



# NEWSLETTER

## Gig Workers in Malaysia: A Review of Definitions & Estimation

Technological advancements throughout the years has brought fundamental changes to the way we work and the type of locations at which we do that work. Standard work contracts and engagement with an employer have changed dramatically, partly due to long-term trends of non-standard work arrangements, and the rise of the platform economy or gig economy which has become a major game-changer.

### Who is Gig Workers?

### International Labour Organization

#### International Labour Organization (ILO)

"Gig workers often labour independently, in isolation, over geographically expansive areas, and in direct competition with one another, hence are often classified as independent contractors. Gig work is often short term or task-based; with higher presence in and online labour platforms."

#### Statistics Canada

"Gig workers are usually not employed on a long-term basis by a single firm; instead, they enter into various contracts with firms or individuals (task requesters) to complete a specific task or to work for a specific period of time for which they are paid a negotiated sum. This includes independent contractors or freelancers with particular qualifications and on-demand workers hired for jobs that are mediated through the growing number of online platforms and crowdsourcing marketplaces."

#### Bureau of Labour Statistics, USA

Gig workers are spread among diverse occupation groups and are not easily identified in surveys of employment and earnings. But they are similar in the way they earn money. Gig workers are those who don't have an implicit or explicit contract for long-term employment, includes independent contractors (also called freelancers or independent consultants), on-call workers, and workers provided by temporary help agencies or contract firms.

### Estimation of Potential Gig Workers in Malaysia

- ILO studies used the status in employment "independent contractor" from household surveys as a proxy to identify gig workers.
- In line with this practice, two surveys which capture "own account worker" are used as follows:
  - Labour Force Survey
  - Informal Sector Workforce Survey
- Employed persons working as "own account worker" are identified as potential gig workers.

#### Labour Force Statistics, 2018 ('000)

Working age population		Outside labour force
Labour force		7,094.4
Employed	Unemployed	
By status in employment ('000)		
Agriculture sector	1,570.3	10.6%
Non-agriculture sector	13,205.7	89.4%
...Informal sector	11,440.4	10.9%
		Potential Gig Workers
Employer	547.2	
Employee	10,700.4	
Own-account worker	2,859.2	
Unpaid family worker	669.1	

Note:

<sup>1</sup> Compound Annual Growth Rate (CAGR) from 2011 to 2017 was applied to estimate the number of employed person in informal sector for 2018;

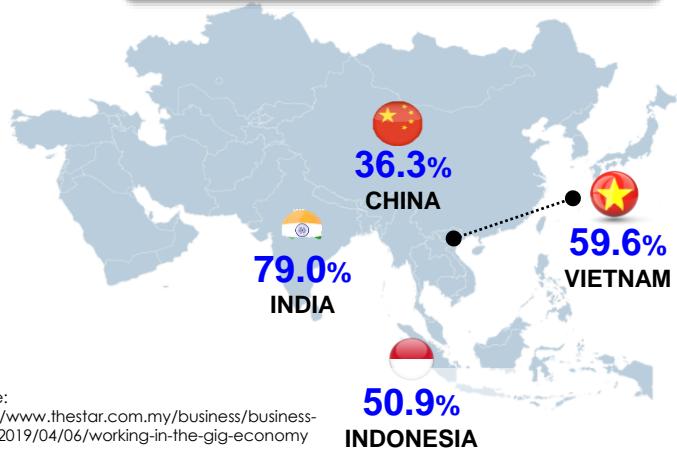
Number of employment in informal sector in 2017 was 1.36 million with a share of 10.6%.

## Top Self-Employed Countries in Asia

**2,859.2 thousand**

persons was own-account workers or better known as **self-employed** in 2018, accounted for **19.6%** from 14.8 million of employed person in Malaysia.

Source:  
Labour Force Survey 2018, DOSM



## Stats Facts on Gig Workers

**26%** of the total

**15.3 million** Malaysian labour force form part of the growing gig economy. That's close to **4 million** freelancers!

Source:  
<https://marketingmagazine.com.my/malaysian-freelancers-will-finally-get-the-rights-they-deserve-heres-why/>

The gig economy workforce in Malaysia had grown by **31%** in 2017, surpassing the growth in the conventional workforce

Source:  
<https://www.nst.com.my/opinion/columnists/2019/11/534683/regulating-gig-economy>

**160,000**

e-hailing drivers employed in the Malaysian gig economy

Source:  
<https://www.nst.com.my/opinion/columnists/2019/11/534683/regulating-gig-economy>



**Food Riders in Klang Valley as of November 2019**



Source: <https://www.nst.com.my/opinion/columnists/2019/11/534683/regulating-gig-economy>

## Top 10 Countries with the Fastest-Growing Earnings for Freelancers



**78%**

USA



**59%**

United Kingdom



**48%**

Brazil



**47%**

Pakistan



**36%**

Ukraine



**35%**

Philippines



**29%**

India



**27%**

Bangladesh



**20%**

Russia



**19%**

Serbia

**Year-on-year revenue growth**

Source: Global Gig-Economy Index

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