Eliminating all forms of violence against women and girls in the public and private spheres, including trafficking
- ► **Target 5:** Recognizing and valuing unpaid care and domestic work through such measures as social protection policies.
- ► **Target 5.4:** Ensuring women's full and effective participation and equal opportunities for leadership at all levels of decision-making.

## Goal 8: Full and productive employment and decent work for all, particularly in these areas:

- ► **Target 8.5:** Fully productive and decent work for all, including youth and persons with disabilities, and equal pay for work of equal value
- ▶ Target 8.6: Substantially reducing the proportion of youth not in employment, education or training.
- ► Target 8.7: Immediate and effective measures to eradicate forced labour, end modern slavery and human trafficking, and secure the prohibition and elimination of the worst forms of child labour. By 2025 end child labour in all its forms



► **Target 8.8:** Protection of labour rights and occupational safety and health (OSH), including for migrant workers, particularly women migrants.

### Goal 10: Reduce inequality within and among countries, particularly in these areas:

► **Target 10.7** Promotion of orderly, safe, regular and responsible migration and mobility of people, including through implementation of planned, well-managed migration policies.

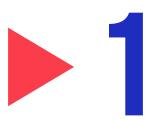
## Bali Declaration: 16th Asia and the Pacific ILO Regional Meeting, 6-9 December 2016

## **ILO Actions:**

- ▶ Paragraph 8: Enhance labour migration policies based on relevant international labour standards.
- ▶ Paragraph 15: Decent Work Country Programmes (DWCPs), designed and implemented in consultation with the social partners. Country programmes (CPs) should be actioned and regularly updated in line with the Bali Declaration, constituent needs and progress towards the 2030 Sustainable Development Agenda.
- ▶ Paragraph 16: Conduct a campaign to promote the ratification and implementation of fundamental labour standards.
- ▶ **Paragraph 17:** Build capacity of constituents to effectively contribute to decent work for sustainable and inclusive development through enhanced social dialogue and collective bargaining.
- ▶ **Paragraph 18:** Conduct data-driven and evidence-based research to inform improved labour and employment policy development, including on issues related to the future of work.
- **Paragraph 19:** Better data collection and reporting on the status of the world of work, with particular emphasis on labour relations and employers' and workers' organizations.
- ▶ **Paragraph 20:** Technical advice to strengthen labour market institutions, in consultation with Member States and social partners.
- ▶ **Paragraph 21:** Programmatic assistance to promote an enabling environment for the development and creation of sustainable enterprises.

## ILO Programme and Budget Outcomes (2018-19)

- ▶ **Outcome 1:** More and better jobs for inclusive growth and improved youth employment prospects.
- ▶ **Outcome 2:** Ratification/application of international labour standards.
- ▶ **Outcome 3:** Creating and extending social protection floors.
- Outcome 4: Promoting sustainable enterprises.
- ▶ **Outcome 7:** Promoting workplace compliance through labour inspection.
- ▶ Outcome 9: Promoting fair and effective labour migration policies.
- **Outcome 10:** Strong and representative employers' and workers' organizations.



# Country context: Diagnostic and situation analysis

## 1.1 Economic foundations for the future

Malaysia is one of the most dynamic and rapidly developing countries in South-East Asia, and has set ambitious goals for its socio-economic growth and well-being. The New Economic Model (2010) and Eleventh Malaysia Plan 2016–20 (updated in 2018) envision Malaysia becoming a high-income nation by 2020, with a skilled workforce and reduced socio-economic inequalities. At the same time, Malaysia continues to integrate its economy globally and regionally, particularly via the ASEAN Economic Community (AEC), established in late 2015.

Malaysia's economic performance over the last five years has placed the country in good stead for implementation of these goals. Between 2010 and 2017, gross national income (GNI) per capita grew substantially from 27,819 Malaysian ringgit to 41,128 ringgit in current prices.<sup>2</sup> (The aim under the Eleventh Malaysia Plan is to achieve a GNI per capita of 54,100 ringgit by 2020. However, while real GDP growth of approximately 5.1 per cent per annum between 2016 and 2017 was in line with the target growth rate of 4.5–5.5 per cent per annum to 2020, growth rates of below-target 4.2 per cent for 2016 highlighted the country's vulnerability to external conditions, particularly low commodity prices and fluctuations in export demand.<sup>3</sup> Stable public finances and structural reforms have helped ensure wider macroeconomic stability.

The main driver of growth in Malaysia has increasingly shifted towards domestic demand. In 2017, domestic demand accounted for around 92.2 per cent of GDP, up from 83.1 per cent in 2010, while the value of exports of all goods and services was equivalent to around 72.8 per cent of GDP in 2017, down from 86.9 per cent in 2010.4 Much of this was due to falling commodity prices and reduced export demand for primary commodities. However, manufactured goods as a share of exports were growing, backed in part by rapid growth in exports of electrical and electronic products, particularly to ASEAN Member States.<sup>5</sup>

The country transformed relatively rapidly from a predominantly agricultural economy in the 1970s to manufacturing and industry in the 1980s and services in the 1990s. Accordingly, in 2017, agriculture accounted for 8.2 per cent of GDP with services accounting for 54.5 per cent, representing real growth of 2.1 per cent and 6.2 per cent per annum respectively since 2011. Manufacturing accounted for 23.0 per cent of GDP in 2017, while mining and quarrying continued to make an important contribution to GDP (8.4 per cent), in part due to expansion in the production of natural gas.

<sup>2</sup> GNI in current prices derived from Department of Statistics Malaysia: eStatistik; and population estimates extracted from Department of Statistics Malaysia, Population Quick Info.

<sup>3</sup> Department of Statistics Malaysia, Official portal: National accounts (2017).

<sup>4</sup> Domestic demand is defined as private final consumption expenditure, government final consumption expenditure and gross fixed capital formation.

<sup>5</sup> Department of Statistics Malaysia, Malaysia external trade indices January 2017 (2017).

## 1.2 Population and poverty trends

In 2017, Malaysia had a total population of 32.0 million, of which 6.1 million (or 19.1 per cent) comprised young people aged 15 to 24 years.<sup>6</sup> By 2020, the share of youth in the population was projected to decrease to 16.2 per cent (or 5.5 million) and decline further to 14.3 per cent by 2030. Demographic trends over the coming years indicate a considerable ageing of the general population. In 2017, the old-age dependency ratio was 9.0 per cent in 2017, but was forecast to rise to 10.4 per cent in 2020 and 15.8 per cent in 2030.<sup>7</sup>

Malaysia is a highly urbanized country. Currently, more than three quarters (76.0 per cent) of the population reside in urban areas, and this ratio was projected to increase further to 77.2 per cent in 2020.8 These urbanization trends also reflect the structural transformation of the economy and declining importance of agriculture, as discussed earlier.

The rapid expansion of the urban population that accompanied robust post-1970s economic growth has been accompanied by a significant concomitant decline in general poverty. The incidence of hardcode poverty has been reduced from 6.9 per cent of Malaysian households in 1984 to 1.9 per cent in 1997. After 2016, the Department of Statistics Malaysia (DOSM) stopped reporting hardcore poverty in their *Households Income and Basic Amenities Survey Report* because the value has since remained with negligible variations close to 0 per cent.

The incidence of general poverty also declined tremendously from 49.3 per cent in 1970 to 3.8 per cent in 2009 and 0.4 per cent in 2016. This reduction of poverty was evident across all ethnic groups, socio-economic strata and regions. However, the gap between urban and rural poverty persists. In 2016, urban poverty was 0.2 per cent of total households while rural poverty was 1.0 per cent.

## 1.3 Labour force profile9

In 2017, Malaysia's labour force totalled 15.0 million, with men accounting for more than three in five workers. The labour force participation rate was 68.0 per cent overall, with women's participation falling 25.4 percentage points behind that of men. The Eleventh Malaysia Plan estimated that the labour force would expand to 15.7 million in 2020, indicating the need, if prevailing unemployment levels were to be maintained, to create about 700,000 additional jobs before then. In 2017, more than half of the employed population of 14.5 million were concentrated in just four economic sectors: manufacturing (17.4 per cent); wholesale and retail trade (17.2 per cent); agriculture (11.3 per cent); and accommodation and food service activities (9.1 per cent).

In 2017 the unemployment rate was relatively low overall, at 3.4 per cent or 502,600 unemployed persons, with women (3.5 per cent) at a disadvantage compared to men (3.3 per cent). Unemployment varied to some extent for various ethnic groups, ranging from 2.4 per cent for Chinese to 4.0 per cent for Bumiputra <sup>10</sup> and 4.7 per cent for Indians. The situation for young people, however, was more challenging. The unemployment rate for youth aged 15 –24 years (10.8 per cent) was more than seven times higher than that for adults (1.8 per cent). Among the different states and federal territories, the unemployment rate was highest in the federal territory of Labuan (8.5 per cent). Unemployment was also a larger concern in Sabah, where the rate was 5.6 per cent and the 107,500 unemployed accounted for more than one in five of the national total.

During the past decade, workforce skill levels have improved as measured by increasing educational attainment. The share of those employed with a tertiary degree rose to 28.1 per cent in 2017, a steady increase from 19.0 per cent in 2005 and 23.4 per cent in 2010. On the other hand, the share of workers in high-skill occupations such as managers, professionals or technicians/associate professionals had not changed much over the previous decade, standing at slightly more than one in four. In this regard, the Eleventh Malaysia Plan forecast that high-skill occupations would increase, accounting for 35 per cent of total employment in 2020.

<sup>6</sup> Unless noted otherwise, population and demography data are based on the Department of Statistics Malaysia: Population Quick Info.

<sup>7</sup> The old-age dependency ratio is defined as the population aged 65 and above as a share of the population aged 15 to 64 years.

<sup>8</sup> Urbanization data are based on United Nations, Department of Economic and Social Affairs, Population Division, *World Urbanization Prospects 2018*.

<sup>9</sup> Unless noted otherwise, labour market data are based on the Department of Statistics Malaysia.

<sup>10</sup> Malaysians of indigenous Malay origin.

Around three quarters of all workers (10.7 million people) were wage employees with more productive and secure jobs, generally in the formal economy. At the same time, informality remained a key feature of the labour market, as reflected in the share of own-account and contributing family workers in total employment. These workers were more likely women, typically vulnerable to economic downturns, in informal work arrangements and with fewer social and legal protections. In Malaysia this ratio had fluctuated somewhat during the previous 15 years, but remained around one quarter of the total. About one in ten of those working outside agriculture were employed in the informal economy.

In 2016, 65.3 per cent of Malaysia's workforce was employed by small and medium-sized enterprises (SMEs), which accounted for 98.5 per cent of business establishments, nearly 36.6 per cent of the country's GDP, and 18.6 per cent of exports. Women owned 20.6 per cent of SMEs, and 51 per cent of equity was held by women, or was headed by a woman CEO/MD who owned at least 10 per cent of the equity. The services sector supported 89.2 per cent of SMEs. 12

## 1.4 International labour migration

Despite relatively high population growth and long-term policy commitments to reducing the country's dependence on foreign workers to 15 per cent of total employment,<sup>13</sup> Malaysia continues – as a result of its rapidly expanding economy, increasing urbanization, and relatively low labour force participation among women – to experience a demand for migrant labour. According to recent estimates, Malaysia is host to at least 3.85 million foreign workers, including both documented and undocumented workers, who represent one quarter of the country's total labour force.<sup>14</sup>

Most of Malaysia's foreign workers come from neighbouring country the Republic of Indonesia, while others come from the People's Republic of Bangladesh, the Republic of India, the Republic of the Union of Myanmar, the Federal Democratic Republic of Nepal, and other countries in South and South-East Asia (table 1). Migrants work primarily in low-skilled and labour-intensive jobs in services and on construction sites, as well as in domestic work, plantations and agriculture. Gender and nationality restrictions are applied to certain sectors. Women are concentrated in such jobs as domestic work and care-giving as well as low-skilled jobs in the manufacturing and service sectors.

<sup>11</sup> For the manufacturing sector, SMEs are defined as firms with sales turnover not exceeding 50 million ringgit or employing a number of full-time employees not exceeding 200. For the services and other sectors, SMEs are defined as firms with sales turnover not exceeding 20 million ringgit or employing a number of full-time employees not exceeding 75.

<sup>12</sup> SME Corp Malaysia, based on the Census 2016, Department of Statistics Malaysia.

<sup>13</sup> MOHR, Strategic Plan of the Malaysian Ministry of Human Resources (MOHR), 2016–20.

<sup>14</sup> Lee Hwok-Aun and Khor Yu Leng, Counting Migrant Workers in Malaysia: A Needlessly Persisting Conundrum, 25 April 2018. Singapore: ISEAS Yusof Ishak Institute.

▶ Table 1. Overall statistics: Registered foreign workers in Malaysia (as of 31 March 2019)

Sector													
National origin	Manufacturing		Construction		Plantation		Services		Agriculture		Domestic worker		Total
	М	F	М	F	M	F	M	F	M	F	М	F	Total
Indonesia	34 271	103 462	146 481	13 128	171 611	31 698	25 104	18 614	55 965	19 225	443	92 232	712 234
Bangladesh	208 933	231	212 251	329	34 870	15	90 486	539	19 615	53	33	92	567 447
Nepal	231 004	9 530	7 391	12	2 866	4	71 238	224	9 157	236	31	31	331 724
India	2 906	51	10 100	42	27 387	312	50 687	343	24 903	751	42	1 090	118 614
Myanmar	66 851	17 654	12 725	634	764	157	15 046	2 488	3 304	760	7	56	120 446
Pakistan	3 313	7	28 501	46	5 837	11	9 343	134	17 091	93	3	25	64 404
Philippines	3 944	497	2 637	135	2 321	673	3 629	2 602	2 522	1 144	76	32 542	52 722
Viet Nam	4 985	8 611	2 129	209	28	30	958	1 052	246	235	4	446	18 933
Thailand	122	49	848	14	262	108	6 228	5 740	1 176	589	3	314	15 453
China	1 273	89	7 517	455	5	5	1 315	3 769	25	1		224	14 678
Sri Lanka	2 370	1 013	258	6	166	18	1 134	74	116	30	9	544	5 738
Cambodia	500	618	92	32	73	35	145	490	241	55	2	1 485	3 768
Lao People's Democratic Republic	7	3					4	7	5			17	43

Source: Immigration Department, Government of Malaysia.

Evidence provided by ILO-supported Migrant Worker Resource Centres (MRCs) in Malaysia indicates that foreign workers are vulnerable to various forms of rights violations. Data compiled from 1,584 women and men foreign workers accessing legal assistance services at the MRCs reveals that such violations can be serious. A substantial portion of complainants presented evidence of forced labour, and 22 per cent (342 migrants) were explicitly identified as such by case managers. Likewise, the *2016 Trafficking in Persons Report* found evidence that some workers were subjected to labour practices suggestive of forced labour in agricultural palm oil plantations domestic work construction sites and the electronics industry.

Combating labour trafficking has been a key focus in recent years of Malaysia's migrant labour policy initiatives and engagement with the international community. In 2014, the US State Department downgraded Malaysia to tier 3 in the 2014 TIP report, but upgraded the country's status to tier 2 watch list in 2015 and tier 2 in 2017 in recognition of progress made. The ILO Committee of Experts has further highlighted abuses of migrant workers and gaps in the application of the standards on Forced Labour. A 2012 Verité report on conditions in the electronics sector (using the ILO methodology) found that approximately one third of workers were in forced labour. Further pressures are anticipated in coming years in the supply chains for the electronics and palm oil industries.

Under the Eleventh Malaysia Plan, improving the management of foreign workers is one of three strategies under the focus area "Improving labour market efficiency to accelerate economic growth". Measures outlined under this strategy include formulation of comprehensive immigration and employment policy for foreign workers, and streamlining the recruitment of foreign workers by placing this under a single administration. The Ministry of Human Resources (MOHR) assumes the lead role in policy-making for foreign worker management.<sup>16</sup>

## 1.5 Social protection and income security

Recognizing the need to ensure that growth is inclusive and sustainable, Malaysia has increasingly prioritized measures to address socio-economic inequality. A priority focus of the Eleventh Malaysia Plan is the further extension of social protection, particularly for disadvantaged groups. Despite notable past efforts, gaps in the social protection system remain. These include, for example, the exclusion of domestic workers, own-account workers (apart from taxi drivers) and unpaid family workers from compulsory social security coverage categories in which women generally predominate.

Minimum wage levels are another cornerstone of income security and anti-poverty. Malaysia ratified the Minimum Wage Fixing Convention, 1970 (No. 131) on 7 June 2016, which now is in force. A new national minimum wage came into force in Malaysia as of 1 January 2019, which aims to support workers at the lower end of the wage ladder and facilitate workplace automation and improve productivity.<sup>17</sup> The minimum wage applies to all employers in the private sector, regardless of the number of employees they have, apart from domestic workers. The level is set by the Malaysian Government following recommendations from the National Wages Consultative Council (NWCC).

With respect to overall wage levels, the average monthly wage in 2017 for formal economy employees was 2,880 ringgit, a year-on-year increase of more than 8 per cent.<sup>18</sup> When adjusted for price inflation, however, real wage growth in 2017 ranged between 4 and 5 per cent.<sup>19</sup> The gender pay gap was 6.6 per cent, reflecting on average slightly higher wages for men (2,954 ringgit) than for women (2,772 ringgit). In addition, those with higher education tended to earn more. In 2017, employees with a tertiary education received on average about double the earnings of secondary school graduates and three times that earned by employees with a primary school degree.

<sup>15</sup> ILO, Review of labour migration policy in Malaysia, TRIANGLE II Project, 2016. ILO Regional Office for Asia and the Pacific (Bangkok). PDF download available.

<sup>16</sup> Eleventh Malaysia Plan, chapter 5, "Accelerating Human Capital Development for an Advanced Nation".

<sup>17</sup> The minimum wage announced for 2019 will be uniform across all provinces at 1,100 ringgit.

<sup>18</sup> Department of Statistics Malaysia, Salaries & Wages Survey Report 2017, accessed 31 August 2020.

<sup>19</sup> Data on consumer price inflation are taken from the International Monetary Fund (IMF).

## 1.6 Productivity and economic development

According to the 25th Malaysia Productivity Report 2017/2018, 20 labour productivity growth has contributed to a 5.9 per cent growth in the country's gross domestic product (GDP), while maintaining unemployment at 2 per cent. It remains the main driver of Malaysia's economic development as reflected in various Eleventh Malaysia Plan strategies. Despite factors such as a global financial crisis, a weaker ringgit and volatile crude oil prices, Malaysia managed to sustain and improve its labour productivity growth by 3.8 per cent, as compared to 2016. The mining sector, with a growth of 6.8 per cent, was the highest contributor to productivity, followed by the services sector at 5.0 per cent, manufacturing at 4.3 per cent, construction at 2.4 per cent and the agriculture sector with 1.4 per cent.

Malaysia's approach to productivity will likely shift in the coming years from primarily government-driven initiatives at the national level to targeted actions across the public sector, industry players and individual enterprises, with role models of change identified to help promote buy-in among stakeholders. A number of initiatives are underway to support Malaysia's long-term preparations for the future. These focus on the competitiveness of Malaysia's exports, adaptation of new technologies and building capacities for a high-quality workforce.

In this context greater labour productivity, rather than employment, is increasingly driving growth in Malaysia's GDP. This trend has been observed since 2014, indicating that economic growth is gradually moving away from labour intensity and shifting towards digital and technology-driven factors.<sup>21</sup>

## 1.7 Technical and vocational skills

The alignment of workforce technical and vocational skills with market requirements represents another core component of increasing productivity and of positioning Malaysia's economy to meet future challenges and opportunities in a rapidly evolving global economy and world of work. As of 2016, Malaysian TVET graduates were achieving employability rates of 91 per cent, compared with an overall graduate employability rate of 77.2 per cent. Malaysia places great importance on TVET to meet the challenges and demands of becoming a high-income nation by 2020. Accordingly, since 2012 TVET has undergone a transformation in its institutional architecture, policy, focus and diversity of competencies and vocational streams offered. Key initiatives have included the establishment of the Malaysian Board of Technologists (MBOT) to enhance career paths for TVET graduates; strengthen the TVET curriculum; improve skills-based certification; improve links with industry players and professional bodies; introduce the concepts of "school enterprise" and "production-based education"; and develop the Malaysia Qualifications Framework.<sup>22</sup>

Core to Malaysia's TVET institutional architecture are the Industry Skills Council (ISC) and Industry Working Group (IWG), which currently covers ten industries. The IWG makes recommendations to the ISC on policies, strategies and actions related to skills development in the prioritized industries. A key MOHR Strategic Plan priority in this context is the strengthening of industry involvement in line with the Eleventh Malaysia Plan.

## 1.8 Gender equality status and trends

The 2017 UNDP Gender Inequality Index<sup>23</sup> ranked Malaysia 62 out of 157 countries. In comparison, the Republic of the Philippines and the Kingdom of Thailand were ranked at 97 and 93, respectively. In Malaysia, women held 13.1 per cent of parliamentary seats, and 78.9 per cent of adult women had attained at least a secondary level of education, compared to 81.3 per cent of their male counterparts.

<sup>20</sup> Malaysia Productivity Corporation (2017/2018), 25th Malaysia productivity report 2017/2018.

<sup>21</sup> Ibid.

<sup>22</sup> Southeast Asia Ministers of Education Organization (SEAMEO), *Technical and Vocational Education and Training in Malaysia*. Brunei Darussalam: SEAMEO VOCTECH Regional Centre (2015).

<sup>23</sup> The UNDP Gender Inequality Index (GII) reflects gender-based inequalities in three dimensions – reproductive health, empowerment and economic activity. Reproductive health is measured by maternal mortality and adolescent birth rates; empowerment is measured by the share of parliamentary seats held by women and attainment in secondary and higher education by each gender; and economic activity is measured by the labour market participation rate for women and men. The GII can be interpreted as the loss in human development due to inequality between female and male achievements in the three GII dimensions.

Efforts to increase the number of women in leadership and decision-making in the corporate sector were given a boost by the Malaysian Government's announcement in 2011 of a 30 per cent target for women's representation in senior roles by the end of 2016. Based on the 2015 Bursa Malaysia (Kuala Lumpur Stock Exchange) annual returns, women accounted for 26.3 per cent of top management across all listed companies, up from the low 20s estimated in previous surveys. However, as of June 2016, women accounted for only 15 per cent of director positions in the top 100 listed companies on the Bursa Malaysia.<sup>24</sup>

A dramatic increase in female university enrolment is likely to strengthen future prospects for greater women's voice and representation in Malaysia. In the 1980s, men outnumbered women in university by more than a quarter, while today the reverse is true.<sup>25</sup>

# 1.9 International labour standards, industrial relations, tripartite cooperation and social dialogue

Malaysia has ratified 18 international labour Conventions, including six of eight fundamental Conventions, two of four governance (p) Conventions and 10 of 177 technical Conventions. As of 27 September 2018, 14 Conventions were in force, one Convention had been denounced, and three Conventions were abrogated by decision of the International Labour Conference (ILC) at its 107th Session in 2018. Box 1 (below) details Malaysia's ratification of international labour Conventions.

Malaysia administers a well-established system of industrial relations, one rooted in legislation governing freedom of association, collective bargaining, trade unions and various aspects of industrial relations. This legislation, dating from the 1950s and 1960s, has remained largely unchanged and continues to provide for a substantial government role in trade union matters and industrial relations. The legislative cornerstones in this regard are the Employment Act 1959, the Trade Unions Act 1959 and the Industrial Relations Act 1967. These are supplemented by numerous regulations and internal policies.

The Government of Malaysia has taken important steps in recent years to improve the implementation of international labour standards, including the enactment of a minimum wage law and improved safeguards against trafficking in persons. Concerns remain, however, with respect to the part of the ILO Committee of Experts on the Application of Conventions and Recommendations (CEACR) regarding a number of labour laws and practices related to freedom of association and collective bargaining, forced labour, child labour, and employment discrimination. In this context, the Strategic Plan of the Malaysian Ministry of Human Resources (MOHR), 2016–20, sets out plans for the review and revision of the three key laws listed above as well as a range of other measures to address CEACR concerns.

Key components of Malaysia's architecture for tripartite cooperation and social dialogue include the tripartite National Labour Advisory Council (NLAC), which is consulted on legislative initiatives before they are submitted to the Government for further consideration; the NWCC, which is responsible for advising the Government on changes in minimum wages; and the multi-stakeholder National Social Security Council, which provides oversight for the ongoing expansion and strengthening of Malaysia's social security system. However, social partner feedback indicates that there is scope for improvement in the level and frequency of tripartite engagement to meet the standards of C144, the Tripartite Consultation (International Labour Standards) Convention, 1976 (No. 144).

**The employer partner** for DWCP engagement in this context is the Malaysian Employers Federation (MEF). Recognized nationally, regionally and internationally, this is the central organization of private sector employers in Malaysia. Established in 1959, MEF promotes and safeguards the rights and interests of employers. MEF provides a forum for consultation and discussion among members on matters of common interest. It promotes the adoption of sound principles and practices of human resource and industrial relations through information, advice, research and information, training and other activities.

<sup>24</sup> Johan Merican and Shareen Ghani, "Women in Leadership Positions: Where Is Malaysia at?" Leaderonomics (6 October 2017).

<sup>25</sup> Ibid

The DWCP worker partner is the Malaysian Trades Union Congress (MTUC), a federation of trade unions registered under the Societies Act (1955). It is the oldest national organization representing the Malaysian workers, and is affiliated with the International Trade Union Confederation (ITUC), the International Trade Union Confederation–Asia Pacific (ITUC-AP) and the ASEAN Trade Union Council (ATUC). Unions affiliated to MTUC represent all major sectors. The MTUC has been recognized as the representative of workers in Malaysia and is consulted by the Government on major changes in labour laws through the National Labour Advisory Council. The MTUC also represents Malaysian workers at the International Labour Conference.

## 1.10 The environment and decent work

According to the World Risk Report, Malaysia scores a middling rank on the World Risk Index, coming 86th out of 171 countries. Despite its high exposure to natural hazards, Malaysia has the institutional capacity to cope, but restricted capacity to adapt. Developing preventive measures to limit infrastructure and property damage and to increase institutional capacity, particularly among small businesses that need to respond to climate events, can be a source of decent job creation while building resilience.<sup>26</sup>

Out of 180 countries in the Environmental Performance Index (EPI), Malaysia ranks 63 with a score of 74.2 on a scale of 0 to 100. Malaysia outperforms the average score for Asia and the Pacific in most EPI categories (figure 6). Still, there is room for improvement, especially in terms of ecosystem vitality in forests, agriculture, fisheries, and climate and energy. A *Green Jobs Mapping Study* by the International Labour Organization found that, in 2012, approximately 29,710 people were employed in core environmental goods and services industries. These included (1) industries that provided equipment in air-pollution control; water equipment and chemicals; instruments and monitoring systems; and waste management equipment; as well as (2) technological services in solid and hazardous waste management; consulting and engineering; remediation and industrial services; analytical services; wastewater treatment; and water utilities. Environmental health, ecosystem vitality, climate change and resilience to weather disasters all have the potential to provide job creation, green economy growth and innovation in Malaysia.<sup>27</sup>

Better data collection relating to the green economy and the environmental sector would be valuable for policymakers in Malaysia and other Asia-Pacific countries. Better data on green and decent jobs are particularly needed to assess the impact of climate change and climate-related policies on social inclusion. Without better data, it is difficult to determine what policy changes are needed to assure a just transition to environmental sustainability and to monitor progress going forward.<sup>28</sup>

<sup>26</sup> ILO, Malaysia: Employment and environmental sustainability fact sheets. Geneva, 2019.

<sup>27</sup> Ibid.

<sup>28</sup> Ibid.













# Malaysia's national development framework

## 2.1 Eleventh Malaysia Plan, 2016-20

The Eleventh Malaysia Plan, 2016–20 (11MP), marks a critical step in the country's journey towards realizing "Vision 2020" to become an inclusive and sustainable advanced nation, fully developed across all the economic, political, social, spiritual, psychological and cultural dimensions.

Nationally, regionally and globally, Malaysia is adopting six strategic thrusts to help stay ahead of the challenges and opportunities presented by a fast-changing economic and political landscape:

- enhancing inclusiveness towards an equitable society;
- improving well-being for all;
- accelerating human capital development for an advanced nation;
- pursuing green growth for sustainability and resilience;
- strengthening infrastructure to support economic expansion; and
- re-engineering economic growth for greater prosperity.

# 2.2 Mid-Term Review of the Eleventh Malaysia Plan 2016–20: New priorities and emphases

This review assessed the performance of the first two years of the Eleventh Malaysia Plan 2016–17 and set out new priorities and emphases that reflected the aspirations of the current Government for the period 2018–20.

The assessment found that, while the economy performed well at the macro level, socio-economic disparities persisted, with low income levels affecting many people (particularly the bottom 40 per cent in terms of household income) and long-standing structural economic issues remaining. In addition, youth unemployment remained relatively high and most industries remained at the lower end of the value chain, limiting the creation of skilled jobs. Continued reliance on low-skilled foreign labour, meanwhile, exacerbated the latter issue.

The Mid-Term Review outlines six pillars in support of inclusive and sustainable development as part of the new 11MP priorities and emphases for the period 2018–20. The following been of greatest relevance to the DWCP 2019–20:

**Pillar II: Enhancing inclusive development and well-being.** This pillar prioritizes efforts to improve employability, productivity and entrepreneurship. Key initiatives include greater access to quality skills training at all levels, and providing comprehensive and integrated entrepreneurial development programmes as well as promoting the adoption of modern technology and best practices.

#### ▶ Box 1. International labour Conventions ratified by Malaysia

#### **Fundamental Conventions**

- C029 Forced Labour Convention, 1930 (No. 29). 11 Nov 1957. In force.
- ► C098 Right to Organise and Collective Bargaining Convention, 1949 (No. 98). 05 Jun 1961. In force
- ▶ C100 Equal Remuneration Convention, 1951 (No. 100). 09 Sep 1997. In force.
- ► C105 Abolition of Forced Labour Convention, 1957 (No. 105). 13 Oct 1958. Not in force. Denounced 10 Jan 1990.
- C138 Minimum Age Convention, 1973 (No. 138). Minimum age specified: 15 years. 09 Sep 1997. In force.
- C182 Worst Forms of Child Labour Convention, 1999 (No. 182). 10 Nov 2000. In force.

#### **Governance (Priority) Conventions**

- C081 Labour Inspection Convention, 1947 (No. 81). 01 Jul 1963. In force.
- C144 Tripartite Consultation (International Labour Standards) Convention, 1976 (No. 144). 14 Jun 2002. In force.

#### **Technical Conventions**

- ► C050 Recruiting of Indigenous Workers Convention, 1936 (No. 50). 11 Nov 1957. Not in force. Abrogated by decision of the ILC at its 107th Session (2018).
- ► C064 Contracts of Employment (Indigenous Workers) Convention, 1939 (No. 64.) 11 Nov 1957. Not in force. Abrogated by decision of the ILC at its 107th Session (2018)
- C065 Penal Sanctions (Indigenous Workers) Convention, 1939 (No. 65). 11 Nov 1957. Not in force. Abrogated by decision of the ILC at its 107th Session (2018)
- ▶ C088 Employment Service Convention, 1948 (No. 88). 06 Jun 1974. In force.
- ▶ C095 Protection of Wages Convention, 1949 (No. 95). 17 Nov 1961. In force.
- ▶ C119 Guarding of Machinery Convention, 1963 (No. 119). 06 Jun 1974. In force.
- ➤ C123 Minimum Age (Underground Work) Convention, 1965 (No. 123). Minimum age specified: 16 years. 06 Jun 1974. In force.
- C131 Minimum Wage Fixing Convention, 1970 (No. 131). 07 Jun 2016. In force.
- MLC, 2006 Maritime Labour Convention, 2006 (MLC, 2006). In accordance with Standard A4.5 (2) and (10), the Government has specified the following branches of social security: medical care; sickness benefit and employment injury benefit. 20 Aug 2013. In force.
- Amendments of 2014 to the MLC, 2006. 18 Jul 2014. In force.
- Amendments of 2016 to the MLC, 2006. 08 Jul 2016. Not in force. Accepted. Will enter into force on 08 Jan 2019.
- Amendments of 2018 to the MLC, 2006. 26 Jun 2018. Not in force. Formal disagreement period until 26 Jun 2020.
- ► C187 Promotional Framework for Occupational Safety and Health Convention, 2006 (No. 187). 07 Jun 2012. In force.

**Pillar IV: Empowering human capital.** This pillar emphasizes workforce empowerment to support economic growth, with a focus on creating "skillful, knowledgeable and innovative human capital to meet industry requirements". Four areas are prioritized: reforming the labour market; improving labour efficiency; enhancing access to quality education and training; and fostering stronger industry–academia linkages.

Greater efforts were to be devoted to issues related to inadequate skilled job creation; high youth unemployment; and graduate underemployment together with the jobs-skills mismatch. Initiatives have included generating more skilled jobs; identifying critical skills and addressing shortages; raising income levels; reducing dependency on foreign workers; and strengthening workers' rights and increasing female participation in the workforce to improve labour efficiency and productivity. Improving TVET quality was to be one focus in this context, aiming to harmonize the accreditation system and the employability of TVET graduates, as well as strengthening collaboration with industry.

**Pillar VI: Promoting economic growth**. Among other areas, this pillar seeks to support the movement of SMEs up the value chain towards producing value-added goods and services. Priority is given to accelerating innovation and technology adoption among local firms, especially SMEs, to boost productivity and compete globally. Harnessing the potential of the 4th Industrial Revolution will be a core focus in this context.

## 2.3 Malaysian Government commitment to the SDGs

Decent work and the four pillars of the Decent Work Agenda – employment creation, social protection, rights at work, and social dialogue – are integral elements of the 2030 Agenda for Sustainable Development. Goal 8 of the 2030 Agenda calls for the promotion of sustained, inclusive and sustainable economic growth; full and productive employment; and decent work, providing a key underpinning of engagement between the ILO and its constituents. Furthermore, key aspects of decent work are widely embedded in the targets of many of the other 16 goals of the UN's new development vision, particularly SDG Goal 1 (targets 1.1, 1.3, and 1.a), Goal 4 (target 4.3), Goal 5 (target 5.5), Goal 8 (targets 8.2, 8.3, 8.5–8.8, and 8.b), Goal 10 (targets 10.4 and 10.7), Goal 14 (target 14.c), and Goal 16 (target 16.10). The ILO has custodial or shared responsibility for monitoring and reporting on these targets.

**National SDG Roadmap**. Implementation of the Government of Malaysia's commitment to achieving the SDGs is underpinned by the National SDG Roadmap. The roadmap has three phases: Phase I (2016–20), prioritizing SDGs in line with the 11MP; Phase II (2020–2025), focus on post-2020 goals and targets; and Phase III (2025–2030), focus on the remaining goals and targets in line with Malaysia's capacity and global roles. Institutional and governance oversight is provided by a governance structure established in mid-2016, one which comprises government ministries and agencies; civil society (including trade unions); the private sector; academics; UN agencies; and youth representatives.

The structure consists of a National SDG Council chaired by the Prime Minister, a National Steering Committee, five SDG Cluster Working Committees (CWCs) and 17 Task Forces (one for each SDG). Key elements of the roadmap include the following:

- ▶ Encouraging public awareness of and engagement with the 2030 Agenda via, among other channels, an online SDG portal, workshops and promotional activities.
- Direction and coordination provided by the five cluster working committee established by the government Economic Planning Unit (EPU) in alignment with the strategic thrusts of the 11MP (see below).
- Annual reporting to the global High Level Political Forum (HLPF).

Strategy 1: Inclusivity	<ul><li>Goal 1: No poverty</li><li>Goal 2: Zero hunger</li></ul>					
	▶ <b>Goal 5:</b> Gender Equality					
	► <b>Goal 10:</b> Reduce inequality					
Strategy 2: Well-being	▶ <b>Goal 3:</b> Good health and well-being					
	Goal 11: Sustainable cities and communities					
	▶ <b>Goal 16:</b> Peace, justice and strong institutions					
Strategy 3: Human capital	▶ <b>Goal 4:</b> Quality education					
Strategy 4: Environment and	Goal 6: Clean water and sanitation					
natural resources	▶ <b>Goal 7</b> : Affordable and clean energy					
	▶ <b>Goal 12:</b> Responsible consumption and production					
	▶ <b>Goal 13:</b> Climate action					
	▶ <b>Goal 14:</b> Life below water					
	▶ <b>Goal 15:</b> Life on land					
Strategy 5: Economic growth	► Goal 8: Decent work					
	▶ <b>Goal 9:</b> Industry, innovation and infrastructure					
	▶ <b>Goal 17:</b> Partnerships					

Of particular relevance to the DWCP are clusters 3 and 5:

Cluster 3: Quality education. This cluster links to the Strategic Thrust of the Eleventh Malaysia Plan, "Accelerating Human Capital Development for an Advanced Nation". It addresses SDG 3: Quality education: Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all. Among other things, the cluster encompasses skills development in preparation for the 4th Industrial Revolution and making TVET an educational pathway of choice.

**Cluster 5: Economic growth.** This cluster links to the Eleventh Malaysia Plan Strategic Thrusts on "Strengthening Infrastructure to Support Economic Expansion" and "Strengthening Economic Growth for Greater Prosperity". It includes SDG 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.

# 2.4 Strategic Plan of the Malaysian Ministry of Human Resources (MOHR), 2016–20

The MOHR Strategic Plan links in particular to elements of the SDGs (particularly SDG 8) and the Eleventh Malaysia Plan, which addresses the national labour market, workforce skills, productivity, employment, industrial relations, OSH and social protection.

## The plan set out the following mission for the Ministry's work in the period until 2020:

- ▶ Develop and produce human capital in the country's labour market that is competent, productive, responsive and resilient.
- Contribute to improving national productivity.
- Ensure the smooth operation of the national labour market.
- Increase the work-readiness and employment of local workers to meet the needs of the national labour market.
- Ensure national harmony, security and safety.
- Ensure OSH and a comprehensive, dynamic and progressive social safety net.

#### Six shared values underpin this mission:

- ▶ **Harmony.** Maintaining harmonious and productive industrial relations between employers, workers and unions to promote sustainable national development.
- ▶ **Lifelong learning.** Continuous learning through training and skills upgrading and reskilling to ensure a competent, competitive workforce.
- ▶ **Well-being and safety.** Ensuring a safe, healthy and productive work environment.
- ▶ **Tripartism.** Fostering close collaboration in the formulation and implementation of policies, laws and regulations for mutual benefit.
- **Compassion.** Providing social safety nets to ensure the well-being of workers, families, communities and the nation.
- Justice and fairness. Appreciating and practising the principles of justice and fairness for the sake of well-being for all.

## **Six core strategies** guide implementation of the Strategic Plan:

- Develop human capital to ensure relevance, competence and enhanced productivity and competitiveness to meet the needs of the country's growing economy.
- Prioritize citizens with respect to employment opportunities.
- Nurture and improve industrial relations that are constructive, mature, harmonious and supportive of workers' and employers' rights.
- Practise a safe, healthy and dynamic work culture.
- ▶ Empower progressive and comprehensive social security networks at all levels of employment.
- Strengthen and empower the governance of the Ministry of Human Resources.

# 2.5 Malaysia-United Nations Sustainable Development Goals Framework (UNSDGF) 2018-20

"Prosperous, Inclusive and Resilient Futures", whee Malaysia–United Nations Sustainable Development Goals Framework (UNSDGF) for 2018–20, describes the joint work of participating UN agencies, funds and programmes of the UN Country Team (UNCT) in support of Malaysia's attainment of the 2030 Agenda and SDGs, and Malaysia's transformation into a high-income and advanced nation.<sup>29</sup> The ILO is a non-resident member of the UNCT.

There follow the four key outcome areas that provide the focus for the joint work of participating UN agencies under the UNSDGF 2018–20, drawing on the diverse national, regional and global expertise, strengths and experiences of the UN system:

**Outcome area 1.** Effective mainstreaming, localization and acceleration; data monitoring, evaluation and reporting; and partnerships towards achievement of the Agenda 2030 for Sustainable Development.

**Outcome area 2.** Enhanced inclusivity and improved well-being for all towards leaving no one behind (LNOB) and the empowerment of women and girls.

Outcome area 3. Good governance and inclusive institutions, and human rights for all.

**Outcome area 4.** Sustainable economic development prioritizing protection of the environment and natural resources.

While the DWCP serves as an integral part of the wider UN engagement in Malaysia under the UNSDGF 2018–20, of particular relevance to the DWCP are the following:

- Outcome area 2 components relating to gender equality, improving social protection, human trafficking, forced labour, child labour and labour migration; and
- Outcome area 3 components related to Malaysia's obligations under core international human rights Conventions to which it is a signatory, including fundamental Conventions on forced labour, child labour, equal remuneration and rights to organize and collective bargaining.





# Comparative ILO advantage and lessons

As a core partner for the national constituents under the DWCP 2019–20, the ILO offers the following comparative advantages:

- international norm setting and monitoring roles based on the international labour Conventions and other resolutions and Recommendations adopted by the International Labour Conference;
- policy support and technical expertise;
- ability to draw on the relevant experience of diverse countries within ASEAN and worldwide; and
- a tripartite membership base of governments, employers' representatives and workers' representatives.

Drawing on these comparative advantages in the context of DWCP design and implementation, the ILO is uniquely placed to provide support and advice in such areas as these:

- policy/strategy support;
- legislative/decree drafting;
- strategic research;
- institutional and technical capacity development;
- technical advice; and
- knowledge sharing, including through access to other-country experience.

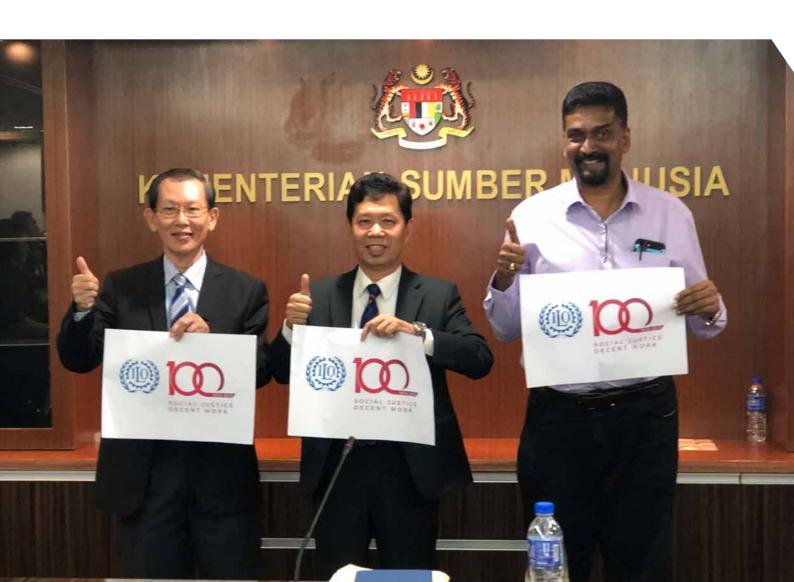
In line with the "Delivering as One" commitments of the UN system as a whole, the ILO will work in close collaboration with other UN entities active in Malaysia, as well as with other non-UN agencies as relevant, in support of implementation of the Eleventh Malaysia Plan, the 11MP Mid-Term Review New Priorities and Emphases, and Malaysia's SDGs Roadmap.

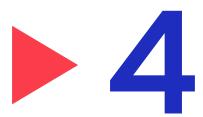
A number of lessons have been identified from evaluations of previous ILO engagement in Malaysia, and have helped to inform the development of this DWCP.<sup>30</sup> Key among these are the following:

- ▶ the importance of strong national ownership of agreed initiatives, including with respect to monitoring and evaluation (M&E) measures, with clear links to national policy frameworks, strategies and plans to help ensure alignment with national priorities and sustainability;
- taking the time and investing in the necessary dialogue to build consensus and common understandings among the national constituents to ensure a strong foundation for joint initiatives;
- ▶ the need to consider local capacity when designing and implementing projects and setting timeframes accordingly, including with respect to management and coordination concerns;
- establishing clear multi-year priorities for ILO engagement, backed up by identified resources, to facilitate concentrated effort and efficiencies for maximum impact;

- ensuring, to the extent possible, that all engagements include an element of strategic capacity development, for example working with Malaysia's Social Security Organization (SOCSO) to develop the necessary capacities for actuarial valuations in the future;
- developing a stronger focus on assessing outcomes and impact in M&E to establish evidence-based implementation strategies, and ensuring that M&E planning and resourcing is built into project design from the outset; and
- building gender considerations into programme and project design from the beginning, from contextual analysis to project indicators and targets.

The above lessons and others of a more specific technical nature are reflected in the programme strategies under each DWCP outcome, for example through these measures: (1) an emphasis on developing the relevant critical capacities of constituents and other stakeholders; (2) investing in the necessary dialogue to build consensus and common understandings among the national constituents; (3) taking local capacity into account in project design; (4) emphasizing local ownership; and (5) ensuring clear and specific linkages with national policy and strategic frameworks.





## DWCP goal and priorities

# Goal: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.

Three interdependent priorities, with associated outcomes and outputs, underpinned the implementation of this overarching goal for ILO/Malaysia cooperation until 2020. The progress, achievements and lessons of cooperation between the ILO and Malaysian constituents in the period 2019–20 were expected to provide foundations for the development of a revised DWCP in the coming five-year period until 2025.

## Country Priority 1: Rights at work - Protecting and promoting rights at work

Outcome 1.1: Strengthened labour legislation to ensure compliance with International Labour Standards.

Outcome 1.2: Eradication of forced labour and child labour.

Outcome 1.3: Harmonious industrial relations.

**Outcome 1.4:** Strengthen social security in labour dimension.

## Country Priority 2: Future of work - Strengthening national capacities to meet the needs of current and future of work

Outcome 2.1: Increased knowledge and analytical base on future of work-related issues.

Outcome 2.2: Inclusive skills development, recognition and certification.

**Outcome 2.3**: Strengthened institutional capacity for labour market analysis.

## Country Priority 3: Labour migration - Strengthening labour migration governance

**Outcome 3.1:** Strengthened implementation of labour migration governance in line with the ILO Multilateral Framework and standards and ASEAN instruments.

**Outcome 3.2:** Increased capacity to improve implementation of labour migration governance.

**Outcome 3.3:** Increased access to and enhancement of support services for migrant workers.

## ► Country Programme Priority 1: Right at work - Protecting and promoting rights at work

As of 1 May 2017, Malaysia had ratified 18 ILO Conventions, of which four have subsequently been denounced (see box 1, above). ILO fundamental Conventions ratified by Malaysia include C098 (Right to Organise and Collective Bargaining), C029 (Forced Labour), C138 (Minimum Age), C182 (Worst Forms of Child Labour) and C100 (Equal Remuneration). Malaysia ratified and subsequently denounced C105 (Abolition of Forced Labour).

In recent years, the Government of Malaysia has taken important steps to improve protection of workers' rights, including enacting a minimum wage law and improving protections against trafficking in persons. However, concerns on the part of the CEACR remain regarding a number of Malaysia's labour laws and practices, particularly in relation to freedom of association and collective bargaining, forced labour, child labour, and employment discrimination (see outcome 1.1, below, for more details).

Recent years have also seen important steps in the development of Malaysia's institutional architecture for tripartite cooperation and social dialogue, including the establishment of the tripartite NLAC, the National Wages Consultative Council and the Social Protection Council.

Malaysia's disputes resolution architecture rests on the Industrial Court and the role of the conciliators at MOHR's Industrial Relations Department. A recent review specified a number of areas for strengthening the Industrial Court (see outcome 1.3 for more details).

Central labour-related components of the national social security system include the recently introduced Employment Insurance Scheme (EIS) and the national Employment Injury Insurance (EII). SOCSO and the Employee Provident Fund (EPF) are longstanding core ILO partners.

## Outcome 1.1: Labour legislation strengthened to ensure compliance with International Labour Standards

This outcome links to 11MP thrusts 1 and 2; 11MP pillar IV; SDGs 1, 5 (particularly target 5.1) and 8 (particularly targets 8.5 and 8.8); ILO P&B outcomes 2 (particularly indicators 2.1, 2.2 and 2.3) and 7; UNSDGF outcome area 3 and the Bali Declaration paras 16 and 17.

## Supported by Labour Law and Industrial Relations Reform Project, 2016–19.

The ILO CEACR has identified for the Malaysian Government's attention a number of concerns relating to compliance with international labour standards. These include the following: (1) government discretion in registering, cancelling and suspending trade union registrations; (2) scope of associational rights; (3) legal restrictions on trade union membership and leadership; (4) legal restrictions on the scope of bargaining; (5) legal limits on the right to strike; (6) definition of essential services; (7) administrative discretion in dispute resolution; (8) use of subcontracting to undermine freedom of association; (9) legal protections against employment discrimination; (10) forced-labour legal protections, victim services and enforcement; and (11) lack of a comprehensive hazardous work list for children and no set minimum age for light work.

In 2016, the MOHR was tasked with reviewing and reforming labour legislation in this context, with the following dual objectives: (1) enhancing freedom of association, trade union rights and collective bargaining; and (2) assessing accuracy, clarity and consistency with regard to addressing child labour, forced labour, labour trafficking, discrimination and migrant workers' rights. The ILO has been requested to provide ongoing technical assistance to the MOHR for this purpose.

The MEF has also requested ILO assistance with regard to understanding the content of the core Conventions and participating in the labour law review process. The MTUC, with financial and technical assistance from the ILO Bureau for Worker' Activities (ACTRAV), has been working to promote freedom of association (FOA); ratification of C087 and C151; labour law reforms; and the organizing of foreign workers. One product of these efforts was a report in 2015 on the state of FOA rights in Malaysia that provides an important basis for ongoing social dialogue in this area.

The MOHR oversees the labour inspection system, which is a key element in the implementation of international labour standards. The DWCP, in light of constraints in current capacities and effectiveness in this respect, has prioritized ILO support for strengthening the labour inspectorate. The findings, including recommended priorities, of a 2017 ILO assessment of Malaysia's labour inspection system will guide engagement in this area. ILO support for strengthening inspection capacity and effectiveness will also engage with the MEF, MTUC and other key enforcement and judicial bodies. The latter include enforcement agencies, deputy public prosecutors, legal practitioners and the People's Volunteer Corps (RELA).

The Industrial Court and the conciliators at the MOHR's Industrial Relations Department serve as core components of Malaysia's disputes resolution. A recent review of the Industrial Court identified issues with case backlogs, consistency of awards, implementation of awards, and staffing. The DWCP also prioritizes ongoing ILO support for addressing these and related issues.

**Assumptions:** (1) compliance with international labour standards is central to implementation of the Decent Work Agenda as a whole, linked to the decent work components of the SDGs and 11MP; (2) strengthening the legislative, institutional and regulatory environment is critical to continuing the momentum already established in this regard and to addressing the specific issues highlighted by the CEACR; (3) there is scope to strengthen the effectiveness, transparency and impartiality of enforcement of labour laws and regulations; and (4) progress in this area has been prioritized by the Malaysian Government for ILO support.

**Focus of DWCP engagement.** In line with Malaysian Government priorities and commitments to address the above-listed concerns, ILO technical and capacity development support under outcome 1.1 will target four distinct yet mutually reinforcing areas:

- legal and regulatory reform (focused on the Trade Union Act, Industrial Relations Act and Employment Act);
- outreach and awareness-raising prior to and after adoption of the new laws, including the development of clear messages on law changes and international labour standards and engagement with the media;
- impartial and transparent enforcement of labour laws and regulations that have been strengthened in line with International labour standards, including the ILO Labour Inspection Convention (C081); and
- strengthening the effectiveness and efficiency of Malaysia's national dispute resolution and labour adjudication system.

Core ILO support in the above areas will include training of relevant government officials, representatives of the MEF and MTUC, adjudicators, and other relevant stakeholders. Drawing on an process of active tripartite social dialogue, the following key outputs will contribute to the achievement of the outcome:

Output 1.1.1: Revised laws, regulations and policies in compliance with ILS.

Output 1.1.2: Effective, transparent and impartial labour inspection.

Output 1.1.3: Capacity-building programmes for officials, employers and workers on ILS good practices and compliance.

Output 1.1.4: Awareness-raising programme on new and amended laws, regulations and policy.

Output 1.1.5: Written assessment by social partners of dispute resolution and labour adjudication system in practice.

Output 1.1.6: Reports by Malaysia on response to CEACR comments.

#### **Indicators Targets** Number of gender-inclusive labour laws, By 2020, at least three gender-inclusive labour regulations or other legal instruments adopted laws, regulations or other legal instruments or revised though tripartite social dialogue in adopted or revised in compliance with ILS and compliance with ILS and international good international best practices, with active input practice. by the social partners. Number of initiatives to strengthen impartial By 2020, the following five initiatives at a minimum and transparent enforcement of labour laws completed to strengthen enforcement of labour and regulations in line with international laws and regulations: labour standards and Fundamental Principles By 2019: and Rights at Work (FPRW). endorsement of National OSH Policy obtained. By 2020: establishment of annual tripartite consultation on contents of the annual labour inspection report; production of guidelines and tools for labour inspection; development of new OSH and working conditions tools and processes; and OSH "Beyond 2020" master plan developed. Number of initiatives to increase the By 2020, at least one initiative per year to knowledge of workers and employers on ILS increase social partner knowledge of ILS and and new or revised labour laws, regulations or new or revised labour laws, regulations or other legal instruments. other legal instruments. Number of initiatives to increase the ▶ By 2019, at least one of these initiatives knowledge and analytical base for national completed: written assessment of Malaysia's decision-making to strengthen Malaysia's disputes resolution and labour adjudication disputes resolution and labour adjudication system (including the Industrial Court), and assessment of the measures and support system. required for reform. Number of initiatives to address issues raised By 2020, at least three initiatives taken with ILO by the CEACR with respect to ratified ILO support to address issues raised by the CEACR Conventions. with respect to ratified ILO Conventions. All reports requested by the ILO supervisory bodies, pursuant to articles 19 and 22 of the ILO Constitution, are submitted by 2020, with

due attention to any outstanding comments of the CEACR with respect to ratified Conventions, taken into consideration as appropriate.

### Outcome 1.2: Forced and child labour eradicated

This outcome links to 11MP thrusts 1 and 2; 11MP pillar IV: SDG 1, SDG 5 (particularly target 5.1) and SDG 8 (particularly targets 8.5 and 8.8); ILO P&B outcomes 2 (particularly indicators 2.1, 2.2 and 2.3) and 7; UNSDGF outcome area 3 and the Bali Declaration paras 16 and 17.

Supported by the From Protocol to Practice: A Bridge to Global Action on Forced Labour (BRIDGE Project), 2015–19.

Malaysia is a signatory to various International human rights instruments, including a number of ILO fundamental Conventions, which are of particular relevance in combating child labour, forced labour and human trafficking. These include the UN Committee on the Rights of the Child (CRC); the Palermo Protocol to Prevent, Suppress, and Punish Trafficking in Persons Especially Women and Children; and ILO C029, C138 and C182. Prevalence data on child labour and forced labour in Malaysia does not exist. Nevertheless, anecdotal evidence and several studies together suggest the existence of unacceptable forms of work, particularly in plantations, construction, electronics, domestic work, the food and beverage industry and the garment manufacturing sectors. Indigenous, stateless and migrant workers and children are particularly at risk and affected.

In 2007, the Malaysian Government adopted an Anti-Trafficking in Persons and Anti-Smuggling of Migrants Act and established a broad inter-ministerial Anti-TIP Council, chaired by the Ministry of Home Affairs (MOHA). In 2010, amendments were made to the Act that empowered Labour Officers to enforce the Act. In addition, the Government launched the National Action Plan on Trafficking in Persons (2010–15). The Ministry of Human Resources (MOHR) has established an Anti-Trafficking Unit and is looking to enhance the capacity of its officers (primarily labour inspectors) to implement the Act wherever labour dimensions are concerned.

The Government is also implementing an awareness-raising programme for foreign domestic workers and their employers, including seminars on relevant rules and regulations in Malaysia. The Department of Labour (DOL) conducts workplace inspections to check for forced or compulsory labour practices.

**Assumptions:** (1) Addressing issues around forced and child labour is critical to meeting Malaysia's international obligations, satisfying 11MP commitments to promote inclusiveness and improving well-being for all, and to implement the Decent Work Agenda, linked to the decent work components of the SDGs; (2) the need to strengthen national policies, laws and plans in this regard has been identified by the Malaysian Government as a priority for ILO support; and (3) progress in strengthening the national enabling framework will facilitate progress in addressing issues at the programme and service level.

**Focus of DWCP engagement**. To improve compliance with international labour standards with regard to child labour, forced labour, and vulnerable migrant workers, ILO technical assistance will focus on legislative reform as well as on strengthening planning, implementation capacities and the availability of data. These measures will include promotion of coherence between relevant laws and the closing of loopholes; capacity-building of the enforcement machinery; and awareness-raising among MOHR and MOHA, MEF, MTUC, RELA officials, members of the judiciary, relevant non-governmental organizations (NGOs) and human rights bodies/ organizations. Such assistance will include tailored training tools and programmes, research and targeted awareness-raising initiatives

Building on the progress and lessons of previous ILO support, ILO technical and capacity development support under this outcome will aim to deliver the following outputs:

Output 1.2.1: Capacity-building programme to apply ILO fundamental Conventions.

Output 1.2.2: Government agreement to ratify ILO P029 and re-ratify C105.

Output 1.2.3: Child and forced labour legislation adopted and/or operationalized.

Output 1.2.4: Forced labour training modules institutionalized.

Output 1.2.5: Data analysis conducted on forced labour and child labour.

Output 1.2.6: National Action Plan on forced and child labour developed and operationalized.

Output 1.2.7: Organizational policy and action planning documents adopted by social partners.



### **Indicators**

Number of initiatives to increase the capacity and knowledge of relevant government bodies, the MEF and the MTUC on the content and application of C029, Protocol of 2014 to the Forced Labour Convention, 1930 (P029), C138 and C182.

### **Targets**

 By 2020, at least three initiatives taken to increase the knowledge of government officials, the MEF and the MTUC regarding the content and application of C029, P029, C138 and C182.

Agreement in principle by the Government of Malaysia to (1) ratify ILO P029 and its Recommendations and (2) re-ratify C105.

▶ By 2020, agreement in principle by the Government of Malaysia to (1) ratify ILO P029 and its Recommendations and (2) re-ratify C105.

Number of national policies, laws, action plans and related initiatives on child labour and forced labour reviewed, amended, developed and/or operationalized, with attention to gender dimensions and implications.

By 2020, the following six policies, laws, action plans and related initiatives completed (at a minimum):

- ▶ By 2020, gender-inclusive review of national policies, legislation and action plans conducted in consultation with tripartite constituents.
- ▶ By 2020, the Children and Young Persons Act amended to align with international standards and the hazardous work list for children, with input from social partners and other stakeholders.
- ▶ By 2020, at least two gender-inclusive amendments adopted by the Government in other national policies, legislation and action plans in line with the recommendations of C029, P029, C138 and C182.
- ▶ By 2020, the NAP on forced labour operationalized and resources allocated for its implementation.
- By 2020, measures adopted to increase the quality and reliability of gender-inclusive data collected on forced and child labour.

Number of policy and planning documents of employers' and workers' organizations containing gender-inclusive measures to reduce forced labour and child labour.

By 2020, at least four policy and planning documents produced, as follows:

- By 2020, gender-inclusive forced and child labour mitigation measures included in all relevant employers' and workers' organization policy and plans.
- ▶ By 2019, at least three technical support initiatives completed in collaboration with ITUC to strengthen union capacity and knowledge base to (1) promote ratification of ILO Forced Labour Protocol and (2) eliminate forced labour from supply chains in Malaysia.

Number of capacity-building programmes institutionalized for MAPO, its Special Committee on Labour Exploitation, Special Enforcement Task Force and prosecutors.

By 2020, at least three capacity-building programmes institutionalized:

By 2020, MOHR, MOHA and the Judicial and Legal Training Institute have institutionalized at least three training modules on forced labour, with attention to gender dimensions and involvement of the MEF and the MTUC.

#### Outcome 1.3: Harmonious industrial relations in place

This outcome links to 11MP thrusts 1 and 2; 11MP pillar IV; SDG 1, SDG 5 (particularly targets 5.1, and 5.5) and SDG 8 (particularly targets 8.5 and 8.8; ILO P&B outcomes 2 (in particular indicators 2.1, 2.2 and 2.3), 7 and 10; and the Bali Declaration paras 16 and 17.

#### Supported by Labour Law and Industrial Relations Reform Project, 2016–19.

The country's institutional architecture for tripartite cooperation and social dialogue is central to the promotion of harmonious industrial relations in Malaysia; capacities and processes for collective bargaining; the disputes resolution system; and the minimum wage setting and monitoring system.

Recent years have seen important steps in the development of Malaysia's institutional architecture for tripartite cooperation and social dialogue. These include the establishment of the tripartite National Labour Advisory Council (NLAC), which is consulted on legislative initiatives before these are submitted to the Government for further consideration; the NWCC, which is responsible for advising the Government on changes in minimum wages; and the multi-stakeholder National Social Protection Council, which provides advice on long-term expansion and strengthening of Malaysia's broader social protection system.

With respect to the minimum wage elements that fall under this outcome, Malaysia has strengthened the national wage policy since 2013, and introduced a national minimum wage which became applicable nationwide in 2018. Malaysia has ratified C131, the first ASEAN country to do so (see outcome 1.4 for further minimum wage outputs). The NWCC is a key DWCP partner in this context. The Council recommends the minimum wages rate to the Government and, once it is approved by the Government, the Minister of Human Resources issues a minimum wages order.

### Assumptions underpinning the outcome:

▶ The MEF and MTUC policy and advocacy capacities together represent a critical ingredient in strengthening social dialogue and tripartism in Malaysia for achieving the 11MP objectives, as well as for achieving SDG 8 and other SDG decent work components. One important factor in this regard is ensuring a greater voice and representation in leadership and decision-making among women across the tripartite partners, thereby ensuring, in the context of the ILO and otherwise, that women's perspectives both inform policy formulation and meet Malaysia's national and international gender equality commitments.

- As a result of the changes to the Trade Union Act and Industrial Relations Act, an increase may be expected in collective disputes associated with an expansion of union organizing and collective bargaining. Among other things, this will necessitate the further strengthening of collective bargaining capacities as well as improvements in MOHR's conciliation function and adjudication under the Industrial Court in the above-listed areas.
- Continued development of the minimum wage system\_and comprehensive monitoring are required to ensure that minimum wage adjustments both contribute to economic growth and protect the incomes of the most vulnerable workers. Among other things, this requires adequate capacities within the National Wage Consultative Council, both at the institutional level and on the part of the participating parties.

**Focus of ILO engagement.** In line with priorities indicated by the national constituents, the focus of ILO engagement under this outcome will be to reform and/or strengthen the following:

- ▶ MEF and MTUC policy analysis and advocacy capacities to contribute to relevant national policy dialogue and labour law reform;
- employer and trade union collective bargaining skills, a key aspect of effective social dialogue and cooperation at enterprise and national levels;
- trade union organizing and membership-building capacities, encompassing all workers;
- women's participation, voice and representation in leadership and decision-making within the MOHR, MEF and MTUC;
- ▶ the national dispute resolution system, in particular to increase the effectiveness of MOHR's conciliation function and adjudication under the Industrial Court; and
- ▶ the capacities of the National Wage Consultative Council to monitor the minimum wage and its impact.

Building on previous progress and lessons, ILO technical and capacity development support under this outcome will deliver the following outputs:

Output 1.3.1: Empowerment programme to increase MEF and MTUC capacity to contribute to national policy dialogue, particularly labour law reform.

Output 1.3.2: Increased profile on the part of and NLAC influence on the National Labour Advisory Committee. Output 1.3.3: Capacity-building programme in collective bargaining skills.

**Output 1.3.4:** Capacity-building programme in union organizing and membership building skills, covering Malaysian and migrant workers.

**Output 1.3.5:** Strengthened capacities of the National Wage Consultative Council and its members for monitoring the minimum wage and its impact.

### Indicators Targets

Number of relevant government policies and/or laws demonstrating the influence of MEF and MTUC policy inputs, particularly on industrial relations and labour law reform.

By 2020, at least three relevant government policies and/or laws demonstrate the influence of MEF and MTUC policy inputs on industrial relations and labour law reform, with attention to gender dimensions and implications.

Number of formal meetings of the National Labour Advisory Committee, with demonstrated active contributions by MEF and MTUC.

- National Labour Advisory Committee meets at least every six months on planned basis.
- ▶ DWCP Steering Committee established, meets at least six-monthly and reports to the NLAC on progress, priorities and plans.

Number of employer and union negotiators who have undertaken collective bargaining training.

▶ By 2020, at least 100 additional employers and union negotiators have undertaken collective bargaining training (at least 30 per cent of whom are women).

Percentage aggregate increase in membership among MTUC affiliates, disaggregated by national and migrant status By 2020, at least 5 per cent increase in aggregate membership

Percentage of the leadership and senior management of the MEF, MTUC and MOHR respectively who are women.

▶ By 2020, at least 30 per cent in each institution.

Number of (1) NWCC meetings involving all members per year and (2) number of NWCC training initiatives.

- ▶ By 2020, NWCC meets at least four times per year.
- ▶ By 2020, at least one technical training conducted for members of the NWCC.

#### Outcome 1.4: Labour dimensions of social security strengthened

This outcome links to 11MP thrusts 1 and 2; 11MP pillar II; SDG 1 (particularly target 1.3) and SDG 5 (particularly targets 5.1 and 5.4); ILO P&B outcome 3 (particularly indicators 3.1 and 3.3); and Bali Declaration para. 11.

Linked to the 11MP aims to extend social protection and increase income and employability for low-income households and disadvantaged groups, developing a comprehensive, dynamic and progressive social safety net is a key element of MOHR's 2016–20 mission. These commitments build on sustained efforts to strengthen social protection in recent years, for instance, by extending coverage to the self-employed and mandatory health insurance to migrant workers.

A significant step was taken on 26 October 2017, when the Employment Insurance System (EIS) Bill was passed by the Dewan Rakyat (lower house of Parliament). The Bill came into force on 1 January 2018 and provides for the establishment of an EIS managed by SOCSO to provide benefits and a re-employment placement programme for insured persons in the event of loss of employment. Recommended by the National Economic Council, the EIS draws on the experience of other ASEAN countries in the context of technological and other changes affecting labour market requirements.

Malaysia has also established foundations for the further development and expansion of social protection provisions and coverage through the establishment of a national multi-stakeholder Social Protection Council.

In recent years, ILO support for strengthening social protection has included a feasibility study on unemployment insurance (2012–14), as well as periodic actuarial valuations of the Social Security Fund, notably for the seventh, eighth, ninth and tenth such valuations (the latter in 2017).

Ensuring income security through the national wages system also fits under this broad outcome. The continued development of the minimum wage system and comprehensive monitoring are essential to ensuring that minimum wage adjustments both contribute to economic growth and protect the incomes of the most vulnerable workers. This requires complex analysis factoring in the effects of minimum wage levels on workers and employers (both public and private sector) as well the well-being of other members of society. Such analysis needs to take account of the minimum wage levels of other relevant countries, particularly within ASEAN, and the linkage between wage levels and productivity.

### Key social protection partnerships.

The following three key national partners underpin DWCP implementation in this area:

- ▶ Social Security Organization (SOCSO). SOCSO was established in 1971 under MOHR to administer two social security schemes, EII and the invalidity pension, under the Employees' Social Security Act 1969 (Act 4). SOCSO roles include planning reforms to current schemes; the administration of employer and employee registrations and contributions; and benefit processing and making payments to injured workers and their dependents. SOCSO also (1) provides vocational and physical rehabilitation benefits and promotes OSH awareness and employers and workers; and (2) assumes responsibility for the implementation of the EIS, formally adopted only recently.
  - SOCSO requested that the ILO undertake the tenth actuarial valuation that serves as one of such periodic valuations stipulated by law. Conducted in 2017, this valuation was intended to shape reform options and check the relevance of the reforms already proposed in the ninth actuarial valuation. Recommendations were reformulated to cater for better coverage and benefit adequacy and to secure long-term financial sustainability in line with the Social Security Act 1969. Specific ILO technical support has been further requested to expand social protection coverage for migrant workers and self-employed workers.
- ▶ Employee Provident Fund Board (EPF). EPF is governed by a board which includes four representatives from each of government, employers and employees respectively. A key focus in the current DWCP period has been the implementation of a memorandum of understanding (MOU) between the board and the International Training Centre of the ILO (ITC) in August 2017. The MOU sets out the following key areas of cooperation: (1) tailor-made training activities in the field of social protection policy for the EPF staff, policymakers and other relevant stakeholders in Malaysia; (2) tailor-made training activities at the EPF training for pension experts in Southeast Asian countries; and (3) participation by EPF staff in ITC open courses in Turin.
- The Employment Insurance Scheme (EIS). The Employment Insurance System Act 2017 was endorsed followed by the establishing an unemployment protection scheme. The primary objective of unemployment protection schemes is to guarantee income security in case of job loss or the lack of a job. In addition, unemployment protection measures are intended to facilitate return to employment and access to more decent and productive employment through employment promotion programmes, skills development and entrepreneurship support measures. The project proposed to facilitate and support the implementation of the Unemployment Insurance Act 2017 through the production of research, development of the capacities of EIS and other stakeholders, and the facilitation of a dialogue (tripartite workshops) on the most appropriate way to improve implementation of the Act.

### Assumptions underpinning the outcome:

(1) Strengthening social protection cover and effectiveness, as well as ensuring income security for workers through the effective functioning of the National Wage Consultative Council, are central to achievement of the SDGs, poverty reduction, the Decent Work Agenda and the 11MP; and (2) the priorities for Malaysian partners with respect to social protection in the period 2019–20 are to (a) build on previous and current ILO/Malaysian Government collaboration to strengthen the roles of SOCSO and the EPF, (b) support implementation of effective EII and EIS schemes, (c) support step-by-step extension of social protection coverage to include migrant workers and self-employed workers, and (d) strengthen income security for workers as a key measure in addressing poverty.

**Focus of DWCP engagement.** Building on previous progress and lessons, and in line with partner priorities for ILO support, technical and capacity development support under the DWCP will seek to deliver the following outputs, with active MEF and MTUC input:

Output 1.4.1: Effective EIS.

Output 1.4.2: EIS Act reviewed.

Output 1.4.3: EIS enhanced.

Output 1.4.4: Minimum wage level benchmarking report incorporated in the National Plan.

Output 1.4.5: Monitoring report implementation of C131.

#### **Indicators Targets** National EIS operational, reviewed and By 2020, the EIS operating effectively, including collecting contributions and making benefit payments, revised, with active engagement of MEF and MTUC. with active social partner engagement and due attention to gender dimensions. ▶ By 2020, a review conducted of the EIS Act (with engagement by employers' and workers' organizations) to identify areas for adjustment in light of experience. Number of findings and ▶ By 2020, at least three recommendations of the tenth recommendations of the tenth actuarial actuarial valuation and associated investment report valuation and associated investment adopted and implemented, with attention to gender report which are reflected in SOCSO dimensions and implications. plans for implementation of the EIS. Injury compensation extended to foreign By 2019, foreign workers have access to compensation workers. for workplace injuries in line with requirements of the ILO CEACR and international labour standards. Number of initiatives conducted with By 2020, at least three initiatives conducted, as follows: social partner input to strengthen the By 2020, national plan in place for implementation of capacity, knowledge and analytical base findings and recommendations of the review on the for decision-making on improvements impact of minimum wages. to the national minimum wage setting By 2020, ongoing bench-marking conducted of process. minimum wage levels with selected other countries in the region, with attention to gender dimensions and implications. ▶ By 2020, arrangements in place for regular gender-

► Country Programme Priority 2: Future of work – Strengthening national capacities to meet the needs of current and future of work

inclusive monitoring of implementation of C131.

The overall goal of the Eleventh Malaysia Plan is to achieve high-income national status by 2020. Key drivers in this respect are the following commitments laid out in the plan:

- Accelerate human capital development for an advanced nation, including improved labour productivity; the creation of more high-skilled job opportunities; the shift of TVET towards industry-led programmes; the certification of skills, including recognition of prior learning (RPL), and the creation of opportunities for the continuous enrichment and development of the workforce to ensure relevance in the changing economy.
- Re-engineer economic growth for greater prosperity, with all economic sectors migrating into more knowledge-intensive and high-value-added activities.

As noted previously, these drivers are underpinned by six strategic thrusts and six pillars (2018–20).

A key issue prioritized by all constituents is this context is "future of work in the Malaysian context." For example, the Strategic Plan of MOHR, 2016–20, makes reference to the expected "very significant" impact of the "Fourth Industrial Revolution" on labour markets and employment, including with respect to job creation and elimination (job displacement), increasing labour productivity and the ever-growing skills gaps. Specific manifestations of such developments include the impact of creative yet potentially disruptive technologies on production and the labour market (for example, 3D printing and automation technologies that have become widely available in major sectors such as automotive, electronics, garment and footwear).

Relatively limited research is currently available from an Asian perspective on the evolution of jobs and the workforce and related issues. The impact of climate change on business and workforce development and planning is a further key aspect of "future of work" considerations. Along with building business disaster resilience and preparedness, important issues for Malaysian employers and workers in this context include the development of green jobs, sustainable enterprises and the necessary related workforce skills and certification.

ILO engagement in furthering the above components of the Eleventh Malaysia Plan have targeted the technical and vocational skills elements. Technical and capacity development support provide for (1) the skills dimensions of a national "future of work" consultation; (2) developing the national knowledge and analytical base for policy development in this area; (3) the strengthening of stakeholder input to TVET development through a review of current gaps and capacities and training/consultation workshops; (4) promotion of wages/ skills linkages and RPL; and (5) improved labour market analysis with a focus until 2020 on monitoring the decent work components of the SDGs.

### Outcome 2.1: Increased knowledge and analytical base on future of work-related issues

This outcome links to 11MP thrusts 3 and 6; 11MP pillars I, IV and VI; SDG 1, SDG 4 (particularly targets 4.3, 4.4 and 4.5), SDG 5 (particularly target 5.1) and SDG 8 (particularly target 8.6); ILO P&B outcome 1 (particularly indicator 1.6) and outcome 4 (particularly indicator 4.2); UNSDG outcome area 2 and the Bali Declaration paras 18, 19, 21 and 22.

To understand and to respond effectively to the "future of work" challenges facing governments, employers' organizations and workers' organizations worldwide, ILO Director-General Guy Ryder launched a global Future of Work initiative linked to the centenary of the ILO. All ILO Member States were invited to undertake national future of work dialogues structured around four "centenary conversations:" work and society; decent jobs for all; the organization of work and production; and the governance of work.

#### **Assumptions:**

- Within this broader context, the skills-related outcomes, indicators and targets set out under this outcome were intended to contribute to the already active consideration by Malaysian constituents and other stakeholders of such issues, as well as to Malaysian preparations for upcoming global dialogue through the ILC and other relevant forums; and
- Malaysia was committed to the facilitation in 2019 of a national dialogue on the future of work (including the skills dimension).

**Focus of DWCP engagement.** Recognizing the broad and complex nature of future work policy, analysis and planning, the DWCP primarily focused on the skills development element. As indicated, central to planned ILO support in this context was the convening in 2019 of a national multi-stakeholder dialogue on the future of work, including focuses on the impact of technology advancement on jobs; future skills needs; responsible enterprise restructuring; and the role of skills development. As well as informing national policy development and planning, the findings of the dialogue were expected to contribute to broader national and global future of work deliberations.

To this end, key analytical products delivered under this outcome were expected to include the following:

- ▶ A future skills needs survey by employers. Employers' skills-needs surveys are conducted only occasionally, not on a regular basis. In preparing for the future of work, a future skills needs survey in collaboration with MEF will be conducted with ILO technical inputs in terms of design and analysis.
- ▶ A review of current gaps and capacities and training/consultation workshops. A review will be conducted with a view to significantly shifting the skills system in the following ways: (1) being demand-driven, incorporating skills as part of industry upgrading strategy for priority sectors; (2) increasing skills utilization in the workplace; and (3) exploring the implementation of a skills-based wage structure.
- ▶ A tracer study for low-skilled workers displaced as a result of automation, with a view to enhancing career prospects. Skills upgrading and reskilling of workers is critical for workers to remain employable in the same company or elsewhere. However, most reports suggest that enterprise restructuring currently does not afford opportunities for skills upgrading or reskilling to existing workers. The study new study will collect cases of workers who become redundant and trace their livelihoods after the lay-offs. This

data will enable analysis of automation's impacts on workers, as well as provide good practice examples of industry-level initiatives to mitigate negative impacts on jobs and promote skills training while introducing/upgrading technologies (for example semiconductor companies in Malacca.) The study will be conducted in collaboration with MTUC and ILMIA.

Linking closely to existing and already planned future of work initiatives in Malaysia, ILO technical and capacity development support under this outcome will contribute to the following outputs:

Output 2.1.1: National dialogue on the future of work in Malaysia.

Output 2.1.2: Survey of future skills needs of employers with the aim of expanding sustainable employment.

Output 2.1.3: Review of current gaps and capabilities for development of a demand-led skills system.

Output 2.1.4: Tracer study of low-skilled workers displaced as a result of technology advancement.

**Output 2.1.5:** Innovative, human-centred policy solutions developed to address future skills needs and lifelong learning systems.

### Indicators Targets

Number of national dialogue and cooperative initiatives between national constituents on future of work in Malaysia, with special attention to SMEs, gender considerations and inclusion of all relevant groups.

▶ By 2019, one national dialogue involving MOHR, MEF and MTUC convened on future of work in Malaysia, with industries and sectors (including services, manufacturing and SMEs) selected for participation based on the number of workers in each case.

Increased analytical and knowledge base for policy formulation and implementation with respect to the future of work in Malaysia. ▶ By 2019, at least two of the following analytical products produced and used to inform national dialogue and corporate initiatives on the future of work: (1) future skills needs of employers and employees, including SMEs; (2) a review of current gaps and capabilities for a demand-led skills development system; and (3) a tracer study of low-skilled workers displaced as result of technology advancement, with attention to gender dimensions and implications.

### Outcome 2.2: Inclusive skills development, recognition and certification

This outcome links to 11MP thrusts 3 and 6; 11MP pillars I, IV and VI; SDG 1, SDG 4 (particularly targets 4.3, 4.4 and 4.5), SDG 5 (particularly target 5.1) and SDG 8 (particularly target 8.6); ILO P&B outcome 1 (particularly indicator 1.6) and outcome 4 (particularly indicator 4.2); UNSDGF outcome area 2; and the Bali Declaration paras 18, 19, 21 and 22.

Since 2012, Malaysia has progressively strengthened its national policies and systems for the development and approval of National Occupational Skills Standard (NOSS), as well as technical and vocational skills training provision and certification. Core to the approach are the ISC and the IWG, which covers ten industries in the current (1st) phase. The role of the IWG is to make recommendations to the ISC on policies, strategies and actions related to skills development in the prioritized industries. A further influential institution within the national TVET system is the Universiti Tun Hussein Onn Malaysia (UTHM) Centre of Excellence for TVET (COETVET).

#### **Assumptions:**

Industry upgrading and skills strategy for priority sectors.

Key elements in realizing the shift of TVET towards industry-led programmes, as prioritized in the Eleventh Malaysia Plan, are the reinforcing of skills development as an integral part of industry upgrading; identifying future skills needs where industry can assist; developing career progression pathways based on required skills and qualifications; and linking skills certification with wage levels.

While Malaysia has considerable experience in promoting skills development, the engagement of employer and worker interest remains largely reactive, as opposed to proactively driving the direction and implementation of the TVET programmes. Of critical importance in this context is the development of employment policies and capacities that provide a broader landscape for TVET development as a strategic element in achieving employment objectives.

RPL, that is, certification of non-formally acquired skills and competencies.

Employers' and workers' interests converge in this area, with MOHR also prioritizing this area as part of the regular government programme. MEF and MTUC support RPL, since many employees lack official certification of skills acquired informally on the job. Certification provides formal recognition of skills, enabling workers to embark on further training to acquire higher levels of skills certification as well as to enhance their employability and job mobility. In addition, such certification better informs employers and investors regarding the availability of skilled workers within particular industries and sectors.

**Focus of DWCP engagement.** Under this outcome, national constituents have thus prioritized the above two areas for ILO support. ILO technical and capacity development support will aim to enhance the following capacities:

- the requisite MEF and MTUC capacities, as well as key sectoral bodies, to contribute to TVET prioritization and development, particularly with respect to supporting the creation of increased high-skilled job opportunities as well as knowledge-intensive and high-value-added business activities; and
- relevant MOHR, MEF and MTUC capacities to strengthen the availability of, and access to, RPL certification.

Special priority will be extended to ensuring that SMEs, women's and disadvantaged group's perspectives, realities and experience are fully taken into account and reflected in all initiatives under this outcome.

Building on progress to date and existing capacities, the following outputs will be delivered under this outcome:

Output 2.2.1: Sector-based stakeholder forums on development of industry upgrading and skills strategy for priority sectors.

Output 2.2.3: Promotion of wages/skills linkage for industry upgrading and skills strategy.

Output 2.2.4: Report on current status of RPL and priorities for further implementation, including follow-up strategy.

Output 2.2.5: Human Resources Development Fund (HRDF) Act 2001 review to facilitate employers' access to HRDF-funded programmes.

Indicators	Targets
Number of companies conducting the pilot project on the wages/skills linkage which have engaged in a dialogue on moving towards a skills-based wage system.	<ul> <li>By 2019, at least ten companies nationwide – automotive, construction, manufacturing (for example aviation), healthcare, retail, hospitality, telco, and employment services – have developed plans to link skills with wage levels.</li> <li>By 2020, multi-stakeholder training/consultation forum held on engagement by employers'/ workers' organizations and sectoral bodies in TVET.</li> </ul>
Percentage increase in number of workers who have accessed RPL certification.	<ul> <li>By 2020, at least 5 per cent increase in number of workers who have accessed RPL certification.</li> <li>By 2019, review conducted on current status of RPL and priorities for further development, with attention to gender dimensions and implications.</li> <li>By 2019, stakeholder's consultation held on RPL systems and capacities to benefit rakyat (the common people, the citizenry) and the country.</li> </ul>
Recommendations on HRDF Act reported and published	By 2020, report and recommendations of the review of HRDF act incorporated and published.

### Outcome 2.3: National capacities strengthened for labour market analysis

This outcome links to the decent work aspects of each 11MP thrust and pillar; and to SDG goal 1 (targets 1.1, 1.3, and 1.a), goal 4 (target 4.3), goal 5 (target 5.5), goal 8 (targets 8.2, 8.3, 8.5–8.8, and 8.b), goal 10 (targets 10.4 and 10.7), goal 14 (target 14.c), and goal 16 (target 16.10); UNSDGF outcome area 1.

Effective labour market information (LMI) and analysis are critical elements of national future of work policy and planning, among other things informing employment services and the prioritization of skills development programmes. Integrally linked to labour market analysis in the contemporary world are the decent work components of the SDGs, particularly the Global Indicator Framework adopted in July 2017 by the UN General Assembly. As of December 2017, 18 of these SDG indicators had been assigned to the ILO as a custodial agency, or jointly with other international agencies (see attached list in annex 4). In the period until 2020, DWCP was to focus on this particular aspect of labour market analysis.

**Assumptions.** Ensuring credible and comprehensive measurement of progress in achievement of decent work-related SDG indicators and targets is critical to (1) the overall long-term strengthening of labour market analysis in Malaysia; (2) informing relevant policy, legislative and regulatory, programme and budgetary development; and (3) strengthening synergies (among other things, in reporting) between the implementation of both the Decent Work Agenda and the SDGs.

Focus of ILO engagement. Under this outcome, the ILO will provide technical and capacity development support to the Malaysian Institute of Labour Market Information and Analysis (ILMIA) as well as national constituents to strengthen data collection, analysis and reporting systems, skills and procedures for monitoring of SDG 8 and other decent work SDG targets. There follows the key output in this respect.

Output 2.3.1: Capacity development programme to strengthen the following measures:

- labour market analysis;
- skills matching (based on industry demand); and
- reporting, including to the ILO and UN SDG system, on relevant international obligations.

#### **Indicators Targets** Number of initiatives By 2020, at least three initiatives launched: to increase national ▶ By 2019, confirmation of the quantity of data that Malaysia wants capacities to monitor to collect related to indicators of SDG 8 and other decent work implementation of SDG components of the SDGs. 8 and other SDG decent ▶ By 2019, at least one ILO technical advice mission conducted to work components. Malaysia on SDG 8 or other SDG decent work data collection, analysis and reporting, with engagement of national constituents in collaboration with academia and other relevant agencies. By 2019, at least one initiative to strengthen the capacity of Malaysian constituents to collect, monitor, analyse and report on implementation of SDG 8 and other decent work components of the SDGs, with attention to gender dimensions and implications. Number of SDG decent-By 2020, the following two initiatives, at least: work-related indicators ▶ By 2019, at least half of the SDG decent work indicators under ILO reported on within the custodianship collected by Malaysia and included in national SDG national SDG monitoring monitoring reports. framework. By 2019, all Tier I and Tier II SDGs decent work indicators produced by Malaysia and included in annual SDG monitoring reports.

# ► Country Programme Priority 3: Labour migration – Strengthening labour migration governance

Despite relatively high population growth and long-term policy commitments to reduce national dependence on foreign workers to 15 per cent of total employment,<sup>31</sup> Malaysia – as a result of its rapidly expanding economy, increasing urbanization, and relatively low rate of labour force participation among women – continues to experience a strong demand for foreign labour. Hence legislative, policy, institutional and service delivery matters related to international labour migration remain a priority in ILO/Malaysia cooperation, and represent a central DWCP priority area.

ILO labour migration programming in Malaysia builds on the Bali Declaration which, with reference to relevant international labour standards, identifies the following priorities for national policy and action enhancing labour migration policies:

- recognize the labour market needs of all;
- base relevant measures on the general principles and operational guidelines on fair recruitment (2016);
- provide adequate protection to all migrant workers, including better portability of skills and social security benefits;
- take into account the ILO Multilateral Framework on Labour Migration (2005); and
- redress employer-worker relationships that impede workers' freedom of movement, including their right to terminate employment or change employers within the constraints of any contractual obligations that may apply.

MOHR, MEF and MTUC serve as the key national partners for DWCP engagement on labour migration. Engagement is supported by partnerships with the Malaysian Human Rights Commission

(SUHAKAM), MAPO, and relevant civil society organizations. Collaboration with MOHA and other relevant ministries has been further prioritized to support their engagement with ILO frameworks such as those regarding fair recruitment, forced labour and women migrant workers.

The following programmes and projects provide key platforms for DWCP engagement on labour migration within Malaysia in the period until 2020: (1) the TRIANGLE in ASEAN programme funded by the Governments of Australia and Canada, which includes the establishment of Migrant Worker Resource Centres (MRCs) in selected locations; (2) the Migrant Workers Empowerment and Advocacy (MWEA) project funded by the US DOL; (3) the "Protecting the rights of migrant domestic workers and plantation workers through improved labour migration governance" project, funded by the US Department of State (USDOS); and (4) the "Safe & Fair: Realizing women migrant workers' rights and opportunities in the ASEAN region" programme, funded by the EU. For more information regarding these projects, refer to annex 2.

Selected target sites for labour migration interventions include Kuala Lumpur and Selangor, Penang and Johor Bahru. Efforts were to be made to expand education outreach and direct service provision to migrant workers in other geographic areas. Manufacturing, construction and domestic work were selected as priority sectors for engagement at an ILO tripartite meeting for the Greater Mekong Sub-region (GMS) and Malaysia in April 2016. Interventions under the DWCP were also to be extended to benefit women and men foreign workers in the plantation sector.

#### ILO technical and capacity development support

Building on previous engagement in this area, ILO technical and capacity development support for the period until 2020 will focus on achievement of outcomes in the following areas: (1) improved gender-inclusive laws, policies and mobility frameworks developed and implemented to better govern labour migration in line with ILO standards, ASEAN instruments and the ILO Multilateral Framework; (2) increased capacity on the part of the Government and the social partners to implement gender-inclusive laws, policies and mobility frameworks, and to provide assistance to foreign workers; and (3) improved availability of support services for foreign workers, including access to justice and information services through social partners. Efforts to raise public awareness on labour migration and related rights were to be a key aspect of the latter.

Specific interventions under these projects, in collaboration with national constituents, include the following: (1) technical support for policy, governance framework and regulatory development; (2) strategic research as a basis for strengthening the knowledge base for policy development; (3) targeted technical and institutional capacity development support, including for the MRCs; (4) facilitation of social dialogue and tripartite cooperation; (5) support for the enforcement of relevant laws through the training of labour officers on the labour dimensions of trafficking; (6) providing employers with practical guidance on managing their foreign workforce; (7) promoting good practices in recruitment and employment of foreign workers; (8) strengthening the capacities of trade unions to protect foreign worker rights and interests; and (9) initiatives to increase public awareness on labour migration and foreign worker rights.

Outcome 3.1: Implementation of labour migration governance strengthened in line with the ILO Multilateral Framework and standards and ASEAN instruments.

This outcome links to 11MP thrusts 1 and 2; 11MP pillar IV; SDG 1, SDG 5 (particularly targets 5.1 and 5.2), SDG 8 (particularly targets 8.7 and 8.8), and SDG 10 (particularly target 10.7); UNSDGF outcome area 2; and ILO P&B outcome 9 (particularly indicator 9.1).

Supported by MWEA, TRIANGLE, LMG and SAFE and FAIR projects (summarized in priority 3 introductory section and annex 2).

**Assumption.** An effective legal, policy and mobility architecture, underpinned by the necessary resourcing and institutional and technical capacities, is a critical element in (1) maximizing the labour migration benefits for achieving 11MP, and (2) protecting the interests and rights of foreign workers.

**Focus of ILO engagement.** Building on previous progress and lessons, ILO technical support under this outcome will contribute to the following outputs:

Output 3.1.1: Laws and policies in line with international standards and good practices.

Output 3.1.2: Expanded knowledge base for development of labour migration governance frameworks, policies and programmes, including on eliminating forced labour (both foreign workers in Malaysia and Malaysians working abroad) and ending violence against women foreign workers.

Output 3.1.3: Improved standard employment contracts, beginning with domestic and plantation workers.

#### **Indicators Targets** ▶ By 2020, at least three features of labour laws, Number of specific features of labour laws, MOUs, policies and legislation adopted MOUs and other policies and legislation assessed and amended that are in line with relevant as both representing a significant ILO contribution Conventions and ASEAN instruments, and and effectively reflecting gender considerations. that reflect gender considerations. Number of gender-inclusive strategic ▶ By 2020, at least two gender-inclusive strategic research initiatives undertaken to increase the research initiatives undertaken, with potential knowledge base for policy and programme focus on violence against women migrants, development on labour migration. migration costs and SDG targets. Number of improved standard employment By 2020, at least one improved standard contracts adopted. employment contract adopted for domestic workers and for plantation workers. By 2020, at least one gender-inclusive issue paper Number of issue papers developed to strengthen knowledge and analytical base for developed and discussed with stakeholders on policy and programme formulation related to prevention of forced labour; protection of forced forced labour and labour migration. labour victims; and access to legal remedies and

other services by forced labour victims.

#### Outcome 3.2: Increased capacity to improve implementation of labour migration governance.

This outcome links to 11MP thrusts 1 and 2; 11MP pillar IV; SDG 1, SDG 5 (particularly targets 5.1 and 5.2), SDG 8 (particularly targets 8.5 and 8.8), and SDG 10 (particularly target 10.7); UNSDGF outcome area 2; and ILO P&B outcome 9 (particularly indicator 9.1).

Supported by MWEA, TRIANGLE, LMG and SAFE and FAIR projects (summarized in priority 3 introductory section and annex 2).

**Assumption.** The effectiveness of labour migration governance implementation will be enhanced by greater knowledge and understanding of the key issues to be addressed and the policy options available, as well as by the increased relevant capacities of all key stakeholders.

**Focus of DWCP engagement.** ILO technical and capacity development support under this outcome will contribute to the following outputs:

Output 3.2.1: Research conducted on the recruitment, employment and working conditions of foreign workers in selected sectors.

Output 3.2.2: Dialogue/seminars conducted on issues of foreign workers with tripartite involvement. Output 3.2.3: Capacity-building programmes delivered towards the following goals:

- provide services to foreign workers and increase opportunities to organize; and
- mainstream gender-inclusive approaches.

Output 3.2.4: Disseminate guidelines on improving recruitment agency practices.

Indicators	Targets
Number of initiatives to increase knowledge base regarding recruitment, employment and working conditions in selected sectors.	By 2020, at least one sectoral study conducted.
Number of expert group meetings and consultations conducted.	By 2020, two expert group meetings conducted with tripartite engagement.
Number of capacity-building workshops conducted related to protection of women migrant workers, including organizing, networking and gender mainstreaming.	By 2020, two capacity-building workshops conducted.
Number of guidelines developed for private employment agencies.	By 2020, at least one set of guidelines for private employment agencies developed.

### Outcome 3.3: Increased access to and enhancement of support services for migrant workers.

This outcome links to 11MP thrusts 1 and 2; 11MP pillar IV; SDG 1, SDG 5 (particularly targets 5.1 and 5.2), SDG 8 (particularly targets 8.7 and 8.8), and SDG 10 (particularly target 10.7); and ILO P&B outcome 9 (particularly indicator 9.1).

Supported by MWEA, TRIANGLE, LMG and SAFE and FAIR projects (summarized in priority 3 introductory section and annex 2).

**Assumptions:** (1) The availability of quality services still falls short of need in many areas; (2) increased public awareness assists with outreach to target communities and creates a supportive climate for delivery of services; (3) women migrant workers experience additional discrimination and challenges, including trafficking and violence; (4) the MTUC has a key role to play in delivering support services to women and men migrant workers through Migrant Worker Resource Centres (MRCs) it is managing, as well as through its own membership services; and (5) the MEF has a key role to play through awareness-raising and dissemination of relevant information through its membership.

**Focus of ILO engagement.** The ILO will support the MTUC and MEF to increase relevant capacities to raise awareness and provide services for women and men migrant workers, and will continue support to MRCs managed since 2012 by Tenaganita and the MTUC. New partnerships will be formed to further improve access to information and support services to women and men migrant workers. The ILO will also continue the "Migration Works" awareness campaign to promote engagement, positive interaction and understanding between the Malaysian general public, especially youth, and migrant workers.

In this context, ILO technical and capacity development support under the DWCP will contribute to the following outputs:

Output 3.3.1: Improved access to reliable and relevant information and integrated support services on labour migration for foreign workers.

Output 3.3.2: Awareness-raising programmes among Malaysian youth, employers, recruiters and duty bearers regarding the contributions of foreign workers.

Output 3.3.3: Resolution of disputes between foreign workers and employers through mediation services provided by MRCs, MEF and MTUC and government mechanisms.

Output 3.3.4: Awareness-raising on safe migration for Malaysians potentially working abroad.

Indicators	Targets
Percentage of complaint cases filed by foreign workers that are resolved.	By 2020, 75 per cent of foreign worker complaint cases resolved.
Percentage of reported forced-labour cases involving foreign workers investigated and/or prosecuted.	▶ By 2020, at least 50 per cent of forced labour cases involving foreign workers that are reported to MOHR (JTK) investigated and/or prosecuted.
Number of persons reached through awareness-raising campaigns by stakeholders.	▶ By 2020, at least 50,000 persons reached through awareness-raising campaigns.
Percentage of formally recorded disputes between employers and foreign workers that are resolved.	By 2020, at least 75 per cent of all recorded industrial disputes resolved.
Number of awareness-raising programmes for Malaysian seeking employment abroad	By 2020, at least 12 awareness-raising programmes conducted annually.

# Cross-cutting policy and programme drivers

In line with ILO commitments under its 2019–20 P&B, the following cross-cutting policy drivers are being mainstreamed and elaborated across the preceding four priorities and associated outcomes, indicators and targets. These will underpin DWCP and project design, implementation, monitoring and evaluation in the following areas:

- international labour standards and social dialogue;
- gender equality and non-discrimination; and
- a just transition to environmental sustainability.

In addition, the following key approaches underpin DWCP delivery:

- institutional and technical capacity development at all levels; and
- development of effective partnerships between (1) the ILO and national constituents; (2) the constituents themselves; and (3) the ILO and other international partners, including within the context of the UNSDGF.

## **DWCP** oversight and management

A gender-balanced tripartite steering committee (TSC) comprising representatives of the MOHR, MEF and MTUC will provide oversight and coordination for the monitoring, review and implementation of the DWCP. The terms of reference for the steering committee are set out in annex 3, below. The TSC will report periodically to the National Labour Advisory Committee. Three tripartite Technical Working Groups (TWGs) will be set up under the auspices of the TSC. Each will align with one DWCP priority to review and determine the suitability of proposed projects and activities under the DWCP; oversee the implementation of outcomes, outputs and targets; monitor implementation; and report for evaluation purposes.

The Steering Committee will meet at least every six months, with one meeting each year designated for a comprehensive review of DWCP progress, resourcing, lessons, challenges and priorities for the coming year. The annual DWCP progress report will be submitted to the National Labour Advisory Committee (NLAC) for discussion.

Technical and advisory support for DWCP implementation will be provided by the ILO Decent Work Technical Support Team (DWT) for East and South-East Asia and the Pacific, the ILO Regional Office for Asia and the Pacific, and ILO headquarters in Geneva.

The ILO will cooperate with other key stakeholders in the country as relevant, including UN programmes, funds and agencies under the UNSDGF. Such cooperation will be based on a shared commitment to support Malaysia's national development priorities and mutual respect for the respective mandates, expertise and resources of each partner.

### Monitoring, reporting and evaluation

At a time to be decided in consultation with the steering committee, DWCP implementation will be comprehensively reviewed towards the end of its duration. The first such review will provide findings, lessons and recommendations for the design of the 2021–25 programme. This will be linked to Malaysia's own reporting processes under the Eleventh Malaysia Plan and the SDGs, particularly for SDG 8.

Development cooperation project evaluations under the DWCP will be conducted in line with the requirements of the respective project documents. Their findings and recommendations will be considered by the steering committee and the Technical Working Groups, informing their input on DWCP implementation, including with respect to adjustments as necessary at output, indicator and target levels.

# **Resourcing DWCP implementation**

Malaysia is a high-middle-income country. Accordingly, a key element of the resource mobilization strategy adopted has been an approach that combines funds provided by development cooperation projects funded by (1) international development partners, and (2) use of Direct Trust Fund agreements under which the Government provides funds for technical and capacity development cooperation.

Six development cooperation projects were in place as of January 2019 (see annex 2, below). National constituents have been involved in all aspects of project design, implementation, monitoring and evaluation of these projects.

The ILO will work in close collaboration with the steering committee to identify and meet future resourcing needs as necessary. Such efforts will include the following:

- > strengthened ILO collaboration with other international development partners active in DWCP priority areas to (1) enhance long-term joint planning based on shared priorities; (2) maximize the efficient use of available resources; (3) deepen relations with potential donors; and (4) augment programme impact.
- reinforced linkages between the various DWCP components to improve internal programme synergies and efficiencies.

# **Advocacy and communications**

Evidence-based advocacy for decent work is an important DWCP component. Informed by relevant research, other country experience and the findings of programme reviews and evaluations, such advocacy is conducted jointly and individually by the ILO and national constituents.

An advocacy and communication strategy and plan was developed jointly with the national constituents and development cooperation project partners in the first six months of the DWCP.

Key advocacy and communication messages include the following focuses:

- ▶ the critical contribution of international labour Conventions and the decent work components of the SDGs (especially SDG 8) to promote inclusive and sustainable development; and
- success stories emerging from initiatives under the DWCP and their contribution to achieving Malaysia's national development agenda.

The ILO and the national constituents will draw upon the above messages to develop targeted materials and approaches for resource mobilization purposes. To supplement these efforts, the ILO Regional Office for Asia and the Pacific maintains a website that provides information, including media statements, on ILO initiatives in Malaysia.

## **Assumptions and risks**

Given, among other things, the prospect of low prices for crude oil and other major commodities, and the risk of a slowdown in the economies of major trading partners, the next five years are expected to prove challenging, with continued uncertainties in the global economy. On the domestic front, anticipated key issues include the need to boost productivity to drive sustainable and inclusive economic growth while strengthening the country's fiscal position to support continued economic expansion; the growth of decent and productive jobs; strengthened and expanded social protection; and provision of high-quality public services.

In this context, key assumptions underpinning the DWCP include the continuation of current broad political and economic directions, underpinned by Malaysia's commitment to realizing the SDGs and the ongoing strengthening of tripartite cooperation and social dialogue.

Achieving DWCP outcomes will also depend on the availability of the necessary financial and human resources from Malaysian, ILO and international donor sources. This includes timely ILO delivery of technical support and efficient fund transfers. Accordingly, the DWCP results framework takes account of both the availability of resources and potential risks that might need to be addressed during programme implementation. As noted previously, the ILO, in close collaboration with the steering committee, will monitor the resourcing requirements for DWCP implementation and identify alternative sources of funding and strategies to pursue these as necessary.

A more detailed description of assumptions and risks is set out in annex 1.



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# **Annexes**

# Annex 1: DWCP results framework (Malaysia/ILO Country Programme 2019-20)

### Priority 1: Right at work – Protecting and promoting rights at work

CP Outcome 1.1: Labour legislation strengthened to ensure compliance with international labour standards

Means of verification	Partners	Integrated resource requirements	
<ul> <li>Reports on implementation of ILO development cooperation project: Labour Law and IR Reform in Malaysia, 2016–20.</li> <li>NORMLEX. ILO Information System on International Labour Standards.</li> </ul>	MOHR MEF MTUC	Estimated to be available (US\$) US Department of Labor (US\$1.55 million)	To be mobilized (US\$)
▶ ILO CEACR reports.			

Links to Eleventh Malaysia Plan (2016–20)	Links to UNSPF	Links to SDGs		Links to ILO P&B outcomes		
<b>Strategic Thrusts:</b> Enhancing inclusiveness towards an equitable society.	Outcome area 3: Good governance	<b>Goal 1</b> : End poverty, reduce inequality. <b>Goal 5</b> : Achieve gender equality, empower		Outcome 2: Ratification and application of international labour standards, particularly		
Improving well-being for all.	and inclusive	women and girls.		indicators 2.1, 2.2 and 2.3.		
Pillar IV: Empowering human capital.	Institutions, and human rights for all.	(anal X. Promote tilli and		<b>Outcome 7</b> : Promoting workplace compliance through labour inspection.		
Indicator 1.1.1: Number of gender-inclusive labour laws, regulations or other legal instruments adopted or revised though tripartite social dialogue in compliance with ILS and international good practice.	Baselines: A number remain to be impleme related to FOA and co forced labour, child la employment discrimin	ented in areas llective bargaining, bour, and	regulations or other le	at least three gender-inclusive labour laws, gal instruments adopted or revised in compliance nal best practice, with active input by the social		

Indicator 1.1.2: Number of initiatives to strengthen impartial and transparent	<b>Baselines:</b> MORH capacities in relevant areas assessed by ministry and ILO as	<b>Target 1.1.2:</b> By 2020, at least the following five initiatives completed to strengthen enforcement of labour laws and regulations:  By 2019:				
enforcement of labour laws and regulations in line with international labour standards	requiring improvement.					
and fundamental principles and rights at		Endorsement of national OSH policy obtained.				
work (FPRW)		By 2020:				
		<ul> <li>establishment of annual tripartite consultation on contents of the annual labour inspection report;</li> <li>production of guidelines and tools for labour inspection;</li> <li>development of new tools and processes in the areas of OSH and working conditions; and</li> <li>OSH "Beyond 2020" master plan developed.</li> </ul>				
<b>Indicator 1.1.3:</b> Number of initiatives to increase the knowledge of workers and employers on ILS, and new or revised labour laws, regulations or other legal instruments.	<b>Baseline:</b> No baseline available on current knowledge levels of existing labour laws, degrees, regulations or other legal instruments. To be established as part of project implementation.	<b>Target 1.1.3:</b> By 2020, at least one initiative per year to increase social partner knowledge regarding ILS and new or revised labour laws, regulations or other legal instruments.				
Indicator 1.1.4: Number of initiatives to	Baseline: MORH and other stakeholder	<b>Target 1.1.4:</b> By 2019, at least one initiative completed:				
increase the knowledge and analytical base for national decision-making to strengthen Malaysia's dispute resolution and labour adjudication system.	knowledge and analytical bases assessed as requiring improvement by project design process.	By 2019, written assessment of Malaysia's dispute resolution and labour adjudication system (including the Industrial Court) and the measures an support required for reform.				
Indicator 1.1.5: Number of initiatives to address issues raised by the CEACR with	Baselines: A number of CEACR findings remain to be implemented in areas	<b>Target 1.1.5 (a):</b> At least three initiatives taken with ILO support to address issues raised by the CEACR with respect to ratified ILO Conventions.				
respect to ratified ILO Conventions.	related to freedom of association and collective bargaining, forced labour, child labour, and employment discrimination.	<b>Target 1.1.5 (b):</b> All reports requested by the ILO supervisory bodies, pursuant to articles 19 and 22 of the ILO Constitution, are submitted by 2020, with due attention to any outstanding comments of the CEACR with				

respect to ratified Conventions, taken into consideration as appropriate.

### CP Outcome 1.2: Forced and child labour eradicated

Means of verification	eans of verification					Integrat	ted resource requireme	ents	
to Practice: A Bridge to Glob Component).	es on implementation of ILO development cooperation project: "From Protocol etice: A Bridge to Global Action on Forced Labour" (The BRIDGE Project: Malaysia onent). reports on implementation and enforcement.				MOHR MEF MTUC		ed to be available (US\$) US\$ 1,441,245.78)	To be mobilize (US\$)	
Links to Eleventh Malaysia Pla	n (2016–20)	Links to UNSPF	Links to S	DGs			Links to ILO P&B out	comes	
Strategic Thrusts: Enhancing in towards and equitable society. Improving well-being for all. Pillar IV: Empowering human ca		governance and inclusive institutions; and human won rights for all.		End poverty, reduce inequality.  Achieve gender equality, empower on and girls.  Promote full and productive yment and decent work for all.			Outcome 2: Ratification and application of international labour standards, particularly indicators 2.1, 2.2 and 2.3.  Outcome 7: Promoting workplace compliance through labour inspection		
Indicator 1.2.1: Number of initiatives to increase the knowledge of government officials, MEF and MTUC of the content and application of C029, P029, C138 and C182.		rs of the Child (CRC), ILO C029, C138 and kr			lge of governi	ment officia	ree initiatives taken to inc ils, MEF and MTUC regan 38 and C182.		
<b>Indicator 1.2.2:</b> Agreement in principle by the Government of Malaysia to ratify ILO P029 and its Recommendations.		O P029 and associated recommendations ed by Malaysia.					t in principle by the Gove d its Recommendations រ		

Indicator 1.2.3: Number of national policies, laws, action plans and related initiatives on child labour and forced labour reviewed, amended, developed and/or operationalized, with attention to gender dimensions and implications.

**Baselines:** In 2007, the Malaysian Government adopted the Anti-Trafficking in Persons Act, revised in 2010 to empower labour officers to enforce the Act.

National Action Plan on Trafficking in Persons (2010–15) adopted.

MOHR has established an anti-trafficking unit and has requested support for the capacity of its officers.

The DOL conducted 41,452 workplace inspections in 2012 and 15,370 inspections in the first nine months of 2013, to check for forced or compulsory labour practices. No forced or compulsory labour practices were recorded.

**Target 1.2.3:** By 2020, at least six policies, laws, action plans and other initiatives related to the following completed:

- ▶ By 2020, gender-inclusive review of national policies, legislation and action plans conducted in consultation with tripartite constituents.
- ▶ By 2020, the Children and Young Persons Act amended to align with international standards and the Hazardous Work List for Children, with input from social partners and other stakeholders.
- ▶ By 2020, at least two gender-inclusive amendments adopted by the Government to other national policies, legislation and action plans in line with the recommendations of C029, P029, C138 and C182.
- ▶ By 2020, a National Action Plan (NAP) on forced labour operationalized and resources allocated for its implementation.
- ▶ By 2020, measures adopted to increase the quality and reliability of gender-inclusive data collected on forced and child labour.

Indicator 1.2.4: Number of policy and planning documents from relevant workers' and employers' organizations containing gender-inclusive measures to reduce forced labour and child labour.

Baseline: To be provided by social partners.

**Target 1.2.4:** By 2020, at least four policy and planning documents produced in pursuit of the following goals:

- ▶ By 2020, gender-inclusive forced and child labour mitigation measures included in all relevant employers' and workers' organization policy and plans.
- ▶ By 2019, at least three technical support initiatives completed in collaboration with ITUC to strengthen union capacity and knowledge base to (1) promote ratification of ILO Forced Labour Protocol and (2) eliminate forced labour from supply chains in Malaysia.

Indicator 1.2.5: Number of capacity-building programmes institutionalized for MAPO, its Special Committee on Labour Exploitation, the Special Enforcement Task Force, and prosecutors.

**Baseline:** Starting from zero base.

**Target 1.2.5:** By 2020, at least three capacity-building programmes institutionalized in pursuit of the following goals:

By 2020, MOHR, MOHA and the Judicial and Legal Training Institute have institutionalized at least three training modules on forced labour, with attention to gender dimensions and involvement of the MEF and the MTUC.

# CP Outcome 1.3: Harmonious industrial relations in place

Means of verification					Partners	Integrated resource requireme	ents
<ul> <li>ILO, MEF and MTUC reports on capacity development collaboration.</li> <li>MEF and MTUC reporting on gender composition of management and governance.</li> </ul>				MOHR MEF MTUC		Estimated to be available (US\$)	To be mobilized (US\$)
Links to Eleventh Malaysia Plan (2016–20)	Links to	UNSPF	Links to SD	Gs	Link	cs to ILO P&B outcomes	
Strategic Thrusts: Enhancing inclusiveness towards an equitable society. Improving well-being for all. Pillar IV: Empowering human capital.	governa	ne area 3: Good nce and inclusive ons; and human or all.			labo <b>Out</b>	come 2: Ratification and application our standards, particularly indicators come 7: Promoting workplace compour inspection.	2.1, 2.2 and 2.3.
Indicator 1.3.1: Number of relevant governme policies and/or laws demonstrating the influen-MEF and MTUC policy inputs, particularly on increlations and labour law reform.	ce of	<b>Baseline:</b> Starting base.	from zero	laws der	monstrate the and labour la	at least three relevant government p influence of MEF and MTUC policy in aw reform, with attention to gender d	puts on industrial
<b>Indicator 1.3.2</b> Number of formal meetings of the National Labour Advisory Committee, with demonstrated active contributions by MEF and		Baselines: NLAC r in 2018. DWCP ste committee establi 2019.	ering	every six	c months. I <b>.3.2 (b):</b> DWCI	nal Labour Advisory Committee regu P Steering Committee established, m ss on progress, priorities and plans to	eets at least every
<b>Indicator 1.3.3:</b> Number of employer and union negotiators who have undertaken collective bargaining training.		<b>Baseline:</b> Starting base.	ting from zero <b>Target 1.3.3:</b> By 2020, at least 100 additional employer have undertaken collective bargaining training (at leas are women).				
<b>Indicator 1.3.4:</b> Percentage of the MEF and MT leadership and senior management who are w		Baseline: To be proposed in the proposed in th		_	•	at least 30 per cent of leadership and nen in each institution.	d senior
<b>Indicator 1.3.5:</b> Number of (1) NWCC meetings involving all members per year and number of NWCC training initiatives.		Baseline: In 2018, met four times. No initiatives were co	o training			NWCC meets at least four times per gechnical training conducted for mem	

### CP Outcome 1.4: Labour dimensions of social security strengthened.

Means of verification		Partne	ers			Integrated resource require		
<ul> <li>Tenth actuarial evaluation report.</li> <li>Report to Tripartite SOCSO Board</li> <li>Report on decisions made.</li> </ul>	on recommendations.	SOCSC MOHR DOL		Central Bank of Ma MEF MTC		Estimated to available (US		To be mobilized (US\$)
Links to Eleventh Malaysia Plan (2016–20)	Links to UNSPF	L	inks to SDGs				Links to outcom	ILO P&B es
Strategic Thrusts: Enhancing inclusiveness towards an equitable society.  Improving well-being for all.  Pillar II: Enhancing inclusive development and well-being.	Outcome area 2: Enhanced inclusivity and improved well being for all towards LNOB at the empowerment of wome and girls.	ll- – and a en si	implement n nd measures ubstantial co <b>ioal 5:</b> Achiev	overty, reduce inequali lationally appropriate s for all, including floor verage of the poor and e gender equality, em ce inequality within an	social protection s s, and by 2030 acl l the vulnerable. power women an	systems a nieve p d girls.	and exte	ne 3: Creating ending social on floors, arly Indicators 3.
Indicator 1.4.1: National employment insurance system operational, reviewed and revised, with active engagement of MEF and MTUC.	<b>Baseline:</b> EIS adopted by the Dewan Rakyat on 26 Octobe 2017, with SOCSO responsib for implementation.	er e		By 2020, a review cond d workers' organizatio				
Indicator 1.4.2: Number of findings and recommendations of the tenth actuarial valuation and associated investment report which are reflected in SOCSO plans for implementation of the Employment Injuries Scheme.	<b>Baseline:</b> Tenth actuarial evaluations report under Section 82 of the Social Secu Act 1969.	a	nd associated	By 2020, at least three of investment report acount in the second in the				
Indicator 1.4.3: Injury compensation extended to foreign workers.	<b>Baseline:</b> Starting from zero base.			By 2019, foreign worke rements of the ILO CE.				

<sup>32</sup> Technical assistance will be provided by the ILO under all outcomes. Resourcing of CP implementation will further be significantly supported by national constituents via national budget allocations, in-kind contributions and other forms of resourcing.

Indicator 1.4.4: Number of initiatives conducted with social partner input to strengthen the capacity, knowledge and analytical base for decision-making on improvements to the national minimum wage setting process.

Baseline: Effective 1 January 2019, the minimum wage nationwide — including Sabah and Sarawak — was 1,050 ringgit per month or 5.05 ringgit per hour.

Malaysia has ratified ILO Minimum Wage Fixing Convention, C131. **Target 1.4.4:** By 2020, at least three initiatives conducted in pursuit of the following goals:

- ▶ By 2020, national plan in place for implementation of findings and recommendations of the review on the impact of minimum wages.
- ▶ By 2020, ongoing bench-marking conducted of minimum wage levels with selected other countries in the region, with attention to gender dimensions and implications.
- ▶ By 2020, arrangements in place for regular gender-inclusive monitoring of implementation of C131.

### Priority 2: Future of work – Strengthening national capacities to meet the needs of current and future work

### CP Outcome 2.1: Increased knowledge and analytical base on future of work-related issues.

Means of verification	Partners		Integrated resource requ	Integrated resource requirements			
<ul> <li>Reports on national dialogue outcomes.</li> <li>Analytical and knowledge products produced under the CP.</li> </ul>	MOHR MOE HRDF	MEF MTUC	Estimated to be available	Estimated to be available (US\$)  To be mobilize			
Links to Eleventh Malaysia Plan (2016–20)	Links to UNSF	F	Links to SDGs	Links to I	LO P&B outcomes		
Strategic Thrusts: Enhancing inclusiveness towards an equitable society.  Improving well-being for all.  Accelerating human capital development for an advanced nation.  Pursuing green growth for sustainability and resilience.  Re-engineering economic growth for greater prosperity.  Pillar II: Enhancing inclusive development and well-being.  Pillar IV: Empowering human capital.  Pillar VI: Strengthening economic growth.	Outcome area Sustainable ec development prioritizing pro of the environi and natural res	onomic etection ment	Goal 1: End poverty, reduce inequality. Goal 4: Ensure quality education, promote lifelong learning. Goal 5: Achieve gender equality, empower women and girls. Goal 8: Promote full and productive employment and decent work for all.	inclusive gemployme indicator 1  Outcome enterprise  Outcome representations workers' of the content of the con	1: More and better jobs for growth and improved youth ent prospects, particularly 1.6.  4: Promoting sustainable es, specifically indicator 4.2.  10: Strong and ative employers' and organizations, particularly 10.1, 10.2 and 10.3.		

Indicator 2.1.1: Number of national dialogue and
cooperative initiatives between national constituents on
future of work in Malaysia, with special attention to SMEs,
gender considerations and inclusion of all relevant groups

**Baseline:** To be established as part of project/activity design.

**Target 2.1.1:** By 2019, one national dialogue involving MEF and MTUC convened on future of work in Malaysia, with industries and sectors (including services, manufacturing and SMEs) selected for participation based on the number of workers in each case.

**Indicator 2.1.2:** Number of initiatives to increase analytical and knowledge base for policy formulation and implementation with respect to the future of work in Malaysia.

**Baseline:** Baseline not available. To be established as part of project/activity design.

**Target 2.1.2:** By 2019, at least two of the following analytical products produced and used to inform national dialogue and corporate initiatives on the future of work: (1) future skills needs of employers and employees, including SMEs; (2) a review of current gaps and capabilities for a demand-led skills development system; and (3) a tracer study of low-skilled workers displaced as result of technological advances, with attention to gender dimensions and implications.

### CP Outcome 2.2: Inclusive skills development, recognition and certification

Means of verification	P	Partners		Integrated resource re	quirements	
<ul> <li>MOHR, NHRF, MEF and MTUC reports on skills developed certification outcomes.</li> <li>DSD reports on RPL certification.</li> </ul>		MOHR MEF	MTUC NHRF	Estimated to be Available	e (US\$)	To be mobilized (US\$)
Links to Eleventh Malaysia Plan (2016–20)	Links to UNSPF	F	Links to SD	Gs	Links to Il	LO P&B outcomes
Strategic thrusts: Enhancing inclusiveness towards an equitable society.  Improving well-being for all.  Accelerating human capital development for an advanced nation.  Pillar II: Enhancing inclusive development and well-being.  Pillar IV: Empowering human capital.  Pillar VI: Strengthening economic growth.	Outcome area Sustainable eco development prioritizing prot of the environm and natural reso	ection nent	inequality.  Goal 4: Ensupromote life  Goal 5: Achi empower w  Goal 8: Pror	poverty, reduce ure quality education, elong learning. eve gender equality, omen and girls. note full and productive t and decent work for all.	inclusive g employme indicator 1 Outcome enterprise Outcome representa workers' o	1: More and better jobs for rowth and improved youth ent prospects, particularly .6. 4: Promoting sustainable s, specifically indicator 4.2. 10: Strong and ative employers' and rganizations, particularly 10.1, 10.2 and 10.3.

<b>Indicator 2.2.1:</b> Number of companies conducting the pilot project on the wages/skills linkage which have engaged in a dialogue on	<b>Baseline:</b> To be established as part of project	<b>Target 2.2.1 (a):</b> By 2019, at least ten companies nationwide – automotive, construction, manufacturing (e.g. aviation), healthcare, retail, hospitality, telecom, employment services – have developed plans to link skills with wage levels.
moving towards a skills-based wage system.	design.	<b>Target 2.2.1 (b):</b> By 2020, multi-stakeholder training/consultation forum held on engagement by employers'/ workers' organizations and sectoral bodies in TVET.
Indicator 2.2.2: Percentage increase in number of workers who have accessed RPL	<b>Baseline:</b> To be established as	<b>Target 2.2.2 (a):</b> By 2020, at least 5 per cent increase in number of workers who have accessed certification through RPL.
certification.	part of project design.	<b>Target 2.2.2 (b):</b> By 2019, review conducted on current status of RPL and priorities for further development, with attention to gender dimensions and implications.
		<b>Target 2.2.2 (c):</b> By 2019, stakeholder's consultation held on RPL systems and capacities to benefit rakyat (the people) and Malaysia.

# CP Outcome 2.3: National capacities strengthened for labour market analysis.

Means of verification	Means of verification			Integrated resource re	quirements
SDG reporting provided by Ma	laysian Government, including to the HLPF.	MOHR ILMIA	MEF MTUC	Estimated to be Availabl	e (US\$) To be mobilized (US\$)
Links to Eleventh Malaysia Plan (2016–20)	Links to UNSPF	Links to SDGs			Links to ILO P&B outcomes
This outcome links to the measurement of decent work aspects of all six thrusts and pillars under the 11MP.	Outcome area 1: Effective mainstreaming, localization and acceleration; data monitoring, evaluation and reporting; and partnerships towards achievement of the 2030 Agenda for Sustainable Development.		sponsibility j , 1.3, and 1.a , 8.3, 8.5–8.8 0.4 and 10.7 .c)	3, 8.b)	Links all above-listed outcomes which have prioritized under the CP.

Indicator 2.3.1: Number
of initiatives to increase
national capacities to monitor
implementation of SDG 8 and
other decent work components
of the SDGs.

# **Baseline:** Starting from zero baseline.

#### **Target 2.3.1:** By 2020, at least three initiatives, as follows:

- ▶ By 2019, the quantity of data that Malaysia wants to collect related to indicators of SDG 8 and other decent work components of the SDGs is confirmed.
- ▶ By 2019, at least one ILO technical advice mission conducted in Malaysia on SDG 8 or other SDG decent work data gathering, analysis and reporting, with engagement of national constituents in collaboration with academia and other relevant agencies.
- ▶ By 2019, at least one initiative to strengthen the capacity of Malaysian constituents to collect, monitor, analyse and report on implementation of SDG 8 and other decent work components of the SDGs, with attention to gender dimensions and implications.

**Indicator 2.3.2:** Number of SDG decent work-related indicators reported on within the national SDG monitoring framework.

**Baseline:** Starting from zero baseline.

**Target 2.3.2:** By 2020, at least two initiatives, as follows:

- ▶ By 2019, at least half of the SDG decent work indicators under ILO custodianship collected by Malaysia and included in national SDG monitoring reports.
- ▶ By 2019, all Tier I and Tier II SDGs decent work indicators produced by Malaysia and included in annual SDG monitoring reports.

### Priority 3: Labour migration - Strengthening labour migration governance

CP Outcome 3.1: Implementation of labour migration governance strengthened in line with the ILO Multilateral Framework and standards and ASEAN instruments.

Means of verification	Partners		Integrated resource requirements	
<ul> <li>Reports of TRIANGLE II project.</li> <li>Reports of Safe and Fair project.</li> <li>Relevant labour migration policies, laws, frameworks and analytical products.</li> </ul>	MOHR MEF MTUC Tenaganita	SUHUKAM (the Malaysian Human Rights Commission) MAPO (the inter-ministerial committee on anti-trafficking)	Estimated to be available (US\$) Australian Department of Foreign Affairs and Trade, and Global Affairs Canada (AUD\$20 million)	To be mobilized (US\$)

Links to Eleventh Malaysia Plan (2016–20)	Links to UNSPF		Links to SD	Gs	Links to ILO P&B outcomes
Strategic Thrust: Enhancing inclusiveness towards an equitable society.  Pillar IV: Empowering human capital.	Outcome area 2: Enharm Inclusivity and improve being for all towards LN empowerment of wome	Goal 5: Achieve gender women and girls.  Goal 8: Promote full ar		poverty, reduce inequality. ieve gender equality, empower girls. mote full and productive at and decent work for all.	<b>Outcome 9:</b> Promoting fair and effective labour migration policies, particularly Indicator 9.1.
<b>Indicator 3.1.1:</b> Number of specific features o and legislation adopted and amended which a relevant conventions and ASEAN instruments, considerations.	are in line with	<b>Baseline:</b> Stazero baseline	_		three features of labour laws, legislation are assessed as having a lect gender considerations.
<b>Indicator 3.1.2:</b> Number of gender-inclusive s initiatives undertaken to increase the knowled and programme development on labour migration costs and SDG targets.	lge base for policy	<b>Baseline:</b> St zero baseline		research initiative undertaken	one gender-inclusive strategic to increase the knowledge base velopment on labour migration, and SDG targets.
<b>Indicator 3.1.3:</b> Number of improved standard adopted.	d employment contracts	Baseline: Ba not available established project imple	e. To be as part of	<b>Target 3.1.3:</b> By 2020, at least employment contract adopted workers, or other sectors.	•
<b>Indicator 3.1.4:</b> Number of issue papers deve knowledge and analytical base for policy and prelated to forced labour and labour migration.	programme formulation	<b>Baseline:</b> St zero baseline		developed and discussed with	one gender-inclusive issue paper a stakeholders on prevention of pred labour victims; and access to vices by forced labour victims.

# CP Outcome 3.2: Increased capacity to improve implementation of labour migration governance

Means of verification	Partners		Integrated resour	ce requirements		
<ul> <li>Reports of TRIANGLE II project.</li> <li>Reports of Safe and Fair project.</li> <li>Post-training evaluations and surveys.</li> </ul>	MOHR MEF MTUC	Tenaganita SUHUKAM MAPO	Global Affairs Cana	ailable (US\$) nent of Foreign Affairs and Trade, and ida (AUD\$20 million) d is the regional allocation.	To be mobilized (US\$)	
Links to Eleventh Malaysia Plan (2016–20)	Links to UNSPF	:	Links to SDGs		Links to ILO P&B outcomes	
Strategic Thrust: Enhancing inclusiveness towards an equitable society.  Pillar IV: Empowering human capital.	Outcome area Inclusivity and in being for all tow the empowerment and girls.	mproved well- vards LNOB and	<ul><li>Goal 1: End poverty, reduce inequality.</li><li>Goal 5: Achieve gender equality, empower women and girls.</li><li>Goal 8: Promote full and productive employment and decent work for all.</li></ul>		Outcome 9: Promoting fair and effective labour migration policies, particularly Indicator 9.1	
Indicator 3.2.1: Number of initiatives to incre recruitment, employment and working condit			<b>ne:</b> Starting from zero e.	<b>Target 3.2.1:</b> By 2020, at least one s	sectoral study conducted.	
Indicator 3.2.2: Number of expert group mee conducted.	etings and consult	ations <b>Baselir</b> baselin	<b>ne:</b> Starting from zero e.	<b>Target 3.2.2:</b> By 2020, two expert g with tripartite engagement.	roup meetings conducted	
Indicator 3.2.3: Number of capacity-building related to protection of women migrant work organizing, networking and gender mainstrea	ers, including	cted <b>Baselir</b> baselin	<b>ne:</b> Starting from zero e.	<b>Target 3.2.3:</b> By 2020, two capacity conducted.	-building workshops	
<b>Indicator 3.2.4:</b> Number of guidelines develoemployment agencies.	ped for private	<b>Baselir</b> baselin	<b>ne:</b> Starting from zero e.	<b>Target 3.2.3:</b> By 2020, at least one gemployment agencies developed.	guideline for private	

# CP Outcome 3.3: Increased access to and enhancement of support services for foreign workers

Means of verification		Partners		Integrated reso	urce requirements		
<ul> <li>Reports of TRIANGLE II pro</li> <li>Reports of Safe and Fair pro</li> <li>Reports of Migrant Workers and Advocacy (MWEA) Project</li> </ul>	oject. s Empowerment	MOHR MEF MTUC Tenaganita	SUHUKAM MAPO Migrants' associations			om ILO/UN Women)	To be mobilized (US\$)
Links to Eleventh Malaysia Plan (2016–20)	Links to UNSPF		Links to SDG	is		Links to ILO P&B ou	tcomes
inclusiveness towards an equitable society.	Outcome area 2: Inclusivity and imp being for all toward empowerment of v	oroved well- ds LNOB and the	Goal 5: Achie	note full and produc	quality. empower women and girls. tive employment and	Outcome 9: Promoti and effective labour i policies, particularly I	migration
Indicator 3.3.1: Percentage of c		•		ded by TRIANGLE ncerned projects.	<b>Target 3.3.1 (a):</b> By 2020, 75 complaint cases resolved.	per cent of foreign wo	rkers
<b>Indicator 3.3.2:</b> Percentage of r cases involving foreign workers prosecuted.	•		eline: Starting fro	om zero baseline.	<b>Target 3.3.2:</b> By 2020, at least involving foreign workers that investigated and/or prosecut	at are reported to MOH	
Indicator 3.3.3: Number of persawareness-raising campaigns b			eline: To be provi cerned project.	ided by	Target 3.3.3: By 2020, at leas awareness-raising campaign		ned through
<b>Indicator 3.3.4</b> Percentage of forbetween employers and foreign	The second secon	•	eline: To be provi ect.	ided by relevant	<b>Target 3.3.4:</b> By 2020, at least industrial disputes resolved.	t 75 per cent of all recc	orded
<b>Indicator 3.3.5:</b> Number of awa programmes for Malaysians see			eline: To be provi	ided by agency.	<b>Target 3.3.5:</b> By 2020, at least programmes conducted ann		

# Annex 2: DWCP assumptions and risks framework

# Country priority 1: Right at work - Protecting and promoting rights at work

Outcome 1.1: Strengthened labour legislation to ensure compliance with international labour standards.

Assumptions	Risks	Level of risk	Mitigation measures
Current policy directions and the Government's commitment to legislative and institutional labour reforms are maintained.	The commitment to reform is affected by other priorities/ pressures.	Low	Use all existing mechanisms and opportunities to strengthen tripartite
National constituents maintain/ increase cooperation and dialogue in this area.	Lack of progress in key areas means that ILO supervisory bodies not		cooperation and dialogue.  Seek ILO technical
Malaysia's reporting on ratified ILO Conventions satisfies ILO supervisory bodies.	supervisory bodies not satisfied.		advice as necessary in addressing ILO supervisory body feedback.

Outcome 1.2: Forced labour and child labour eradicated.				
Assumptions	Risks	Level of risk	Mitigation measures	
Current policy directions and the Government's commitment to relevant legislative and institutional reforms are maintained.	Insufficient financial and human resources undermines implementation.  The commitment to	Medium	Maintain regular dialogue between relevant parties on resourcing requirements.	
National constituents maintain/ increase cooperation and dialogue in this area.	reform and agreed initiatives is affected by other priorities/pressures.		Use all existing mechanisms and opportunities to	
Adequate financial and human resources are available for implementation.			strengthen tripartite cooperation and dialogue.	

Outcome 1.3: Harmonious industrial relations.				
Assumptions	Risks	Level of risk	Mitigation measures	
Constituent capacities are adequate for effective engagement.  Tripartite mechanisms,	Effective tripartite engagement undermined by resource gaps and competing priorities.	Medium	Clear priorities and resource requirements for ILO support are established.	
including the NLAC and NWCC, function effectively and efficiently.			The partners regularly and jointly review the quality of tripartite engagement.	

Assumptions	Risks	Level of risk	Mitigation measures
Opportunities are available for active participation by the social partners for inputs into relevant national legal and policy processes.  Current government policy directions are maintained.  Adequate financial and human resources are available for implementation, including through national budget allocations.	Social partner voices and inputs (as key social protection system stakeholders) are not sufficiently heard and reflected, creating problems in implementation.  Implementation and sustainability are undermined through inadequate resourcing and financial planning.  All population groups (for example migrant workers) do not enjoy full and equitable access.	Medium	As major stakeholders, social partners are proactively involved in consultations at an early stage on proposed law reform and other relate measures.  Regular actuarial studie inform financial and delivery planning.  Implementation of schemes and their extension of coverage carefully monitored, wit social partner input.
Country Priority 2: Future of current and future work	work – Strengthen natio	nal capacities	to meet the needs of
	dge and analytical base rega	arding future of	work-related issues.
Outcome 2.1: Increased knowle			
Outcome 2.1: Increased knowle Assumptions	Risks	Level of risk	Mitigation measures

Outcome 2.2: Inclusive skills development, recognition and certification.			
Assumptions	Risks	Level of risk	Mitigation measures
The key stakeholders buy in to planned consultation and analysis.  The necessary human and financial resources are available.	The key stakeholders lack the capacity to engage fully in the process.	Low	Ensure full buy-in of all relevant parties; identification of capacity development gaps/ priorities; and availability of the necessary resources to address these matters before proceeding.

Outcome 2.3: National capacities strengthened for labour market analysis.			
Assumptions	Risks	Level of risk	Mitigation measures
All relevant stakeholders are committed to the necessary involvement in this process.  The wider decent work elements of the SDGs, including SDG 8, are recognized and addressed.	The necessary financial and human resources prove unavailable at the required times.	Low	Provide technical and training assistance to ensure the necessary capacities are in place.
			Engage all stakeholders in developing a realistic plan for their involvement, one that takes account of available resources.

### Country Priority 3: Labour migration - Strengthening labour migration governance.

Outcome 3.1: Implementation of labour migration governance strengthened in line with the ILO Multilateral Framework and standards and ASEAN instruments.

Assumptions	Risks	Level of risk	Mitigation measures
Current policy directions and the Government's commitment to relevant legislative and institutional reforms are maintained.	Certain stakeholders lack adequate capacity for effective engagement in relevant legal, policy and related processes.	Medium	Targeted technical and capacity support provided under TRIANGLE II and related projects, with particular focus on gender dimensions.
National constituents maintain/ increase cooperation and dialogue in this area, including its gender dimensions.			

### Outcome 3.2: Increased capacity to improve implementation of labour migration governance.

Assumptions	Risks	Level of risk	Mitigation measures
Current policy directions and the Government's commitment to relevant legislative and institutional reforms are maintained.	Impact of capacity development activities not carried through into wider institutional development, affecting sustainability.	Medium	Ensure that the capacity development priorities and plans supported under this outcome are mainstreamed into the
Clear priorities for capacity development are identified.			institutional/business planning of participating stakeholders.
Adequate financial and human resources are available for implementation.			

Outcome 3.3: Increased access to and enhancement of support services for migrant workers.			
Assumptions	Risks	Level of risk	Risk mitigation measures
Current policy directions and the Government's commitment to relevant legislative and institutional reforms are maintained.  Increased attention to Malaysians working abroad.  Suitable means are available to increase public awareness and assess change.	Public awareness proves difficult to change and assess.  Inadequate attention to Malaysians working abroad.	Medium	Regular review of impact of public awareness-raising approaches and messages, as well as other factors which influence them.  Increase tripartite dialogue on needs and issues, and appropriate measures, for both foreign workers in Malaysia and Malaysians working abroad.

# Annex 3: ILO development cooperation projects (donor funded) (As of February 2019)

No.	Title	Description	Start/end date	Funding
1	From Protocol to Practice: A Bridge to Global Action on Forced Labour (BRIDGE Project)	The project aims to effectively eliminate traditional and state-imposed forced labour systems and to significantly reduce contemporary forms of forced labour, which are often linked to human trafficking.	September 2015 – September 2019	US Department of Labor (USDOS) (US\$1,441,245.78)
2	Labour Law and Industrial Relations Reform	This Project has been developed in response to a government request for the ILO to assist in overhauling the country's labour law and industrial relations framework. The Project comprises the following four components: (1) legal and regulatory reform; (2) outreach and awarenessraising; (3) labour inspection assessment, strategic planning and capacity building; and (4) reform and improvement of the systems for the resolution and adjudication of disputes.	October 2016 – March 2019 (30 months)	USDOS (US\$1.55 million)
3	Protecting the Rights of Migrant Workers through Empowerment and Advocacy in Malaysia (MWEA)	The project aims to (1) empower Malaysian civil society to better support the needs of and protect the rights of migrant workers; (2) empower women and men migrant workers to realize their rights and understand their responsibilities, and (3) engage and educate the youth about the contributions of migrant workers to society.	February 2016 – February 2019	USDOS (US\$1 million)
4	ILO Tripartite Action to Enhance the Contribution of Labour Migration to Growth and Development in ASEAN (Triangle in ASEAN)	Project is operational in six countries (the Kingdom of Cambodia, the Lao People's Democratic Republic, Malaysia, the Republic of the Union of Myanmar, the Kingdom of Thailand and the Socialist Republic of Viet Nam) and engages with all ASEAN Member States with the overall goal of maximizing the contribution of labour migration to equitable, inclusive and stable growth in ASEAN. The project is a ten-year intervention that builds on a previous five-year phase (2010–15).	1 November 2015 - 31 October 2025	Australian Government Department of Foreign Affairs and Trade, and Global Affairs Canada (AUD\$20 million) NB: Amount quoted is the regional allocation.

No.	Title	Description	Start/end date	Funding
5	Protecting the rights of migrant domestic workers and plantation workers through improved labour migration governance (LMG)	The Project aims at improving the protection of domestic workers' and plantation workers' rights in Malaysia through improved labour migration governance. This will involve strengthening MOUs and standard employment contracts; improving domestic workers' and plantation workers' access to information, support services and remedies; and engaging with recruitment agencies and employers to improve recruitment, contracting and employment practices in these sectors. The Project will mainly focus on migrant workers from the People's Republic of Bangladesh and the Republic of Indonesia.	June 2017 – June 2019	USDOS, US\$500,000
6	SAFE AND FAIR: Realizing women migrant workers' rights and opportunities in the ASEAN region	(Joint ILO/UN Women project)  This project aims to promote prevention strategies and strengthen multi-sectoral responses and services to address trafficking and violence against women in ASEAN.	Sixty-month project period with six-month inception period	EU (€25.5 million with €500,000 contribution from ILO/UN Women)  NB: Amount quoted is the regional allocation.

# Annex 4: SDGS decent work indicators for which ILO is custodian or has shared responsibility (as of 11 May 2018)

Target	Indicator	ILO role
1.1 By 2030, eradicate extreme poverty for all people everywhere, currently measured as people living on less than US\$1.25 a day.	1.1.1 Proportion of population below the international poverty line, by sex, age, employment status and geographical location (urban/ rural).	Partner
1.3 Implement nationally appropriate social protection systems and measures for all, including floors, and by 2030 achieve substantial coverage of the poor and the vulnerable.	1.3.1 Proportion of population covered by social protection floors/systems, by sex, distinguishing children, unemployed persons, older persons, persons with disabilities, pregnant women, new-borns, work-injury victims and the poor and the vulnerable.	Custodian
1.a Ensure significant mobilization of resources from a variety of sources, including through enhanced development cooperation, in order to provide adequate and predictable means for developing countries, in particular least developed countries, to implement programmes and policies to end poverty in all its dimensions.	1.a.2 Proportion of total government spending on essential services (education, health and social protection).	Indicator still under development; ILO in joint custodianship with numerous organizations.
4.3 By 2030, ensure equal access for all women and men to affordable and quality technical, vocational and tertiary education, including university.	4.3.1 Participation rate of youth and adults in formal and non-formal education and training in the previous 12 months, by sex.	Partner
5.5 Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life.	5.5.2 Proportion of women in managerial positions.	Custodian
8.2 Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high-value added and labour-intensive sectors.	8.2.1 Annual growth rate of real GDP per employed person.	Custodian
8.3 Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and that encourage the formalization and growth of MSMEs, including through access to financial services.	8.3.1 Proportion of informal employment in nonagriculture employment, by sex.	Custodian

Target	Indicator	ILO role
8.5 By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value.	8.5.1 Average hourly earnings of female and male employees, by occupation, age and persons with disabilities.	Custodian
	8.5.2 Unemployment rate, by sex, age and persons with disabilities.	Custodian
8.6 By 2020, substantially reduce the proportion of youth not in employment, education or training.	8.6.1 Proportion of youth (aged 15–24 years) not in education, employment or training.	Custodian
8.7 Take immediate and effective measures to eradicate forced labour, end modern slavery and human trafficking and secure the prohibition and elimination of the worst forms of child labour, including recruitment and use of child soldiers, and by 2025 end child labour in all its forms.	8.7.1 Proportion and number of children aged 5–17 years engaged in child labour, by sex and age.	Custodian (with UNICEF)
8.8 Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants and those in precarious employment.	8.8.1 Frequency rates of fatal and non-fatal occupational injuries, by sex and migrant status.	Custodian
	8.8.2 Level of national compliance with labour rights (freedom of association and collective bargaining) based on ILO textual sources and national legislation, by sex and migrant status.	Indicator still under development; custodian
8.b By 2020, develop and operationalize a global strategy for youth employment and implement the Global Jobs Pact of the ILO.	8.b.1 Existence of a developed and operationalized national strategy for youth employment, either as a distinct strategy or as part of a national employment strategy.	Indicator still under development; custodian
10.4 Adopt policies, especially fiscal, wage and social protection policies, and progressively achieve greater equality.	10.4.1 Labour share of GDP, comprising wages and social protection transfers.	Custodian
10.7 Facilitate orderly, safe, regular and responsible migration and mobility of people, including through the implementation of planned and well-managed migration policies.	10.7.1 Recruitment cost borne by employee as a proportion of yearly income earned in country of destination.	Indicator still under development; custodian (with World Bank)

Target	Indicator	ILO role
14.c Enhance the conservation and sustainable use of oceans and their resources by implementing international law as reflected in the United Nations Convention on the Law of the Sea, which provides the legal framework for the conservation and sustainable use of oceans and their resources, as recalled in para 158 of "The future we want".	14.c.1 Number of countries making progress in ratifying, accepting and implementing through legal, policy and institutional frameworks, ocean-related instruments that implement international law, as reflected in the United Nations Convention on the Law of the Sea, for the conservation and sustainable use of the oceans and their resources.	Indicator still under development; ILO in joint custodianship with numerous organizations.
16.10 Ensure public access to information and protect fundamental freedoms, in accordance with national legislation and international agreements.	16.10.1 Number of verified cases of killing, kidnapping, enforced disappearance, arbitrary detention and torture of journalists, associated media personnel, trade unionists and human rights advocates in the previous 12 months.	Partner

# Annex 5: The signed MOU on the Decent Work Country Programme in Malaysia (2019-2025)





# MEMORANDUM OF UNDERSTANDING

# **BETWEEN**

# THE GOVERNMENT OF MALAYSIA

### **AND**

# **MALAYSIAN TRADES UNION CONGRESS**

## **AND**

# MALAYSIAN EMPLOYERS FEDERATION

### **AND**

# THE INTERNATIONAL LABOUR ORGANIZATION

# ON THE

DECENT WORK COUNTRY PROGRAMME
IN MALAYSIA
(2019-2025)

WHEREAS the Government of Malaysia (the Government) as represented by the Ministry of Human Resources, the workers' organizations as represented by the Malaysian Trades Union Congress (MTUC), the employers' organizations as represented by the Malaysian Employers Federation (MEF), and the International Labour Organization (ILO) as represented by the International Labour Office (hereinafter referred to singularly as "the Party" and collectively as "the Parties), wish to collaborate in order to promote and advance decent work in Malaysia.

WHEREAS the Decent Work Country Programme (DWCP) Malaysia for 2019-2025 is in line with the Malaysian Plan and the commitment towards the adopted United Nations Sustainable Development Goals and shall contribute towards the achievement of its goals. The Government ministries and agencies participating in the implementation of the DWCP shall also include the Ministry of Home Affairs and the Department of Statistics Malaysia.

1. The Parties affirm their commitment to collaborate in the implementation of the DWCP as annexed to this Memorandum of Understanding, which has the following agreed-upon priorities:

Country Priority 1: RIGHTS AT WORK – Protecting and promoting rights at work;

<u>Country Priority 2:</u> FUTURE OF WORK – Strengthening national capacities to meet the needs of current and future work; and

<u>Country Priority 3</u>: LABOUR MIGRATION – Strengthening labour migration governance.

- 2. The ILO agrees to assist in the mobilization of resources and to provide development cooperation assistance in the implementation of the DWCP, subject to its rules, regulations, directives and procedures, the availability of the ILO funds and conditions to be agreed upon by the Parties in writing.
- 3. The Government, MTUC and MEF agree to provide full commitment and participation in the implementation of the DWCP, subject to the availability of assistance and funds from the ILO. A tripartite steering committee consisting of all relevant Government ministries and agencies, workers' and employers' organization and the ILO shall be created to review, advise and guide the implementation and progress of the DWCP.
- 4. Either Party may request in writing a revision, modification or amendment of all or any part of this Memorandum of Understanding. Any revision, modification or amendment agreed to by the Parties shall be reduced into writing and shall form part of this

Memorandum of Understanding. Such revision, modification or amendment shall come into effect on such date as may be determined by the Parties.

- 5. The Government reserves the right to suspend temporarily, either in whole or in part, the implementation of this Memorandum of Understanding for reasons of national security, national interest, public order or public health. The suspension shall take effect immediately after notification has been given to the other Parties through official channels.
- 6. In the event that the terms contained in the DWCP document are incompatible with the terms of this Memorandum of Understanding, the latter shall govern and prevail.
- 7. Any difference or dispute between the Parties concerning the interpretation or implementation or application of any of the provisions of this Memorandum of Understanding shall be settled amicably through mutual consultation or negotiations between the Parties without reference to any third party or international tribunal.
- 8. This Memorandum of Understanding shall come into force on the date of signing and shall remain in force for a period of seven (7) years.
- 9. Notwithstanding anything in Paragraph 8, either Party may terminate this Memorandum of Understanding by notifying the other Party of its intention to terminate this Memorandum of Understanding by a notice in writing through agreed channels, at least three (3) months prior to its intention to do so.
- 10. The termination of this Memorandum of Understanding shall not affect the conclusion of programmes or activities that have been agreed upon by the Parties before the date of the termination of this Memorandum of Understanding.
- 11. Each Party shall observe the confidentiality and secrecy of documents, information and other data received or supplied to the other Parties during the period of the implementation of this Memorandum of Understanding or any other arrangements made pursuant to this Memorandum of Understanding. The Parties agree that this Paragraph shall survive the expiry or the termination of this Memorandum of Understanding.

**IN WITNESS WHEREOF**, the undersigned, being duly authorized representatives of the Government of Malaysia, ILO, MTUC and MEF, respectively, have signed this MOU.

**DONE** at Geneva, Switzerland, on this nineteen day of June in the year 2019 in original/duplicate, four (4) copies in the English language. If this Memorandum of Understanding is translated into another language, the English version shall prevail.

For and on behalf of the International Labour Office

For and on behalf of the Government of Malaysia

Assistant Director-General and Regional Director, ILO Office for Asia and the Pacific

Mr. M. Kula Segaran Minister of Human Resources of Malaysia

For and on behalf of Employers' organization

For and on behalf of Workers' organization

Mr A. Ramadass
Vice- President
Malaysian Employers Federation

Secretary-General
Malaysian Trades Union Congress

# Annex 6: Terms of reference for DWCP Tripartite Steering Committee

# Terms of reference – Malaysia Decent Work Country Programme, 2019–20 Tripartite steering committee

## A. background

The Decent Work Country Programme (DWCP) for Malaysia serves as a framework for cooperation between Malaysia and the International Labour Organization (ILO). It has been developed through a series of consultations with the tripartite constituents and contains the strategy and plans for results to be achieved with ILO Office support.

DWCP consists of two phases, Phase 1 from 2019 to 2020, and Phase 2 from 2021 to 2025. Both phases are in line with the Malaysia Plan, as well as Sustainable Development Goals.

Within the overarching theme of Decent Work for All, the DWCP will concentrate on the agreed Country Priorities as follows:

- 1. Rights at Work: Protecting and Promoting Rights at Work;
- 2. Future of Work: Strengthen National Capacities to Meet the Needs of Current and Future of Work; and
- 3. Labour Migration: Strengthen Labour Migration Governance.

To realize the objectives of the DWCP, the Government, represented by the Ministry of Human Resources, the employers' organizations, represented by the Malaysian Employers' Federation (MEF) and the workers' organizations, represented by the Malaysian Trades Union Congress (MTUC) have agreed to establish a Tripartite Steering Committee.

#### **B.** Composition and Membership

The Tripartite Steering Committee for the Malaysia Decent Work Country Programme (hereafter called the "Steering Committee") shall be composed of 12 persons nominated as follows:

#### **Ministry of Human Resources**

- 1. Deputy Secretary General (Policy & International) Chairperson
- 2. Policy Division
- 3. International Division
- 4. Representative from Technical Committee 1
- 5. Representative from Technical Committee 2
- 6. Representative from Technical Committee 3

### **Malaysian Employers' Federation**

- 1. Representative from Technical Committee 1
- 2. Representative from Technical Committee 2
- 3. Representative from Technical Committee 3

### **Malaysian Trades Union Congress**

- 1. Representative from Technical Committee 1
- 2. Representative from Technical Committee 2
- 3. Representative from Technical Committee 3

### C. Roles and responsibilities

- 1. advise and guide the DWCP Implementation and DWCP in general, including suggesting adjustments to areas of implementation where necessary;
- 2. provide policy guidance to the ILO Office and the implementing partners in order to ensure the DWCP remains aligned with national priorities;
- 3. ensure that the results set out in the DWCP are contributing to national goals such as the Eleventh Malaysia Plan;
- 4. oversee the outcome level and impact towards Malaysia's Human Resources Strategic Plan 2016–20 and domestic labour policies;
- 5. ensure the active participation of all key stakeholders through invitations to specific Tripartite Steering Committee meetings as required per the meeting's Agenda;
- 6. periodically review and evaluate activities and their impact in the country, and suggest improvement or changes as and when necessary;
- 7. monitor the Tripartite Technical Committee on the planning, implementation and monitoring and evaluation phase;
- 8. report to the National Labour Advisory Council (NLAC) on the progress of the DWCP as and when required; and
- 9. the ILO will facilitate the meetings as the secretariat of the Tripartite Steering Committee, to take the record of discussion and decision.

### D. Frequency of meetings

The Tripartite Steering Committee shall meet on at least twice a year. The members may also convene meetings on an ad hoc basis to address issues of major concern, or at the request of the majority of the members of the Steering Committee.

The ILO will prepare the Minutes of Meeting and distribute to each member of the Tripartite Steering Committee within three working days. Each member will be responsible to distribute the information and decision generated during the meeting to their respective department and organization.

Communication to convene the Tripartite Steering Committee meetings shall be undertaken by ILO.

### E. Decision-making process

Decisions are made by large based on consensus from all the members. Nonetheless, the Chair has the upper hand to make a final decision if it so required.

## **▶** Contact

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