

**WOMEN LABOR FORCE PARTICIPATION IN
MALAYSIAN LABOR MARKET**

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MASTER OF ECONOMICS

**UNIVERSITI UTARA MALAYSIA
2014**

**WOMEN LABOR FORCE PARTICIPATION IN MALAYSIAN LABOR
MARKET**

**A Project Paper submitted to the College of Business,
Universiti Utara Malaysia in partial fulfillment of the requirements
for the degree of Master of Economics,
Universiti Utara Malaysia.**

By

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ABSTRACT

From the early 1980s, the participation of women in the labor market is less than 50 percent compared to men. The women's labor force participation rate is an important factor that can influence both the present and future well being of the economy. Independent variables that has been selected are education, fertility rate, unemployment rate, population of women, foreign workers and as well as GDP. This study used time series data of 1982 to 2011. The objective of this study are i) to investigate the trends of Women Labor Force Participation Rate (WLFPR) in Malaysia and compared it with the selected variables. ii) to study the influence of the six macroeconomics variables on WLFPR and iii) to examine the relationship between Total Fertility Rate (TFR) and WLFPR. The results show that only education and population have significant influence on WLFPR. The Granger Causality test shows that there is no direction of causality between WLFPR and TFR. The implementation of the New Economic Policy (NEP) in Malaysia put education as an important tool in the fight against poverty and restructuring of society.

ABSTRAK

Bermula awal tahun 1980an, kadar penyertaan golongan wanita ke dalam pasaran buruh (WLFPR) adalah kurang daripada 50 peratus berbanding dengan golongan lelaki. Kadar penyertaan tenaga buruh wanita adalah faktor penting yang boleh mempengaruhi kesejahteraan ekonomi masa kini dan juga masa akan datang. Pemboleh ubah tidak bersandar yang dipilih adalah pendidikan, kadar kesuburan (TFR), kadar pengangguran, populasi wanita, kadar kemasukan pekerja asing dan juga keluaran dalam negara kasar (GDP). Kajian ini menggunakan data siri masa tahun 1982 hingga 2011. Objektif kajian adalah: i) untuk menyiasat trend kadar penyertaan wanita dalam pasaran buruh di Malaysia dan perbandingan dengan pemboleh ubah yang dipilih. ii) mengkaji pengaruh keenam-enam pembolehubah makroekonomi ke arah kadar penyertaan wanita dalam pasaran buruh dan iii) untuk melihat hubungan antara kadar kesuburan dan kadar penyertaan wanita dalam pasaran buruh. Keputusan menunjukkan bahawa hanya pendidikan dan penduduk mempunyai hubungan yang signifikan kepada kadar penyertaan wanita dalam pasaran buruh. Ujian Granger sebab-akibat menunjukkan bahawa tidak ada arah sebab-akibat antara kadar penyertaan wanita dalam pasaran buruh dan kadar kesuburan. Pelaksanaan Dasar Ekonomi Baru (DEB) di Malaysia meletakkan pendidikan sebagai alat yang penting dalam memerangi kemiskinan dan menyusun semula masyarakat.

ACKNOWLEDGEMENT

I would like to express my deep and sincere gratitude to my supervisor, Dr. Norehan Abdullah. Her wide knowledge and her logical way of thinking have been of great value for me. Her encouraging and personal guidance have provided a good basis for this thesis. Her opinion has helped me a lot in completing this thesis. Special thanks for her for understanding of time-absorbing process required in completing this thesis.

I owe my loving thanks to my family especially my parents Salleh Bin Said and Zawiyah Binti Muda for the understanding, encouragement and financial supports, which has enabled me to successfully complete my master study in UUM. Without their encouragement and understanding it would have been impossible for me to complete this work.

Special thanks to all my colleagues who are give impressive ideas and encouragement in completing this study successfully. Not forgetting, special thanks to the staff of Sultanah Bahiyah Library, Universiti Utara Malaysia for their information, help and guidance during my study. Last but not least, I would like to thank everyone involved who has given inspirations and guidance whether directly or indirectly. May God bless all of us. Thank you.

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LIST OF ABBREVIATIONS

CBO	-	Congressional Budget Office
DOF	-	Department Of Statistic
DV	-	Dependent Variable
EPU	-	Economics Planning Unit
GDP	-	Gross Domestic Product
HAWA	-	Women Affairs Unit
ILO	-	International Labor Organization
IV	-	Independent Variable
LDCs	-	Less Development Countries
MOHA	-	Ministry Of Home Affairs
MOHE	-	Ministry Of Higher Education
MOHR	-	Ministry Of Human Resources
MLRM	-	Multiple Linear Regression Model
NEP	-	New Economic Policy
NPW	-	National Policy On Women
NGO	-	Non-Government Organization
OLS	-	Ordinary Least Square
SPSS	-	Statistical Packages for Social Sciences
TFR	-	Total Fertility Rate
VAR	-	Vector Autoregressive Regression
WLFPR	-	Women Labor Force Participation Rate

CHAPTER 1

INTRODUCTION

1.1 Introduction

Women participation in labor market plays an important role in Malaysian economic growth. Hence, it is important for Malaysian's government to implement the correct policy to attract women to enter the labor market. Section 1.2 is discussing about the overview of women participation in labor market. Section 1.3 about the background of study. Women participation in labor market was influenced by several macroeconomic factors. Section 1.4 about the problem statement. Participation of women in the employment sector in this country is still low because the rate is below to 50 percent compared with others countries. Section 1.5 about the objective of study where is the general and specific objective. Scope of this study is focusing on WLFPR with the selected variables and it was discussed in Section 1.6. The significance of the study is can provide the guidance to governments and non-government organization to promote women increase participation in labor market where is discussed in Section 1.7. The last section is about organization of the study.

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