

MEDIA RELEASE

HR Ministry move to provide clarity on the giggers in the right direction

PETALING JAYA: With the increasing number of young Malaysians partaking in the rapidly growing gig economy, employers look forward to the government initiatives to provide more clarity on the status of giggers.

In responding to the statement of Minister of Human Resources YB Datuk Seri M. Saravanan on the matter, MEF President Dato Dr Syed Hussain Syed Husman J.P. said: “We must look into this matter as the younger generation are opting to do business than seek salaried jobs.

“However, the giggers are not employees in the traditional context as they are independent contractors. In terms of social security protection, the giggers are classified under the self-employed category for SOSCO and EPF.

“But there has to be an effective mechanism to resolve disputes between the giggers and platform providers and the clients using the services

“These giggers are also contributing to the economy and hence, there has to be some regulation of the gig economy for the long-term well-being of the giggers themselves.”

He also cautioned that there should not be imposition of too many rules and restrictions given the novel features of gig work that is structurally unlike traditional employment.

“Any alterations to the existing business model may negatively impact the gig economy with adverse consequences for the self-employed to generate income.”

Dato Dr Syed Hussain cited the e-hailing services is an example. There were about 500,000 people providing the service. But after they were required to have a license, social contribution and vehicle registration, today there are only about 100,000 left.

“The growth of the gig economy which absorbed nearly four million people due to its business model should be facilitated, and there should be novel solutions to these novel situations.

“We thank the YB Minister of Human Resources for making efforts to address this issue and getting all the stakeholders to formulate a suitable methodology for the giggers is in the right direction.”

For further information, contact the MEF Secretariat at 03-7955-7778 or fax 03-7955-9008 or email mef-hq@mef.org.my.

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