

Transition of Non-Marginalized Group to Marginalized Group

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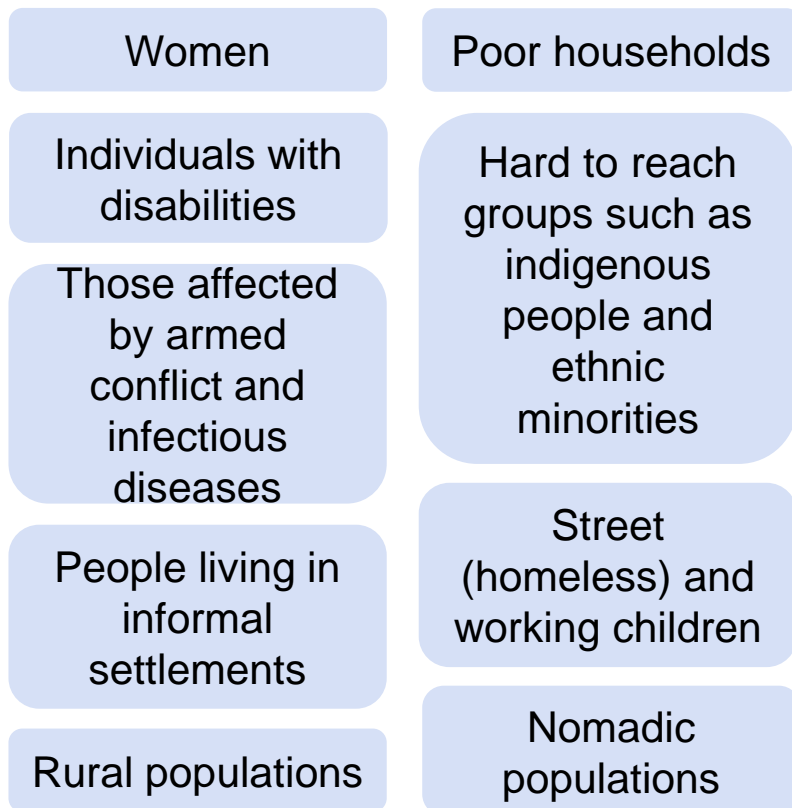
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Definition of Marginalization

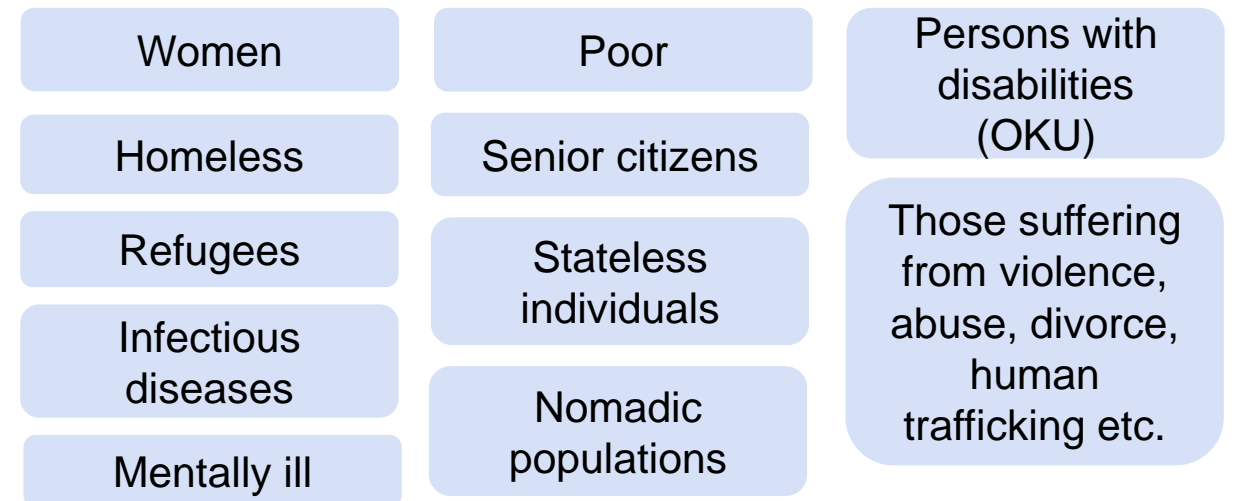
- Marginalization refers to the “**treatment of a person, group or concept as insignificant or peripheral.**” It means that excluded individuals or groups are prevented from full participation in social, economic and politics, and from asserting their rights.
- Marginalization is mostly associated with **elements of identity**, such as age, gender, ethnicity, religion, sexual orientation, disability status and socioeconomic level.
- According to the World Bank, there are four basic forms of marginalization or exclusion: from the **economic, political, cultural** and **social** life of the communities, which are interrelated and normally create a vicious cycle.
- Marginalization goes against the **1948 Universal Declaration of Human Rights**, which stated that everyone should be given fair access to all the rights and freedom, without distinction of any elements associated with identity (Article 2).

Who Are the Marginalized Group?

- The United Nations (UN) has a comprehensive list of marginalized groups which includes:



- Within Malaysia context, the term marginalized group is often referred to as the vulnerable groups, which includes:



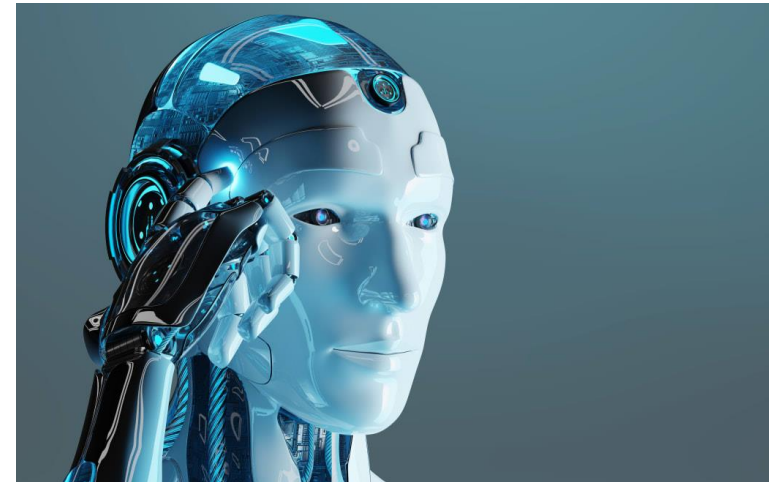
- The Malaysian Government has established the Special Cabinet Committee for Protecting Vulnerable Groups in 2022.

"Positive" and "Negative" Marginalization

- Typically, marginalization happens due to negative discrimination towards elements of identity of an individual such as ethnicity, gender etc. – which can be addressed legally.
- There are, however, "positive" and "negative" forms of marginalization.
- Marginalization can also indirectly occur in wider settings due to positive economic development, technological advancement and globalization.
- For instance, the adoption of technology by industries may result in job losses for some workers - which should be addressed through active labour market policies (ALMP).

Rapid Technological Advancements

- In the modern industrial era, cost-efficiency and productivity that come in the forms of new technology, and private investments in high-value, hi-tech and knowledge-based areas are paramount to stay ahead and remain relevant in the industries.
- It can also be catalyst to shift from a labour-intensive production to a capital-intensive production that is more productive and efficient.
- However, more segments of the population and workforce might be marginalized and exposed to this systematic discrimination as we face rapid technological advancements, which result in job destruction.
- According to the Global Risks Report 2023 by the World Economic Forum, artificial intelligence (AI) and technology are expected to displace around 85 million jobs worldwide by 2025.



Technology and Job Destruction Risks in Malaysia

A real case example...

*“As many as **4.5 million Malaysians** are likely to lose their jobs by 2030 if they do not improve their skills or attend reskilling and upskilling programmes with the rise of artificial intelligence (AI)”*
- World Economic Forum (2020)

*“**Malaysia needs to retrain 50% of workforce amid AI rise.** With the advent of Industrial Revolution 4.0, there is an urgent need for us to transform the national workforce into a skilled workforce to remain relevant.”*
- Minister of Human Resources,
YB Sivakumar

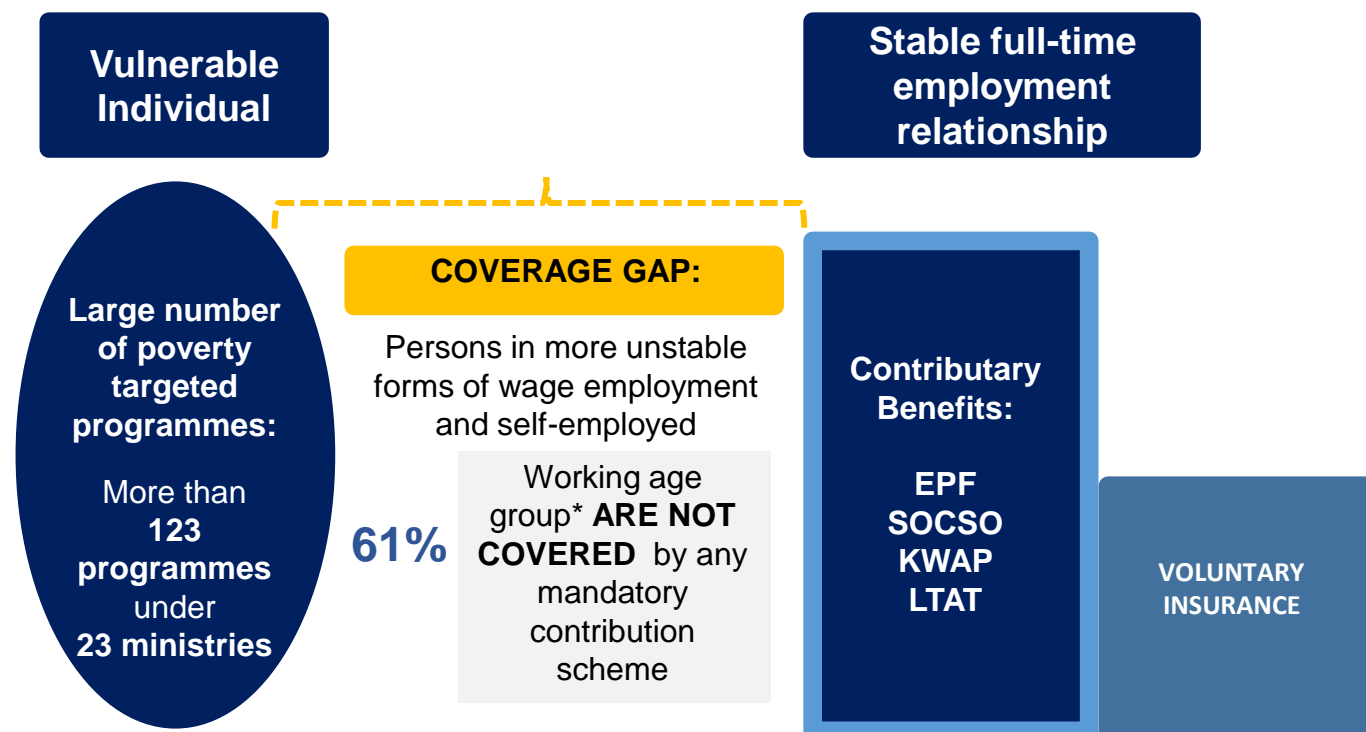


*“The Malaysian Trades Union Congress (MTUC) is disappointed with the **loss of jobs for workers at toll booths**, by reason of **automation or the ‘electronic toll collection’ (ETC) system**. Many local workers, especially women workers, have lost their jobs by this move by highway toll operators.”*
- Malaysiakini (22 September 2015)

The Rise of Informality

- There are 2.0 million informal workers in this country in 2021, contributing 13.3% of the country's total employment (DOSM, 2021).
- The rise of informality in Malaysia poses serious threats as the majority of informal workers were not enrolled in any formal social insurance schemes such as SOCSO and EPF, exposing them to greater vulnerabilities.
- Only about 30% of the working-age population in Malaysia are enrolled in mandatory old-age retirement schemes (e.g.: public pension, EPF, LTAT) (SWRC, 2023).
- There is a huge gap in social protection coverage due to informality.
- Voluntary social insurance schemes are already in place such as i-Saraan & i-Suri (EPF) and the Self-Employment Social Security Scheme (SOCSO)
- However, participation is low due to a lack of awareness and irregular income.

Social Protection Coverage Gap



Tackling Marginalization Effectively


- In whichever cases, marginalization harms individuals as it places people in a disadvantageous position in society.
- Proper legal coverage is needed to address the discriminatory practice that led to “negative marginalization”
- From the social security perspective, sound policy actions are crucial to soften the impact of marginalization on the affected population without compromising on economic growth.
- A proactive labour market intervention inline with industrial policy is vital for a win-win solution.

Way Forward – Policy Recommendations

1. Proactive Labour Market Intervention

- The education system should be in coherence with labour market to reduce the incidence of job mismatch, particularly among graduates.
- Re-skilling and up-skilling programmes are crucial to ensure the workforce remains relevant in the face of rapid technological advancements.
- Employers should be incentivized to encourage them to conduct more training programmes for their employees.
- Employees who experienced job loss due to automation and technological advancement should be equipped with relevant skills and knowledge, as well as given the opportunities to continue to contribute to the labour force, without being marginalized.
- The availability of labor market data will be essential for developing the best action plans and timely governmental interventions to prepare the current workforce for future structural changes.

2. Finding the Right Balance Between Technological Advancement and Labour Market

- Accelerating technology adoption and innovation is among the priorities outlined in the Twelfth Malaysia Plan (RMK-12).
- However, relevant stakeholders must be proactive about managing this inevitable transition to the new future of work, to avoid massive job loss.
- Seamless transformation for employers
- While technological progress should be encouraged, there should be a clear balance between technological advancement, job creation and job destruction.
-  • Accommodative labour market policy preparing for future jobs

3. **Strengthening coverage and enhancing the coordination of social protection programmes to assist marginalized groups effectively**

- Social insurance needs to be strengthened by either making EPF and SOCSO contributions mandatory or automatic enrolment of every Malaysian citizen once they reach the age of 18 years.
- Unemployment insurance coverage should be expanded for the informal workers, considering they are more vulnerable to shocks, as were implemented in developed countries like Spain and Germany.
- Addressing vulnerabilities faced by marginalized groups through a life-cycle categorical approach.
- The targeting complexity and errors should be minimized to avoid weak redistributive power.

Thank You

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