CHANGING POPULATION AGE STRUCTURES AND SUSTAINABLE DEVELOPMENT

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CHANGING POPULATION AGE STRUCTURES, FERTILITY TRENDS AND INITIATIVES

Malaysia’s demographic changes in structure, size and spatial distribution of families and household. These changes have created both opportunities and challenges for the Government in prescribing policies and designing initiatives to further foster the well-being as well as ensure sustainable development of current and future generations. Malaysia’s population is projected to increase from 31.9 million in 2016 to 41.5 million in 2040. While the overall population of the country is projected to increase, the annual population growth rate is expected to decrease from 1.8 percent in 2010 to 0.8 percent in 2040.

The median age of the population has increased from 21.4 years in 1991 to 28.7 years in 2015, and the proportion aged 60 and over had increased from 5.6 percent to 9.1 percent during the same period. The expected decrease in population growth rate is in line with the declining fertility trend in Malaysia over the last two decades. Due to improved education system, wider employment opportunities and better access to comprehensive reproductive health services, Malaysia has seen its Total Fertility Rate steadily decline since 1991. More than 25 years ago, the TFR stands at 3.4 while the latest data collected reflects that the current TFR at 2.1 children per women.

The Government views the current demographic, along with the forecasted decline in fertility as an opportunity for Malaysia to reap the demographic dividend, given that a high proportion of the population are in the labour force age group, resulting in a rich resource for human and national development. At the same time, the Government has also introduced a number of measures and incentives that would enable families to balance their career and family formation. These include maternity leave of up to 90 days, paternity leave for 7 days, childcare allowances for parents with children below the age of 4 sent to childcare centres and tax rebate for employers who set up childcare at the workplace.

ADOLESCENTS AND YOUTH

The percentage of young people (aged 15 to 24 years) on the other hand has slightly increased from 19.1 percent in 1991 to 20 percent in 2016. At 5.75 million people, they represent a fifth of Malaysia’s total population. As fertility and mortality levels are expected to continue to decline, the number of young population will...
remain stable over the next 30 years. Cognizant of the significance of adolescents and youth to the sustainable development of the nation, ensuring access to quality education has been one of the cornerstones of the Government’s policy. As enrolment into primary education is nearly universal, and the enrolment rate to secondary schools has increased from 70.9 percent in 1993 to 84.3 percent in 2016, adolescents and youth today are more likely to attend school, pursue higher education, postpone entry to the labour force as well as delay marriage and childbearing.

The education system is tailored to prepare our young population to embrace the principles of sustainable development. The Government has introduced the 2050 National Transformation Policy (TN50) and enable the youth of today to witness a more progressive future. Among others, it is a platform for national discourse among the young generation to chart the future of the nation. TN50 will seek to transform the country’s economy, citizen well-being, environment, technology, social interaction and public governance with a goal for Malaysia to become a top 20 country in the world (a high income nation) by the year 2050.

**TRENDS IN WORKING AGE POPULATION**

As a result of declining fertility and mortality, the proportion of population aged 25-59 increased from 38.6 percent in 1991 to 48.3 percent in 2016 and it is projected to increase to 50 percent by 2040. Consequently, a large cohort of productive workers will be a “dividend” to Malaysia, creating a low economic dependency environment and possibility of raising the country’s economic growth. The overall labour force participation rate (LFPR) has generally ranged from 63 percent to 65 percent over the last 20 years while women’s LFPR has increased from 49.5 percent in 2012 to 54.1 percent in 2016. This is due to the introduction of various initiatives such as flexible working arrangement, women economic empowerment programmes as well as greater and wider job opportunities. The Government of Malaysia is also committed to further raise women’s LFPR by targeting an increase to 59 percent by 2020.

Key to the Government’s efforts to increase the number of women re-entering the workforce is the introduction of “women career comeback programme”, designed to attract and retain highly qualified women in the workforce.

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Additionally, employers who hire women who have been on career breaks for more than six months are also eligible for the Career Comeback grants – the Resourcing Grant and the Retention Grant.

In conclusion, socially sustainable development remains central to the Government’s policies towards fostering the wellbeing of its population. Recognizing the structure of the country’s demographic, attention to the needs of a broad spectrum of population is key to sustainable solutions which are essential in driving Malaysia’s development. Towards this end, the Government of Malaysia is committed to work alongside all stakeholders, including the private sector, non-governmental organizations (NGO), community and family to achieve the Sustainable Development Goals.