

Gig economy to be regulated, says Dr M

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KUALA LUMPUR: The government will regulate the gig economy to ensure that the welfare of workers in this sector is protected, said Tun Dr Mahathir Mohamad.

The prime minister noted that they do not enjoy the benefits and protection of permanent workers, and could be mistreated and abused by employers.

Non-contractual workers are employed for short-term engagements under the gig economy.

"The government is concerned about them. For permanent workers, there are rules and regulations pertaining to their savings and pensions, including the Employees Provident Fund (EPF). But there are no such regulations in the gig economy.

"It is the government's responsibility to put in place provisions and regulations to ensure everyone is protected.

"We will come up with provisions where if employers break the rules, then action will be taken against them," he told the Dewan Rakyat yesterday.

Mahathir was responding to several questions from MPs from both sides of the

political divide on whether the government intends to regulate the gig economy.

Mahathir said among the initiatives taken by the government were the setting up of a special committee comprising the Youth and Sports Ministry, Human Resources Ministry and Domestic Trade and Consumer Affairs Ministry to draft long-term solutions relating to the gig economy.

"The Human Resources Ministry will also conduct a detailed study on the legal definitions concerning the terms and regulations of employees, while the sector will also be given attention as a new source of economic growth."

He said the government was conducting studies on the initiatives, adding that not all benefits and protection enjoyed by conventional workers would be enjoyed by those employed under the gig economy.

He said the government is facing constraints in protecting the welfare of gig economy workers due to the unclear employment relationship between employers and employees.

The issue was raised in the Dewan Rakyat in light of the controversy surrounding the new payment scheme of food delivery company Foodpanda, which

saw its riders holding protests.

Lawyer G. Manimegalai lauded the government's move, saying there should be regulations to protect the rights of workers in the gig economy.

"Many take such jobs to make a living for themselves and their families," she said. "These workers don't benefit from the Social Security Organisation (Socso)."

Lawyer Xenia Lok Zou Chieh said gig firms should provide EPF and Socso to their freelancers. "They need a savings scheme and their employers should contribute to it," she said.

Full-time photographer Nur Saidah Nor Adami said there was a need for a contract to protect her from being exploited.

The 26-year-old said her employer was not compelled to insure her during field work. "I would appreciate an agreement spelt out in black and white from the employer."

PR firm owner Sam Syadeed Samat, 29, said his company relies heavily on freelance workers, and he knows the importance of insuring his workers.

"I believe in written agreements for all my freelancers," he said. "I also provide insurance coverage to those who work on projects on the ground."