
PUBLIC HEALTH RESEARCH

Balancing Population Growth and Governance: Policy Perspective from Malaysia

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ABSTRACT

Introduction	This essay explored Malaysia's population growth strategies, emphasising the crucial role of governance. The focus was on the evolution of Malaysia's population policies, from addressing post-war 'baby boom' concerns to adopting more voluntary and balanced approaches.
Methodology	In contrast to strict population control measures, Malaysian policies emphasised contraception use and family planning services, reflecting its multicultural and diverse population.
Results	The review examines the integration of population policies within economic development frameworks, as exemplified by the ambitious "70 Million Population Policy" adopted in 1984 to boost the labour force. Furthermore, it examined how economic development policies affect population dynamics, focusing on initiatives such as flexible working hours, paid parental leave, and childcare at work to maintain a balanced demographic landscape. In addition, a comparison was also made between Malaysia's reliance on immigrant workers and Japan's immigration reform laws to examine the impact of immigration policies on population growth.
Conclusion	This essay comprehensively analysed of Malaysia's action to strengthen national policies and initiatives in response to population growth trends. It highlighted the complex interactions among migration, economic development, and population policy, emphasising the pivotal role of governance in shaping the nation's demographic trajectory. In a world with many countries facing difficulties related to population growth, Malaysia's experience offers a useful case study with wider ramifications for nations looking to optimise and manage their demographic landscapes.
Keywords	Policy; Populations; Economic; Migration; Natural Increase; Past Trends

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INTRODUCTION

Today's global population is three times greater than in the middle of the 20th century. Since 2010, 1 billion people have been added to the world's population. Based on the United Nations (UN) projection, the world's population is expected to grow by nearly 2 billion over the next 30 years, from 8 billion today to 9.7 billion in 2050 and possibly 10.4 billion by the middle of 2080 (Figure 1). The world's population is expected to reach almost 11 billion by 2100.¹ Our country, Malaysia, has also grown significantly over the past fifty years, transforming from a small nation to a larger one. According to data from the Department of Statistics Malaysia (DOSM), the population stood at approximately 10 million in 1970 and has steadily increased. Currently, the estimated population has reached 33 million in 2022.²

The change in population growth is mainly affected by the number of births, deaths, and migration flow in a country.¹ Global population growth trends can also be influenced by the policy and programs of a country, both direct and indirectly. For example, family planning policies that provide access to reproductive health care services and contraception can influence fertility rates by assisting individuals and couples in making well-informed decisions about the number and spacing of their children. Similarly, education programs focusing on girls' education and encouraging female empowerment have been linked to lower fertility rates and reduced population growth.³ Healthcare and public health policies that ensure access to quality healthcare and implementation of disease prevention measures can lead to declined mortality rates.⁴ Economic development and the impact of immigration policies can also influence population growth.⁵ Hence, it is essential to note that policies and programs affect the population growth trend.

The article started with a summary of the evolution of population policy in Malaysia. After that, we looked at the actions taken by the Malaysian government to promote family development following the growing labour participation by both genders and with the rapid economic growth. We also provided a summary of the actions taken by Japan to increase its population growth by strengthening the population policies to suit its labour workforce. After that, we looked at how Malaysia and Japan deal with migration policies differently. We view Japan as a good comparison as Japan is one of the most advanced and well-developed country, as well as one of the earliest to reach a fertility rate below replacement level.⁶ This review of the Malaysian government's role in strengthening the policy and program in economic and migration sectors with the intention of

population growth gave a brief overview of the past, present and the way forward.

The evolution of Malaysia's Population Policy

The population policy in Malaysia started in the year 1966⁷ following high fertility seen during post war also known as 'baby boomers'. At the time, the focus was to increase the country's gross domestic product (GDP) income per capita by reducing the population growth rate. The consideration point is that higher population growth may slow down economic growth of a country. Hence, the National Family Planning Act No. 42 1966 was formed, followed by the development of the National Family Planning Programme to promote contraception use to the public and offering contraception services at primary health clinics. As a result, the country crude birth rate decreased from 36.7 in 1966 to 31.5 babies per 1,000 population in 1985.⁸ Unlike China, which enforced a one-child policy in 1979 to curb its rapid population growth rate,⁹ this policy was not deemed suitable to be adopted in Malaysia. Being a multicultural country with religious diversity, population growth was managed in a more balanced and voluntary manner.

As Malaysia moved towards industrialisation, the government realised that the population was needed to increase the labour workforce. Hence, upon reviewing the policy during the mid-term review of the Fourth Malaysia Plan (1981-1985), the government then announced new population policy in 1984 which aim for 70 million population by 2100 (70 Million Population Policy) by the implementation of the Strategic Plan Study for the Implementation of the National Population Policy in 1992.⁸ Following this, the National Family Planning Board was then changed to National Population and Family Development Board (NPFDB). In 1992, NPFDB evaluated the achievement of '70 Million Population Policy' and suggested that it is not feasible for Malaysia to achieve the 70 million population by 2100 due to earlier rapid decline in population fertility than expected. It is projected that the total fertility rate (TFR) will fall below its replacement level by the year 2015. In 2017, the downside risk of continuing fertility decline was addressed in the government's 'Strategic Action Plan for Sustainable Development towards 2030' as lower fertility may lead to labour shortage which could weigh down economic growth.¹⁰ The Plan focuses on socioeconomic development to provide an environment conducive for family formation. Therefore, the current strategy now aims towards planning of population and family development programmes to achieve quality population and not merely to achieve the quantity target.

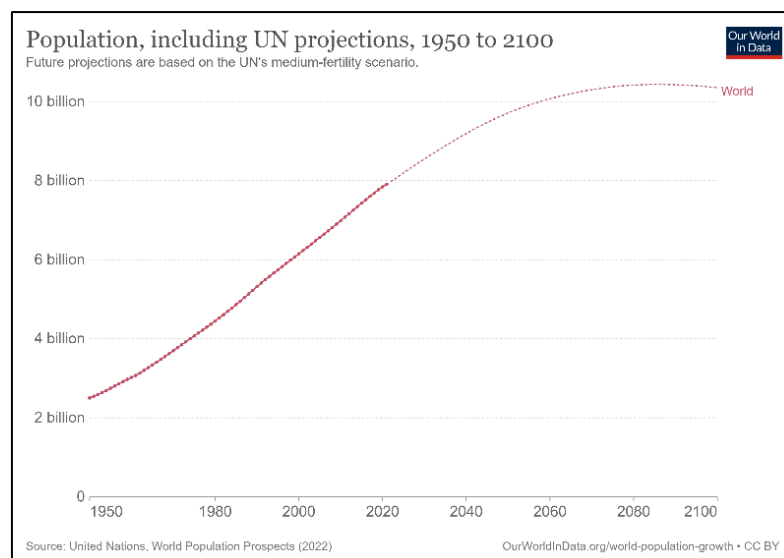


Figure 1 The World's Population including UN Projection, 1950 to 2100 ¹

The current family planning policy is focusing on satisfying all the unmet needs for modern contraception rather than aiming to reduce the fertility rate. Other than family planning policy, integrating population development policy in other sectors indirectly affects population growth, such as economic development and migration policies. In line with the 12th Malaysia Plan 2021-2025 for sustainable labor force participation, the Malaysian government is focusing on 'family support investment' to enhance the underutilized potential female labor force by strengthening policies towards work-life balance and supporting childcare¹¹ and strengthening policies on paid parental leave and high-quality childcare are given priorities among others. The following section further discussed on policy strengthening in economic development to support population development.

Strengthening Population Development Policy in Economic Development

Economic development programs focusing on reducing poverty, creating job opportunities and improving living standards can indirectly influence population growth. As a country's economy develops towards economic stability, individuals and families tend to have fewer children due to increased employment prospects, later marriages, reduced poverty and improved family planning options thus leading to decline in fertility rates.¹² Following this, one of the strategies of Malaysia National Population Policy 1992 is to integrate economic policy into population development policy. Malaysia's total fertility rate (TFR) has been below replacement level since 2013.¹³ Several measures are implemented to support the working group parents to ensure a quality growth in the population.

Given that female labour participation rate is 52.74% in the year 2022¹⁴ and 60% of government servants are women¹⁵, the government has endorsed more flexible working hours in some government departments and paid compassionate leaves in the event of a child's illness to help couples balance their work and domestic roles. To encourage working parents to have more children, the government have also endorsed paid paternity leave of 7 days, increases maternity leave from 60 days to 98 days, tax exemption up to RM3,000 for the childcare costs incurred by working parents and increased tax concessions (up to RM2,000) for dependent children as well as increasing childcare facilities at work with 10% tax rebate for companies that set up childcare facilities in the workplace.⁸

Similar population policies were also seen in Japan, a more developed country that has faced a marked population decline since the year 2015,¹⁶ Japan government had expanded family policies and programmes by introducing a five-year plan called the Angel Plan which aims to increase the number of births among parents by increasing number of nursery schools, improving child quality care and provide financial support for child-raising. This plan was later continued with Plus One Policy in 2009 which targeted in creating parent-friendly working conditions by expanding new day-care nurseries for working mothers making raising children more affordable. Although Japan had a very sound policy initiatives, the implemented effort and policies had minimal effect on its population growth.¹⁷

The effect is similar in Malaysia. Despite the various initiatives by the government, there is still further decline in fertility rate over the years with the current fertility rate of 1.9 births per women in 2023, a 0.88% decline from 2022.¹⁸ It was reported that the incompatibility of modern sector jobs and maternal roles causes the women to either

quit their jobs for childbearing or avoid childbearing altogether, which likely to be the case following the expected rise in female labour force.¹⁹ To provide supportive environment for working mothers and encourage childbearing among working parents, our government may need to revisit the strategy of providing more subsidised childcare centers at workplaces and more flexible work arrangements to suit the needs of working mothers. These will indirectly support working mothers to build up their careers without neglecting their family duties and enable more women to participate in the labour market.

Strengthening Migration Policies

Aside from economic development, global population dynamic can also be affected by migration policies made by governments. The causes of migration movements are often political instability, conflict and economic disparities. In Malaysia, immigrants have been vital to the country's economic growth as well as population growth over the years. The second evaluation of the Population Strategic Plan Study by NFDB in 2009 found that although there was a declining in fertility rates, Malaysia was also experiencing high population growth at level of 2.6% annually for the period of 1991 until 2000 mainly due to contribution of international migration.⁸ The enforcement of Policy on Recruitment of Foreign Workers and the rapid development of Malaysia contributes to the influx of immigrant workers from neighbouring countries to work in particularly labour-intensive industries such as construction, agriculture and manufacturing. As of 2013, there were about 2.1 million registered immigrants in Malaysia.¹⁴

In Japan, immigration is seen as a solution to its demographic challenge. There have been an increasing number of foreign workers since 2013 following the recent need to attract foreign labour into the country due to its shrinking workforce and aging population. In 2015, Japan implemented an immigration reform based on visa requirements for "Highly Skilled Foreign Professionals", by introducing a new type of residence status with an unlimited period of stay and protecting the rights of foreign workers. As Japan formally accepts foreign blue-collar workers, this helps reduce labour shortage in certain sectors of the economy. On April 1 2019, Japan has revised its immigration law that changed the status of foreign workers to regular employees, allowing them to obtain permanent residence status, and giving them more freedom to leave as well as change their employer.²⁰ This immigration reform allows low-skilled workers to reside in Japan for five years and foreign workers with specialised skills will be allowed to stay indefinitely, along with their family members.

Contrary to Japan, Malaysia is losing highly-skilled professionals moving out of the

country. According to Bernama News, Malaysia's brain drain rate stands at 5.5% of the population, significantly higher than the global average of 3.3%²¹ due to less attractive salary and benefits, lack of career prospects, and unavailability of opportunities in certain fields. DOSM reported that 54% Malaysian goes to Singapore, followed by Australia (15%), United States of America (10%) and United Kingdom (5%) for employment.²¹ In view of this, TalentCorp Malaysia was established in 2011 by Malaysian government under Ministry of Human Resources, with main objective to address talent needs of Malaysia and promote attraction, development and retention of talent in the country. The agency worked on initiatives such as Returning Export Program (REP) which encouraged Malaysia professionals abroad to return and contribute their expertise by offering a flat rate of 15% income tax for 5 years.²² The REP achievement in 2021 recorded a 49% increase of REP returnees compared to the previous year.²³ To retain highly skilled professionals within Malaysia, flexible working arrangement, recruitment process outsourcing and skills development programmes have been implemented by TalentCorp Malaysia.²⁴ Even though Malaysia wants to increase its population, having a high-quality population is more vital to Malaysia. Thus, the rationale behind TalentCorp's introduction of retention strategies.

DISCUSSION

In light of the current policies and programmes implemented by our country and other developed nations, it is recommended to revise and enhance numerous strategies to achieve the desired quality population growth and address strategy gaps. The evolution and impact of Malaysia's policies, in contrast to Japan, from controlling population growth to encouraging it have provided a multifaceted view of how the country's responses to demographic challenges. Both country's approaches have demonstrated that the aspect of population policies should not only focus on population numbers, but it needs to consider economic implication as well. For instances, policies that promote childbearing should be supplemented by policies that support working parents as to not obstruct economic participation while ensuring family growth, particularly for women.

Malaysia has integrated family planning with economic development by enacting numerous family-friendly policies at workplace such as establishments of childcare facilities, flexible working arrangement and inclusion of male parents in family planning. For example, Malaysia has recently increased the maternity leave from 60 to 98 days and paternity leave from 5 to 7 days is beneficial to female employees and their spouses, whose assistance in the first week after childbirth is crucial. Another program that has been implemented

in a certain organisation in Malaysia as part of creating a family-friendly workplace is the flexible working hours. A study conducted among employees in Klang Valley in Malaysia on the implication of family-friendly policy with 69% female respondents, found that it enhanced social networking, improved quality of life, improved productivity at work, better work-life balance, and they felt encouraged to further their study as well as to have more children.²⁵ However, the flexibility might lead to a number of attitude problems, such as absenteeism, not keeping up with datelines, complicates relationship with employer, not present at work but report attendance and low productivity.²⁵ The challenges this policy posed can be overcome with a proper planning and good governance by the organization. Although the amendment to the Employment Act of 1955 regarding maternity leave is a sound policy, as well as promoting paternity leave and endorsing flexible working hours for parents, it is not all-inclusive.

To support the women labour forces in order to increase the economic growth, child care and breastfeeding support must also be considered for the first six months upon the female worker's return to work. By providing a creche at the workplace with reasonable fees for workers to use, it is possible to reduce the cost of childcare and give female employees peace of mind, resulting in more productive employees who benefit the organisation and indirectly contribute to the economic growth. According to a study done in German, with regard to on-site and subsidised daycare, workers are better able to concentrate on job needs within the time allotted for that role, reducing family disruptions and distractions and generally enhancing work-family balance.²⁶ This initiatives for childcare also enable workers who might not otherwise be able to work since there aren't enough other daycare options.²⁶ Therefore, moving forward, the Malaysian government might have to look into the provision of childcare centers at the workplace to support the crucial first six months post-delivery as well as the implementation of family-friendly workplaces through flexible work arrangements such as flexi-time, work sharing, home working, variable working hours, compressed working week, part-time work, teleworking, and voluntary decreased hours that have been implemented in developed nations.²⁵

Addressing the migration issue, TalentCorp's effort can be deemed a successful policy based on its achievement and implementation. However, Talentcorp Malaysia's job sector coverage focuses primarily on professionals and administrative job scope. Apart from that, there are other five employment sectors that also had critical employment issues namely plantation, construction, manufacturing, agriculture and restaurant services.²⁷ To illustrate, a study found

that while the expected need for workers in the construction industry was 1.9 million, the local labour supply was only 405,135 people, which was insufficient.²⁸ As a result, Malaysia needed to hire foreign workers to meet the demand. Additionally, Malaysia introduced the Foreign Worker Employment Relaxation Plan by January 17, 2023, which loosened employment regulations for foreign workers.²⁷ These circumstances have led to an increase in immigrants.

In order to satisfy the industry and labour market demands while managing the immigrant influx, Malaysia focuses on improving the citizen's vocational skills through Technical and Vocational Education and Training (TVET). According to Karim & Mustapha²⁹ and Yeap et al³⁰, one of the primary functions of TVET is to prepare students for vocational employment and professions emphasising education and training that corresponds to industry needs. The curriculum ensures that TVET students acquire industry-required practical skills and knowledge.³¹ This program offers students at various levels, including certificates, diplomas, and bachelor's degrees, where more than 1,000 TVET institutions, including polytechnics, community colleges, vocational colleges, and technical universities are involved.²⁹

In a nutshell, improving TVET engagement through increasing students' knowledge and skill readiness in particular areas among the crucial employment sectors such as construction, manufacturing, agriculture and services as early as possible is vital. TVET program have the potential to increase employment rate among local citizen, which would reduce the need to bring in unskilled immigrants and thus helps to regulate population growth. In the long run, providing skilled labour can lead to competitive domestic workforce and potentially reversing the brain drain phenomenon.

As Malaysia emphasises on TVET and retaining skilled workers, Japan on the other hand is utilising foreign workers to increase its labour force in response to immediate labour shortages. The different approaches illustrate the distinct demographic and economic challenges faced by each country. Whilst Malaysia is focusing on proactive economic development, Japan relies on immigration as a reactive measure to its shrinking workforce and ageing population.

CONCLUSION

Policies and programs are crucial in shaping population growth trends as it influence fertility rate and migration patterns. The evolution of policies and strategies implemented by Malaysia and Japan governments have highlighted the need for a complex balance between economic growth, demographic management and social development. As seen in Malaysia, the government's focus on socioeconomic development to provide conducive

environment for family formation has contributed to steady population growth. The governance framework, along with social and economic factors, influences population growth trends and helps ensure a sustainable and balanced demographic landscape.

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