

# Brain drain issue essay



1. 0 Introduction Recent year, brain drain issue once again becomes one of the hot discussed among the Malaysian. According to recent parliamentary report, approximately 140, 000 Malaysia left the country in 2007 while the figure was double up to 305, 000 between March 2008 and August 2009 as talented Malaysia pulled up stakes, apparently disillusioned by rising crime, a tainted judiciary, human right abuses, and outmoded education system and some other concern (Mariam, 2010). However according Asrul (2011), World Bank identified three reasons behind the country's brain drain after conducted an online survey in February 2011 of 200 Malaysians living abroad.

The report stated that 60 per cent of the respondents found that social injustice as their main concern to migrate or return-migrate, citing unequal access to scholarships and higher education especially among the younger generation within the non-Bumiputera community while 66 percent mentioned that lack of career prospect was a major factor and 54 percent agreed that unattractive salaries as underlying factors in the Malaysian diaspora. While many of the Malaysians are motivated by money and economic incentives, the flight is also driven by other reasons too. Parents emigrate because of their children's education, women married to non-Malaysians continue to live abroad because spouses are not entitled as Malaysian citizenship or permanent resident status, and homosexuals who are not allowed by the law contribute them to leave Malaysia.

Furthermore, Asrul (2011) citing from a census conducted in Singapore 2010 stated that roughly 385, 979 Malayisan-born residents and most of them are Chinese ethnic, comprising 47 percent of all skilled foreign labor in the

country and a large number of Malaysians obtained their tertiary education overseas at the same time pointing out that those emigrating younger as more of those below 23 are leaving the country.. World Bank senior economist Philip Schellekens stated that the outflow of talent was not being replaced with inflows to equilibrium the unbalance, thus damaging the quality of Malaysia's " narrow" skills base, noting that 60 per cent of immigration into Malaysia had only primary education or less, even as the number of skilled expatriates declined by 25 per cent since 2004 (Lee, 2011).

Table 1 - Source: The World Bank From the Table 1 above, we can observe that the Malaysia resident diaspora in Singapore are dominant by Chinese and the amount is still increasing from 85 percent in year 2000 to 88 percent in total in year 2010. Only minority of Malays and Indians are moving to Singapore where only consists of 6 percent and 5 percent in total. Similarly, Chinese language is mostly share among the Malaysian adults in US (61 percent in total) which mean the diaspora to US are mostly Chinese ethnic compare to Malay and Indian ethnic. Therefore, government has to revise their policy to look after this issue why brain drain and diaspora issue to overseas generally is Chinese.

2. 0 Talent Corporation and Ways to attract professional To prevent this phenomenon become worst, Talent Corporation Malaysia (Talent Corp) has been established under Prime Minister's Department to initiate and facilitate initiatives that will help the country meet its talent needs, by working closely and building partnerships with leading companies and Government agencies. This is to ensure Malaysia can achieve the aim of Economic Transformation

Program (ETP) introduced by Prime Minister Datuk Seri Najib Tun Razak in conjunction with the 10th Malaysia Plan where Malaysia is targeted to become a high income country in year 2020 by attracting and retaining more talented people to come to Malaysia to work.

Table 2 - Source: Talent Corporation From Table 2 above, these objectives and mission are important to Talent Corp to assist the Government in the future. It is clear that the aim for Talent Corp is to attract, engage the overseas Malaysian and professional people to come to Malaysia to work. Also, Talent Corp aims to retain and nurture local professional and talented Malaysians to boost up Malaysia's economic while the mission is to do what it takes to meet the talents' needs to aid the Government ETP policy.

We can observe that many Malaysians have achieved international success while based overseas. In the science and technology sector, Selangor-born Pua Khein-Seng is the inventor of the world's first single chip USB pen drive and now owns a listed technology company in Taiwan with a market capitalization of RM4.3 billion. Besides, in the field of politics, the first openly gay member of the Australian Commonwealth cabinet who is also the Australian Minister for Finance and Deregulation, Penny Wong, was born in Kota Kinabalu while in the fashion line also constitutes a part of the diaspora for instance Zang Toi and prominent shoe designer Jimmy Choo are both Malaysians, based in New York and London respectively.

Hence, several steps are taken by Talent Corp such as Returning Expert Program (REP), Residence Pass (RP) and Electrical & Electronic (E&E) Sectoral Working Group to attract more Malaysians who stay abroad to come back

Malaysia. Malaysia is desperately to look for these talented people to improve our economic scale and escape from tracking in the middle-income country for so many years. Since the industry is willing and able to pay for professional to work for them, the market and industrial demand for professional and talented people are growing fast which mean the market demand curve will move to right according to economic context.

According to the Robert Walters half yearly market 2011 updates, the demand for knowledge workers are very high in all sectors for instance most company in accounting and finance area recruiting various mid senior-level position. In second half of the year, companies were actively recruiting senior-level positions with strong financial background and experience in business development and strategic planning. Same goes with IT commerce, Human Resources, Sales & Marketing, Supply Chan & Logistics sectors where a high level recruitment of knowledge worker can be seen in 2010.

Organizations and candidates were both optimistic and looked forward to new talent and opportunities respectively On the other hand, supply for professional labor in the market is disequilibrium with the demand.

Talent Corp has set up an online site for qualified expatriates to apply for residence passes as part of its efforts to attract and retain world-class talent under Prime Minister Datuk Seri Najib Razak's economic transformation program (The MalaysianInsider, 2011) to reduce the shortage. The RP is offered to highly qualified expatriates seeking to continue living and working in Malaysia on a long-term basis. The benefit including the applicant is able to work and live in Malaysia for up to ten years while they are allowed to change their employers without having to renew the pass.

Applicant's spouse and children will enjoy the same benefit for instance the freedom and flexibility to work as well. As said by Talent Corporation Malaysia Berhad (Talent Corp) chief executive officer Johan Mahmood Merican: " The Residence Pass is targeted at world-class talent and thus, to secure approval, applicants must demonstrate a high level of professional achievement, supported by possession of relevant qualifications and work experience, especially in key economic sectors as identified under the Economic Transformation Programme" (as cited in The Malaysian Insider, 2011)

Furthermore, Returning Expert Program (REP) is a program introduced by Malaysian Government to encourage Malaysian citizens with expertise residing overseas to return to Malaysia. The program was introduced in 2001, and revised in 2011, provides interesting incentives for Malaysian talents overseas who wish to return, including an optional 15% flat tax rate on Employment Income, tax exemptions for personal effects and 2 locally assembled and manufactured Completely-Knocked Down (CKDs), Apart from these, Malaysia Talent Corp also gives the foreign spouse or children Permanent Resident (PR) status within six months upon submission of complete application to Immigration Department of Malaysia.

Foreign born children or children that have already studying in an international stream overseas are allowed to enroll in any international school of choice in Malaysia. The third program introduced by Talent Corp is FasTrack program (E&E working group). The FasTrack program is a 12-month program targeted at high-achieving Malaysian engineering graduates developed by the Working Group to enlarge the pool of Research and

Development (R&D) engineers needed for progression of the E&E sector up the value chain. The program involves apprenticeship with hands-on experience working on actual R&D projects at host companies, supplemented with formal training at Penang Skills Development Centre (PSDC). At the end of the 12 month period, it is expected that the apprentices will be employed by the host companies. Talent Corp sees these engineers as future drivers for the E&E sector's efforts to move into more value added products and services.

In order to create a sustainable source of talent for the country and drive forward the National Key Economic Areas (NKEAs) sector, it is very important for Malaysian to fill the bulk of the talent demand as mentioned in the upper part. Economic demand for professionals and talented labor are highly needed to drive to the government objectives. As a result, plan for nurturing potential local talents by Talent Corp such as upskilling program under the Nurturing Malaysian Program for Malaysian to make them stay competitive in the market demand. By improving the public scholarship system and university curricula so that graduates are more industry-ready. Not only that, setting up the sectoral working group which will engage both industry and Government agencies in addressing talent requirements is also very essential too.

Besides, government also introduces an ambitious plan to make Malaysia become an Asian hub for Western education at a site called Nusajaya in Johor. " Educity", as the building is named, reflect Malaysia's grand strategy to become a centre for western education. Malaysia is meeting with the strong demand among Asia's new middle classes for English-language

schooling and also the serious brain drain problem where over 300, 000 university-educated Malaysian work abroad. Government decided few years ago to try to reverse the trend after watched Asian children flock west to spend a lot of money on British and American schools.

Many education campaigns have been held to persuade Western schools and colleges to come and set up branch campuses in Malaysia. The Malaysian proposition to Asian parents is simple and beguiling that, come to these famous schools and universities in our country and gets the same degrees and qualifications as in Britain or America for half the price (Economist. com, 2011).

### 3. 0 Conclusion & Recommendations

3. 1 Conclusion No doubt to say that Malaysia now is facing the serious problem of brain drain and diaspora with over 300, 00 degree holder working abroad rather than working in Malaysia. The seriousness of this problem could be the obstacle that leads to the failure of vision 2020 and the objective of ETP. Perhaps, the Public Service Department (PSD) and the various human resource departments (HR) of the government-linked corporations (GLC) have not been able to counter this problem alone.

Besides cooperation between departments, Government should monitor and guide them to come out with the best solution that can benefit all parties.

Hence, it is believe that with the establishment of Talent Corporation, the Government is able to step up the efforts to strengthen Malaysia's talent pool and welcome highly skilled foreign talent who are able to work with us to drive Malaysia's economic transformation. However, Talent Corporation



cannot act alone. Brain drain issues are broad and complex, so these goals cannot be achieved by a single agency. Therefore, the Government has to continue to engage both industry and talent to ensure the efforts are aligned, as working together to accomplish the goal to become a high income country in 2020

3. 2 Recommendations Talent Corp may be the wise step taken by the Government to avoid our local talent working abroad. However, those in charge need to know that there will be a huge mountain of opposition to scale from within as well as equally massive public relations and sales pitch that will be required to retain and attract Malaysian talent. They will need iron wills backed up by the iron fists of the political masters. All this falls broadly into two segments which is understanding why Malaysian professionals choose to settle abroad, and providing a competitive environment for them to want to return to. Many Malaysians apparently decide on to settle abroad after graduating overseas and finding employment there. Others have chosen to emigrate to better environment and living style.

To deal with the problem on understanding why professional choose to settle abroad, the Talent Corp has to construct a sound professional and industrial environment or at least comparable to those abroad. This environment needs to be highly competitive in terms of remuneration, benefits, promotional prospects, international exposure, openness to innovation, professional recognition and world-class best practices. The range of industries and professional institutions is much more required by the way of massive investments to the sectors. Such investments must be steady,

consistent and professional way of monitoring, by eliminating penny-pinching tendencies or small-minded Third World habits to infect their advancement.

Even more work is needed to do in order to deal with the second group problems. The necessary investments cover not just the professional, industrial and economic spheres but also the social and political. The importance of practicing transparency and true meritocracy has to be practiced in every sphere of activity and stage of discussion and negotiation. These would range from open tenders for public projects to full accountability for a range of activities, including government departments and agencies as well as the selection process of student scholarships for families. Creating a more open and flexible labour market in Malaysia may be seen as providing jobs for foreigners but, in fact, it is critical to create new business opportunities and new jobs in Malaysia for Malaysians. Some of the new positions could be in regional and global roles. This approach will help us retain top Malaysian talent.