

**NAVIGATING THE ECONOMY: AN ANALYSIS
OF MALAYSIAN GIG WORKERS'
PERCEPTION OF WORK, EMPLOYMENT
SECURITY AND SOCIAL PROTECTION**

SIVAKUMAR A/L VARATHARAJU NAIDU

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SIVAKUMAR A/L VARATHARAJU NAIDU

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ABSTRACT

This research investigates the elements and obstacles associated with the gig economy in Malaysia. While the gig economy has been established in other regions since 2008, its emergence in Malaysia is just beginning to gain traction. In comparison to European nations, the gig economy in Malaysia lacks a well-defined structure, prompting discussions regarding its future from the perspective of government officials. This qualitative study employs in-depth interviews as its primary methodology. A total of 9 stakeholders were selected as informants, including gig operators, freelancers, and government representatives. The literature review indicates that gig operators encounter numerous challenges, such as exploitation by employers, inadequate insurance options, low wages, and lack of job security. Beyond economic concerns, issues related to pricing, marketing, competition, government regulations, and logistics have also been identified. The study further reveals a diverse economic framework. Informants were asked both structured and semi-structured questions during the in-depth interviews. Data gathered from interviews and thorough observations were documented and analysed using mnemonic techniques. The findings of the study are organized into thematic themes highlighting factors such as income instability, lack of social protection, occupational health and safety risks, mix awareness of policies, skepticism about government support, desirer for fair regulation and social security, income diversification, informal peers networks, self-discipline in managing hours and expenses, hope for formalization and benefit, concern over supply of workers, mixed outlook of opportunities exploitation. In summary, this research provides a qualitative insight into the gig economy and its impact on the nation's economic development. Additionally, it offers recommendations for future research, as well as theoretical and practical considerations for stakeholders addressing gig economy challenges in Malaysia.

Keywords: GIG economy, basic themes, organizational themes, global themes, economic growth

APPROVAL

This is to certify that this thesis conforms to acceptable standards of scholarly presentation and is fully adequate, in quality and scope, for the fulfilment of the requirements for the Doctor of Business Administration.

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DECLARATION

I hereby declare that the thesis submitted in fulfilment of the requirements for the Doctor of Business Administration is my own work and that all contributions from any other persons or sources are properly and duly cited. I further declare that the material has not been submitted either in whole or in part, for a degree at this or any other university. In making this declaration, I understand and acknowledge any breaches in this declaration constitute academic misconduct, which may result in my expulsion from the programme and/or exclusion from the award of the degree.

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The pursuit of the Doctor of Business Administration (DBA) has been both intellectually demanding and personally challenging, particularly in balancing the responsibilities of serving as a Member of Parliament with the rigorous requirements of academic study.

I embraced this challenge with the conviction that education is a lifelong journey of learning, unlearning, and relearning, aimed at achieving continuous personal growth and contributing to higher levels of human development. In a world where knowledge and practice are constantly evolving, it is essential to remain adaptable, to keep abreast of emerging trends, and to respond effectively to shifting environments in order to maintain relevance and competitiveness.

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LIST OF ABBREVIATION

MMHR Ministry of Human Resources

USD US Dollar

US United States of America

MP Malaysia Plan

B40 B Fourty

M40 M Fourty

T20 T Twenty

CHAPTER 1

INTRODUCTION

1.0 Background of Studies

The gig economy has become an increasingly important segment of the global workforce. The World Bank (2022) reports that it represents up to 12% of the worldwide labor market, a figure that surpasses earlier estimates. This sector has been expanding swiftly in developing nations, particularly with a surge in demand for online gig work (Statista Research Department, 2023). The findings indicate that the gig economy offers distinctive opportunities for women and youth in these regions, serving as an alternative route out of poverty and promoting greater participation in the labor market.

Recent shifts in the U.S. economy present both opportunities and challenges for fostering widespread economic prosperity amid a transforming labor landscape. The rise of nontraditional and contingent employment relationships, partly driven by new technological platforms, introduces new possibilities along with regulatory, legal, and public policy hurdles. Both consumers and workers are increasingly utilizing online technologies and applications to engage in specific, on-demand services such as cleaning, handyman tasks, shopping, cooking, driving, and landscaping. This trend is encapsulated in the concept of the “online gig” or “on-demand” economy, characterized by episodic work engagements rather than ongoing employer-employee relationships. The growth of this online gig economy has heightened interest in the regulatory complexities surrounding contingent work arrangements, which encompass independent contractors, as well as part-time, temporary, seasonal, or subcontracted workers (Jane Dokko, Megan Mumford, & Diane Whitmore Schanzenbach, 2015).

In the United States, the gig economy is defined by a labor market predominantly occupied by temporary and part-time roles held by independent contractors. This sector has been expanding rapidly, with estimates suggesting that nearly a third of the workforce was engaged in some form of gig work by 2021, a trend anticipated to rise. While the gig economy provides workers with flexibility and autonomy, it often lacks job security, allowing businesses to reduce costs by forgoing traditional employee benefits. Factors driving this growth include technological progress, shifting perceptions of work-life balance, and increased use of remote collaboration tools. However, the gig economy has faced criticism for undermining traditional employment relationships and the security of stable jobs. Conversely, it has also facilitated the emergence of on-demand positions that empower individuals with greater control over their work and earnings. Globally, the gig economy generates \$204 billion in gross volume, with transportation services accounting for 58%. Projections indicate that the value of the gig economy will continue to rise (Statista Research Department, 2023).

As the gig economy in the United States continues to expand, the number of gig workers has significantly increased, particularly in response to the COVID-19 pandemic. In 2020, the sector experienced a 33% growth rate, expanding 8.25 times faster than the overall U.S. economy. It is estimated that approximately one-third of the American workforce is currently engaged in some form of gig work, a trend expected to persist in the post-pandemic landscape (Karolina Kulach, 2023).

Despite the possible advantages offered by the gig economy, disparities within the labor market across various Asian countries intensify worker inequality. In East Asian nations like Japan and South Korea, the gap between formal and informal employment poses a significant challenge. Meanwhile, in developing countries of

South Asia, such as India, strict hiring and firing laws limit the flexibility of workers. Additionally, the rapid pace of digitalization in Southeast Asia is exacerbating labor inequality, as swift technological advancements are resulting in increased productivity and differing returns on investments (Huang & Wan, 2019).

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1.0.1 The History of Gig Economy

The history of the gig economy is a complex and evolving narrative that stretches back centuries, reflecting shifts in economic structures, technology, and labor markets.

Early Origins

The concept of gig work—short-term, task-based jobs—has roots reaching back to early human civilization. Before the Industrial Revolution, most work was project-based, with artisans, farmers, and tradespeople engaging in episodic labor, trading skills and services as needed. This flexible, non-permanent form of work was integral to early economies and can be seen as the original form of gig employment.

The early origins of the gig economy trace back much further than the recent digital platforms that dominate today's labour market. Historically, gig work—characterized by short-term, task-based employment—has been a part of human economic activity for centuries, evolving alongside social and economic changes.

One of the earliest and most illustrative examples of gig work comes from the world of music in the early 20th century. The term "gig" itself was coined by jazz musicians in the 1910s who performed on a per-job basis, often moving from one short-term engagement to another. These musicians were essentially pioneers of gig work, embodying the core principle of flexible, freelance employment long before the term gained broader economic significance.

Beyond the jazz scene, the nature of gig work aligns with the historical prevalence of independent contractors and at-will employees, whose relationships with employers were defined by flexibility and lack of permanence. Legal frameworks such as the National Labor Relations Act (NLRA) of the 1930s emerged partly in response to the economic upheaval of the Great Depression, aiming to regulate the imbalance of power between permanent employees and employers. However, these laws were not originally designed to address the nuances of gig work, which often blurs the lines between independent contractors and traditional employees.

The gig economy's roots also reflect broader economic patterns before the rise of industrialization, where much labour was project-based or seasonal, lacking the permanence of factory jobs that became prevalent during and after the Industrial Revolution. This flexible labour system allowed workers to profit from their skills on a per-task basis, a hallmark of gig work that persists today (Bunny studio, n.d.).

In summary, the early origins of the gig economy are embedded in historical labor practices characterized by short-term, freelance engagements, with jazz musicians in the early 1900s providing a notable example of the term's inception. Legal and economic frameworks have evolved around these practices, but the gig economy's fundamental nature as flexible, task-based work has remained consistent throughout history.

Industrial Revolution

The Industrial Revolution, which occurred during the 18th and 19th centuries, significantly transformed the nature of work. The rise of factories and mass production created a shift toward permanent, full-time employment with stable wages and benefits. Workers moved from rural areas to urban centers, taking on long-term jobs that established the modern employment. The gig economy during the Industrial

Revolution represents a significant transitional phase in the history of labor, marking a shift from traditional task-based work to more structured, long-term employment models, while still retaining some early forms of gig-like labor (Lawflex, 2025).

Before the Industrial Revolution, most work was inherently gig-based: artisans, farmers, and tradespeople engaged in project-by-project tasks, reflecting a flexible and decentralized labor system. The Industrial Revolution of the 18th and 19th centuries brought about the establishment of factories and the advent of mass production., which transformed labor into a wage-based system centered on permanent employment. Workers migrated from rural areas to urban industrial centers, taking on long-term jobs with regular wages and benefits. This shift established the foundation of modern employment characterized by job stability and predictable income, reducing the prevalence of traditional gig work.

Despite this transformation, early forms of gig work persisted during the Industrial Revolution, especially among day laborers and migrant workers. These workers were hired on a short-term basis for specific tasks such as farm labor, construction, or manual jobs, often facing precarious conditions and lacking social protections. The rapid industrialization also led to an expanding proletariat class subjected to long hours and low wages, which in turn sparked labor movements advocating for workers' rights (Sarah lee, 2025).

The Industrial Revolution also saw the early emergence of staffing and placement agencies, precursors to modern gig platforms. Although the widespread development of formal staffing agencies occurred later, during and after World War II, the idea of connecting workers to temporary jobs began to take shape in this era as businesses sought flexible labor to meet fluctuating demands.

Technological advancements during the Industrial Revolution, such as the telegraph, improved communication and coordination of labor, laying groundwork for future gig economy models. These innovations facilitated more efficient matching of workers to jobs, a principle that digital platforms would later expand upon.

In summary, the Industrial Revolution marked a pivotal moment where gig work was largely overshadowed by permanent factory employment but did not disappear entirely. Short-term labor persisted among certain worker groups, and early organizational efforts to connect workers with jobs began to emerge. This period set the stage for the later re-emergence and expansion of the gig economy, especially as technology and economic conditions evolved in the 20th century and beyond (Sarah lee, 2025).

Post-World War II and Temporary Work

Following World War II, economic prosperity led to labor shortages in many sectors, especially clerical and administrative roles. This period saw the emergence of temporary staffing agencies, which provided short-term workers to fill fluctuating demands. These agencies represent some of the first organized forms of gig employment in the modern era, offering flexibility to both employers and workers.

The post-World War II era fundamentally reshaped temporary work and laid critical foundations for today's gig economy, driven by economic reconstruction, labor shortages, and evolving employment models. This period witnessed the institutionalization of flexible labor systems that prioritized employer adaptability over worker security (USCIS. Gov, 2025).

Labor Shortages and the Birth of Formal Temporary Staffing

The staffing industry emerged directly from wartime labor demands. Small agencies began recruiting housewives for part-time clerical roles, capitalizing on postwar labor shortages and exempting employers from regulatory burdens. By 2000, this sector would grow to employ over 3.5 million Americans. The paradigm shift was profound: temporary positions evolved from stopgap solutions for absent permanent staff to semi-permanent, systematically planned roles vulnerable to market fluctuations. This transition reflected broader neoliberal trends toward precarious employment.

Government-Sanctioned Temporary Worker Programs

The Bracero Program (1951-1964) became the most consequential temporary labor initiative. Formalized through US-Mexico agreements, it imported hundreds of thousands of seasonal agricultural workers annually. Farm employers grew dependent on this flexible, deportable workforce, valuing the "certainty, flexibility, and authority" it provided. Simultaneously, the Wagner-Peyser Act (1933) and Social Security Act (1935) transformed public employment offices from emergency services to permanent institutions coordinating labor distribution. These offices faced immense pressure after the war to place demobilized soldiers and displaced war-industry workers. (USCIS. Gov, 2025).

Economic Shifts and Worker Precariousness

Postwar industrial policies initially aimed to dismantle German manufacturing capacity but pivoted to reconstruction by 1947, recognizing Europe's dependence on German industry. In the US, pent-up consumer demand and lifted wage controls triggered the largest strike wave in history (1946), forcing a new social contract

between unions and employers. Yet temporary workers remained excluded from these protections. Farm employers particularly embraced guestworkers not due to labor scarcity, but because deportable workers maximized employer control.

Historical Continuities with the Gig Economy

Today's gig economy echoes pre-industrial labor patterns where individuals pieced together multiple temporary jobs for subsistence. The postwar era institutionalized this model through:

Systematic Precarity: Normalizing Jobs Without Stability

Employer-Centric Flexibility: Prioritizing workforce adjustability over worker security

Technological Mediation: Early staffing agencies foreshadowed digital platforms

This period cemented the structural inequalities that continue to define gig work: flexibility traded for job security, minimal benefits, and diminished collective bargaining power.

The post-WWII temporary work infrastructure—born from geopolitical necessity and capitalist adaptation—established the operational frameworks and power imbalances that enabled the 21st-century gig economy's rise. (USCIS. Gov, 2025).

Rise of Freelancing in the 20th Century

Throughout the 20th century, freelance work gradually re-emerged, particularly in creative and specialized industries such as film, music, media, writing, and graphic design. Though still limited to certain sectors, freelancing began to challenge the dominance of permanent employment by offering more flexible work arrangements.