Abstract

By the definition of labourforce in the Socio-economic Sample Survey of Households 1967/68 in West Malaysia, only 2.59 million persons were in the labourforce out of a total estimated population of 7.9 million in the survey year. The participation ratios for the Indians, Malays and Chinese were 66.3%, 65.2% and 64.3% respectively. Though the average economic growth rate was impressive, being 6.1% per annum in the 1960's, yet the rate of unemployed remained alarmingly high in 1967/68. There were some 233,000 persons unemployed, accounting for 3.9% of the total labourforce. Of these unemployed, some 75% were actively unemployed(i.e. actively looking for jobs), while the remaining were passively unemployed(i.e. not actively looking for jobs but would accept if given the opportunity). Compared to the figure of 1962, the rate of active unemployment in 1967/68, showed an increase which was heavily concentrated on both the Chinese and Indians. On the contrary, the Malay ethnic group had witnessed a drop in the same period.

Some 75% of the active unemployed were in the 15-24 age group, 12% higher than that in 1962. Though three-quarters of the labourforce in 1967/68 had received either primary education or no formal education at all, the corresponding figure for those actively unemployed was 57.7%.

In terms of distribution, active unemployment was highest in metropolitan towns(10.1%), followed by 'other urban areas'(9.7%) and the rural areas(5.4%) in that order. While in 1962, two-thirds of the actively unemployed were in the rural areas, this had dropped to about one-half in 1967/68, a fact indicating the gravity of unemployment has shifted from rural areas in the early Sixties to urban areas towards the second half of the same decade, resulting largely from a rapid rate of urbanization and a slower pace of job creation in the period.

Ethnically speaking, urban unemployment rates for the Malays,
Chinese and Indians were 11.7%, 8.5% and 12.6% respectively, while their respective rural unemployment rates were 4.7%, 5.2% and 9.3%.

Regarding the duration of active unemployment, the 1967/68 figure was higher than that of 1962.

In contrast to the distribution pattern of active unemployment, the passively unemployed were more concentrated in the rural areas. Again, most of the passively unemployed were young and were less educated, though more weighted against the Malays.

The term 'underemployment' refers to 'a person working less than 25 hours during the reference week of survey, but willing and able to do additional hours at the normal rate of remuneration for that work'. With 11.3% of the 2.37 million employed labourforce as underemployed, the problem of underemployment was more widespread compared with that of unemployed in 1967/68 with 13%, 8% and 3% in the primary, secondary and tertiary industries respectively. Ethnic underemployment were Malays 76.3%, Chinese 17.9% and Indians 2.8%; and was a common feature for all age-groups.

Thus, the overall problem of unemployment and underemployment had been deteriorating during the Sixties with the gravity more and more heavily weighted against Chinese and Indians. Despite the rapid increase of labourforce, particularly among the Malays, the rate of unemployment for the Malays had, comparatively and proportionally speaking, dropped in the period 1962-1967/68, a phenomenon largely resulting from the implementation of government policy of employment which was and still in favour of the Malays.

There is no simple solution to the problem of unemployment and underemployment. At the policy level, there is a need to slow down the rate of population growth on the one hand and to speed up economic growth on the other. In the case of West Malaysia, the problem has been all the more complex with its ethnic flavour.
Though it is desirable to break down the problem of ethnic occupational concentration which emerged and had become established during the colonial era, it seems that no policy measures in favour of one particular ethnic group while against other ethnic group(s), will lead to the emergence of a harmonious, just, equal and integrated society.

The challenge thus posed by the problem of unemployment and underemployment is not simply one of creating more jobs for the increasing labourforce, but rather to find a solution which is acceptable to the majority of all ethnic groups able to enjoy free social and occupational mobility.