

Precarity And Protection: Addressing Working Conditions On Digital Labor Platforms In Malaysia

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Abstract: *The rise of digital labor platforms in Malaysia has redefined the nature of work, offering flexible income opportunities while simultaneously presenting new challenges to decent work standards. This article examines the working conditions of platform workers; particularly those engaged in location-based services such as ride-hailing, food delivery, domestic care, and other on-demand tasks. Drawing from recent empirical studies, policy documents, and interviews with platform workers, this paper highlights the structural vulnerabilities inherent in algorithmically managed work, including job security, unpaid compensation and administrative burden and high risk of safety and well-being. The paper further analyzes the regulatory gaps in Malaysia's current labor framework that contribute to the precarious status of platform workers, who often fall outside traditional definitions of employment. In response to these challenges, the article explores strategies and reforms to improve the structure and operation of digital labour platforms in Malaysia. By critically engaging with both the issues and potential reforms, this study aims to contribute to the discourse on fair work in the digital economy and propose actionable recommendations for policymakers, platform operators, and labor advocates. The article concludes by emphasizing the urgent need for an adaptive legal framework that safeguards the rights and welfare of digital platform workers in Malaysia's evolving labour market.*

Keywords: Digital labour platform, platform worker, gig economy, employment rights, social security protection.

INTRODUCTION

The Fourth Industrial Revolution is a major shift where advanced technologies like Artificial Intelligence, the Internet of Things, and automation are being integrated into industries. It marks the next phase of digital transformation, driven by rapid developments in data, analytics, smart machines, and robotics [1]. Industries are increasingly using advanced technologies to enhance their matching algorithms, making it easier for workers to find jobs that fit their skills, while also improving overall efficiency [2]. Due to massive job losses in traditional sectors, the COVID-19 pandemic caused a spike in the use of digital labor platforms, with many people resorting to platform work. The digital economy is an economy that relies on digital technology, involving the internet, digital communication, and digital data.

It comprises a broad range of activities, including social media interactions, digital marketing, online commerce, and the exchange of goods and services via digital platforms [3]. The effect of the digital economy has created new employment options for network professionals, mobile application developers, and new business models that enable people to work as platform workers. The existence of digital economy has led to the growth of digital labour platforms. Digital labour platforms consist of web-based platforms, where the work is outsourced through an open call to a geographically distributed crowd, and secondly, location-based platforms, which allocate work to users in a specific geographical area to carry out local, service-oriented tasks [4]. Digital labour platforms have increased employment opportunities while also providing flexibility in performance of work. It is reported that an increase of 106% with a total of 188,216 jobs were secured in 2022 compared to 2021[5].

Despite this development, platform workers, especially those engaged in location-based services such as ride-hailing, food delivery and domestic care, often face poor and unstable working conditions. These include low and inconsistent pay, long or irregular working hours, lack of job security, and the absence of essential benefits such as social protection, paid leave, or health insurance. According to a report, there was a 158.9% increase in accidents involving product and passenger transportation with 1,872 cases reported compared to 723 accidents in 2021 [6]. Despite the growing numbers of platform workers, they are not given proper social security protection by platform providers [7]. Due to platform workers' position as independent contractors, they are not qualified to be covered by social security protection and basic employment rights. The objective of this study is to explore the working conditions of platform workers, focusing on location-based workers and the second objective is to recommend strategies and reforms to improve the structure and operation of digital labour platforms in Malaysia.

METHODS AND METHODOLOGY

Qualitative approaches are used in this study to achieve research objectives. The qualitative approach excels at generating detailed textual descriptions of people's experiences with a specific research issue [8]. Desktop-based research, also known as desk research or secondary research, is the process of collecting information from existing sources, such as books, articles, reports, and online databases. This approach allows the study to analyze and synthesize information from various published materials, making it a more efficient and cost-effective option. Typical sources for this type of research include academic journals, government publications, parliamentary statutes and industry reports. This study uses interviews as the principal method for data collecting. Interviews provides flexibility and adaptability, allowing the researcher to adjust questions and generate more information [9]. It allows the gathering of extensive, in-depth insights into respondents' viewpoints and experiences with the digital labour platform. The study will involve a one-on-one interview between the researcher and platform workers. The respondents are actively engaged in digital labour platforms.

RESULTS AND DISCUSSION

Unlike traditional employment, digital labour platform operates without fixed contracts, structured working hours, or standard employment protection. Platform workers are confronted with issues on job security, uncompensated work and administrative burdens and increased safety and well-being risks. These challenges highlight the vulnerabilities faced by platform workers in the digital labour platform, who often operate without the protection and stability found in traditional employment. The following sections will explain these issues in detail, using respondents' experiences to highlight the challenges they face, and the changes needed to protect their rights.

3.1 Job Security

Job security is one of the concerns among platform workers. Platform workers are at risk of sudden job termination, financial instability, and unfair performance assessments. This is because customer ratings in the platform's app play an important role in determining the platform worker's work performance. According to Respondent 1 and Respondent 2:

"If the rating is very low, usually the company will terminate without giving us any explanation and it is not fair because it is all based on the customer which is one sided and it is hard for us to voice out our complains." -Respondent 1

"The customer cancels the order frequently, and when that happens, the food has to be thrown away, which is wasteful. If we, as riders, decline orders too often, it negatively affects our rating. A high cancellation rate makes it difficult to receive new orders and could even lead to suspension." -Respondent 2

Order cancellations impact ratings and job stability, as lower ratings can lead to suspensions or fewer job opportunities. Sudden terminations due to low ratings can highly impact workers losing their income with no formal appeal process.

3.2 Uncompensated Work and Administrative Burden

Platform workers working in domestic services mentioned that they must bear additional work without payment from the client. According to Respondent 3 and Respondent 4:

"Some customers registered and booked on the app for taking care of two boys, but when I arrived at the house, there were four boys. As a result, I had to take care of four kids instead of the two that were stated on the app." -Respondent 3

"There is a time where a customer books a caregiver for one child, but upon arrival, there are two additional children to look after. When I informed the admin, they contacted the customer, but the customer denied it, claiming that another adult in the house was responsible for the other children. However, I was the one who bathed and cared for all three children." -Respondent 4

As mentioned by both respondents, clients often give additional tasks without proper payment. When the issue complained to the platform provider, the client denied their wrongdoing. Additionally, to avoid negative ratings and reviews by the clients, some platform workers perform the additional tasks without additional compensation from the clients. This situation often happens in domestic services. In most cases, platform workers have to negotiate and handle dispute with clients personally without assistance from platform providers. These administrative burdens imposed on platform workers has withdrawn them from working in the digital labour platform.

Similarly, this situation also applies towards delivery riders. According to Respondent 5 and Respondent 6:

"Cash on delivery payment option often leads to fraud because customers can cancel at any time, leaving us unpaid. Many clients dare to this because they can order anonymously." -Respondent 5

"The order was just a single item, but the distance was very far, and the customer chose to pay via cash on delivery. When I finally arrived at the location, I had to wait for about 30 minutes, but in the end, no one showed up to collect the item." -Respondent 4

From the feedback, it can be observed that platform workers often are at risks on becoming a victim of fraud. They have to bear the costs of order when customers cancel orders at the last minute. In addition to unpaid goods, they are also affected by the cancellation of the order. They are sometimes sent to random locations or long distances which increase additional costs for time and fuel. This situation causes platform workers to bear the financial burden of cancellations and prevents them from earning full payment for their services.

3.3 Increased Safety and Well-being Risks

The safety and well-being of platform workers, especially those working on location-based platforms are also worrying. Platform workers in domestic work are exposed to sexual harassment as they are required to work at private home. As Respondent 5 expressed:

"I arrived at a customer's house, and the child's father happened to be home at the time. On the app, customers don't always provide information about who else will be present, like how many adults are at home whether it's their uncle, older brother, or someone else. I felt unsafe working at this condition." - Respondent 5

In most cases, platform workers, particularly in delivery services, deliver goods without knowing the contents. This exposes them to the risk of unknowingly being involved in illegal activities or transporting high-value items without proper security measures. According to Respondent 1:

"I once delivered an order that contained RM100,000. At first, I didn't know the package contained such a large sum. But when I arrived at the destination, the place seemed suspicious, and the person rushed out of the car to take the item. The next day, I received 11 missed calls from an unknown number. It turns out the calls were from people connected to the order. They were able to trace my number because my information was exposed. I felt unsafe, as my identity was revealed, but I couldn't identify these people since the app keeps everything anonymous." - Respondent 1

This statement demonstrates how the lack of inadequate privacy protection increases the risk of workers being targeted. In this case, the worker unknowingly transported a large sum of money, which could have placed them in physical danger. The inability to verify customers' identities along with the exposure of the worker's personal information created a security risk. This leaves them vulnerable to potential threats such as harassment, intimidation or even criminal entanglement. While digital labour platforms prioritize customer privacy by keeping client identities anonymous, they fail to extend the same level of protection to their workers. Respondent 2 also expressed:

"I once delivered an order to a hotel where the client insisted me to come into the room to deliver the food. I also received lewd conversations from customers in the apps" - Respondent 2

It can be observed that there are no clear protection or established guidelines to ensure the safety of platform workers. Since platform workers depend on customer ratings to secure future jobs, they may feel pressured to comply with uncomfortable requests to avoid negative reviews. Additionally, the lack of transparency regarding customer identities makes it difficult for workers to assess potential risks before accepting a job. Without proper identity verification and safety measures, platform workers remain vulnerable with no formal system to report incidents. This lack of regulation emphasizes the urgent need for stronger protections including customer background checks, in-app emergency support, and stricter policies on worker-customer interactions.

CONCLUSION

Findings show that uncertainty of platform workers position in the legislation leaves platform workers in a vulnerable place. Job security is a major concern as digital labour platforms operate on performance-based models where customer ratings determine access to job opportunities. This heavy reliance on ratings exposes workers to unfair treatment that can negatively impact their work availability and earnings. Moreover, the inefficiencies of the operational system further limit their ability to optimize income. Issues such as inaccurate navigation systems, inefficient task allocation, and unpredictable job requests result in lost time and reduced earnings potential. Therefore, establishing labour rights and social security protections for young platform workers requires a comprehensive and balanced approach. Recognizing digital labour platform as a formal occupation would be a critical step in ensuring platform workers receive fair wages, job security, safe working conditions and access to social protection. Additionally, the introduction of structured training programs, awareness campaigns, and proposed regulatory frameworks could help bridge the existing gaps in protections. A collaborative approach involving government ministries, government agencies, and platform companies is necessary to implement the proposed framework. This approach aims to balance worker protection with the flexibility that attracts workers to work on the digital labour platforms. By implementing these measures, Malaysia can foster a more sustainable, fair, and supportive digital ecosystem that safeguards the rights of platform workers while promoting the growth of the digital economy.

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