

More skilled Malaysians leaving, says World Bank
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Malaysia faces a rising trend of skilled human capital outflow, which could partly be attributed to low confidence in career prospects, wages and inclusiveness in the country.

The World Bank, in the fourth issue of its Malaysia Economic Monitor (MEM) report, pointed out that the three issues figured prominently among Malaysians currently living overseas based on an online survey conducted in February this year.

The survey covered nearly 200 respondents, with about half made up of students aged 24 years and below, while the remainder are mostly aged between 25 and 40 years and are working overseas.

World Bank senior economist Philip Schellekens acknowledged that the survey's small sample size would not be entirely representative of the estimated 300,000 skilled Malaysians living abroad, but pointed out that it still gives an indication of some of the driving factors behind Malaysia's brain drain.

Based on the survey, 66 percent of the respondents cited career prospects as the main reason for their lack of interest in working in Malaysia, followed closely by social injustice (60 percent) and compensation or wages (54 percent).

One interesting point that Schellekens raised was that about 81 percent of the respondents were Chinese, indicating an "ethnic component" to skilled human capital migration out of the country.

He said their findings, though in many cases anecdotal, underscore the need for the government to speed up structural reforms that focus on merit and inclusiveness, as promised by the much-touted New Economic Model (NEM).

On top of macro-scale reforms that need to be implemented at the policy-making level, Schellekens added that the government should also engage the Malaysian diaspora directly through programmes such as the recently launched TalentCorp Malaysia.

"Brain drain is a symptom of underlying factors; it is not a problem in itself," he said during a summary presentation of the MEM in Kuala Lumpur today.

It's not all bad for Malaysia

Schellekens noted however that despite a rising trend of skilled labour joining the ranks of at 1 million Malaysian diaspora found largely in Organisation of Economic Cooperation Development (OECD) member countries, he said the country has yet to suffer heavily from the brain drain.

At the moment, he said Malaysia's tertiary education system is capable of sufficiently replenishing the number of skilled workers moving out of the country.

Schellekens added that the country would also benefit from increased remittances that could alleviate liquidity constraints, additional experience and financial capital from return migrations and also facilitating exchange of goods and knowledge.

He stressed however that the benefits need to be tempered with the potential loss of quality in skilled labour, as it is the norm for the best of the best to be the first ones to go.

Schellekens noted that this could be detrimental for Malaysia, which is aiming to achieve high-income status in less than 10 years, compounded by the high rate of emigration of unskilled workers and a 25 percent dip in the influx of skilled expatriates into the country.

Minister in the Prime Minister's Department in charge of the Economic Planning Unit, Nor Mohamed Yakcop. acknowledged that there is still much the government needs to do to convince Malaysians to come back while at the same time retaining talent.

"There are so many things we need to do. There is the wisdom of sequencing, where we go for the low-lying fruits first and fight the battles we can win quickly before going for bigger challenges.

"But we are really sincere in what we are doing; we are really sincere in implementing the NEM and being inclusive... as Malaysians, they should feel that there is no glass ceiling (in career prospects) in Malaysia," he said at a press conference after the event.

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