

An Overview of Gig Workers in Malaysia

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Abstract

This paper presents an overview of gig workers in Malaysia. The gig economy has always seen a steady growth trajectory and is becoming a prominent feature of the labour market in Malaysia. The World Bank claimed that the gig economy has been on the rise in Malaysia, making up more than 15 per cent the total employment in 2017. The Employees Provident Fund (EPF) in August 2017 reported that the gig economy in Malaysia has grown by 31 per cent. The Department of Statistics estimated that there are 2.86 million potential gig works in Malaysia, an estimation based on the total number of 'Own Account Worker' status of employment category (2018). Critics argue that the rapid rise of gig economy platforms reflects the exploitation of regulatory and legal loopholes and the imposition of one-sided flexibility on workers rather than superior business models. Notwithstanding the potential benefits, more often than not, jobs in the gig economy are structured to negatively impact workers (unpredictable scheduling, inconsistent earnings, and unreliable long-term employment prospects) and firms (unfair competition, lower productivity and absenteeism). In most instances, digital labour platform providers rely on a workforce of independent contractors, who work on their own and at their own risk, for low wages and without social security. Neither the platform providers nor their clients take on the role and responsibilities of an employer. Labour laws, worker protection, health and safety regulations, quality of work and social security contributions are the sole responsibility of independent contractors who are not entitled to any form of workers' protection common in other sectors. The clients of the platforms essentially gain access to an on-demand workforce, while the independent contractors who provide the labour are subject to precarious working conditions. While neither comprehensive nor exhaustive, there is an urgent need to establish a clear set of engagement standards where gig workers and employers may refer to, and a cost-effective and

expeditious legal recourse in order to manage gig-economy related disputes more effectively.

Keywords: gig worker, gig economy, digital labour platform, workforce, employment