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### INTRODUCTION

The gig economy in Malaysia has seen rapid growth in recent years, particularly accelerated by the COVID-19 pandemic, which disrupted conventional employment and prompted a surge in platform-based work. Gig work refers to short-term, flexible jobs often mediated through digital platforms such as Grab, Foodpanda, Shopee, and GoGet. While these opportunities offer flexibility and income streams for many Malaysians, particularly youth and those in urban centres, they also raise pressing concerns about the absence of legal protections, stable income, and access to social security. As Malaysia transitions into a high-income economy, striking a balance between flexibility and labour security in the gig sector has become a key policy challenge.

### ADVANTAGES OF THE GIG ECONOMY IN MALAYSIA

One of the primary attractions of gig work is its flexibility. The flexibility inherent in gig work allows individuals to choose their working hours, allowing them to balance other responsibilities such as caregiving, education, or supplementary work. This arrangement offers a level of autonomy not typically available in traditional employment (De Stefano, 2016).

Gig work has become an essential source of income for many Malaysians, especially during times of economic uncertainty. For instance, during the Movement Control Order (MCO) period, gig platforms like Foodpanda and Grab provided work opportunities to those who lost traditional employment (DOSM, 2021). Moreover, the gig economy offers relatively low barriers to entry, attracting marginalised groups, including youth, the underemployed, and people without formal qualifications. It also contributes to digital entrepreneurship by creating micro-entrepreneurial pathways for individuals offering freelance services such as graphic design, writing, and logistics.

### CHALLENGES AND RISKS FOR MALAYSIAN GIG WORKERS

Despite these advantages, gig workers in Malaysia often operate in precarious conditions. Classified as independent contractors rather than employees, they are excluded from protections under the Employment Act 1955, and thus not entitled to minimum wage, EPF contributions, health insurance, and paid leave (Shamsudin & Yahya, 2022). As a result, many face income instability, lack access to retirement savings, and remain vulnerable to occupational hazards without coverage under the Social Security Organisation (SOCSO) unless they voluntarily contribute.

A key issue is the asymmetry in power between platforms and workers. Gig workers, especially in ride-hailing and delivery services, often face algorithmic control that dictates their working hours, performance metrics, and task allocation, without room for negotiation or recourse (Wood et al., 2018). Moreover, fluctuating demand and changing commission rates by platforms add to their financial uncertainty (Ng, 2020).

Income unpredictability is another major concern. A study by the International Labour Organization (2021) found that many gig workers earned below minimum wage when accounting for unpaid waiting time, vehicle maintenance, and other hidden costs. This income volatility creates difficulties for gig workers to plan for the future or access credit and housing.

## MALAYSIA'S POLICY AND LEGAL RESPONSES

Malaysia has begun taking steps to address the concerns of gig workers. In 2020, the government expanded SOCSO coverage to include self-employed workers under the Self-Employment Social Security Scheme (SKSPS), making it mandatory for selected sectors, including e-hailing and delivery services. However, enforcement and awareness remain inconsistent, and many gig workers continue to fall through the cracks.

Another scheme, EPF i-Saraan, allows informal sector workers to make voluntary contributions toward retirement savings, with government incentives. While these measures are commendable, they rely heavily on worker initiative and do not equate to the protection and stability afforded to traditional employees. In 2023, the Malaysian government proposed to regulate platform work under a new legislative framework, but as of 2025, comprehensive reform is still pending. Stakeholders, including trade unions and civil society organisations, have called for clearer definitions of gig work, minimum standards, and dispute resolution mechanisms to protect worker rights (MTUC, 2023).

## BALANCING FLEXIBILITY WITH SECURITY

The future of gig work in Malaysia hinges on developing a hybrid model that combines the flexibility of platform work with the security of formal employment. One viable solution is the establishment of portable benefits, where workers accumulate social security entitlements that are not tied to a single employer but can move across platforms (Ravenelle, 2019). This would help protect gig workers without undermining the flexibility they value.

Furthermore, a minimum earnings guarantee and clear service-level contracts could ensure that platform commission structures do not exploit workers. Enhanced regulation should be accompanied by data transparency from platforms and a stronger role for government monitoring bodies. Policymakers must also encourage tripartite dialogue involving platforms, workers, and regulators to co-develop fair and enforceable standards.

Finally, promoting gig worker cooperatives and facilitating collective representation would help rebalance power between workers and platforms. While Malaysia's labour movement has traditionally focused on the formal sector, expanding its scope to include gig workers will be essential in building inclusive labour protections.

## CONCLUSION

Malaysia's gig economy has opened new pathways for income and innovation, especially in times of economic disruption. However, the lack of comprehensive legal protection for gig workers has created a gap in social equity and labour rights. To ensure that the gig economy contributes to sustainable development rather than social fragmentation, Malaysia must implement forward-looking policies that protect the vulnerable without stifling innovation. A balanced approach—anchored in rights, flexibility, and inclusive growth—is key to securing a dignified future of work for all Malaysians.

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