

# Make Socso contribution compulsory for all gig workers, govt told

The Malaysian Employers Federation says making the contribution compulsory would provide some form of social protection for gig workers as the sector continues to grow.

Shahrul Shahabudin - 22 Nov 2023, 7:23pm



*Currently, it is only mandatory for gig workers in the e-hailing and p-hailing sectors to contribute to Socso's self-employment social security scheme.*

**KUALA LUMPUR:** The government has been urged to consider making contributions to the Social Security Organisation's (Socso) protection scheme mandatory for all types of gig workers.

The Malaysian Employers Federation (MEF) executive director Shamsuddin Bardan said making the contribution compulsory would provide some form of social protection for gig workers as the sector continues to grow.

Currently, it is only mandatory for gig workers in the e-hailing and p-hailing sectors to contribute to Socso's self-employment social security scheme.

Shamsuddin said that despite the current growth of the gig economy, projected to encompass 50% of the workforce by 2030, only about 550,000 gig workers in Malaysia had made Socso contributions out of a total of 4.6 million workers.

"Most of them (gig workers) are not contributing to the Socso scheme, it's not right.

"I would like to suggest to the authorities and stakeholders to announce that platform providers can't hire these gig workers if they are not registered with Socso's protection scheme," Shamsuddin said during the MEF's Future in Gig Employment panel discussion at a hotel here.

He also suggested for the EPF savings scheme to be extended for independent contractors and for the government to provide gig workers with financial literacy education.

In March, human resources minister V Sivakumar said 162 warnings have been issued to gig workers as of Jan 31 for failing to register with Socso's protection scheme for the self-employed.

He also said that 108,237 people had been registered under the scheme, including 45,568 or 42.1% from the e-hailing industry.

Meanwhile, workers' union representative Effendy Abdul Ghani proposed that a new law should be formulated to make it compulsory for all gig workers to make Socso contributions regularly.

A Baskaran, of Universiti Malaya's business and economics faculty, said that with technology rapidly advancing and being increasingly adopted by businesses, there's a crucial necessity for providing upskilling programmes to gig workers operating at low and medium-skilled levels.

“As companies are adopting digital technology (for their businesses), digital adoption would lead to demand for highly-skilled labour. This would necessitate the low and middle-skilled workers to train themselves.

“Platform providers and the government have a role to play to empower low and medium-skilled workers for the future,” Baskaran said.