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Malaysia's Active Labour Market Policy Programmes for Platform Workers and the Self-Employed

Wan Amirah Wan Usamah, Research Associate

Khazanah Research Institute, Malaysia

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Classification of employment in Malaysia

Employees
(*Employees' Social Security Act 1969*)

Self-Employment

(*Self-Employment Social Security Act 2017*)

Employers

an individual who owns a business and employs workers under a contract of service

Own Account Workers

an individual whose business is wholly owned by him or her and may have a registered business entity, but do not employ workers

Independent Contractors

an individual who typically procures contractual work independently in the form of assignments or contracts for service from various clients through traditional or digital platforms

Malaysia has been active in pushing policies supporting the self-employment and entrepreneurship landscape

12th Malaysia Plan (RMK-12)

Objective	Initiative
Structural transformation of the economy	Opportunities presented post-pandemic to create a stronger and more resilient, economy that is characterised by innovative industries based on entrepreneurship.
Strengthening financial capabilities of entrepreneurs	Increase incentives and new financing mechanisms for technology adoption among new businesses.
Recovery programme for unsuccessful entrepreneurs	Implementation of a second chance intervention programme for entrepreneurs to rebuild after unsuccessful business attempts and mitigate risk of bankruptcy.

Malaysia Digital Economy Blueprint

Objective	Initiative
Enhancing employability through skills training for gig workers	Giving the opportunity for gig workers to upskill through subsidised training conducted by HRDCorp.
Improving regulatory framework for gig workers	The support is given via. long-term social protection in order to give welfare for full-time gig workers or those who work at least a minimum number of hours across all platforms.

Malaysia has been active in pushing policies supporting the self-employment and entrepreneurship landscape (cont.)

National Entrepreneurship Policy 2030 (NEP2030)

Objective	Initiative
Improving access to finance and financial literacy	Raising awareness on how to access certain funds and what type of funds are most suitable for what type of business. Highlighting the role of development financial institutes and improving access to alternative sources of funding, for example crowdfunding and angel investors.
Making entrepreneurship a preferred career choice	Reduce the social stigma of alternative avenues of employment such as starting a business. Ensure a holistic and conducive environment for individuals to start, run and expand their business.
Improving planning, implementation and performance monitoring for new businesses	A total of 60 agencies exist to support entrepreneurs but they make work in silos due to policy overlaps. The government is looking to streamline this process by identifying redundancies and reducing the bureaucracy that businesses face. The ministry responsible is also looking into implementing KPIs to assess performance at the individual, group, agency and organisational levels to increase business efficiency.

Social Entrepreneurship Malaysia 2030 (SEMy2030)

Objective	Initiative
Enhancing awareness and outreach of social entrepreneurship	Extension of public assistance to social enterprises at local and grassroots levels nationwide. Develop existing entrepreneurship programmes to include social entrepreneurship.
Boosting capabilities of social enterprises	Encourage collaborative research between social entrepreneurs, academia, and industries. Provide training and certification for social entrepreneurship educators, mentors and coaches.

Ongoing: Critical Areas to Address in Establishing Malaysia's Proposed Gig Workers Commission

relevant legislation

the establishment of a
grievance mechanism

defining the structure and
functions of the commission

assessing financial implications

determining wage rates

ensuring social protection and
occupational safety and health

an integrated database for the registration of gig workers and platform

Malaysia's Programmes targeting the self-employed reflects diverse forms of support

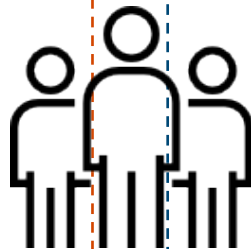
Social Security Schemes

Self-Employment Social Security Scheme (SKSPS)

Protection for self-employed insured persons against employment injuries including occupational diseases and accidents during work-related activities.

i-Saraan

The i-Saraan is a voluntary contribution scheme to the Employment Provident Fund (EPF) designed for self-employed individuals and those without a fixed income.



Entrepreneurship / start-up promotion

Provide support to start an economic activity, either via self-employment or new business opportunities. Often combined with business training or micro-credit.

Skills and labour market training

Training for targeted groups to acquire new or improve their technical or soft skills

Active Labour Market Programmes

This is further seen in initiatives of Budget 2024

YOUTH		ETHNICITY-RELATED	
RM720 million allocated to encourage women and youth entrepreneurs	RM1.4b under Mikro BSN loans	Program Tunas Usahawan Belia Bumiputera (TUBE)'s budget continued with RM20m	RM1.6 billion allocated for Bumiputera MSMEs
Skim TEKUN Belia Mobilepreneur up to RM10m for asset financing for entrepreneurs who use motorcycles for business		The government will continue to cover driving test fees for class B2 motorcycle licences, e-hailing for 40,000 youth from underprivileged families.	RM330 million under TEKUN, RM30 million reserved for entrepreneurs from the Indian community
TRAINING/UPSKILLING		WELFARE	
RM100m industry-recognised professional certification to TVET graduates	RM 35 million is provided to fund training fees and income replacement incentives for 9,000 gig workers who attend the training program.	Allocation of RM500 million to increase participation of hardcore poor in Inisiatif Pendapatan Rakyat (IPR)	Increased government's matching contribution for i-Saraan to RM500 annually, limited to RM5,000 a lifetime.
Program Academy in Industry: RM70m for training options while working	RM2k tax exemption for reskilling/upskilling	Allocation of RM100m for the increase in government's matching contribution to the Self-Employment Social Security Scheme (up to 90%)	
RM180m allotted to PTPK (Perbadanan Tabung Pembangunan Kemahiran) with Dana Latihan TVET	RM1.6b allotted to HRDCorp to increase training courses offered	DIGITAL	
		Under BNM, RM8 billion to support MSMEs. RM600 million for micro businesses	GLCs and GLICs allocated RM1.5 billion for development of start-ups in Digital Economy, Aerospace and E&E
		RM44 billion allocated in financing schemes for MSMEs	RM28 million to develop MyStartup as a one-stop centre for startups
		RM20 billion allocated by SJPP, guarantee 80% of MSME loans, esp. those involved in green tech, halal and food security	RM900 million – automation and digitalisation
			RM100 million – digital grant of RM5k, benefitting 20k MSMEs
			RM40 million – Shop Malaysia Online
		SELF-EMPLOYMENT/MICROENTREPRENEURS	

Additional Initiatives Targeting Entrepreneurs & MSMEs

Agency	Programme	Objective
Malaysian Investment Development Authority, MIDA	Lighthouse project	Increased collaboration between MNCs and local SMEs to embrace digitalisation and 4IR technology adoption and innovation.
SMECorp	Business Accelerator Programme (BAP 3.0)	Gives assistance for SMEs to grow and expand its businesses through initiatives such as business advisory services and financial support.
	Soft Financing Scheme for Small & Medium Enterprises (SFSME)	Financing scheme for SMEs operating in the Services and Manufacturing sector with the purpose of investing in machinery & equipment, property, and IT.
TEKUN Nasional	TEKUN Niaga	Provides funds for SME expansion, providing advisory services and support for its participants. Also provides microfinancing option to support small <i>Bumiputera</i> entrepreneurs in their new start-up.
Ministry of Entrepreneur Development and Cooperatives, MEDAC	PROTÉGÉ	Provides professional training targeting unemployed graduates with the aim of improving graduate employability and entrepreneurship skills. This is done through courses such as financial management, digital marketing, business pitching, etc.
MRANTI	Global Accelerator Programme (GAP)	Focusing on three tracts (Medical and Healthcare, Agriculture, and Drone technology), the programme seeks to accelerate existing start-ups to test their product, commercialise, etc.

Additional Initiatives Targeting Platform Workers

eRezeki

Allows individuals to generate additional income through a local, online Sharing Economy platform

Global Online Workforce (GLOW)

Training to nurture and develop digital freelancers that are able to perform work on global platforms at international rates

Digital Train & Place (DTP)

Training incentive targeted towards unemployed to encourage them to become gig workers through up-skilling and re-skilling programmes

Bina Kerjaya

Improve the employability of informal workers (inc. gig workers) for upskilling through micro-credentialing



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