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MALAYSIA SHARING ECONOMY OUTLOOK 2025



ASEAN MALAYSIA 2025 INCLUSIVITY AND SUSTAINABILITY

MALAYSIA MADANI

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Table of Contents

3 **FOREWORD: CEO**

5 **ABOUT THE PUBLICATION**

6 **ACKNOWLEDGEMENT**

7 **SETTING THE STAGE**

8 From Promise to Progress: Malaysia's Sharing Economy Journey

16 **GLOBAL CONTEXT & TRENDS**

17 Unlocking The Potential Of The Sharing Economy

25 Digital Infrastructure As The Foundation: How Technology Is Transforming The Sharing Economy

35 Opportunities and Impact of the Sharing Economy: Malaysia's Leading Role

43 **SECTOR-SPECIFIC DEEP DIVES**

44 Digital Workforce Platforms: A New Era for Malaysian Businesses

53 Transforming Rural Labor: FieldGig's Role in Malaysia's Digital Plantation Workforce and its Contribution to the National Sharing Economy Outlook

70 **WORKER PERSPECTIVES & RIGHTS**

71 AI and the Future of Work: Worker Rights in the Sharing Economy

78 Decent Work in the Platform Economy: Malaysia in a Global Regulatory Wave

87 **FORWARD-LOOKING FRAMEWORKS**

88 Strengthening the Sharing Economy under RMK-13: Agile Regulation as a Key Driver

96 The Digital Revolution and the Sharing Economy: Creative Destruction of the Future of Work

103 **CLOSING**

104 Closing Reflections: A Call to Action for Malaysia's Sharing Economy Future

110 **SPECIAL REPORT**

111 The Sharing Economy: Key Concepts, Definitions and Typologies

130 **REFERENCES**

MALAYSIA SHARING ECONOMY OUTLOOK 2025

Foreword

Malaysia's digital economy is projected to contribute up to 30% of national GDP by 2025, with the sharing economy playing an increasingly significant role in this digital transformation. As a dynamic and fast-evolving segment of the digital economy, sharing economy platforms illustrate how innovation, policy coherence, and strategic collaboration can reshape the way we live, work, and conduct business. From promise to progress, the sector has emerged as a meaningful driver of growth by creating new income pathways, lowering barriers to entrepreneurship, and expanding market opportunities for businesses of all sizes.

This momentum is underpinned by a robust digital foundation. The convergence of four key enablers of Cloud Computing, Mobile Technologies, Artificial Intelligence, and Digital Payments have collectively provided the scalability, accessibility, intelligence, and trust required for the sharing economy to thrive. Today, the sector has grown into an ecosystem valued at RM18.8 billion spanning approximately 246 active platforms and empowering over 1.6 million Malaysians to generate new income streams, build resilience and unlock greater economic potential.

A defining feature of this evolution is the rise of digital platforms built on sharing economy models. These platforms signal a new era for Malaysian businesses, enabling access to on-demand talent, shared services and assets such as logistics infrastructures and flexible workspaces, while allowing companies to scale more efficiently and responsively in a fast-changing market environment.



> As Malaysia strengthens its digital economy towards becoming an **AI Nation by 2030**, the sharing economy will play an increasingly central role in shaping the future of work, while ensuring that progress remains equitable, responsible, and sustainable. This transformation is firmly anchored in the **13th Malaysia Plan (2026-2030)**, which targets annual GDP growth of **4.5%** to **5.5%**, with digital transformation and innovation identified as key national growth enablers.

Within Malaysia's broader digital ecosystem, the sharing economy serves as a critical catalyst, creating flexible pathways for Malaysians to participate in the digital economy, enabling businesses to access on-demand talent and services, while building an adaptive, technology-ready workforce that is well-positioned to thrive in Malaysia's AI-driven future.

As we chart the next phase of Malaysia's digital trajectory, I call upon government, industry, academia, and citizens to work together in strengthening a resilient, inclusive, and forward-looking sharing economy.

Let us seize this opportunity to position Malaysia not merely as a participant in the global digital landscape, but as a nation that advances growth responsibly, sustainably, and for the benefit of all.

Anuar Fariz Fadzil

Chief Executive Officer

MALAYSIA DIGITAL ECONOMY CORPORATION (MDEC)

About the Publication

This Outlook is structured to guide readers through Malaysia's evolving sharing economy in a clear and purposeful way. It begins by establishing the national context and digital foundations, followed by global insights and sector-specific innovations. The document then explores the lived experiences of workers and concludes with forward-looking policy frameworks and philosophical reflections.

Each section is designed to support the aspirations of **RMK-13** by offering practical insights, strategic direction, and a vision for a digitally inclusive and resilient future. This publication serves as a reference for policymakers, platform operators, researchers, and media professionals seeking to understand and shape the next phase of Malaysia's digital economy.



Acknowledgements

The **Malaysia Sharing Economy Outlook 2025** represents a collaborative effort that brings together diverse expertise and perspectives from across Malaysia's digital economy ecosystem.

We extend our sincere appreciation to all contributing authors and their respective organisations for their valuable insights, rigorous analysis, and dedication in developing this comprehensive outlook.

Special thanks to the government agencies, industry partners, and stakeholders who provided data, participated in consultations, and shared their experiences to enrich this publication. We also acknowledge the teams at the Ministry of Digital and MDEC's Policy and Standards Unit, SME Business Digitalisation Department, for their strategic guidance and coordination throughout this project.

This publication stands as a testament to Malaysia's commitment to fostering a thriving, inclusive, and forward-looking sharing economy that benefits all segments of society.

Contributing Authors

Abdul Muthalib Zulkarnain
Hyred

Mohd Dzulkarnen bin Zaharuddin
GoGet Malaysia

Farah Nabilah binti Abdul Rahman
Farlina Said
Institute of Strategic and International Studies (ISIS) Malaysia

Professor Geoffrey Williams
Williams Business Consultancy

Dr. Kernaghan Webb
Toronto Metropolitan University

Professor Ts Dr. -Ing Lau Sian Lun
Sunway University

Mohamad Izahar Mohamad Izham
Muhamad Hilmy bin Mohd Yazid
Zaid Ibrahim & Co

Professor Paolo Casadio
HELP University

Dr. Rachel Gong
Shazrul Ariff Suhaimi
Khazanah Research Institute

Nur Fatin Anis Zuber
Nora Alia Yusri
MDEC

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MALAYSIA SHARING ECONOMY OUTLOOK 2025



SETTING THE STAGE

Laying the Groundwork: Malaysia's Sharing Economy Foundations



From Promise to Progress: Malaysia's Sharing Economy Journey

HUMAN-CENTRED GROWTH

PREPARED BY



Nur Fatin Anis Zuber

AFFILIATION

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The sharing economy has rapidly evolved into a transformative economic model, reshaping how services are delivered, accessed, and consumed through digital platforms.

In Malaysia, the Malaysia Digital Economy Corporation (MDEC) has played a central role in driving this agenda, from pioneering pilot projects that promoted digital inclusion to leading the development of national strategies and standards. This article, From Promise to Progress: Malaysia's Sharing Economy Journey, traces Malaysia's progression from early experimentation with micro-tasking initiatives to the establishment of over 246 validated platforms across diverse sectors, including logistics, creative services, and healthcare. It highlights the importance of institutional frameworks such as the National Sharing Economy Committee and Malaysia's active role in ISO/TC 324 Sharing Economy, which positions the country at the forefront of global standardisation efforts.

With programmes like eRezeki and GLOW demonstrating measurable social and economic impact, Malaysia's sharing economy has proven its capacity to empower communities, enhance digital participation, and create new pathways for income generation. Looking ahead, with supportive policies, strong governance, and stakeholder collaboration, Malaysia is poised to strengthen trust, sustainability, and inclusivity in its sharing economy ecosystem, contributing significantly to national growth and digital innovation.

What is the Sharing Economy?

The sharing economy model entails a tri-partite relationship, facilitated by digital platforms that act as a new form of 'intermediary' between users and service providers, or between supply and demand. Spearheaded by MDEC, the sharing economy in Malaysia has evolved into a thriving ecosystem, fostering collaboration, innovation, and inclusivity. With strategic initiatives and robust frameworks in place, Malaysia is poised to capitalise on the vast opportunities presented by this burgeoning economic model.

To explore further, it is important for us to first have a good understanding of the sharing economy model—who the key actors and components are, what is empowering its growth, and why it is important for all stakeholders to understand the extent of possible 'disruption' that can be caused by the model. It is also important to note that the term "Sharing Economy" is commonly used interchangeably with several other related terms such as crowdsourcing, the gig economy, the freelance economy, and the on-demand economy.

In 2006, Jeff Howe, in his article The Rise of Crowdsourcing, published in Wired magazine, highlighted how this new 'crowd-source' model, enabled and powered by the Internet, was going to change and impact businesses. The ability and possibility of having someone work on an assignment or project while sitting in a different location or even a different time zone was already possible at that time. In January 2016, the World Economic Forum (WEF) published a report titled The Future of Jobs: Employment, Skills and Workforce Strategy for the Fourth Industrial Revolution, which highlighted trends already affecting business models. Crowdsourcing, the sharing economy, and peer-to-peer platforms were listed alongside other trends, including Mobile Internet and Cloud technology.

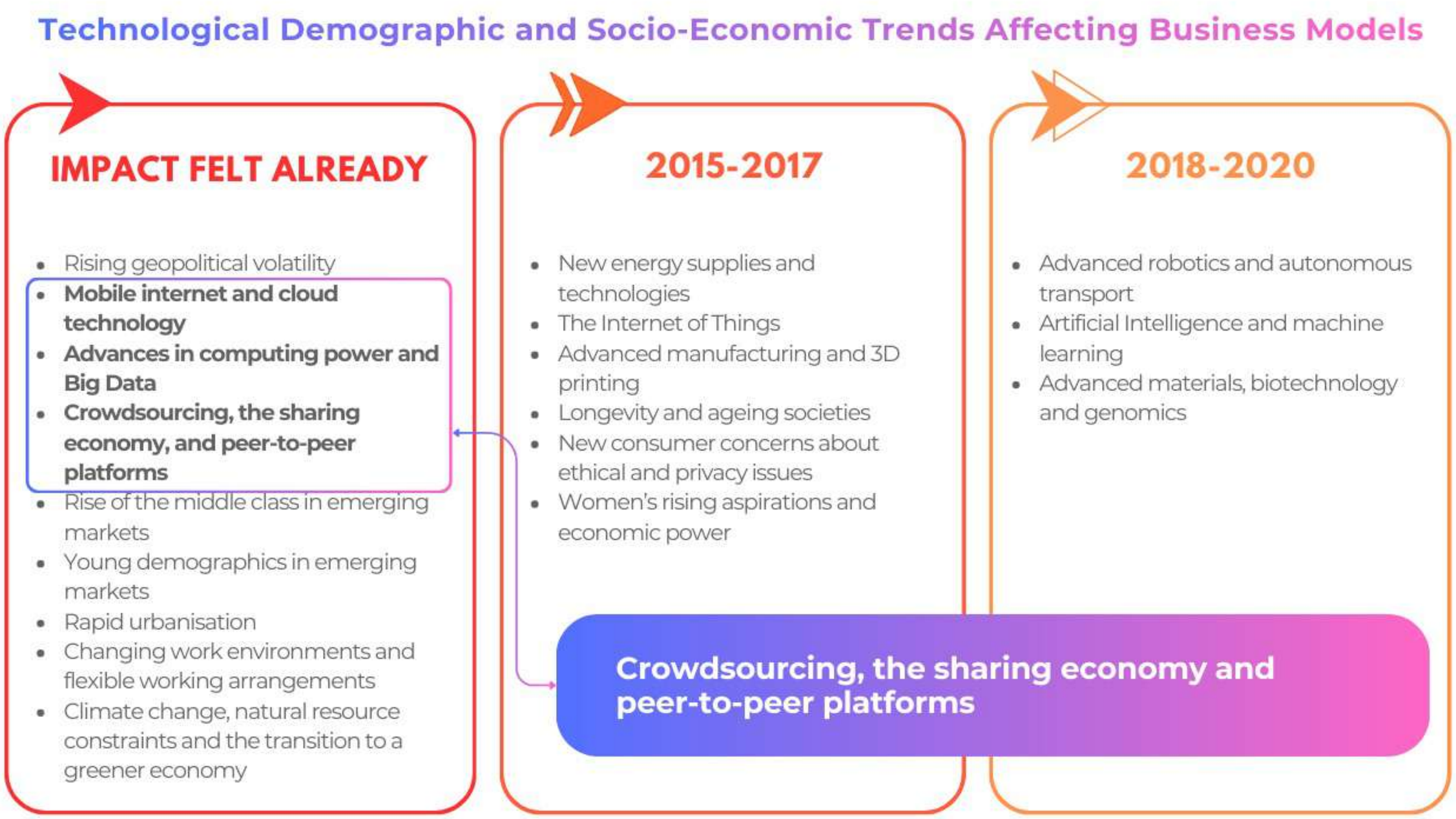


Figure 1: Future of Jobs Report, 2016, World Economic Forum

The model of the sharing economy involves three major elements, namely: (1) the Digital Platform, (2) Providers of Services, and (3) Users. The International Organisation for Standardisation (ISO), through the Technical Committee on Sharing Economy (TC 324: Sharing Economy), has published ISO 42500:2021 on the general principles of the sharing economy. Through this, ISO highlights three key elements within the sharing economy model as follows:

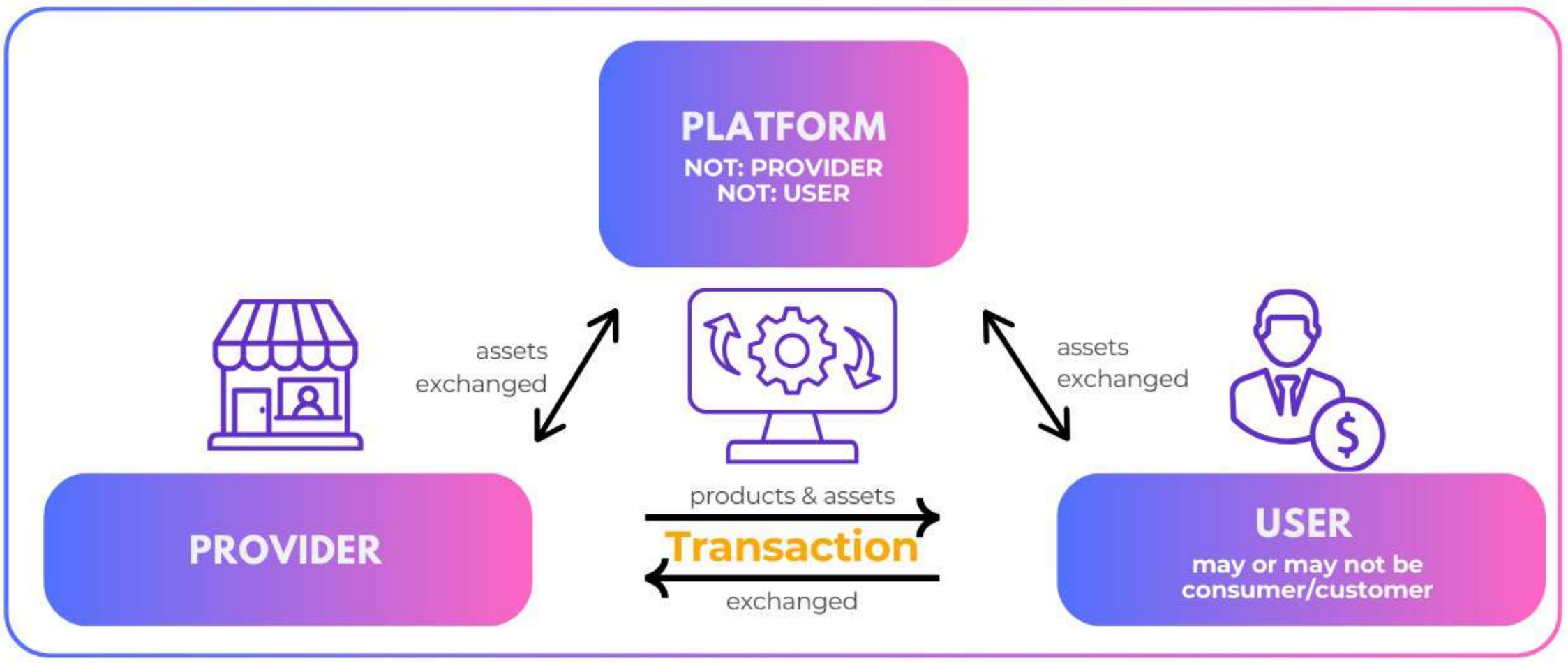


Figure 2: ISO 42500:2021 – Depiction of Sharing Economy

Growth of Sharing Economy in Malaysia

The global sharing economy landscape has experienced tremendous growth over the past decade, with the COVID-19 pandemic further accelerating adoption among both businesses and individuals. According to Statista, the total value of the global sharing economy is projected to reach USD 794 billion by 2031, rising from USD 150 billion in 2023, representing a compound annual growth rate (CAGR) of approximately 32 percent.

In Malaysia, the government, through MDEC, has embarked on pilot projects to ensure that all citizens are able to participate in and benefit from the digital economy.

This initiative was partly driven by findings in McKinsey's January 2012 report, Online and upcoming: The Internet's impact on aspiring countries, which highlighted that Malaysians' Internet usage patterns at the time were largely non-productive. In response, MDEC explored and initiated pilot projects aimed at identifying suitable digital micro-tasks and platforms while experimenting with selected communities such as individuals from low-income households and university students.

When Uber and Airbnb entered Malaysia in late 2013 and early 2014, MDEC observed the growing trend towards 'digitally enabled tasks' or the location-based segment. These are tasks or work requested via online platforms using native web or mobile apps, and the tasks must be performed on-site. A few local technopreneurs developed and began operating digital platforms similar to Uber but focusing on different market segments. Two examples are GoGet (www.goget.my) and BateriKu (www.bateriku.com), whereby GoGet enables individuals or companies to engage 'gig workers' to perform various tasks—from helping to buy groceries to painting a small office. BateriKu enables qualified individuals to become 'gig workers' and assist users facing car battery issues, from diagnosing faults to recharging or replacing the battery.

One significant highlight during the initial period of the programme (2011–2015) was the establishment of a working committee involving various stakeholders, ministries, agencies, individual subject-matter experts, and academia. The establishment of the 'Crowdsourcing Committee' provided the government with a mechanism to review and validate the 'trustworthiness' of a digital platform, helping individual service providers and businesses participate and transact without worrying about being scammed.

To date, there are already more than 246 validated sharing economy platforms operating in Malaysia, providing various services across multiple industries and sub-sectors. Beyond logistics and delivery services, there are local platforms in alternative healthcare services, crowd-marketing, creative and design services, education, training, and more. This is a clear indication of the ever-evolving business models and innovation within Malaysia's sharing economy landscape.



Figure 3: List of Sharing Economy Platforms in Malaysia as at December 2024

Sharing Economy and Digital Inclusion

Bank Negara Malaysia (BNM) first proposed the need for a strategic study on the sharing economy. In collaboration with the Economic Planning Unit (EPU), MDEC, and PEMANDU, a national strategic study was initiated in 2016 and completed in 2017. The findings were published in the National Framework and Strategic Roadmap on Sharing Economy, a key document that established the use of the "sharing economy" as the umbrella term encompassing related models such as the gig economy, platform economy, freelance economy, on-demand economy, and crowd economy. The roadmap also outlined a clear vision and foundational strategies for Malaysia to harness the benefits of the sharing economy. Notably, Digital Inclusion was identified as one of its core goals, emphasising the model's ability to enable participation by all individuals regardless of education level, gender, physical ability, or type of device owned. This approach positions Malaysia to not only expand economic opportunities but also promote positive digital engagement, enhance productivity, and support income generation within the broader Digital Inclusion agenda.

The eRezeki programme, implemented by MDEC, has successfully onboarded 699,517 participants and generated a cumulative income of RM1.36 billion as of 31 December 2020 under the 11th Malaysia Plan. In 2016, the eRezeki High Income Apprentice pilot programme was introduced, with 658 participants completing the pilot and collectively earning RM2.9 million. Building on this success, the initiative was scaled up in 2018 as the Global Online Workforce (GLOW) programme, designed to equip qualified Malaysians to embrace digital freelancing as an alternative mode of employment. During the COVID-19 pandemic, a special GLOW programme was launched in September 2020 to support workers affected by the crisis. Within just nine months, it enabled over 11,000 individuals to transition into digital freelancing, with more than 70% successfully generating a combined income of RM15.29 million. Today, the GLOW programme continues to facilitate and onboard Malaysians into the digital freelancing ecosystem, with many participants achieving remarkable income levels and inspiring others to pursue similar opportunities.



MDEC Mandated to Carry Sharing Economy Agenda

Following the focus on the sharing economy during the pandemic period and concerns over the welfare of gig workers, MDEC was requested to make a presentation to the **Economic Action Council (EAC)** on the sharing/gig economy phenomenon. On 16 December 2020, MDEC delivered the presentation to the EAC, chaired by the Most Honourable Prime Minister, to educate members of the EAC and the Government on the potential and challenges of the sharing/gig economy. Instructions were given to MDEC to facilitate the formation of a national-level committee to coordinate key matters related to the sharing/gig economy model.

After several rounds of consultation and engagement sessions with all key stakeholders, the Government approved the establishment of the **National Sharing Economy Committee JKEP)**, to report to the **Malaysia Digital Economy and Fourth Industrial Revolution Council (MDE4IRC)**, chaired by the Most Honourable Prime Minister.

JKEP met for the first time on 28 March 2023, and it's Terms of Reference and Scope cover the following areas:

POLICY, RULES & REGULATIONS

Agile and iterative policies to leverage emerging disruptions by sharing economy models

TRUSTED PLATFORMS

Standards, certification and endorsement of legitimate and trusted platforms to drive market adoption

INCENTIVES TO SUPPORT ECOSYSTEM GROWTH

Incentives to facilitate the growth of platforms & to promote the adoption of SE-based services by corporations and enterprises

STANDARDS, DATA & METRICS

Review of definitions, standards and mechanisms for more accurate estimates of social and economic impact; Number of participants / service providers, market value, contribution to economy

Figure 4: JKEP's Thrust Areas of the Sharing Economy Committee



A total of 21 representatives from various ministries and agencies form the membership of JKEP. Three dedicated committees have also been established: one focusing on Standards, Data and Metrics; another on Policy, Rules and Regulations; and a third on Trusted Platforms. These committees are actively identifying key challenges faced by businesses and industry players, while engaging relevant ministries to deliberate and propose timely, practical, near-term solutions.

Strengthening Sharing Economy through Standardisation

Malaysia's active involvement in ISO/TC 324 positions the country as a thought leader in shaping future standards in the sharing economy. With the establishment of Technical Committee TC/3/9 as the mirror committee to ISO/TC 324, Malaysia is setting the stage for harmonising national frameworks with global best practices. To date, TC/3/9 has already published two Malaysian Standards, i.e. MS 2754-1 and MS 2754-2, which were developed based on the standards published by ISO/TC 324.

Moving forward, at the ISO level, various new vertical areas are in the pipeline and will be further developed to address the evolving needs of the global sharing economy. Participation of various stakeholders and experts—including industry practitioners, academia, research groups, regulators, etc.—is highly encouraged to provide input and safeguard Malaysia's interests at the global level. Among the new standardisation areas discussed for the sharing economy are:

1. **Shared manufacturing model**, which aims to establish standardised frameworks for collaborative production and resource sharing across industries, enabling businesses to optimise production while reducing waste;

2. **Measurement of the sharing economy**, which seeks to create comprehensive metrics and datasets to quantify the economic, social, and environmental impacts of sharing economy activities, providing insights for policymaking and business strategies;

3. **Creative skills sharing platform services** which will lay the groundwork for standards governing platforms that enable the exchange of expertise, fostering innovation and professional growth within creative industries; and

4. **Shared accommodation services**, aimed at establishing guidelines for the growing sector of shared lodging services, ensuring safety, security, and quality for both hosts and guests while enhancing the consumer experience.

All these verticals will contribute to the global standardisation of sharing economy practices, driving greater consistency, transparency, and trust across industries.

Moving forward, MDEC is exploring a structured certification programme to further strengthen the ecosystem. This certification programme aims to adopt and enhance industry standards, validate the competencies of industry players—particularly digital platform operators—and build greater trust among stakeholders to drive sustainable growth and innovation within Malaysia's sharing economy ecosystem.



Conclusion

The sharing economy has been identified as a potential "new growth engine," with its contribution to Malaysia's GDP projected to reach approximately 1.5% by 2025. To fully realise the potential of this model, a holistic perspective, structured approach, and agile strategy are essential. Looking ahead, the sharing economy holds immense opportunities to drive economic growth, spur innovation, and create new jobs. With a supportive ecosystem and forward-looking strategies in place, Malaysia is well positioned to leverage the sharing economy as a catalyst for sustainable development, while reinforcing its status as a dynamic hub of digital innovation and inclusion.

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MALAYSIA SHARING ECONOMY OUTLOOK 2025

GLOBAL CONTEXT & TRENDS

Learning from the World: Global Lessons for Malaysia



Unlocking The Potential Of The Sharing Economy

SHARED PLATFORMS, SHARED BENEFITS

PREPARED BY



Farlina Said

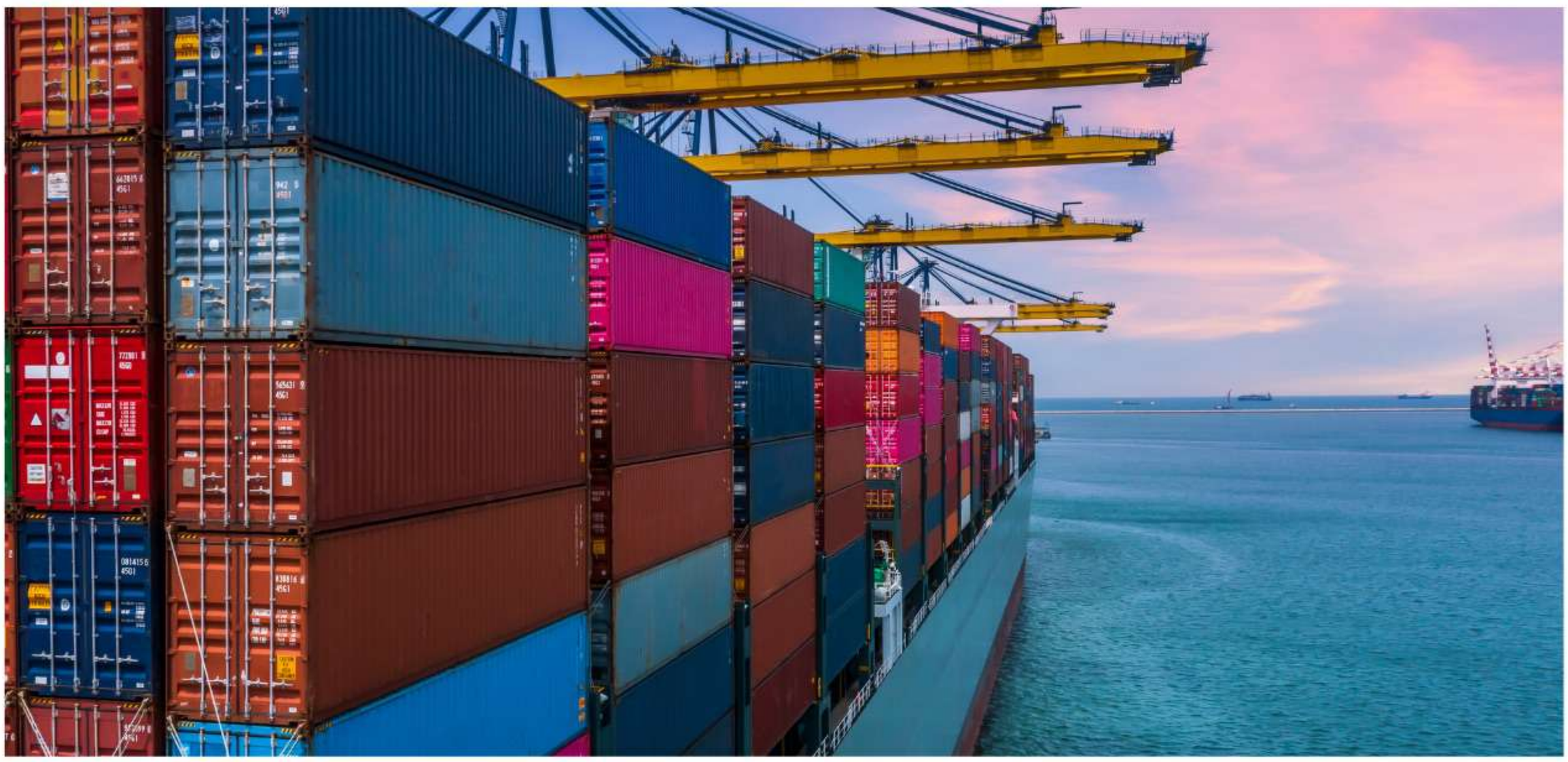
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A sharing economy functions by creating value for underutilised assets to deliver services to customers.[1]

Whether for payment or otherwise, the sharing economy is also known for collaborative consumption and has pushed conversations on sustainability while also capturing the impact of the Internet-based platform economy or the labour-market-associated gig economy.[2] Google Trends highlights the peak of searches for "sharing economy" between 2016 and 2017. However, its popularity waned by half in 2020 and has continued to decline since 2022.[3] Despite these shifts, the sharing economy could strengthen strategies to meet national goals. By observing trends and lessons learned from other countries, Malaysia could utilise the sharing economy to realise national aims —from community building to economic development.

The term "sharing economy" gained ground through the success of services such as Airbnb and Uber. Airbnb and Uber's model of sharing dormant physical goods or labour demonstrated its potential, where digital adoption by traditional operating models for sectors such as tool hires, DVD rentals, and hostel letting contributed to forecasts projecting the sharing economy to reach US$335 billion by 2025.[4] Airbnb, founded in 2008, reached one million bookings in just three years and surpassed 100 million guests by 2017. The introduction of sharing economy policies by China, Japan, and Denmark in the same period illustrated the interest in tapping into the digital economy potential of these platforms, while also achieving goals such as sustainability.

While seen as a modern phenomenon, its form of value generation can be traced back to before the industrial revolution. In 1700, for instance, medieval England relegated extra land to the poor for communal development.[5] Collectively cultivating the land led to the sharing of tools and services. Therefore, interpretations of the sharing economy include contributions to community building, social relationships, non-monetary exchanges, and sustainable lifestyles, which persist in current meanings of the sharing economy.[6] Yet, while CouchSurfing could build new communities and Carousell could breathe life into unwanted goods, the new sharing economy—with its digitally intermediated platforms—introduces a layer of mechanisation that complicates traditional ideas of trust, community building, and business-to-consumer relationships. If trust is an assured reliance on the character or expectations of behaviour, trust within intermediary digital platforms may be performative. Unlike people-to-people interactions, where ethics and character-building expectations could be assessed, platform values are judged through interface accessibility, consistency, service availability, and safety features.[7]



Meanwhile, facilitated by platforms and algorithms, platform usage may bring users into contact with more machines than people, straining notions of community-building. Ride-hailing platforms such as Uber and Grab, for instance, faced difficulty constructing a definition for driver-partners that satisfies employment relationships. In China, a start-up offering rented umbrellas encountered losses when users failed to return them during rainy days, nearly depleting the entire stock.[8] Traditional sharing practices, such as sharing a barn house among Amish communities or communal land in medieval England, featured clear relationships between business and consumers.

The new sharing economy, empowered by the efficiency and flexibility of the Internet, creates relationships that are larger and more complex. Examples include consumer-to-consumer transactions fulfilling demand in unregulated spaces, raising trust and safety concerns. Negative experiences on platforms could deter users, resisting the creation of communities via sharing-economy engagements. However, aspects of the sharing economy can still advance ideas of community—especially when crowdfunding harnesses shared interests, attitudes, and values to generate a sense of belonging to a unified, socially integrated group.[9]

Yet, perhaps ten years after sharing-economy platforms have become a mainstay in the digital ecosystem, some have become indispensable to users. Prime Minister Datuk Seri Anwar Ibrahim stated in a Facebook post in October 2025 that e-hailing is a vital component of the country's transportation sector.[10] Online food delivery became essential during the pandemic, where venture builder Momentum Works estimated growth in Southeast Asia at 183 percent in 2020 and 30 percent in 2021, stabilising to 5 percent post-pandemic in 2022.[11] Malaysia's sharing-economy platforms span a wide range of services—from food delivery to on-demand workforce, healthcare, and education. GoGet, for instance, supplies businesses and individuals with people to fulfil tasks from delivering groceries to data entry.[12]

The sharing-economy component of the digital economy has addressed last-mile connectivity challenges and provided varied employment opportunities. However, it also carries costs. The appeal of gig work, such as flexible hours, raises concerns for Malaysia's future skilled-worker supply—especially as the nation strives to build its industrial and manufacturing sectors.[13] Harnessing the sharing economy for holistic national development will require creative policies and investments in infrastructure.



Countries Using Sharing Economy in National Development Plans

The sharing economy has been mainstreamed into national development plans by various governments, whether through government-backed efforts to grow the sector or through formal incorporation of applications to improve public services. China was among the first to embrace the concept, establishing a Committee on the Sharing Economy in late 2015 to strengthen leadership in innovative digital economy solutions and declaring it a national priority in its Thirteenth Five-Year Plan.[14] Sharing assets—from children's toys to bikes and umbrellas—China embraced the sharing economy to demonstrate entrepreneurship while leveraging environmental and community benefits. However, not everything succeeds. The fast-moving business model is capital-intensive and highly competitive, with concerns over business sustainability, platform trust, and safety affecting market confidence.[15] Furthermore, the sharing economy is sensitive to major trends that alter social behaviours, such as the pandemic.

Businesses with offline services such as shared accommodations, shared offices, and shared mobility were negatively affected during the pandemic, while certain sectors thrived, such as domestic services—including delivery, beauty, and dining—as well as the knowledge and skills sector.[16] Heavy emphasis on the sharing economy has waned in China's national plans in recent years, with a 2023 crackdown on China's Big Tech focusing on promoting healthy development in internet platforms.[17] Additionally, technological competition may push a stronger emphasis on industrial sectors, such as semiconductor development and protection of critical minerals, within national plans. Regardless, the revival of China's ride-hailing platform Didi following tighter regulations illustrates the necessity of ride-hailing to complement public transportation services, demonstrating the crucial role sharing-economy platforms have carved for themselves in society.



Japan, on the other hand, formed the Sharing Economy Promotion Office in 2016 to disseminate information and provide consultation to cultivate the sharing economy. Currently, growing the sharing economy is the responsibility of Japan's Digital Agency, formed in 2021 to drive the government's digital transformation and govern the ecosystem for safer and more reliable services.[18] Japan's pursuit of the sharing economy is implemented by its cities. The Sharing Economy Association of Japan (SEAJ) conducts service matching activities with cities such as Chiba, Taku, Kawakami, and Teshio-cho to enhance space-sharing efforts, gig-worker services, and carpooling services.[19] SEAJ also conducts labs with cities to explore solutions and identify unused spaces. Fifteen cities have been certified by SEAJ. The sharing economy also addresses city-specific issues such as unemployment and transportation gaps.





Denmark introduced its Sharing Economy Strategy in 2017, primarily to construct rules for taxation and to introduce safety measures in a rapidly developing sector.[20] Denmark's promotion of the sharing economy is also tied to the circular economy, such as encouraging citizens to sell or donate food to one another.[21] However, Denmark has also balanced support with regulation. It banned Uber in 2017 for non-compliance—a response that reduced trust in the sharing economy.[22] In 2017, it was estimated that only 19% of the population was active in the sharing economy, and in 2016, only 0.05% of Denmark's workforce participated in it.[23] Comparatively, Grab in Malaysia's ride-hailing landscape reportedly has 20 million registered users, reaching 62.5% of the population.[24] This suggests that despite the Danish government's interest in developing the sharing economy as part of circular economy solutions, challenges remain in mainstreaming the concept.

Parting of Ways Between Governments and Sharing Economy Goals

Much like Google Trends suggests, the sharing economy as a national development priority peaked between 2016 and 2017, with countries such as China, Japan, and Denmark pursuing state-led strategies to grow the sector. However, post-pandemic governments have been grappling with pressures of economic recovery, alongside technological competition that demands supply chain security and industrial innovation. Prior to the pandemic, support for the sharing economy aimed to build the next unicorn to showcase digital economy capabilities. Yet the pandemic also highlighted challenges within the sharing economy model. This model can be notoriously capital-intensive, which drains the longevity of a business if it is unable to innovate or adjust to gain profits. Additionally, the pandemic pushed large numbers of users onto platforms. In sectors such as ride-hailing, concerns have arisen where drivers are not sufficiently protected or where algorithms lack transparency for both drivers and users—highlighting regulatory gaps. The oversized dominance of certain platforms could distort markets, prompting discussions on preserving competition and ensuring greater transparency in the digital environment, such as through the EU's Digital Markets Act and Digital Services Act.

The sharing economy was lauded by national strategies for its potential to contribute to sustainability goals. However, the diversity of sharing economy business models and sectors makes monitoring and evaluation of sustainability promises challenging.[25] Companies may forego sustainability aspirations as they grow and mainstream their operations. Additionally, business models have their own resource owners and resource users, making a one-size-fits-all assumption for assessing sustainability performance ill-suited.[26] Moreover, if governments wish to demonstrate digital economy and innovation leadership, the sharing economy business model does not necessarily require high-level innovation. Success can be achieved with minor innovation or even by cloning ideas; therefore, market capture is not an accurate metric for national innovation leadership—an arena where technological competition truly occurs.[27] Lastly, the disruption caused by the sharing economy to formal labour sectors and labour rights raises concerns for the future of industries, especially if it depletes skilled workers in formal sectors.



Growing the Sharing Economy for National Development

Regardless of recent developments, the sharing economy is still able to play a meaningful role in national development. Taking a leaf out of Japan's book, sharing-economy solutions could be brainstormed and tailored to stakeholders. In the case of SEAJ, this was realised through formal ties with cities. The 13th Malaysia Plan has goals such as propelling inclusive and sustainable growth, enhancing balanced development among regions, strengthening rural development, and expanding economic integration at the global level.[28] To achieve this, sharing-economy models could provide B2B platforms that match the commercialisation of intellectual property, create booking systems to utilise idle research assets across institutions, provide talent for the orange economy, or create platforms to source teachers while offering professional development programmes. This could mean an Alibaba of sorts for intellectual property, an Airbnb for research infrastructure, a Coursera for teachers, and a GoGet for creative talent and educators.

Internationally, there are trends in the sharing economy that align with industrial or research-and-development goals. The Nanotechnology Core Facility at the University of Illinois at Chicago offers a service that enables companies to investigate manufacturing requirements before making major investments.[29] This service shares its research laboratory, providing access to costly equipment that can advance research. Meanwhile, Germany is pursuing shared production models, including cross-factory and cross-company resource sharing that could enable production across different facilities.[30] To realise this, Germany established the Gaia-X hub, which develops the data infrastructure for shared manufacturing environments and is typically structured according to industry sectors.[31] The hub funds 11 projects, including Cooperants, which develops a common data space for the aerospace industry, and iECO for the construction sector.

However, linking manufacturing systems and data sources requires adequate intellectual property protection and cybersecurity—especially when manufacturing facilities will be shared among various companies.

Operators must have assurance that trade secrets will be safeguarded. As digital architectures mature through digitalisation in both private and public sectors, digital platforms could explore building B2B services that strengthen trust, improve asset matching, and enhance customer experience—particularly through the use of AI.[32] Already in the United States, B2B services such as Igloocompany provide remotely controlled smart locks and lock boxes used by Airbnb and various property rental providers.[33] Growing such players could enhance digital experiences.



Unlocking the Potential of the Sharing Economy

The sharing economy provides a valuable framework for realising national development goals. However, efforts must be deliberate, targeted, and experimental. Industry players are encouraged to collaborate with stakeholders in developing tailored solutions, while ensuring that investments in digital infrastructure, such as data hubs are aligned with the capital needed to grow the sharing economy. Trial and error in solution design is inevitable and represents the inherent business risks in this space. Equally important is a strong emphasis on safety and security to foster trust within the ecosystem. In a complex digital age, achieving community building, sustainability, and broader national objectives requires careful integration of technological, social, and regulatory layers.

However, collaboration on shared solutions can help advance common goals and generate benefits for many. This collaborative ethos lies at the heart of the sharing economy and serves as a key building block for delivering effective digital solutions.



Digital Infrastructure as the Foundation: How Technology is Transforming the Sharing Economy

RESPONSIBLE DIGITAL GROWTH

PREPARED BY



Professor Ts Dr. -Ing Lau Sian Lun

AFFILIATION

SUNWAY UNIVERSITY

Since the 1990s, the emergence of the World Wide Web (WWW) has enabled the sharing economy to expand its reach and realise its potential. Early platforms such as eBay and Craigslist allowed users to buy, sell, and exchange goods and services directly with one another, laying the foundation for peer-to-peer digital marketplaces.

Over the past three decades, these simple web-based services have evolved into large-scale platforms that disrupt traditional industries, creating new models of consumption and access. Today, the sharing economy is no longer a niche alternative; it has become a significant driver of employment, services, and growth opportunities worldwide.

The main driving force behind the evolution of the sharing economy has been the advancement of digital infrastructure. Each decade introduced new technologies that expanded the possibilities for peer-to-peer platforms. In the 1990s, the growth of the internet and basic web technologies enabled the first wave of online marketplaces like eBay and Craigslist, which relied on simple websites and email communication. By the 2000s, improvements in broadband connectivity, cloud computing, and online payment systems supported the emergence of services such as Zipcar, which offered car-sharing through membership-based access; Couchsurfing, which enabled people to share accommodation based on trust and community; and YouTube, which revolutionised digital content sharing and demonstrated the power of user-generated platforms.

The 2010s marked a turning point with the widespread adoption of smartphones, mobile broadband, and GPS technology. These advances gave rise to app-based services such as Uber, Airbnb, Grab, and Gojek, which leveraged real-time location tracking, instant digital payments, and automated matching algorithms to seamlessly connect users with services. Unlike earlier web-based platforms, these mobile-first applications offered on-demand access, convenience, and scalability at a global level, while also generating massive amounts of data to fuel machine learning and AI-driven personalisation. The ability to integrate multiple services—transportation, food delivery, logistics, and financial payments—within a single platform also created a foundation for the super app model, which became especially prominent in Southeast Asia.

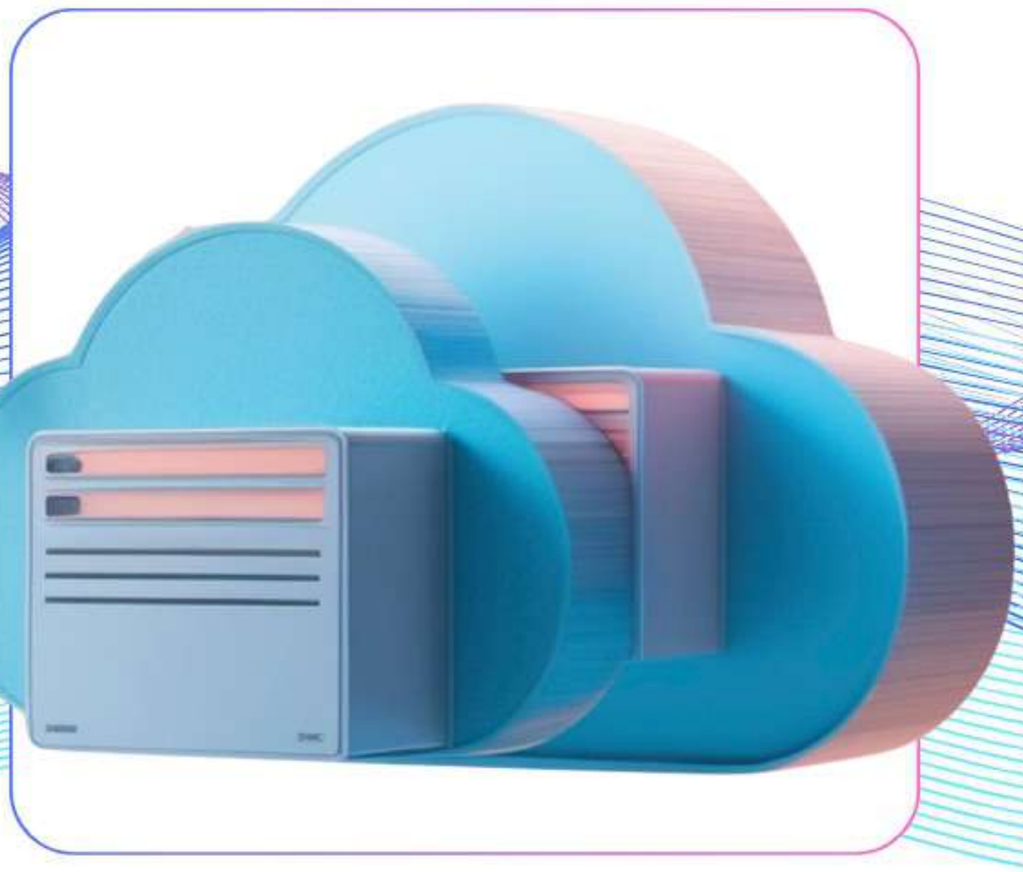
Today, in the 2020s, emerging technologies such as artificial intelligence, blockchain, and the Internet of Things (IoT) are transforming sharing platforms into highly personalised, secure, and scalable ecosystems. This continual evolution of digital infrastructure shows that technology is not only an enabler but the very backbone of the modern sharing economy. This chapter will focus on four pillars of the sharing economy, elaborating on their roles and significance in driving today's sharing economy. This will be followed by a discussion on factors one should pay attention to when looking into the future of tech-empowered sharing ecosystems in the region.

The Four Pillars of Sharing Economy Technology

Over the past three decades, the growth of the sharing economy has been powered by a set of core technological enablers. While many innovations have contributed to its evolution, four pillars stand out as the foundation for platform-based services: **Cloud Computing, Mobile Technologies, Artificial Intelligence,** and **Digital Payments**. Together, these technologies have created the infrastructure, accessibility, intelligence, and trust that allow sharing platforms to operate at scale.

In the following sections, we examine each pillar in detail to understand its role in shaping the sharing economy and its continuing impact on the future of digital platforms.





Cloud Computing Infrastructure: The Backbone of Scale

The sharing economy would not have achieved global scale without the backbone of cloud computing. In the 1990s, early online marketplaces operated with limited server capacity, often constrained by geography and high costs. The emergence of cloud infrastructure in the 2000s changed this completely, offering platforms on-demand access to storage, computing power, and distributed servers. This shift lowered barriers to entry for startups and enabled companies such as Airbnb and Uber to expand rapidly across countries without needing to build physical IT infrastructure in every market.

For the sharing economy, cloud technology provides the scalability and flexibility necessary to support millions of users engaging in transactions simultaneously. It allows platforms to store and process vast amounts of data, from user profiles and booking histories to real-time location data and payment records. More importantly, it ensures reliability and uptime—critical for services that depend on seamless, always-available access. Cloud also underpins advanced features such as recommendation engines, fraud detection, and secure payments by integrating with AI and analytics tools.

Looking ahead, cloud computing will continue to be a central enabler of sharing platforms, but its role is evolving. The rise of edge computing and serverless architectures will push processing closer to the user, enabling faster responses for time-sensitive services such as ride-hailing or shared mobility. Cloud-based security and compliance services will become increasingly important as regulators demand stricter oversight of data usage.

For Southeast Asia, where digital ecosystems are growing rapidly, cloud adoption offers a path for smaller startups to compete with dominant players by leveraging global infrastructure at lower costs. Ultimately, cloud computing will remain the invisible infrastructure that keeps the sharing economy running, scaling, and innovating.



Mobile Platform: Putting Power in Your Pocket

The arrival of the smartphone era in the 2010s transformed the sharing economy from a niche web-based model into a truly mainstream phenomenon. Mobile devices enabled real-time, location-based interactions, making it possible for users to access services anytime and anywhere. Companies such as Uber, Grab, Gojek, and Airbnb leveraged mobile applications to deliver on-demand convenience, intuitive interfaces, and seamless booking experiences. Unlike the desktop-driven platforms of the 2000s, mobile-first services tapped into the always-connected lifestyle of consumers, significantly accelerating adoption.

For sharing economy platforms, mobile technology provides three critical advantages. First, it enables real-time geolocation, which is indispensable for ride-hailing, delivery, and logistics services. Second, it ensures constant accessibility, allowing users to manage tasks—from booking accommodation to paying for a ride—directly in the palm of their hand. Third, it supports ecosystem convergence, where multiple services such as transport, food, payments, and insurance can be bundled into a single mobile interface, a model now widely adopted in Southeast Asia's "super apps."

Mobile also bridges the trust gap in peer-to-peer services by offering features such as instant notifications, live tracking, in-app chat, and secure digital wallets. These functions not only improve transparency but also reduce the uncertainty of transacting with strangers. Importantly, mobile devices democratise access, allowing anyone with a smartphone to participate as either a provider or consumer in the sharing economy.

Looking to the future, advancements in 5G, augmented reality (AR), and mobile biometrics will further enhance mobile platforms. Ultra-low latency networks will enable more interactive and immersive experiences, while biometric authentication will strengthen security. For Southeast Asia, where smartphone penetration continues to outpace PC ownership, mobile technologies will remain the primary gateway to the sharing economy, anchoring its growth and expanding its inclusivity.



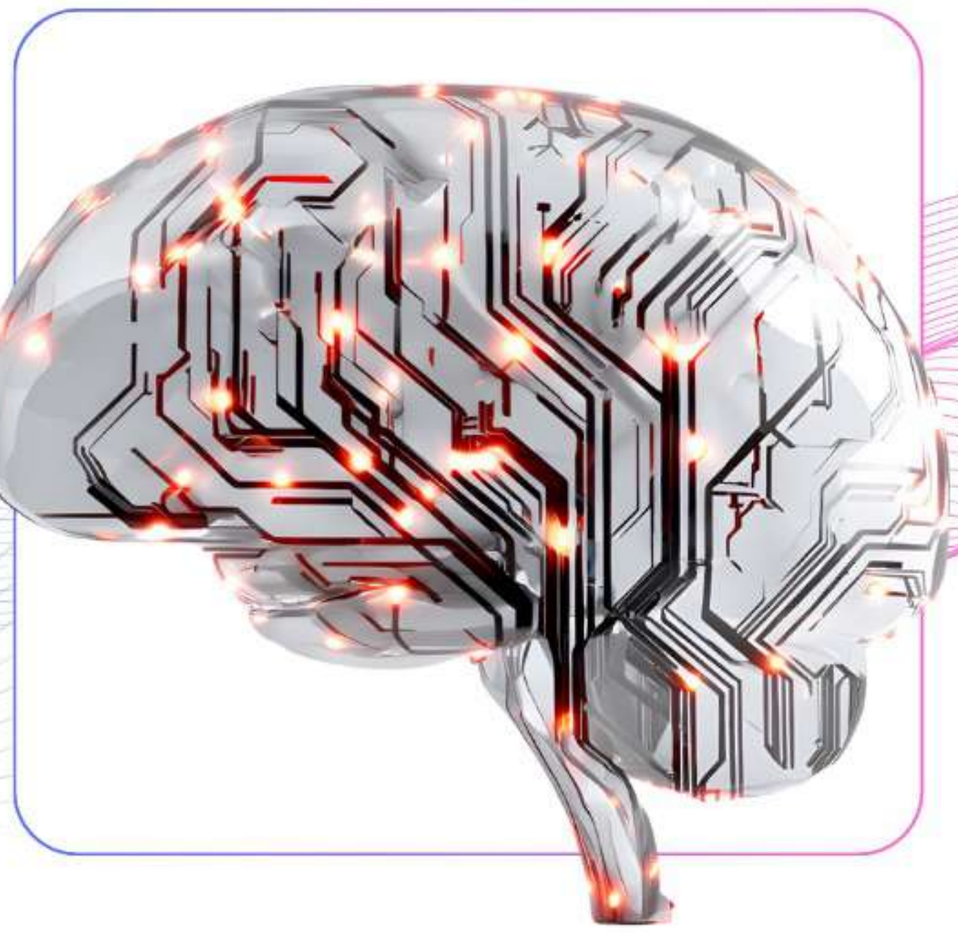
Digital Payments: Removing the Friction in Transactions

The sharing economy cannot function without a reliable, frictionless way to move money between users. Digital payments have been a game changer, transforming what was once a barrier into a powerful accelerator of growth. Early web-based platforms in the 1990s relied heavily on manual bank transfers or credit cards, which limited adoption. The introduction of secure online payment gateways, and later mobile wallets, enabled instant and trusted transactions that lowered barriers for both consumers and providers.

For platforms like Uber, Airbnb, Grab, and Gojek, integrated payment systems are more than just a convenience—they are a trust-building mechanism. By holding payments in escrow, releasing them only when services are completed, or offering refunds when disputes arise, platforms ensure fairness and accountability. In Southeast Asia, where many users were previously excluded from the formal banking system, digital wallets such as GrabPay, GoPay, and ShopeePay have enabled financial inclusion, allowing millions of unbanked individuals to participate in the sharing economy.

Digital payments also create network effects. When combined with loyalty programmes, rewards, and cross-service integration, they encourage repeat use and strengthen platform stickiness. Moreover, they generate valuable data that can be analysed for insights into user behaviour, further enhancing personalisation and service innovation.

Looking forward, the role of digital payments will expand with the adoption of real-time payment systems, blockchain, and central bank digital currencies (CBDCs). These innovations will reduce transaction costs, increase transparency, and enable cross-border payments—crucial for Southeast Asia's fragmented market. As the region pushes toward cashless societies, digital payments will remain the lifeblood of the sharing economy, ensuring that transactions are seamless, secure, and accessible to all.



Artificial Intelligence: Understanding Patterns and Automation

While cloud and mobile provide the infrastructure and accessibility, artificial intelligence (AI) powers the intelligence that makes sharing platforms efficient, trustworthy, and personalised. In early platforms, transactions were largely manual and search-driven. AI has since enabled platforms to automate matching between supply and demand, predict user preferences, and optimise operations in ways not possible before. Ride-hailing services, for example, rely on AI to dynamically match riders with nearby drivers, estimate arrival times, and adjust pricing based on demand surges.

AI is equally vital for building trust, which is the cornerstone of the sharing economy. Algorithms that analyse user ratings, reviews, and transaction histories help establish reputation systems that reduce the perceived risk of dealing with strangers. Fraud detection models protect both consumers and providers, ensuring safer transactions. Beyond trust, AI enhances personalisation, offering tailored recommendations on where to stay, what service to use, or which delivery option is fastest.

AI also drives operational efficiency. Platforms use predictive analytics to forecast demand, optimise driver routes, and balance supply in real time. This not only improves user satisfaction but also reduces idle resources, aligning with the sustainability goals of the sharing economy.

In the future, AI will play an even greater role. Advances in generative AI, conversational interfaces, and autonomous systems promise to reshape how users interact with platforms. For instance, AI-powered chatbots can handle customer service at scale, while autonomous vehicles could redefine shared mobility. In Southeast Asia, AI holds particular potential in managing complex urban systems—from traffic congestion to energy consumption—making it a key enabler for smart cities integrated with sharing services. Ultimately, AI is the “brains” of the sharing economy, turning vast data streams into actionable intelligence that drives trust, efficiency, and personalisation.

Challenges and Concerns: Are We Moving Towards the Right Direction?

While technology has helped to bring the sharing economy to where it is today, there are still challenges and concerns that come along. The following are some of them for us to reflect on:



Data Privacy and Security

As sharing platforms collect vast amounts of personal data—be it location information, payment details, or behavioural patterns—data privacy becomes a critical concern. While there are laws such as the Personal Data Protection Act (PDPA) that help regulate and protect users, this concern will still play an important role in influencing and shaping the future of the sharing economy. Without the collection of this data, platforms and service providers will not be able to take advantage of the opportunity to understand users, transactions, and any potential insights that can contribute to the improvement and innovation of the services they provide.

However, the risk of user data being misused or, worse, stolen by the wrong parties will remain the main concern for the majority.

Abuse and intentional manipulation of user data pose problems, where the adversary can cause wrong interpretations or even incorrect decisions made by systems based on user data and profiles. Trust and safety rules that wrongly classify certain regions or user profiles as posing a “risk” can limit their participation in the sharing economy, leading to unintended consequences of exclusion.

The challenge is balancing personalisation and efficiency with strong privacy protection. Platforms must use data to improve services and ensure safety while protecting user privacy and preventing misuse. Standardisation and policy will be crucial to continuously adapt to the growing needs of a safe sharing economy.



Digital Divide and Accessibility

While technology enables the sharing economy, it can also exclude those without, or with limited access to, smartphones, reliable internet, or digital literacy. Especially when it comes to digital literacy, groups who are less exposed to new and advanced technology—or more exposed to the risks and dangers of technology—will continue to be the vulnerable ones. Not only may they fail to enjoy the value and benefits the sharing economy could provide, but they may also be taken advantage of by bad actors.

Digital inclusion will continue to be important for full economic participation of all citizens. The sharing economy will leverage advancements in digital technology, and no one should be denied access to its benefits simply because of the digital divide. Regulators, platforms, and service providers will need to work closely to ensure digital friction can be minimised for all levels of society.



AI Bias and Fairness

As AI systems make more decisions about who can access services, pricing, and safety ratings, ensuring fairness becomes crucial. Biased algorithms could systematically exclude certain groups or communities from opportunities provided by the sharing economy. Provider and user behaviours should be analysed with fairness and mindfulness incorporated. Sharing economy platforms need to examine their use of AI to ensure it will not cause any issues due to this factor.

While profiling and personalisation will continue to assist sharing economy services to grow and become more intuitive or convenient, potential biases must be minimised to avoid any parties from being disadvantaged or wrongfully served or treated. The implementation of responsible and accountable AI will be key to ensuring all stakeholders maximise the full potential of AI in the sharing economy.

Looking Forward: The Future of Tech-enabled Sharing

The stakeholders in the sharing economy ecosystem should take note of the following emerging technologies:



Beyond 5G Networks

The development of ultra-fast, low-latency networks will continue to enable new applications and innovations. This will transform sharing economy businesses and applications to meet the needs and demands of stakeholders.



Blockchain

Distributed ledger technology could create more transparent and decentralised sharing platforms, reducing platform fees and increasing user control. This will likely be a game-changer, especially as governments begin to embrace blockchain through policymaking and empowerment.



Internet of Things (IoT)

·Smart sensors in vehicles, properties, and other shared assets will provide real-time data on usage, maintenance needs, and optimisation opportunities. Sharing economy services will benefit from IoT as it provides smarter and more transparent products and service provisions.



Agentic Services

With the evolution of AI and Agentic AI, it is not difficult to imagine a future where services within or across sharing platforms operate in an autonomous way. Agentic services will act on behalf of their owners to communicate, exchange, and negotiate autonomously in order to assist them in obtaining the best possible outcomes. Human intervention may become minimal but should not be completely absent. It is still important to ensure humans remain aware of the processes and decisions proposed or made.



Cross-platform Sharing

This technology can further enhance the sharing of data between platforms while allowing sufficient control for each platform. Imagine if service provider or user reputations can be verified and consolidated across different platforms—it would help build universal trust and create more efficient operations for sharing economy services in the future. Having a more open-minded market and approach, while maintaining each platform's niche and advantages, will provide a win-win outcome for all stakeholders in the sharing economy.



Sustainability Integration

Technology will increasingly enable sustainability in the sharing economy. All stakeholders should work together to ensure sustainability is well integrated into the implementation of sharing economy initiatives. AI optimisation can reduce waste and energy consumption, while data analytics can help users make more environmentally conscious choices. Platform operators could prioritise AI ethics by developing transparent AI systems with built-in bias detection and fairness mechanisms. Governments should look into innovation-friendly regulation. Regulatory frameworks should be developed to encourage innovation while protecting users, including robust innovation sandbox programmes.

Conclusion: Technology as the Great Enabler

In conclusion, the sharing economy has undergone a profound transformation since the 1990s, evolving from basic web-based exchanges to sophisticated, globally connected platforms. This evolution is inextricably linked to the continuous advancement of digital infrastructure, with cloud computing, mobile technologies, artificial intelligence, and digital payments serving as its four foundational pillars. Together, these technologies have collectively provided the scalability, accessibility, intelligence, and trust necessary for the sharing economy to flourish, challenging traditional industries and creating new models of consumption, collaboration, and access worldwide.

However, this rapid technological progression also brings forth significant challenges. Concerns around data privacy and security, the digital divide and accessibility, and potential AI bias and fairness must be addressed to ensure an inclusive and equitable sharing economy. Looking ahead, emerging technologies, including Beyond 5G networks, blockchain, IoT, and agentic services—combined with cross-platform integration and sustainability initiatives—promise to further reshape the landscape. Ultimately, technology remains the great enabler, driving innovation and growth, but a mindful and responsible approach is crucial to navigating the complexities and harnessing the full potential of the tech-empowered sharing ecosystem.



Opportunities and Impact of the Sharing Economy: Malaysia's Leading Role

OPPORTUNITIES FOR ALL

PREPARED BY



Professor Paolo Casadio



Professor Geoffrey Williams

AFFILIATION

HELP University
university of achievers

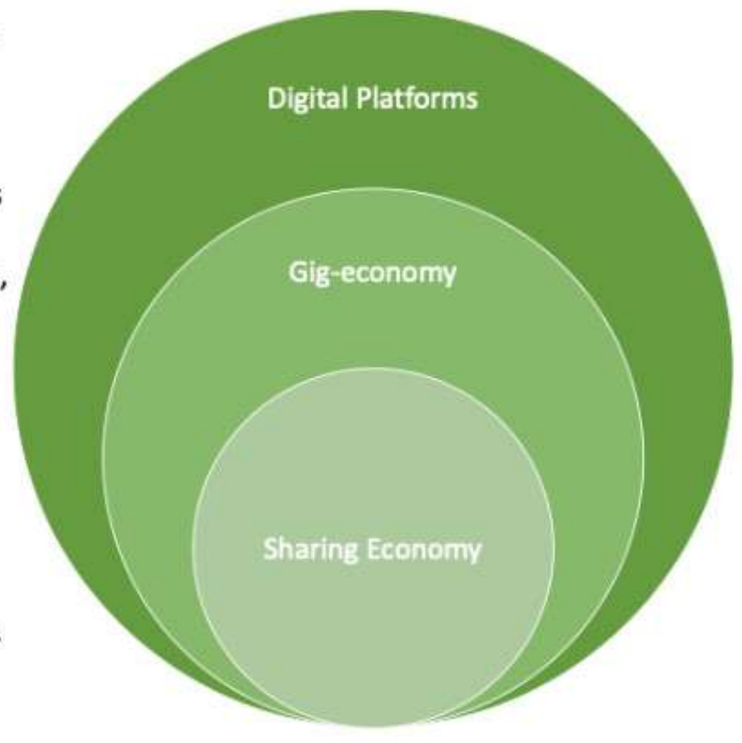
WILLIAMS
BUSINESS CONSULTANCY SDN BHD

The sharing economy is a business and economic model based on peer-to-peer (P2P) activities for acquiring, providing, or sharing access to business essentials including resources, facilities, talent, goods, and services. It is often facilitated by community-based online platforms.

Sharing-economy infrastructure allows large companies and, especially, micro-, small-, and medium-sized enterprises (MSMEs) to purchase goods and services in an alternative way to traditional business models, where enterprises hire employees to produce products to sell to customers. It can include shared creation, production, distribution, trade, and consumption of goods and services by different people and organisations.

Sharing Economy – a socio-economic system that:
- Is powered by digital platforms;
- Involves sharing of assets and resources between individuals, governments, and /or businesses; and
- Allows increased use of assets and resources while promoting access over ownership.

Four types -
- Assets access sharing,
- Intangible assets sharing,
- Goods sharing, and
- Money sharing



Gig-economy – a socio-economic system in which:
- People work independently;
- Short-term or task-based assignments; and
- Often using online or crowd-sourcing market platforms

Three types –
- Digital Micro Task;
- Digital Enabled Tasks
- Digital Work (freelancing)

Figure 5: Intersection of Digital Platforms, Gig-economy and the Sharing Economy

Mega-Trends Driving the Global Growth of the Sharing Economy

The sharing economy is closely linked to several megatrends that are shaping the future of work, which include the following:

Digitalisation

Digital technologies and online platforms have been a key driver of the sharing economy. Digital platforms such as Grab, Uber, Airbnb, and Upwork provide new and innovative technologies that enable workers to locate and connect with customers. They have also created opportunities for businesses to access a global pool of talent and service providers across a wide range of industries.

Demographic shifts

The demand for more flexible work arrangements has been driven by lifestyle changes due to shifting demographics. The sharing economy offers opportunities for older workers to work on a part-time or freelance basis and for younger workers who prefer greater flexibility in order to balance work, family time, or study.

Globalisation

Globalisation has created opportunities for businesses to access new markets and a global talent pool of sharing-economy workers from all over the world who offer their services and expertise on online sharing-economy platforms. It also allows businesses to find new customers and expand their reach irrespective of location. This is especially true for high–value-added professional activities, such as content development or tutoring, where proximity to customers is not essential.

Automation

Fourth Industrial Revolution technologies have increased the automation of work, disrupting traditional employment models. This creates new opportunities for gig workers. The automation of routine tasks increases the demand for workers with specialised skills or those who provide more personalised, bespoke services.



Changing attitudes toward work

A combination of factors appears to be driving changes in attitudes toward work, and many workers—especially in developed economies—are placing greater emphasis on flexibility, autonomy, and work–life balance. The sharing economy provides opportunities and choices for people to take greater control of their careers and to work on their own terms, rather than being tied to traditional employment models.

Key Drivers of Growth in the Sharing Economy and Platform Economy

The main drivers of growth in the sharing economy arise from the potential to offer many benefits for both workers and businesses, including:



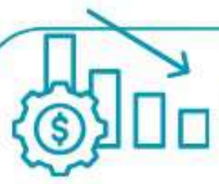
Flexibility

The sharing economy allows workers to set their own schedules and take projects or work that aligns with their skills and interests. This can be particularly appealing to people who value work–life balance and want to have greater control over their schedules.



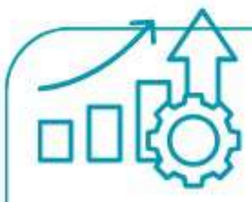
Access to a larger pool of talent

For businesses, the sharing economy can provide access to a larger pool of talent than would be possible with a traditional employment model. This can be especially valuable for businesses that have fluctuating demand or need to quickly ramp up staffing for a specific project.



Lower overhead costs

·By relying on gig workers, businesses can save money on employee benefits, office space, and other overhead costs associated with traditional employment.



Increased innovation

The sharing economy can also foster innovation, as it allows for more experimentation and risk-taking. Freelancers and independent contractors can often take on projects that traditional employees may not have the time or resources to pursue, leading to new and creative ideas.

Sharing economy platforms play a crucial role in driving growth by providing individuals and businesses with the means to offer their services or products to a wide audience, often with minimal overhead costs. These platforms enable innovative approaches, including:



Connecting individuals

One of the key advantages of sharing economy platforms is their potential to connect individuals with a wide range of opportunities to earn income. Freelancers, independent contractors, and other gig workers can leverage these platforms to find short-term or project-based work that suits their skills and interests.



Tools to manage gig work

Additionally, these platforms often provide tools and resources that make it easier for gig43E workers to manage their work and finances. Many platforms offer features like invoicing, time tracking, and payment processing, as well as access to training and support resources that can help workers improve their skills and grow their businesses.



Flexible and adaptable workers

Another potential benefit of sharing economy platforms is their ability to create a more flexible and adaptable workforce. Gig workers can choose the types of jobs they want to take on and can often set their own schedules and work from anywhere with an internet connection. This can be particularly appealing for individuals who need to balance work with other obligations, such as caring for children or elderly relatives.

Platforms also play a crucial role in enhancing the sharing economy, including:

Access to a broader customer base

Platforms provide gig workers with access to a larger pool of potential clients. This is especially important for workers who are just starting out and may not have an established client base or reputation. Platforms can help workers expand their reach and find new clients.

Reputation management

Platforms can help gig workers build and maintain their reputation. Most platforms allow clients to rate and review the services provided by the worker. This feedback can help workers improve their services and build trust with potential clients.

Efficient payments

Platforms provide an efficient payment system for gig workers, making it easier for them to get paid for their work. Many platforms offer secure and reliable payment systems that can help workers avoid the risk of non-payment or late payments.

Flexibility

Platforms offer gig workers the flexibility to choose the work that suits their skills and interests. This flexibility allows workers to balance their work with other obligations, such as caring for children or pursuing other interests.

Resources and support

Platforms often provide resources and support to help gig workers succeed. For example, some platforms offer training and educational resources to help workers improve their skills or develop their business. Platforms can also provide customer support to help workers resolve any issues or challenges they may encounter.

Potential Economic Impact of the Sharing Economy

Statistics on the global market size of the sharing economy vary among different sources, with estimates of the size of the global sharing market of USD15 billion in 2013/14 rising to around USD335 billion by 2025. Some estimates put the market size beyond that, with an estimate of USD374 billion already reached in 2019 and a forecast of USD1.5 trillion by 2025.

Based on information from multiple sources, we estimate the market size of the global sharing platform economy to be between USD102 billion and USD183 billion in 2022, with a central estimate of USD143 billion, and that this could rise to a range of USD296 billion and USD738 billion, or an average of USD500 billion, by 2027.

Forecasts for the Sharing Economy in Malaysia

Forecasting the main characteristics of the shared and sharing economy is very difficult because the factors driving growth in these sectors are not fully determined in the local or international setting. There is also a natural limit to the scope of shared economy platforms, given, for example, the number of potential users and income earners from these sources.

Our estimates, based on Malaysia Digital Economy Corporation (MDEC) data, are that the number of shared economy platforms may rise to around 2,100 by 2030 and that 93% of these will be in digitally enabled platforms. We forecast that the total payout from such platforms could rise to RM96.75 billion, or around 3.6% of GDP, by then. This is an average estimate from the most conservative estimate of RM10.72 billion to the most optimistic estimate of RM182.78 billion, which would be around 6.9% of GDP by 2030. So, just as in the global case, the possible growth scenario for Malaysia is very large.

We expect the average number of new earners to rise from around 180,698 post-COVID to around 657,000 by 2030, reflecting the use of shared platforms as the predominant form of employment and work-search platform by then, and a move away from traditional employment models.

Similarly, we expect the cumulative number of regular earners to rise significantly from around 140,000 in 2022 to around 4.3 million by 2030, which would be around 25% of the total workforce earning regular income from shared platform activities.

	Forecast							
	2023	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**	**2030**
Platforms	205	277	380	527	738	1,041	1,477	2,107
• **Digital Enabled**	154	218	312	448	646	933	1,351	1,959
• **Digital Work**	30	35	41	48	57	67	80	95
• **Digital Micro-task**	21	24	27	31	35	40	46	53
Payout (RM mill)	961	1,743	3,249	6,205	12,086	23,913	47,883	96,750
Mean Payout (RM)	370	438	533	664	844	1,090	1,424	1,878
New Earners (000s)	212.3	249.2	293.2	344.6	404.9	475.8	559.1	657
Regular Earners (000s)	216.6	331.9	508.4	778.9	1,193	1,829	2,802	4,293

Table 1: Forecasts for Sharing Economy in Malaysia 2023-2030

Technologies, Skills and Infrastructure to Maximise the Positive Impact of the Sharing Economy

As the future of work continues to evolve, it is likely that the sharing economy will play an even more prominent role. Some of the key trends and challenges that are likely to shape the sharing economy in the years ahead include:

Automation

As automation and artificial intelligence technologies continue to advance, there is a risk that many sharing economy jobs could become automated, reducing the need for human workers in certain roles.

Regulation

As the sharing economy continues to grow, there may be a greater focus on regulation to protect the interests of both workers and customers. This could include regulation of pay, benefits, and working conditions, as well as regulation of data privacy and security.

Social impact

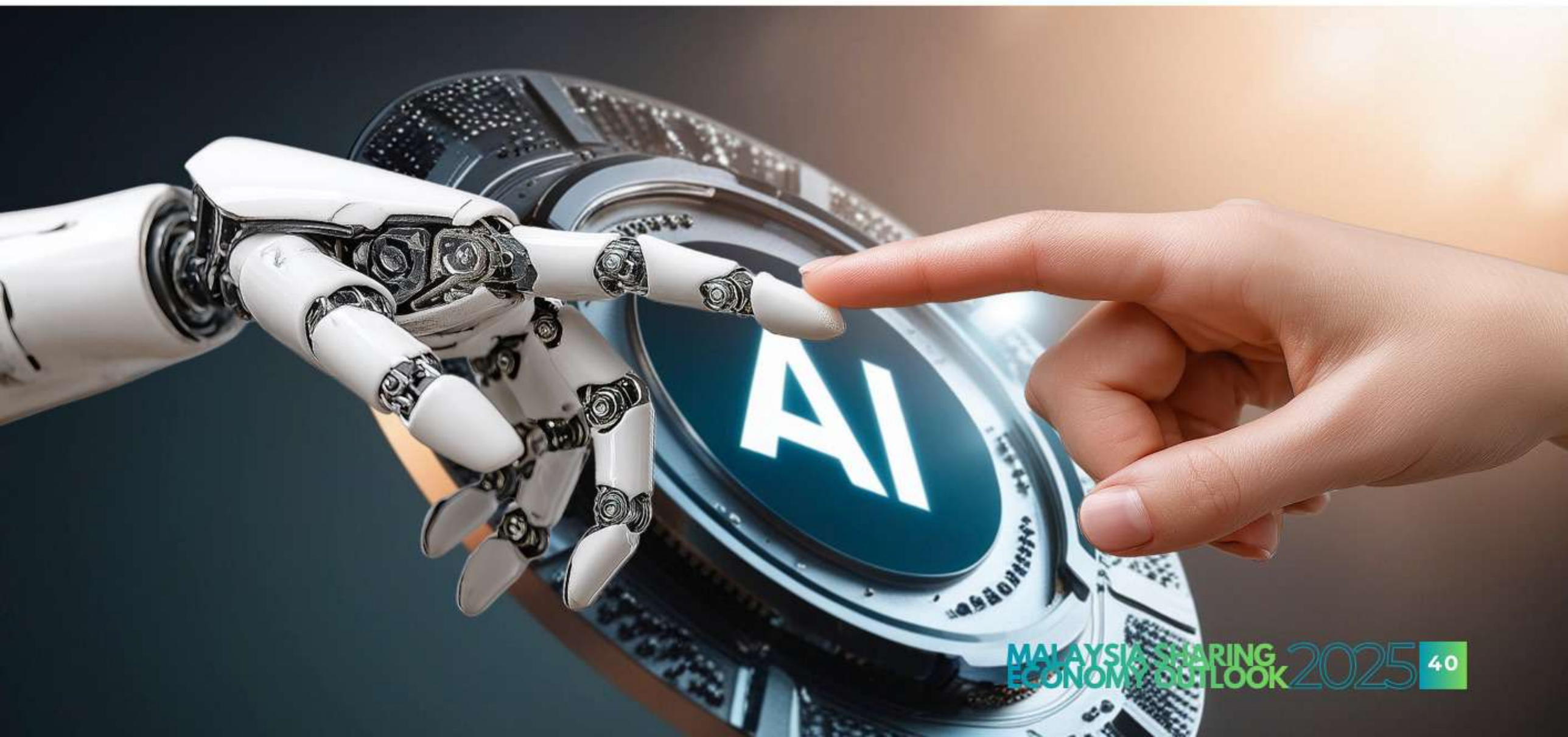
The growth of the sharing economy could have a significant impact on society as a whole. For example, the sharing economy may lead to greater income inequality, or it could create new opportunities for workers who were previously excluded from traditional employment models.

Skills development

As the demand for gig workers grows, it will become increasingly important for workers to have relevant skills and experience. This may require a greater focus on skills development and training, both for existing workers and for those entering the sharing economy.

Access to benefits

One of the challenges of the sharing economy is that workers often do not have access to the same benefits and protections as traditional employees. This may include health insurance, unemployment insurance, pensions and retirement benefits, and paid leave. There is therefore a need for new models to provide these benefits to gig workers.



Challenges and Potential Downside Risks

However, it is important to note that the sharing economy also has potential downsides, such as a lack of job security and benefits for workers, as well as legal and regulatory challenges for businesses. As the sharing economy continues to grow and evolve, it will be important to address these issues in order to fully realise its potential benefits. Certification offers one way to achieve this.

On the other hand, the sharing economy has been identified as a source of the erosion of traditional economic relationships between workers, businesses, and customers, which have in the past offered more stable income sources with additional in-work benefits such as healthcare insurance, pensions, and tax compliance.

The free-market basis of the sharing economy and its flexibility and agility means that regulating the sharing economy and the digital platforms that support it is a very delicate balance of pros and cons, which must be evaluated properly.

Malaysia's Role: Developing the Sharing Economy at the Local, National, Regional and Global Level

Regulating the sharing economy can have the advantage of protecting workers' rights, ensuring safety and quality, and levelling the playing field between the sharing economy and traditional employees. On the other hand, it can reduce flexibility, increase costs, and stifle innovation. Malaysia can play a role in research, thought leadership, and policy innovation here.

The recently adopted Gig Workers Act in Malaysia set a global benchmark that helps to find the right balance between protecting workers' rights and ensuring the benefits of the sharing economy, while also promoting innovation and flexibility.

Voluntary certification of standards and the quality of sharing economy activity and shared economy digital platform characteristics is a powerful instrument to free up the market and enhance the potential of this form of economic activity.

The role and initiatives of enabling agencies in Malaysia, such as the Malaysia Digital Economy Corporation (MDEC) in the digital economy—through certification—are an important catalyst to release this potential nationally, regionally, and globally.



Actionable Recommendations

The evolution of the sharing economy is market-driven, yet government bodies and agencies such as MDEC play a critical role in identifying key policies that promote the sharing and platform economies in Malaysia and beyond.

Evidence-based research, stakeholder engagement, case studies, and analysis of emerging trends and best practices are essential to understanding the socio-economic impact of the sharing and platform economies.

An important aspect of this research is the development of market-friendly, non-intrusive, and supportive policies that ensure broad access to the opportunities presented by the sharing economy, while also providing options for voluntary certification and light-touch regulation.

Policy formulation must be guided by robust cost-benefit analysis, emphasising the advantages of liberalised markets in driving agility, creativity, innovation, and competitive access to sharing economy platforms.

This can deliver a set of immediate and long-term priorities for Malaysia and help position the country among the regional and global leaders in leveraging sharing economy platforms to maximise their socio-economic benefits.

MDEC

MALAYSIA SHARING ECONOMY OUTLOOK 2025



SECTOR-SPECIFIC DEEP DIVES

On the Ground: Sharing Economy in Action



Digital Workforce Platforms: A New Era for Malaysian Businesses

DIGITAL TRANSFORMATION

PREPARED BY



Dzulkarnen Zaharuddin

AFFILIATION

GO GET

Digital workforce platforms are fundamentally reshaping Malaysian business operations, allowing companies to transition from rigid, fixed employment models to more flexible and agile strategies. Platforms like GoGet, a leading HR platform for online hiring, are at the forefront of this transformation by providing a comprehensive workforce solution for businesses.

This shift is driven by the need to address common business challenges in Malaysia, where 50% of 1.3 million businesses cite “People” as their biggest challenge. These challenges include the difficulty of retaining young workers, the struggle to attract skilled people, the high costs associated with traditional hiring, and the continuous need to cut costs and scale up operations efficiently.

By adopting a platform-enabled approach, companies can significantly reduce hiring costs and increase efficiency. GoGet’s technology, for example, allows businesses to hire a verified workforce instantly for on-demand, part-time, or full-time roles, paying staff only when they are needed. This model gives businesses the flexibility to scale their operations to meet daily or seasonal needs.

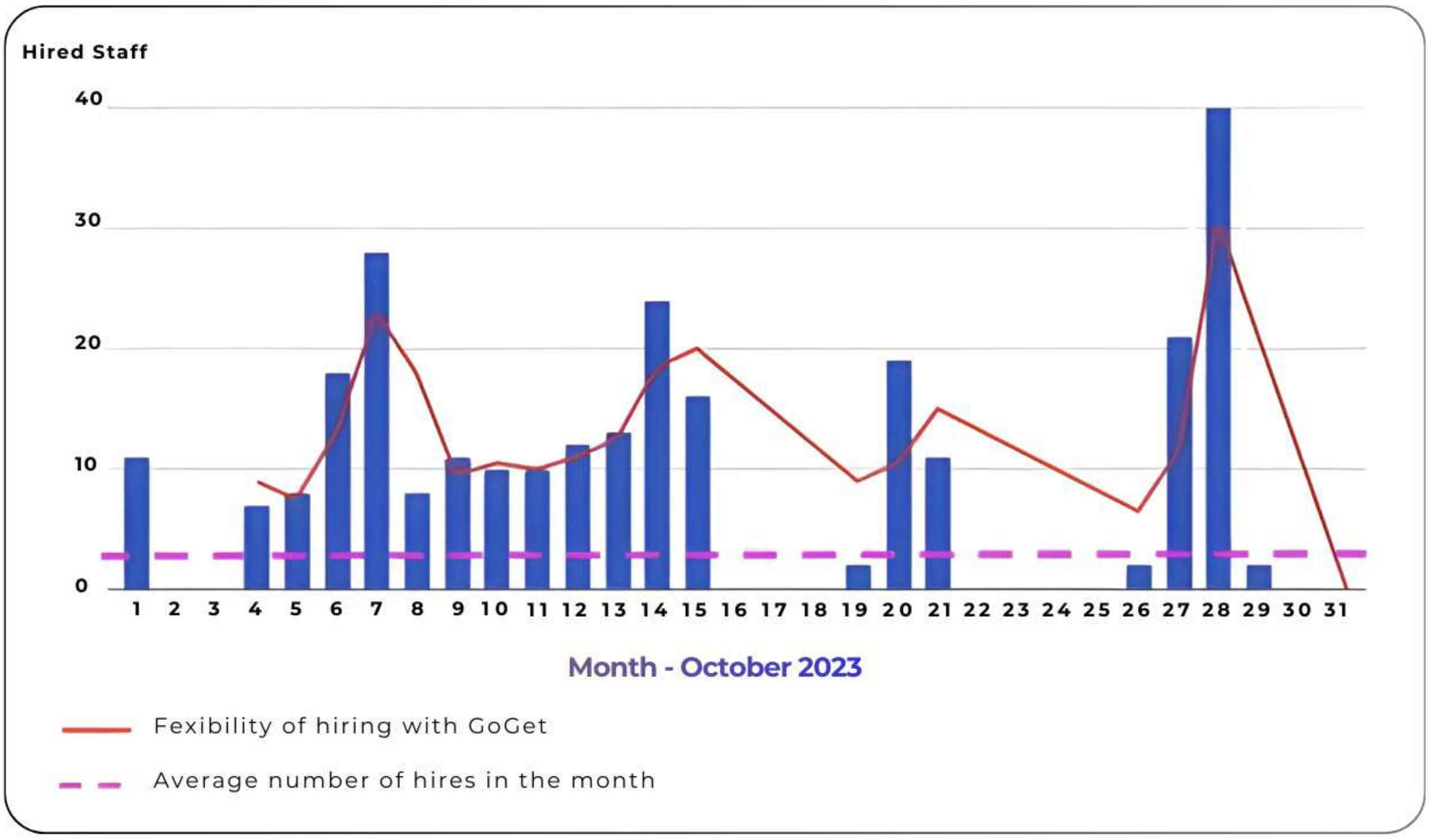


Figure 6: Case Study for jobs posted on GoGet in a month



As demonstrated by the fluctuating hiring needs shown in a case study for jobs posted in October 2023, GoGet's platform also streamlines HR processes such as payroll and timesheets, and even provides services like screening and project management, which simplify hiring for companies of all sizes.

This evolution also addresses a core issue for workers: 75% of Malaysia's workforce is low- to mid-skilled and informally employed, with minimal protection. GoGet's platform provides a safe and trusted solution for these workers—known as "GoGetters"—to earn income and gain benefits such as EPF savings and insurance. The platform's integrated features also help workers build résumés and find long-term employment, contributing to a more skilled and protected workforce for the future.

Part I: Industry Transformation Analysis - Adapting to Agility

How are Traditional Malaysian Companies Adapting to Digital Workforce Platforms?

Traditional Malaysian companies, spanning sectors like E-commerce & Logistics, Food & Beverage, and Grocery & Retail, are fundamentally shifting their operational models to adopt platform-enabled workforce strategies. This shift is from rigid, fixed employment structures to a flexible, augmented workforce model.

The Shift to On-Demand and Part-Time Staffing

Data from GoGet shows that businesses are leveraging on-demand hiring for instant manpower for single-day shifts, and part-time staffing for fixed periods of up to 12 months for projects or peak seasons. This is evidenced by major companies—for instance, a retail chain needing 449 trained staff during the Ramadan and Raya peak, or a leading e-commerce platform leveraging 3,600+ GoGetters to scale up warehouse operations across four regions. This flexibility allows companies to pay staff only when needed, providing a crucial cost-saving and scaling mechanism.

The Move from In-House to Platform Management

Instead of relying solely on internal HR, companies are increasingly utilising a platform-as-a-service (PaaS) model for workforce management. This externalisation of non-core functions allows platforms like GoGet to handle screening, job posting, management, and payment—reducing administrative burden and speeding up deployment. For example, a logistics company was able to build a team of 13 trained telesales callers in just one week.



Part II: Impact on Business Operations and Competitiveness

What is the impact of This Transformation on Business Operations?

The shift to digital workforce platforms has a profound impact on business metrics, particularly concerning cost, scalability, and competitive positioning.

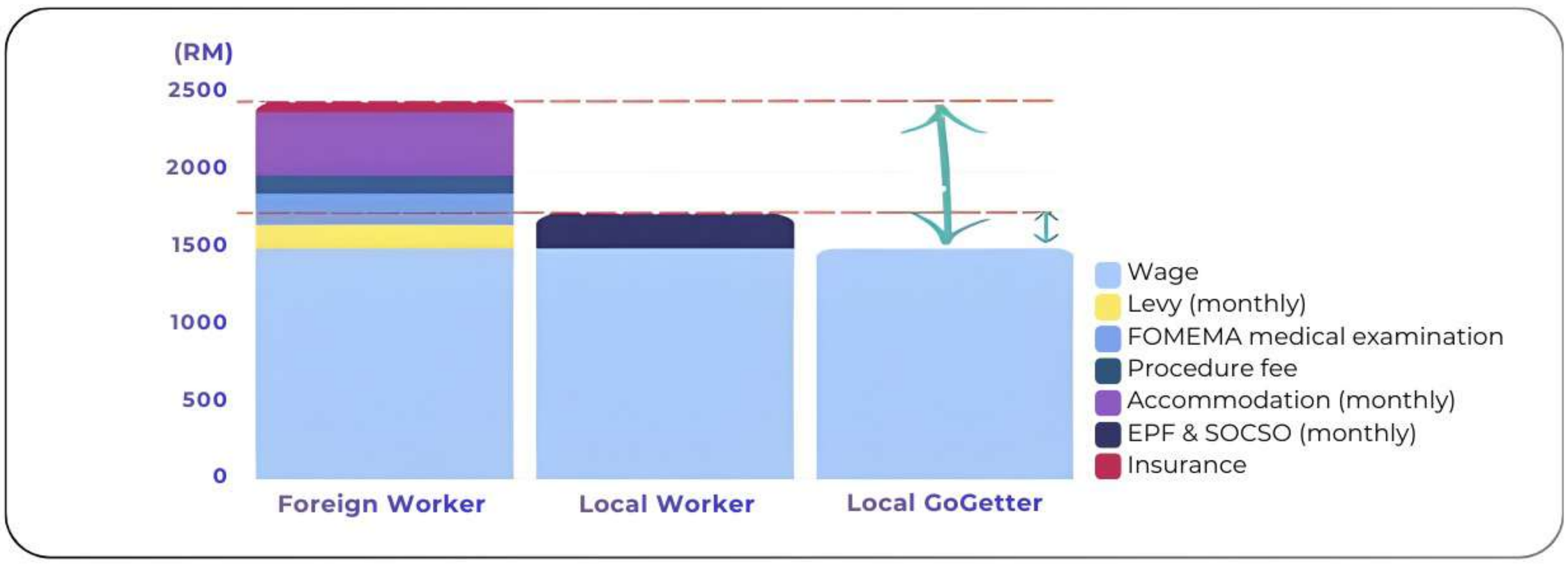


Figure 7: Salary Breakdown for a Local GoGetter compared to Local & Foreign Worker

Cost Structures and Savings

Digital platforms offer significant cost advantages. GoGet helps businesses save up to 39% on additional expenses compared to traditional local or foreign worker hiring. These savings arise from eliminating associated costs such as monthly levies, procedure fees, medical examinations, and accommodation—typical requirements for foreign workers. The ability to hire only when required (on-demand hiring) further optimises the payroll cost structure.

Scalability and Agility

The platform model allows for near-instant scalability. Businesses can recruit and staff operations immediately from GoGet's pool of 300,000 verified on-demand workers. This is vital for meeting peak demand, such as a financial institution using 80 GoGetters per day for a five-month data-entry project, or an e-commerce platform deploying 160 GoGetters across two states in two days for an e-wallet promotion.

Competitive Positioning through Technology

Early adopters gain a clear competitive edge by leveraging intelligent monitoring and streamlined operations. By using the platform's ability to provide real-time performance data (e.g., in a quality-assurance case study for a food and grocery delivery platform), companies can continuously elevate their service excellence and respond to market demands with speed and precision.

Part III: Technology-Driven Business Evolution

How are Businesses Using Technology to Manage Talent?

Malaysian employers are transitioning from traditional HR practices to platform-based workforce management, utilising technology to drive efficiency in talent acquisition, management, and retention.

Platform-Based Talent Acquisition

GoGet provides an end-to-end HR solution covering on-demand hiring, part-time staffing, and full-time recruitment. For full-time roles, businesses are matched with candidates via a proprietary résumé database that includes candidates' live work experience and reviews from the marketplace. This results in a high number of quality applicants, with an average of 105 applicants per recruitment job posting. The platform also offers a screening service to provide the best candidates for interviews.

The Augmented Workforce Model

The platform supports the modern "Hire-Manage-Pay-Train-Engage" workforce model. This fosters stronger engagement by allowing businesses to offer add-on perks and bonuses, and to build relationships through in-app chats and reviews.

Integrated Workforce Management (SaaS)

The platform functions as a single interface that can integrate with existing operations. This includes:

- **Management:** Tracking attendance, monitoring timeliness, and managing replacements.
- **Payment:** Automated and cashless payroll through the app. GoGet is the only platform integrated with EPF for workers.
- **Training:** Businesses can train and build teams according to their SOPs and easily re-engage the trained workforce when needed. For example, 43 GoGetters were trained as waitstaff for a franchise F&B company.

Part IV: Forward-Looking Challenges & Opportunities

What are the Key Challenges and Opportunities for Malaysian Businesses?

The transition to a digital workforce presents businesses with both operational challenges to overcome and strategic opportunities to seize.

Problem Statements Solved by Platform Adoption

Businesses are primarily trying to solve issues of scalability—particularly during peak seasons—cost management relative to expensive traditional and foreign hiring, the need for instant on-demand manpower, and the complexity of managing a flexible workforce. Platforms provide immediate, cost-effective, and professionally managed solutions to these challenges.

Preparing for Digital Workforce Transformation

- **Strategic Consideration: Build vs. Subscribe:** Businesses should strategically choose between building in-house capabilities and subscribing to a PaaS solution. For non-core, high-turnover, or fluctuating workforce needs, subscribing to a managed platform like GoGet offers instant access to a verified talent pool of 300,000 workers, ready-made technology, and managed HR services—typically faster and more cost-effective.

- **Actionable Recommendation:** Companies must adopt flexible workforce strategies and actively leverage platform-as-a-service models.

Part V: Role of Digital Platforms for the Workforce

What is the Role of Digital Platforms in Supporting the Malaysian Workforce?

The digital transformation driven by platforms like GoGet is critical for supporting the large segment of the Malaysian workforce that is low- to mid-skilled and informally employed.

Financial Inclusion and Protection

Digital platforms are essential for integrating gig workers into the formal financial safety net. GoGet focuses on providing a trusted solution for workers to earn and manage their earnings. This includes:

- **Voluntary EPF Contribution:** GoGet is the only platform integrated with EPF, allowing 40% of GoGetters to save with EPF.
- **Insurance and SOCSO:** Providing Worker Insurance and a SOCSO programme to mitigate the limited protection typically faced by informal workers.
- **Other Benefits:** Access to bonuses, training, and additional perks.

Upskilling and Career Progression

The platform functions as a launchpad for career development.

- **Digital Résumé:** Every job completed contributes to a worker's live digital resume, including verified job experiences and employer reviews—an effective tool for securing long-term roles.
- **Training and Certification:** GoGet offers online learning and mobile-first training, enabling workers to train anywhere and access opportunities beyond gig work through new certifications.

Inclusivity and Empowerment

The platform promotes inclusivity by offering flexible work arrangements, with 54% of GoGetters being women. It also creates opportunities for retirees and stay-at-home parents to earn flexibly. This aligns directly with **SDG #8 (Decent Work and Economic Growth).**



Actionable Recommendations for a Sustainable Digital Future

To fully realise the potential of digital workforce platforms, a concerted effort is required from policymakers, businesses, and industry players.



For Policymakers:

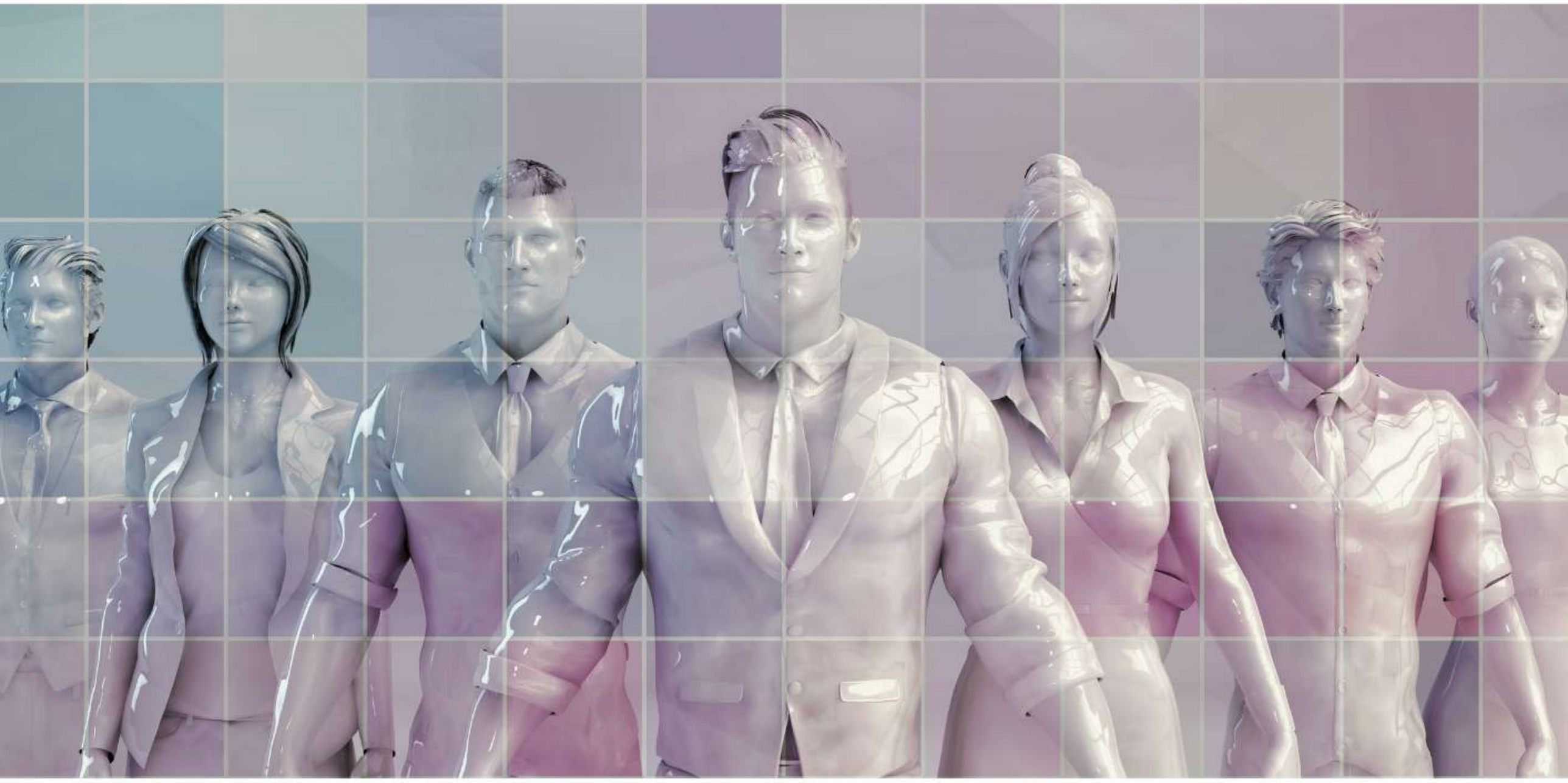
- **Develop a Comprehensive Policy Framework for the Gig Economy:** Focus on clear regulations that balance worker flexibility with essential protections and entitlements.

- **Encourage and Provide Incentives for Digital Upskilling:** Implement programmes—potentially collaborating with platforms like GoGet (which is already committed to training the B40 segment and partners with MDEC)—to train low- to mid-skilled workers in new, high-demand skills.

- **Provide Incentives for Businesses to Adopt Digital Workforce Solutions:** Introduce tax breaks or matching grants for SMEs that digitise their hiring and workforce management through platforms. This will accelerate digital transformation, improve compliance, and foster a more competitive market.

- **Establish a Gig Worker Safety Net:** Mandate the integration of social security and financial benefits across all digital platforms to ensure universal access to savings, health insurance, and accident protection. GoGet's existing integration with EPF and provision of SOCSO/insurance offer a strong benchmark.

- **Support Public–Private Sector Partnerships**: Leverage platforms' reach and data to address national challenges such as youth unemployment and financial inclusion, as exemplified by GoGet's participation on the National Employment Council.



For Businesses:

- **Adopt Flexible Workforce Strategies:** Shift away from rigid employment models to an agile, hybrid approach that meets fluctuating demands, optimises costs, and boosts operational efficiency.

- **Leverage Platform-as-a-Service Models:** Utilise platforms like GoGet for seamless recruitment, HR management, and payroll, instead of maintaining complex and costly in-house systems.

- **Focus on Training and Onboarding:** Actively use platform features (e.g., GoGet's Train & Build feature) to equip contingent workers with necessary SOPs, ensuring quality and consistency across operations, as demonstrated by the F&B and Retail case studies.

- **Embrace Data-Driven Hiring:** Use the wealth of data and robust review systems available on platforms to make informed decisions for both temporary and long-term roles, leveraging the platform-based résumé's live work experience.

For GoGet and Industry Players:

- **Expand Financial Inclusion Features:** Continue building on EPF integration and insurance offerings by exploring financial literacy training and micro-loan access for gig workers.

- **Enhance Upskilling and Career Progression Pathways:** Formalise training into industry-recognised certifications that clearly support workers' transition from flexible gig work to long-term employment.

- **Promote the Value of the Platform-Based Résumé:** Actively market the GoGetter Profile (which details job completions and reviews) as a legitimate, performance-based digital résumé for traditional recruiters and employers.

- **Lead Advocacy Efforts:** Continue engaging with government bodies to advocate for a supportive regulatory environment that protects workers and strengthens the long-term sustainability of digital work.

Conclusion

The digital workforce platform is not merely a tool for filling job vacancies; it is an integrated HR-Tech solution that provides businesses with essential agility and cost efficiency, while simultaneously offering Malaysian workers—particularly those in the B40 and informal sectors—unprecedented access to verified income, financial protection, and career development.

By embracing these platforms and implementing supportive policies, Malaysia can secure a sustainable future of work, characterised by a highly functional, skilled, and protected flexible workforce. GoGet, as a multi-award-winning leader in the Malaysian market, stands as a crucial partner in empowering the next generation of business operations and worker opportunities.



Transforming Rural Labour: FieldGig's Role in Malaysia's Digital Plantation Workforce and its Contribution to the National Sharing Economy Outlook

SUSTAINABLE GROWTH

PREPARED BY



Abdul Muthalib Zulkarnain

AFFILIATION

hyred

Malaysia's plantation sector, a cornerstone of the national economy, faced profound structural challenges that were starkly highlighted during the COVID-19 pandemic. The crisis exposed vulnerabilities like an ageing labour force, unsustainable dependency on foreign workers, and a critical absence of resilient, data-driven workforce systems—culminating in estimated losses of USD 12 billion in the Malaysian plantation sector.

This served as a potent wake-up call, underscoring the urgent need to accelerate digitisation within the sector, while crucially ensuring that human factors—the welfare and empowerment of its workforce—remain central to technological advancements.

In response, FieldGig, Malaysia's pioneering gig platform purpose-built for plantation work through Hyred.my, has emerged as a transformative force. It is actively digitising rural labour markets and exemplifying how the sharing economy can empower individuals and foster sustainable development without leaving human factors behind.

Since its pilot in 2022, FieldGig has scaled across FELDA settlements and other regional blocks, demonstrating that structured gig systems can bring financial inclusion, traceability, and workforce empowerment to rural Malaysia.

Through RM 3.73 million in earnings disbursed (2022–2024) to over 5,000 active workers (90% FELDA), workers report up to a 40% increase in net monthly income. Over 4,200 plantation gig workers now possess digital "credentials" of their performance history, creating formal employment pathways in a traditionally informal sector.

Operationally, FieldGig facilitated the harvesting of 18,047.19 tonnes of Fresh Fruit Bunches (FFB) between 2022 and May 2025, with an estimated market value of RM 15,679,927.15. The platform has achieved a 75% reduction in average worker search time for estates, leading to faster task completion and improved yield timelines.

Beyond economic and operational efficiency, FieldGig significantly contributes to environmental sustainability. By digitising payroll and optimising worker travel, it is estimated to have prevented 215.04 metric tonnes of CO_2 emissions during 2022–2024. The platform also offers a robust Social Return on Investment (SROI) of RM 29.10 for every RM 1 invested (2022–2024), underscoring its broad socio-economic value.

This report details FieldGig's impact, identifies key gaps, explores future growth potential, and provides strategic recommendations for policymakers, industry leaders, and investors to scale such sector-specific gig platforms—positioning Malaysia as a leader in inclusive sharing economy practices that extend beyond urban centres to strengthen rural resilience and food security.

Introduction: Transforming Rural Labor through the Sharing Economy in a Post-Pandemic Era

Malaysia's plantation sector remains a cornerstone of the national economy. However, its longstanding structural challenges—including an ageing labour force, high dependency on foreign workers, and a critical absence of modern, data-driven workforce systems—were dramatically exposed during the COVID-19 pandemic. The inability to manage labour flows effectively during lockdowns and border closures led to severe operational disruptions and significant economic repercussions, with the Malaysian plantation sector facing estimated losses of USD 12 billion due to labour shortages and unharvested crops.

This unprecedented crisis served as a profound wake-up call, highlighting the urgent and undeniable need to accelerate digitisation within the plantation sector. It became clear that technological integration was no longer a luxury but a fundamental necessity for resilience, productivity, and sustainability. Crucially, this imperative for digitisation also brought into sharp focus the importance of not leaving human factors behind in the pursuit of technological advancement. Any solution had to empower the existing workforce, attract new talent, and enhance the well-being of the human capital driving the industry.

In response to this critical need, FieldGig emerged as Malaysia's pioneering gig platform purpose-built for plantation work. Through its platform, Hyred.my, FieldGig is at the forefront of digitising rural labour markets, demonstrating how the sharing economy can empower individuals by creating new avenues for employment, skill development, and upward mobility—particularly in underserved or informal sectors. This case study underscores how the sharing economy has evolved beyond urban-centric, consumer-based models and is now penetrating critical traditional sectors like agriculture, manufacturing, and services, offering solutions to challenges amplified by global disruptions.

The Gig Economy Meets the Plantation Sector: FieldGig's Operational & Individual Impact

Traditionally, the palm oil and rubber sectors relied heavily on informal labour systems—often undocumented, untraceable, and foreign-dominated. With increasing pressure from sustainability frameworks and supply chain audits, plantation stakeholders are seeking accountable, localised, and tech-enabled solutions. FieldGig provides this critical solution.



Workforce Empowerment in the Plantation Sector: a National Imperative

Hyred.my operates as a digital labour engine for the plantation industry, matching skilled local gig workers to estates and smallholders in real time. This directly addresses longstanding hiring inefficiencies and labour shortages that often hamper productivity in Malaysia's critical palm oil and rubber sectors.

By digitalising access to labour, the platform elevates previously informal, seasonal jobs into formalised gig work structures—a move of significant national interest. This strategic shift is crucial for reducing Malaysia's dependency on foreign hires, a persistent challenge acknowledged by the government. The former Minister of Economy has indicated that the upcoming 13th Malaysia Plan (RMK13) will target a more drastic, phased reduction in foreign workers by 2030. While foreign workers remain part of the labour landscape in sectors like plantations (which still rely heavily on them), the national agenda increasingly emphasises upskilling local talent to fill these roles. FieldGig's model supports this by formalising roles and making them attractive to local workers.

Furthermore, this digitalisation is key to attracting Malaysian youth back into an industry often perceived as manual and outdated. While Department of Statistics Malaysia (DOSM) Chief Statistician Datuk Seri Dr. Mohd Uzir Mahidin notes that more youth are involved in farming than official land registration data might suggest, a 2021 report indicated that only about 15% of Malaysia's total youth population was involved in the agriculture sector (including plantation and fisheries). Platforms like FieldGig, by offering digital engagements, GPS-enabled tasks, and performance tracking, fundamentally change this perception. They leverage technology to make plantation work more structured, efficient, and technologically integrated—appealing to a tech-savvy younger generation. This move aligns with national efforts to offer free courses and high-tech tools like drones to make farming more appealing to youth, ensuring a sustainable future workforce.

Workers using FieldGig gain structured engagements, better wages (indexed through area complexity), and, crucially, pathways to consistent employment and formal recognition. Through digital profiling that tracks job completion rates, timeliness, and field-specific competencies, the platform provides much-needed "digital credentials" to workers. This not only elevates their value within the industry—enabling better rates and repeated hires—but also supports the national goal of fostering a certified and skilled workforce. It moves individuals from being "casual workers" to recognised "skilled contributors", laying the groundwork for greater financial inclusion, eligibility for micro-credentials, and long-term career progression.

Smallholders, in return, gain access to a verified, rated workforce on demand—reducing reliance on unregulated labour and contributing to a more transparent and accountable supply chain, which is vital for meeting global sustainability standards.



Individual Value Creation Through Digital Profiling

Individual Value Creation Through Digital Profiling and Skill Tiering

Hyred.my doesn't merely list jobs. It builds worker identity capital through real-time GPS tracking, NFC-based attendance, and a robust reputation system. Each worker is meticulously profiled across metrics such as:

- Job completion rate
- Timeliness and reliability
- Field-specific competencies (e.g., pesticide handling, harvesting efficiency)

These granular profiles serve as the foundation for a dynamic skill-level tiering system. As workers consistently demonstrate proficiency and accumulate experience, they can progress through defined skill tiers (e.g., Novice, Proficient, Expert, Master). This progression can be objectively measured not just by job completion, but by the cumulative hours worked in specific competencies—aligning with the principle of Malcolm Gladwell's "10,000-hour rule," which suggests that extensive deliberate practice is key to mastery.

This tiered system allows top-performing and experienced individuals to be identified and rewarded. Crucially, wages are directly linked to these skill tiers, providing a clear incentive structure. Workers on higher tiers, possessing verified expertise in complex or critical tasks, command better rates—motivating continuous improvement and professionalism within the workforce. This transparent progression offers a clear path for upward mobility and professional growth, transforming casual labor into a recognised and respected career trajectory.

With enough consistency and accumulated expertise, these comprehensive digital profiles serve as a powerful digital CV—a verifiable and integrity-backed record of skills and performance. This digital verification is critical not just for unlocking further upskilling programmes and financial inclusion (e.g., access to micro-credentials or microloans based on verifiable income and performance history), but also for positioning Malaysian workers on a global stage. This robust digital identity and work history can serve as a trusted credential, allowing them to be recognised and potentially participate in regional initiatives like the ASEAN Borderless Workers program, facilitating legitimate cross-border talent mobility for certified and highly skilled plantation gig labour.

Result:

Over 4,200 plantation gig workers now have digital "credentials" of their performance history, contributing to better rates, repeated hire, and a pathway towards recognised skill mastery and regional work opportunities.



FieldGig Operational Summary (2022–2025): Readiness and Impact

System Readiness and Evolution:

The operational milestones highlight a deliberate and successful progression in FieldGig's capabilities:

2022 Pilot Launch

The successful launch of pilot deployments in FPMSB (FELDA) regions established the foundational viability of a gig platform for plantation work, proving the concept.

2023 Core System Rollout

The implementation of GPS-enabled task matching and NFC tap-in/out systems significantly enhanced operational efficiency, traceability, and the formalisation of work hours. This marked a crucial step in building a robust digital infrastructure for rural labor, now enhanced with AI Complexity Index Wage Recommendations.

2024 Workforce Digitalisation

The introduction of worker digital profiles—enabling ratings and certification tracking—was a pivotal development. This not only enhances accountability but also builds "worker identity capital," creating verifiable credentials for a workforce that often lacks formal records.

2025 Advanced Integration and Future-Proofing

Initiating drone deployment trials and completing fintech integrations with banks signify the system's readiness to embrace advanced technologies and secure financial mechanisms. This includes an AI interviewer to screen and identify candidates' skill levels and job know-how.

This structured rollout proves the inherent readiness of the FieldGig system to adapt, scale, and integrate complex functionalities—making it a robust solution for digitising rural labor.



Impact on Earnings and Efficiency (Overall):

FieldGig experienced a period of remarkable initial growth in its total figures:

- From 2021 to 2022, the platform saw an explosive **1321.75%** growth in total figures (from **RM 62,183.92** to **RM 884,055.17**).
- This strong momentum continued into 2023, with total figures increasing by another significant **156.29%** (reaching **RM 2,265,704.63** from **RM 884,055.17**).

However, the trend shifted in the more recent periods:

- From 2023 to 2024, there was a slight decrease of **5.69%** in total figures (from **RM 2,265,704.63** to **RM 2,136,544.83**). This decline is attributed to movements of supervisors and changes in management hierarchy, which impacted the daily operation and job posting processes.
- For 2025, based on data available only until June, there is a more substantial decrease of **56.21%** compared to 2024's total (from **RM 2,136,544.83** to **RM 936,059.95**).

This analysis highlights FieldGig's rapid initial expansion and its significant ability to generate revenue, followed by a recent contraction in total figures based on available data.

- **Significant Earnings Disbursed:** A substantial **RM 3,733,791.14** was disbursed in total earnings from 2022 to 2024, demonstrating the platform's capacity to channel significant income directly to rural workers.
- **Increased Worker Income:** Workers on FieldGig report up to a 40% increase in net monthly income, a critical metric for financial inclusion and poverty alleviation in rural communities.
- **Enhanced Employer Efficiency:** Employers report faster task completion and improved yield timelines, directly linking the digital system to tangible gains in productivity and operational performance.
- **High Worker Engagement:** With over 5,000 active workers onboarded (90% from FELDA regions) and a recurring worker rate consistently above 50%, the data signifies strong worker satisfaction and continuous utilisation of the platform.



This data collectively proves the readiness of rural Malaysians to participate effectively in digital labor systems when platforms are purpose-built to their context and address their unique needs and challenges.

Quantifiable Impact (2022–2025)

As of mid-2025, FieldGig's Hyred.my platform has recorded significant, quantifiable impacts:

- **Workdays Matched:** Over 8,000 matched workdays across 130 plantations, and 3,000 jobs completed.
- **Worker Search Time Reduction:** 75% reduction in average worker search time for employers.
- **Worker Earnings Increase:** 23% average increase in earnings for high-performing workers.
- **Digitally Profiled Workers:** 590+ workers now digitally profiled for long-term deployment.



Item	2022	2023	2024	May 2025
Total Harvested (Menuai)	1,503.06 tonnes (approx. RM 1,633,835.22)	4,063.29 tonnes (approx. RM 3,161,902.62)	9,198.65 tonnes (approx. RM 8,048,818.75)	3,282.19 tonnes (approx. RM 2,835,370.56)
Harvested Growth		(2023 vs 2022): +170.34%	(2024 vs 2023): +126.40%	(May 2025 vs 2024): -64.32% (decrease)
Market Value Growth		(2023 vs 2022): +93.53%	(2024 vs 2023): +154.55%	(May 2025 vs 2024): -64.77% (decrease)
Overall Total (2022-May 2025):		**Fresh Fruit Bunches (FFB): 18,047.19 tonnes**	**(Estimated Value: RM 15,679,927.15)**	

Table 2: Total Harvested (Menuai) in tonnes and Estimated Market Value (2022 - May 2025)

Social Return on Investment (SROI) Estimation and Rationale: FieldGig 2022–2025

FieldGig, Malaysia's pioneering digital labor engine for the plantation sector, was established with a vision to address structural inefficiencies in rural labor deployment through technology and data systems. Over a four-year period (2022–2025), the platform has enabled inclusive labor formalisation, improved rural livelihoods, and fostered digital transformation in traditionally underserved communities.

The Social Return on Investment (SROI) for FieldGig during this period is conservatively estimated at RM 2.60 per RM 1 invested. This ratio is grounded in direct, indirect, and systemic value creation across both monetary and non-monetary dimensions.

Financial Impact (Direct Returns)

Salary Disbursements – RM3.7 Million

A total of **RM 3,733,791.14** was disbursed directly to registered gig workers across FieldGig-enabled estates. These wages, which were previously undocumented in the informal economy, contributed to:

- Increased household disposable income
- Cash flow improvements for rural families
- Higher spending power within rural microeconomies (multiplier effects)
- Enhanced financial security and new earning opportunities for marginalized groups, including school leavers and aging laborers not absorbed by mainstream employment

Incentives – RM3.2 Million

In 2021–2022, FieldGig workers received RM 3.2 million in performance-based and attendance incentives through a governmental scheme championed by SOCSO. This incentive structure:

- Rewarded consistency and reliability
- Supported families during seasonal downturns
- Helped retain skilled workers across regions

This initiative benefited 1,032 unique workers, acting as a financial buffer during economic shocks and the post-pandemic recovery period.

Social and Systemic Impact (Indirect Returns)

Formalisation of Labor

Gig workers enrolled in FieldGig are digitally recorded, enabling the creation of:

- Structured work histories and performance ratings
- Digital profiles that facilitate traceability, certification, and future job matching
- Transparent labor data for productivity assessment

This formalisation contributes to worker empowerment and increases the visibility of rural labor in the national data ecosystem.

Insurance Protection via SKSPS

Through mandatory SKSPS contributions by FPMSB, all active gig workers were granted social insurance coverage. This includes:

- Protection from work-related injury or disability
- Death benefits for next-of-kin
- Access to SOCSO-linked welfare schemes

This insurance initiative elevates worker dignity and de-risks participation in plantation gigs.

Household Income Stability & Financial Inclusion

Beyond monthly wages, FieldGig has:

- Reduced dependence on informal middlemen
- Increased direct-to-worker payments via digital wallets
- Facilitated account openings and a savings culture among the unbanked

This reflects progress toward the national financial inclusion agenda, aligning with Bank Negara and MDEC's broader digitisation objectives.

Community Resilience & Digital Literacy

FieldGig's GPS tracking, NFC check-in/out, and digital transaction records have improved:

- Accountability in attendance
- Ease of audit for compliance
- Digital confidence among rural workers (including those previously tech-averse)

This lays the foundation for digital citizenry, enabling future upskilling, agritech adoption, and fintech access.

Methodology of SROI Calculation

To derive the SROI of RM2.60 per RM1 invested, the following were considered:

Impact Area	Estimated Contribution to SROI
Direct Salaries	RM3.7 million
Worker Incentives	RM3.2 million
Insurance Benefits (Actuarial Value)	RM1.1 million*
Digital Profiles and Traceability	RM400,000 (future certification potential)
Productivity Gains via Formal Gig Models	RM1.2 million (estimated efficiency uplift)
Cost Savings via Platform Matching	RM600,000 (versus traditional hiring cost)
Total Value Generated	~RM10.2 million
Estimated Investments (Platform, Mgmt, Incentives)	~RM3.9 million
SROI	~RM2.60 : RM1

Table 3: FieldGig's Methodology of SROI Calculation



*Note: Insurance value derived from aggregated premium-equivalent contributions and claim payout risk models by SOCSO.

Broader Societal and Environmental Impacts

FieldGig enhances more than just efficiency — it enhances dignity and contributes to wider societal and environmental goals.



Creating Economic Dignity in the Rural Workforce

The platform enhances more than just efficiency — it enhances dignity. Workers in the B40 category, who often lack formal employment documents, can now point to a verified digital record of their contribution. This provides them:

- Negotiation power for better rates
- Recognition within industry clusters
- Eligibility for performance-based incentives, bonuses, or certification

Such mechanisms are pivotal in shifting perception: from "casual worker" to "skilled contributor."



Key Impact Dimensions on Individual Value Creation

CO_2 Emissions Prevention Through Digitised Labour Matching and Mobility Optimisation (2022–2024)

One of the lesser-discussed yet critical contributions of FieldGig's intervention in the rural labour economy is its impact on the decarbonisation of logistical operations in plantation and agricultural sectors.

From 2022 to 2024, FieldGig enabled a cumulative reduction of approximately **215.04 metric tonnes of CO_2 emissions,** a figure derived from two core operational shifts:

Elimination of Cash-Based Payroll Logistics

In traditional plantation operations, particularly in remote and underbanked areas, cash disbursements often require armored or escorted transport convoys from regional finance hubs to estates. These monthly trips, conducted with fossil-fuel-powered vehicles, cumulatively contributed significant emissions over time.

By transitioning over **700 gig workers** onto digital wage disbursement systems via the FieldGig platform — integrated with e-wallets and verified digital identity tracking — the platform completely eliminated the need for monthly cash escort trips. The estimated reduction in trips was **approximately 200 per year** across all participating estates, with each round trip spanning an average of **60 km** using diesel-powered vehicles. Based on standard emission rates (≈0.27 kg CO_2/km for light-duty diesel vehicles), the resulting emissions reduction from payroll logistics alone accounted for **~97.2 metric tonnes of CO_2 annually.**

Travel Optimisation via On-Demand Worker Matching

FieldGig's core algorithmic matching engine assigns workers to job locations based on proximity, availability, and required skill sets, minimising unnecessary commuting and standby periods. Before this system, many plantation contractors traveled **30–60 km daily** to search for available jobs or fulfill verbal assignments, often without guaranteed work.

From 2022 to 2024, FieldGig enabled more than **65,000 digitally scheduled work sessions**. Compared to the traditional model, the optimised routing system is estimated to have reduced each worker's average travel distance by **8.2 km per session**. Using standard two-wheeler emission benchmarks (≈0.06 kg CO_2/km), this reduction prevented an estimated **117.84 metric tonnes of CO_2** over three years.

Total CO_2 Prevented (2022–2024)

- Payroll cash trips eliminated: **~97.2 tCO_2**
- Worker mobility optimisation: **~117.84 tCO_2**
- **Total Estimated Emissions Reduction: 215.04 metric tonnes of CO_2**

Broader Implications

This decarbonisation impact demonstrates that the digitisation of labour systems not only improves economic productivity but also contributes to Malaysia's net-zero ambitions, particularly in rural and peri-urban zones where transport-related emissions are often overlooked in national carbon inventories.

Moreover, this impact aligns with:

- Malaysia's Low Carbon Mobility Blueprint 2021–2030
- ASEAN Strategy on Carbon Neutrality
- UN SDG 13 (Climate Action) and SDG 9 (Industry, Innovation, and Infrastructure)

Identified Gaps and Future Growth Potential

While FieldGig has demonstrated significant success, certain gaps need to be addressed to unlock its full potential, leading to substantial future growth levers for Malaysia's sharing economy.

Identified Gaps

- **Device Access:** Many workers still lack smartphones or NFC cards, requiring shared access points or alternative solutions.
- **Gig Literacy:** Understanding of ratings, task bidding, and digital wallets remains low among older workers, necessitating targeted education.
- **Low Private Sector Buy-In:** While interest exists, private estates are not fully committed to digitisation, hindering wider adoption.

Future Growth Levers

- **Upskilling + Certification:** Linking task history to formal skilling programs via TVET (Technical and Vocational Education and Training) or Jabatan Pembangunan Kemahiran (Department of Skills Development) to formalise skills recognition.
- **Insurance & SOCSO:** Embedding PERKESO (Social Security Organization) protection into task completion as a default feature, rather than an option, ensuring comprehensive worker welfare.
- **Cross-Border Talent Mobility:** With ASEAN labor shortages, FieldGig can serve as a regulated export of skilled plantation gig labor, addressing regional demands while ensuring ethical practices.

Broader Strategic Insights for Malaysia

- **Decentralised gig platforms** are critical in closing labour gaps in agriculture, construction, and maritime industries — sectors often left behind by urban digital economy models.
- **Performance-linked incentive models** drive not just earnings but skill upliftment and long-term career formation, reducing dependence on foreign workers.
- **Platforms like FieldGig** demonstrate how sharing economy models can be tailored to local realities — especially where trust, reliability, and skill diversity are key hiring constraints.



Broader Implications for Policy and Strategic Recommendations for National Scale-Up

Platforms like Hyred.my blur the lines between traditional employment and platform-enabled work. This warrants a refreshed policy lens that embraces innovation while ensuring social protection and sustainable growth. By embedding such innovations into national frameworks, Malaysia can position itself as a leader in inclusive sharing economy practices — not just in urban e-hailing, but in sectors that matter for rural resilience and food security.

Broader Implications for Policy

- Recognition of gig-based agricultural labor within formal social protection schemes (e.g., PERKESO coverage).
- Linking microcredit eligibility to digital reputation scores to enhance financial access for gig workers.
- Incentivisation schemes for estates that adopt transparent gig hiring via digital platforms.



Strategic Recommendations for Advancing Malaysia's Sharing Economy

MDEC, in collaboration with relevant ministries and stakeholders, should undertake the following:

Develop a Progressive and Adaptive Regulatory Framework

- Establish regulatory sandboxes to pilot new sharing economy models, fostering innovation while ensuring public safety and consumer protection.
- Adopt outcome-based and technology-neutral regulations that focus on desired results rather than rigid prescriptions, allowing for flexibility and future adaptability.
- Enhance inter-agency collaboration to create harmonised guidelines across different sectors and jurisdictions, reducing regulatory fragmentation.

Strengthen Social Protection and Welfare for Gig Economy Participants

- Design flexible social safety nets (e.g., portable benefits, co-contribution models) tailored to the unique nature of gig work, providing access to healthcare, retirement savings, and injury compensation.
- Invest in targeted skill development and reskilling programs to empower gig workers with in-demand digital and specialised skills, ensuring long-term employability and career progression.



Foster Innovation and Ecosystem Growth

- Provide targeted incentives (e.g., grants, tax breaks) for Malaysian sharing economy startups that address local challenges, promote inclusivity, or demonstrate high growth potential.
- Continue to invest in and expand robust digital infrastructure (e.g., high-speed broadband, 5G) and secure digital identity systems, which are foundational for scalable platforms.
- Develop a clear data governance framework that balances innovation with stringent data privacy, security, and ethical AI considerations.

Build and Maintain Public Trust

- Launch public awareness campaigns to educate both consumers and providers on the benefits, risks, and responsible practices within the sharing economy.
- Establish transparent and efficient dispute resolution mechanisms to address conflicts between platforms, providers, and consumers promptly and fairly.
- Define clear platform accountability regarding user safety, quality of service, and compliance with regulations.

Leverage Data for Evidence-Based Policymaking

- Promote secure and anonymised data sharing from sharing economy platforms with MDEC and relevant government agencies to gain granular insights for urban planning, labor market analysis, and economic forecasting.
- Regularly publish comprehensive outlook reports to track the growth, impact, and evolution of the sharing economy, informing continuous policy adjustments.

Strategic Recommendations for National Scale-Up (Specific to FieldGig model)

Institutionalise via Ministries:

- Work with KPKM (Ministry of Food Security and Commodity), KKDW (Ministry of Rural and Regional Development), and MAFI (Ministry of Agriculture and Food Security) to expand FieldGig as a national registry for casual plantation labor.

MDEC as Scaling Partner:

- Position FieldGig as a flagship under the Sharing Economy vertical — backed by fintech innovation, blockchain for traceability, and AI for labor forecasting.

Green Compliance & ESG:

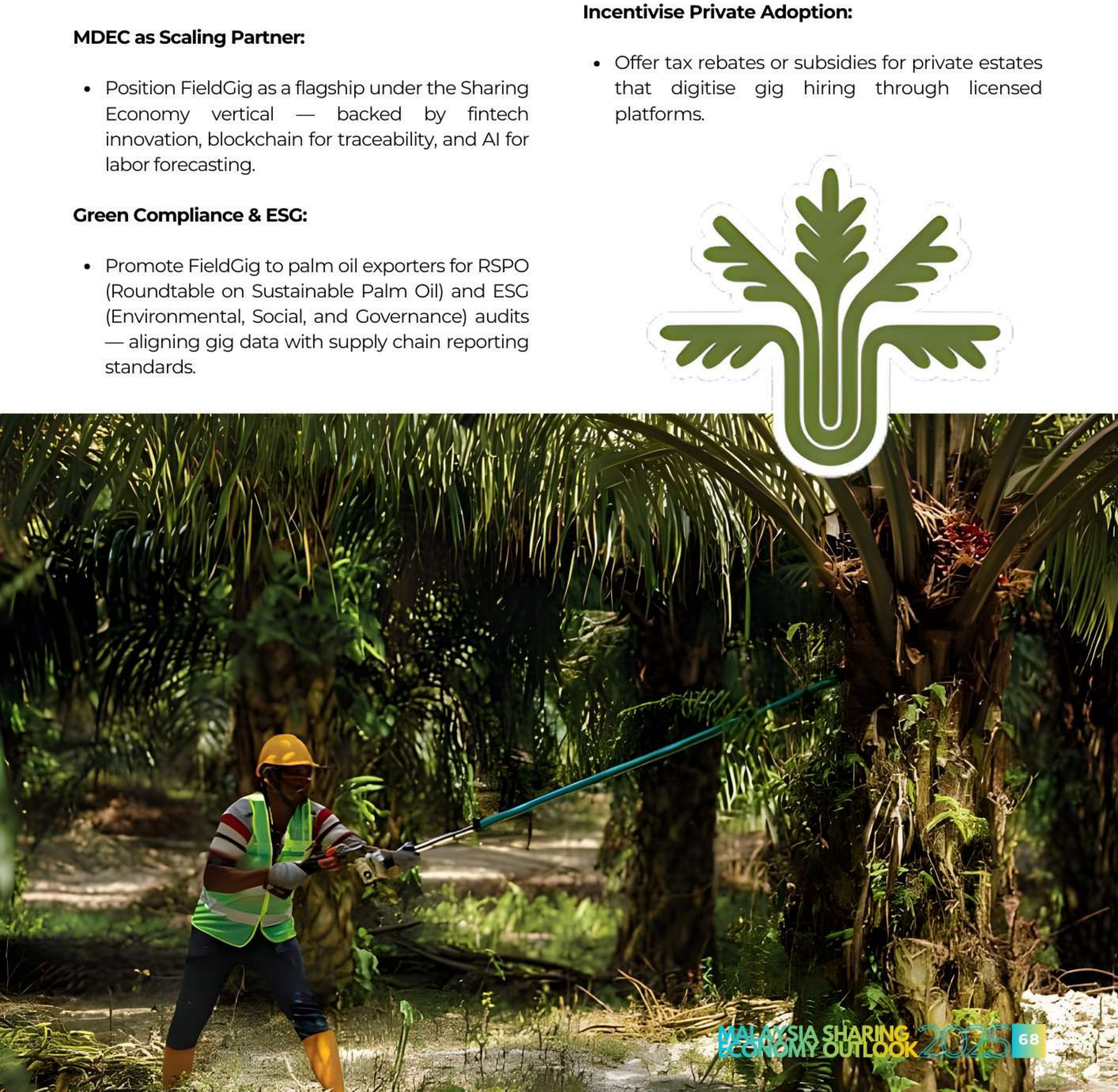
- Promote FieldGig to palm oil exporters for RSPO (Roundtable on Sustainable Palm Oil) and ESG (Environmental, Social, and Governance) audits — aligning gig data with supply chain reporting standards.

Agritech SuperApp Development:

- Combine fintech (EWA, BNPL, and microsavings), transporter services, ratings, AI drone support, weather alerts, and helpline assistance into one national app for all rural gig workers.

Incentivise Private Adoption:

- Offer tax rebates or subsidies for private estates that digitise gig hiring through licensed platforms.



Conclusion

FieldGig has demonstrated that Malaysia's plantation gig economy can be formal, inclusive, and tech-driven — without losing sight of rural realities. With over RM 3.7 million in earnings, thousands of workers tracked, and strong performance across FELDA schemes, it sets a promising precedent for broader national adoption. The platform's substantial economic contribution, significant social impact through worker empowerment and financial inclusion, and tangible environmental benefits underscore the transformative potential of sector-specific sharing economy platforms.

The time is right to formalise FieldGig as a cornerstone of Malaysia's digital labour infrastructure — combining sustainability with social mobility. By strategically integrating such innovations into national frameworks, Malaysia can lead the way in inclusive sharing economy practices, strengthening rural resilience, enhancing food security, and creating a more equitable digital future.

MDEC

MALAYSIA SHARING ECONOMY OUTLOOK 2025



WORKER PERSPECTIVES & RIGHTS

Voices of the Workforce: Rights in the Digital Age



AI and the Future of Work: Worker Rights in the Sharing Economy

As more people enter the sharing economy, the country needs public policies that promote worker rights by ensuring social protections (already in progress), providing training and development opportunities, and supporting community-building efforts.

SAFEGUARDING RIGHTS

PREPARED BY



Dr. Rachel Gong



Shazrul Suhaimi

AFFILIATION

KHAZANAH RESEARCH INSTITUTE

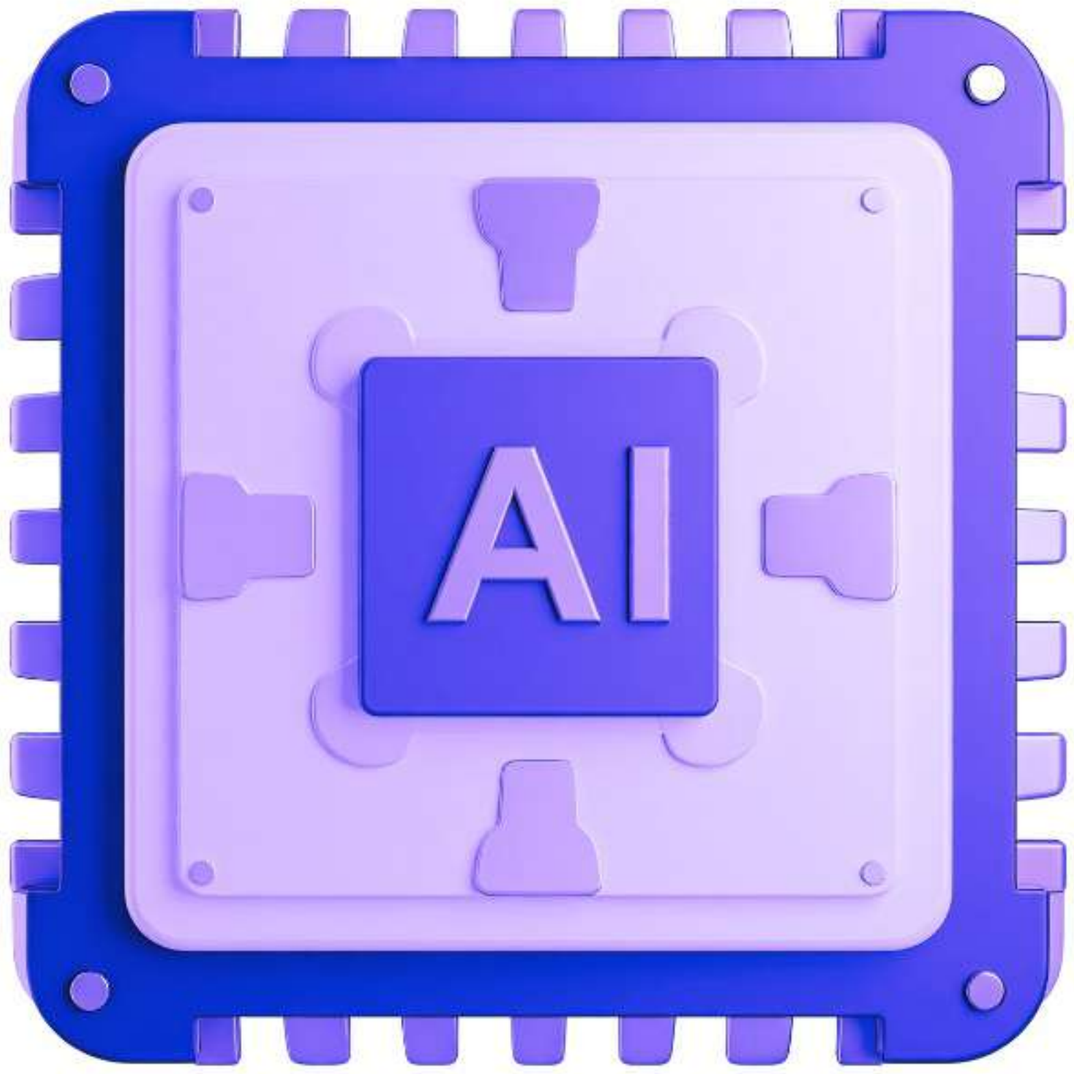
The sharing economy offers benefits desirable to workers, such as flexibility and autonomy, but algorithmic management also disrupts typical work structures and relationships. Classification of platform workers remains a challenge, and employee benefits such as social protection, professional development, and community building need to be reconfigured. The government has taken measures to develop and sustain social protections for platform workers. The next step is to do the same for professional development options and shared community-building opportunities.

The term “sharing economy” is perhaps less well understood than “gig economy” or “platform economy.” Where “platform economy” typically relies on work being assigned via some sort of digital platform, and “gig economy” refers to project-based or task-based assignments, “sharing economy” refers to an economy where assets — whether physical (such as cars or rooms) or intangible (such as time or skills) — are shared among workers and consumers alike. This sharing can be facilitated by a platform or not, and may be assigned one project at a time or through hiring a consultant on a retainer. Thus, the sharing economy can include both gig and platform economies in different forms.

Increasingly, no matter the form taken by the sharing economy, there are three notable points for policymakers to consider.

First, there is an upward trend among young people and graduates participating in the sharing economy, despite its precarity. Second, the sharing economy is facilitated by digital technologies such as algorithmic management, which disrupt traditional labour structures and labour rights, thus requiring fit-for-purpose policies to address these changes. Third, policies intended to support an inclusive and equitable sharing economy need to include social protection provisions, professional and career development opportunities, and shared community-building opportunities for sharing economy workers.

In this article, we unpack these three points to indicate the potential for the growth of the sharing economy in Malaysia and reiterate the need for greater engagement with sharing economy workers and stakeholders in the development of public policies.



Graduate Trends in the Sharing Economy

Whilst it is difficult to estimate the overall market size of the sharing economy, the Malaysia Digital Economy Corporation (MDEC) found that a total of 246 Malaysia-based platforms command a market size of approximately RM18.8 billion as of Q1 2025 (MDEC 2025). The sharing economy landscape is quite diverse, ranging from logistics and on-demand work to rides and transportation, to name a few sectors. Between 2016 and 2024, there has been an increase of over 1.6 million participants who make a living through digital platforms. These platforms, alongside larger foreign-based gig platforms (e.g., Grab, Bolt), are increasingly being used by graduates to garner income, given the recent trends of non-standard employment among graduates.

Between 2013 and 2021, the number of tertiary-educated workers in non-standard employment almost doubled from 8.6% to 15.8% (DOSM 2022). This is a worrying trend as non-standard employment is more precarious in nature, given limitations in aspects such as career progression, wage growth, and social protections. A contributing factor is also the limited number of high-skilled jobs being generated in the market, with the mismatch resulting in graduates venturing outside standard employment to generate greater income in the short term.

KRI's 2024 Shifting Tides report highlighted the increasing trend of self-employed graduates moving towards self-employment in recent years, from 3.3% in 2010 to a peak of 22.2% in 2020. However, there were mixed findings in terms of their motivation to pursue self-employment as a career, based on the type or nature of self-employment.

The report considered three main types of self-employment, namely employers, sole proprietors, and freelancers. Employers were motivated by the opportunity for better income compared to standard employment at 40.4%, in contrast with sole proprietors (28.7%) and freelancers (10.7%), who noted the inherent flexibility that self-employment offers. Sharing-economy workers fall into the freelancers category as they provide the supply of, or access to, assets and/or services via a digital platform that acts as an intermediary and facilitates the transaction of products and assets between providers and users (MDEC n.d.).

A wide range of earnings has been recorded by the different types of self-employed, with 15.5% of employers reporting monthly incomes of over RM5,000 compared to only 1.0% of sole proprietors and 1.8% of freelancers.

Another concerning pattern highlighted in the report was the percentage of sole proprietors and freelancers who earned below the minimum wage in 2024, which was RM1,500. Over half of freelancers (51.5%) and 37.2% of sole proprietors earned below the minimum wage.

The report also examined the prevalence of social protection coverage among the self-employed. Unsurprisingly, nearly two-thirds of graduates (63.3%) who become employers have a form of social protection in terms of contributions to EPF and SOCSO.

However, more than a third of sole proprietors (34.6%), as well as 41.1% of freelancers, have no form of social protection whatsoever. These groups are among the most vulnerable in the labour market as they have limited means to protect themselves in the event of an interruption or loss of income, which makes them more susceptible to falling into poverty. These vulnerabilities are exacerbated by changes to the labour structure brought about by algorithmic management.

Impact of Sharing Economy on Labour Structure

The sharing economy is made possible by the use of digital technologies and big data analyses that enable more comprehensive analysis and organisation of assets on a large scale with minimal human intervention. For example, instead of needing to have taxis waiting in a fixed location and having passengers head to that location, ride-hailing apps can direct the nearest available drivers to wherever passengers are waiting. Similarly, instead of having inventory getting stale on the shelves, inventory management software can use sales and marketing data, as well as logistics data and weather patterns, to predict when to restock supplies, allowing the reassignment of both assets and labour to other tasks.



This sort of algorithmic management can increase business efficiency, opportunities, and satisfaction. However, in automating some decision-making responsibilities, algorithmic management can have unintended negative consequences on worker welfare. Impacts on individuals arising from algorithmic bias and perverse incentives have been well documented (e.g., Kordzadeh and Ghasemaghaei 2021; Chaudhary 2024; Panarese, Grasso and Solina 2025). Recent research on societal impact has also considered how algorithmic management affects labour structures (e.g., Smuha 2021; Tan and Gong 2024).

Three ways that algorithmic management affects labour structures are the individualisation of work, the reconfiguration of roles and obligations, and the concentration of power (Tan and Gong 2024).



The Individualisation of Work

As software takes over the work of assigning and scheduling tasks to human workers in the sharing economy, it reduces the need for negotiations and other social interactions that traditionally define how jobs were allocated. A floor manager is no longer needed to compare worker availability and preferences to assign shifts to a shared kitchen; software or artificial intelligence (AI) will do the job more quickly and effectively.

Instead of needing to compromise and come to consensus, workers in the sharing economy can simply show up to the slots they have been assigned that suit their needs and preferences. There are also fewer shared breaks or organisation-wide meetings for workers to interact with each other. While this can provide workers with a sense of flexibility and autonomy, in the long run it can reduce natural opportunities for camaraderie and community that typically occur in traditional workplaces.



The Concentration of Power

More decision-making within the sharing economy being entrusted to AI and algorithms, whose logic may not be fully understood, may lead to a lack of transparency and understanding of how priorities and concessions are managed. Software continually collects data on worker performance and business outcomes, which may be shared with platforms but is rarely shared with workers.

This information asymmetry between capital and labour leads to a power imbalance that is hard to address due to a corresponding lack of human intervention in the process. As such, policy intervention is needed to protect worker rights.



The Reconfiguration of Roles and Obligations

Similarly, in the sharing economy, typical organisational structures such as hierarchies and workflows are streamlined by algorithms, software and platforms. On one hand, this can reduce bureaucracy; on the other hand, it can disrupt typical work relationships and structures around which many labour laws are defined. For example, employment status (e.g. are sharing economy workers platform employees or independent contractors?) and liability (e.g. who is responsible for equipment maintenance or liable for accidents involving shared vehicles?) are being redefined within the sharing economy.

Obligations that traditionally come with managerial or supervisory roles do not automatically translate to software. A manager may know that for the next few months one of her employees needs to leave early on Wednesdays to take a sick parent to the doctor, but it is not a given that that information will be provided to (or taken into account by) an algorithm that is coded to optimise productivity.

Public Policy Priorities that Support Worker Rights in the Sharing Economy

Malaysia is no stranger to worker rights and social protections, labour being governed by regulations such as the Employment Act and the Employees' Social Security Act. Although these laws were drafted well before the advent of digital technologies, they remain the basis for worker protection in the country. As technology and work evolve, so must regulations.

Given the growth of the platform economy in Malaysia, the government sought to ensure adequate social protections for platform workers, especially during the Covid-19 pandemic. For example, as part of the national economic recovery stimulus package during the pandemic, the government contributed 70% of social security contributions for workers with platforms registered with MDEC (APEC 2021).

More recently, in August 2025, the Gig Workers Bill was passed in Parliament (Bernama 2025). Despite criticisms both that it tries to do too much (FMT 2025) and that it does too little (Malaymail 2025), the law is intended to establish a minimum standard of protection for gig workers.

We propose that, beyond social protections, future policies should also address the following three areas of worker needs: professional development, community building, and grievance processes.

Incentivise Training and Professional Development

Skills development should be seen as a lifelong process whereby individuals can acquire new skills or technical training throughout their professional careers. However, workers in the sharing economy may have limited accessibility to accredited skills development programmes. SOCSO's Bina Kerjaya 2.0 programme offers a subsidy of up to RM4,000 for the self-employed, gig workers, or informal workers to encourage their transition to standard employment. However, this programme also has its limitations, as participants can only opt for a single course, and it is only offered to diploma holders. Given the increasing trend of degree holders venturing into non-standard employment, it would be beneficial for this group to be included in the programme. Incentivising accreditation programmes and facilitating micro-courses could also encourage more workers to participate in training.



Facilitate Worker Community Groups and Associations

Union membership in Malaysia has historically been low, and this has resulted in reduced collective bargaining coverage and low wage growth. Opportunities for worker associations to form within the sharing economy are generally organic and emerge from the grassroots. Although they are not formal unions, worker associations and community groups have been instrumental in onboarding new workers, providing guidelines for navigating the sharing economy more effectively, and generally supporting and helping one another. Such organisations should be encouraged and given a voice in business and policy decision-making. For example, worker representation should be present in discussions on expanding wage agreements to protect all workers, not just formal employees but also contract and migrant workers.

Establish Clear Worker-Centric Grievance Processes

The provision of clear and accessible grievance processes would go a long way towards addressing issues and concerns arising from algorithmic management. In place of a human resources department, the sharing economy would benefit from having a complaints or appeals process in place. Workers could then be assured that any reports they make regarding issues they face will be met with meaningful follow-up and redress as appropriate. Instituting such a process could go together with defining the roles and responsibilities of persons in the sharing economy, as well as the limits of software and algorithms. Increasing labour rights and legal expertise in this field will also help address worker concerns and protect worker rights.



Conclusion

The sharing economy is here to stay. It is crucial that the technologies enabling more efficient and flexible use of assets are governed responsibly, to ensure they do not undermine worker welfare. No matter how much technology improves efficiency or productivity, the wellbeing of workers remains fundamental to a thriving economy. Stakeholders of the sharing economy—from policymakers to workers and consumers—who understand the collective and structural effects of digital technologies will be best positioned to advocate for and implement flexible, fit-for-purpose, worker-centric policies.





Decent Work in the Platform Economy: Malaysia in a Global Regulatory Wave

A SHARED TOMORROW

PREPARED BY



Farah Nabilah binti Abdul Rahman

AFFILIATION

The platform economy is now one of the most visible features of the modern labour market. It offers flexibility and income opportunities, particularly for workers who face barriers to formal employment or seek supplementary earnings.

However, it often comes at the expense of income security, social protection and fair wages. In some sectors, workers risk being misclassified due to strong employer–employee relationships and being subject to algorithmic management. In Malaysia, this trend may undo previous progress in lowering labour informality.

Governments worldwide are grappling with how to reconcile the opportunities of platform work with its risks. Nonetheless, there is an increased movement away from treating platform labour as an "exception" to embedding it within labour law and social protection frameworks. At its heart, this move reflects a broader commitment to SDG 8, to promote inclusive and sustainable economic growth, full employment and decent work.

In October 2025, Malaysia joined this global regulatory wave by enacting the Gig Workers Act, its first attempt to provide legal protections for platform workers. The law represents an important milestone, yet also exposes structural challenges to how it could achieve its objectives. This article situates Malaysia within the global regulatory landscape, highlights lessons from abroad and outlines what refinements could help to ensure that Malaysia's reforms can deliver on the promise of decent work.

The Global and Regional Regulatory Wave

The Central Challenge: Employment Classification

At the core of global debates is how to classify platform workers. Should they be treated as employees, independent contractors, or as part of a new hybrid category? The challenge arises as misclassification has been widely observed across countries, particularly in ride-hailing and delivery service sectors. Platforms set fares, monitor tasks, impose penalties and suspend accounts, exercising employer-like controls that contrast with the autonomy of genuine independent contracting.

There are high asymmetries in information, power and risk as workers bear most of the cost. This mismatch leaves workers without protections typically shared with employers. Simultaneously, countries are cautious not to lose the unique advantages of platform work, which are grounded in flexibility. Moreover, not all sectors present the same challenges, making a more tailored approach likely to yield better outcomes.

A Spectrum of Approaches

Governments have responded in diverse ways that can be mapped along a spectrum of employee-like models, intermediate-like or "third-category" models, and independent-contractor-like models with added protections. The third-category concept, long debated in labour scholarship, seeks to move beyond the rigid binary between "employee" and "independent contractor". The International Labour Organization (ILO) gave it formal recognition at the 20th International Conference of Labour Statistics (ICLS) by adopting the term "dependent contractor".

Originally intended to better capture subcontracted and home-based workers who were being misclassified as independent, the rapid growth of digital labour platforms has made this distinction even more urgent. In the context of platform work, the "dependent contractor" highlights how workers may retain some autonomy but remain economically dependent on and controlled by platforms.

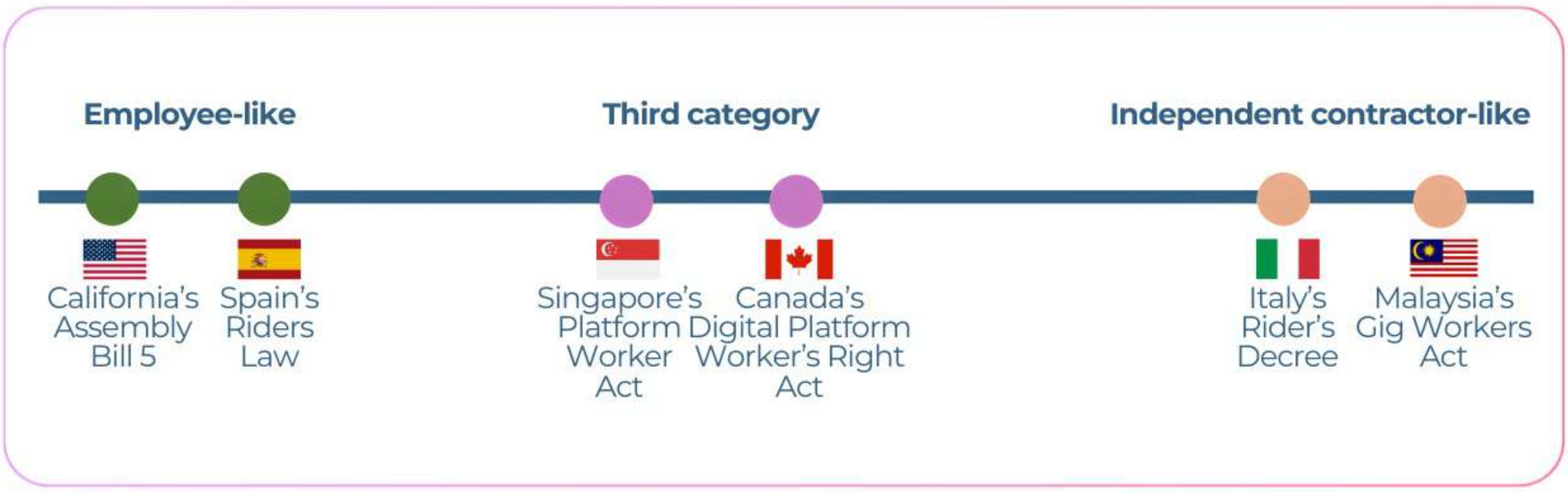


Figure 8: Author's illustration of regulatory responses to platform work along the employee to independent contractor spectrum

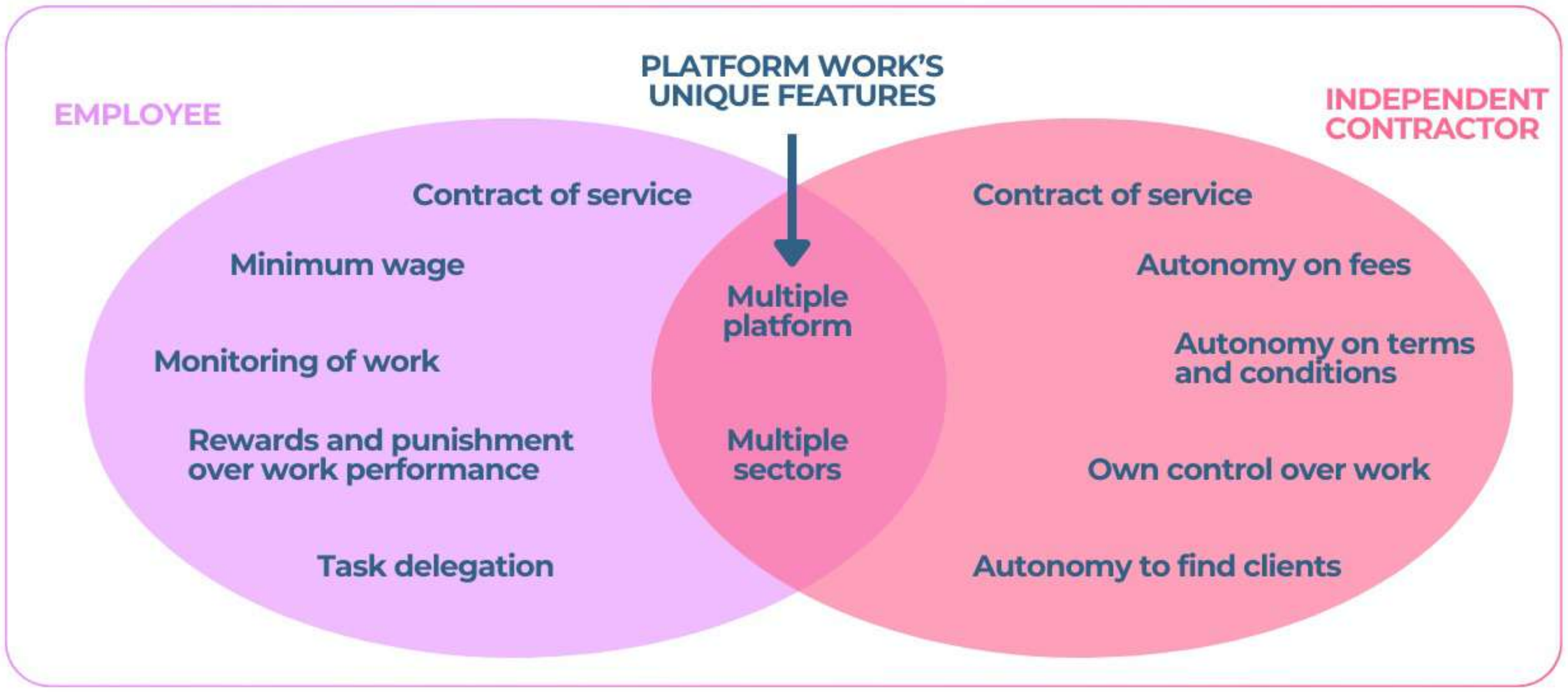


Figure 9: Author's illustration on nature of employee and independent contractors, with platform work's unique features.

Some countries have opted to reclassify platform workers as employees or have provided a legal framework that is closer to an employee-like model. Spain's Riders Law (2021) and California's Assembly Bill 5 (AB5) extended employee rights to platform workers but triggered pushbacks and resistance. Deliveroo exited Spain, UberEats subcontracted drivers, and Proposition 22 overturned AB5. The lesson is that full reclassification risks undermining the flexibility that many workers value, while prompting firms to restructure or withdraw. Laws that are too broad risk mixed responses and are likely to be suboptimal.

The intermediate or "third-category" models seek middle-ground solutions. Some countries already recognise such categories under terms like "workers" or "dependent contractors". In the UK, the Supreme Court ruled that Uber drivers are "workers", an intermediate status between employee and contractor, granting minimum wage and paid leave. Singapore's Platform Workers Bill (2024) provides an even clearer third-category model. As a start, it focuses on ride-hailing and delivery sectors, mandates housing and pension fund contributions while preserving flexibility, and phases in contributions by age cohort, with co-payments by both platforms and workers to ensure shared responsibility. It also uses a self-assessment approach for platforms and workers to identify themselves as part of the Act.

Similarly, Canada's Digital Platform Workers' Rights Act (DPWRA) 2024 applies to ride-hailing and delivery/courier services, with provisions on minimum wage, pay transparency and protection from deactivation.

It is worth noting that while some countries already have tiered employment classifications under which platform workers could fall, historical analysis shows that these classifications do not always address current issues in digital labour. For example, Italy's parasubordinato category applies to workers who are economically dependent on a single employer, making it less suitable for platform workers who rely on multiple applications. In the past, Italian employers downgraded employees to evade regulations until higher insurance rates were imposed. In the UK, Uber restructured after court rulings, but this case-by-case approach risks uneven enforcement, protecting only those able to litigate.

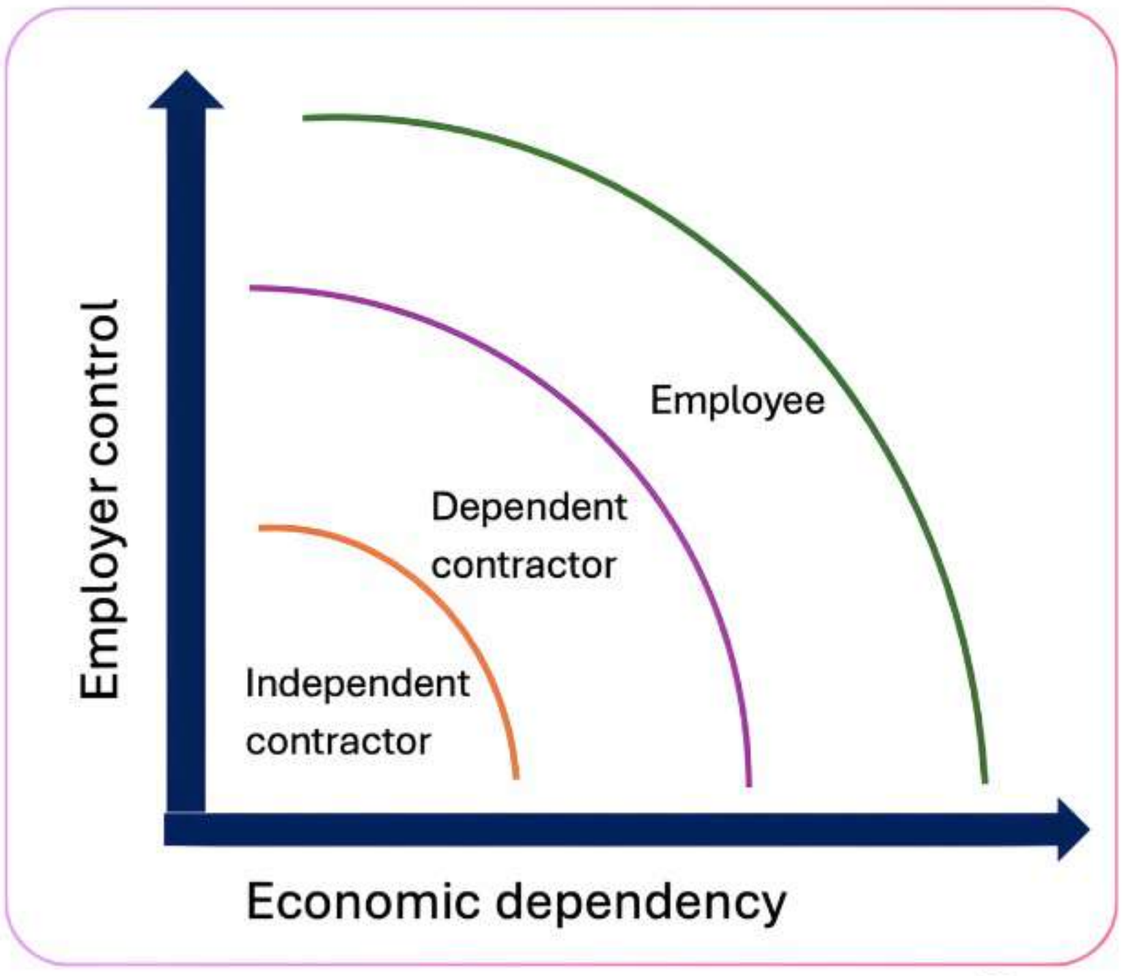


Figure 10: Author's illustration based on source[n]

The other end of the spectrum comprises contractor-like models with added protections, with some countries viewing this as a lighter-touch regulatory approach. These frameworks maintain contractor status but add rights such as collective bargaining and social insurance. Italy introduced the Riders' Decree under the Self-Employment category, with provisions for service contracts, collective bargaining and anti-discrimination legislation. Malaysia's current model leans towards this end of the spectrum, where a tribunal exists, but the burden of social security remains with workers, even in sectors that have been found to exhibit a high employer-employee relationship.

Global Convergence

Despite divergent approaches, one convergence is clear: platform work is no longer treated as exceptional. Whether through employee reclassification, new intermediate statuses or legal frameworks for collective bargaining and dispute resolution, governments recognise that platform workers require structured protections. The challenge lies in balancing flexibility with fairness and in ensuring that laws extend beyond symbolic recognition to redistribute risks equitably.

Malaysia's Labour Market and the Rise of Platform Work

The structure of Malaysia's labour market helps explain both the urgency and the stakes of regulating platform work. The platform economy has expanded rapidly, driven primarily by location-based platforms.[2] By 2021, more than three-quarters of MDEC registered digital labour platforms were for location-based work, and over two-thirds of Malaysian platform workers on these platforms were engaged in such tasks.[3]

This concentration in location-based services means most Malaysians participate in a more precarious segment, especially in the delivery service and ride-hailing sectors, which show clear evidence of strong employer–employee relationships across countries.[4] This is slightly different from other sectors under the location-based category, such as house cleaning or photography, where algorithms do not control workers throughout the whole process.

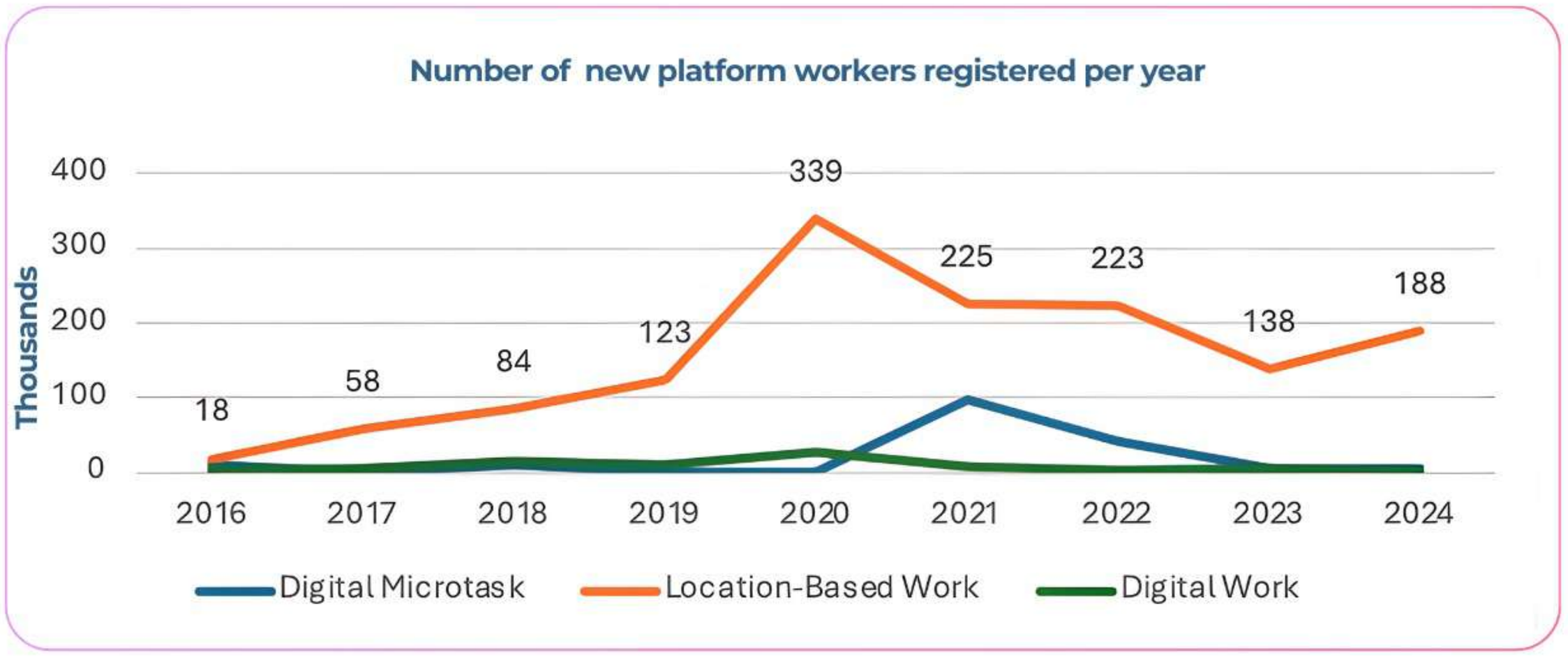


Figure 11: Author's calculation based on data from Malaysia Digital Economy Cooperation (MDEC), 2025



By 2025, the number of informal workers reached 3.1 million, the highest on record. While total employment also increased, it rose only minimally. The COVID-19 pandemic has also underscored reliance on the platform economy. When unemployment spiked in 2020, location-based gig work absorbed many displaced workers due to its low barriers to entry.

Labour force data show that unemployment surged sharply during lockdowns but fell quickly as own-account work rose, particularly in 2022, while formal employment expanded only gradually. This may undo Malaysia's earlier gains in lowering informality.

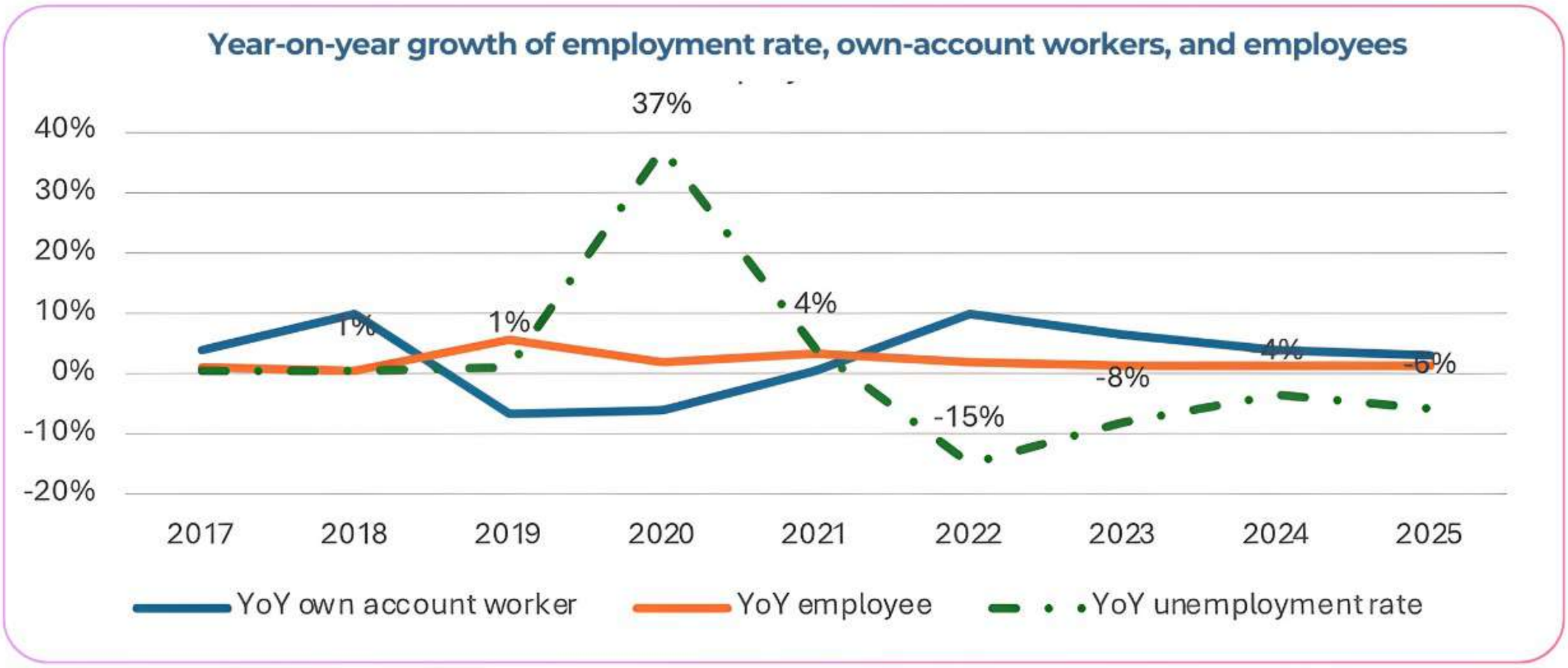


Figure 12: Author's calculation based on Department of Statistics Malaysia (2025)[5]

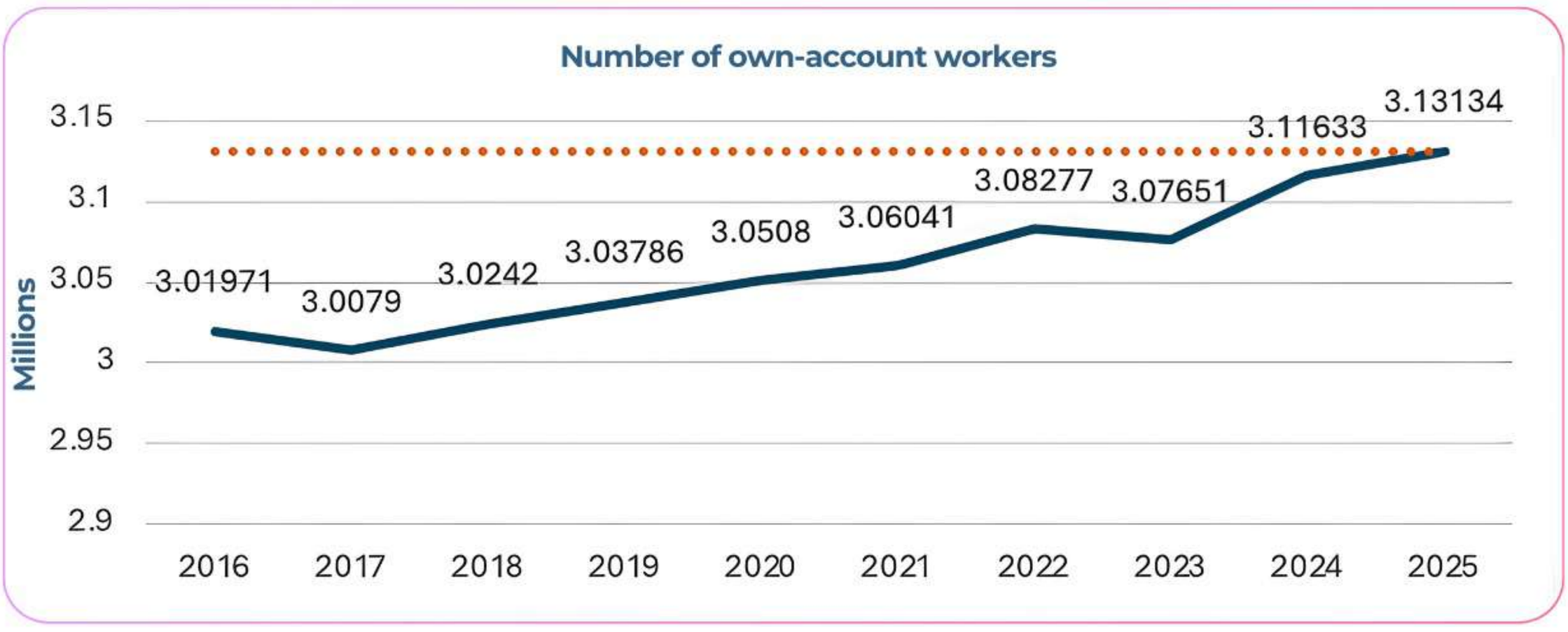


Figure 13: Author's calculation on Malaysia's own-account workers based on the Department of Statistics Malaysia (2025)

Malaysia's Milestone: The Gig Workers Act

It is against this backdrop that Malaysia introduced the Gig Workers Act in 2025, a serious attempt to provide a legal framework for platform workers. The act represents a breakthrough by giving platform workers formal recognition, access to dispute resolution through tribunals, and rights to collective bargaining under a tripartite framework. These provisions offer workers institutional recourse that was previously absent.

However, the Act still stops short of addressing the employer-like responsibilities of platforms. Workers are required to contribute to SOCSO and EPF, but platforms are not mandated to co-contribute alongside them. This gap means that while workers now have access to tribunals and a bargaining framework, they continue to shoulder social protection obligations alone.

This is true even in sectors where their working conditions are shaped almost entirely by platforms, and platforms hold disproportionate power over pricing and conditions, enabling them to pay workers below their marginal revenue product since workers face high switching costs, lose accumulated ratings when moving, and have few large-scale alternatives.[6] It introduces mechanisms that improve worker voice and recognition, but it also leaves unaddressed the central problem of risk-sharing between workers and platforms. Malaysia's choice now is pragmatic, but without stronger obligations on platforms, the law risks providing recognition without redistribution and materially changing outcomes for workers.



KEMENTERIAN SUMBER MANUSIA

GIG WORKERS ACT 2025

Strength

- Recognition
- Dispute resolutions (tribunal)
- Collective bargaining

Gaps

- No platform's contribution
- No algorithmic tranparency
- Burden mostly borne by workers



Strategic Enablers for Malaysia

To make the Gig Workers Act fully deliver on its promise, several strategic enablers stand out. First, steps must be taken to ensure that sectors with stronger employer–employee characteristics are required to co-contribute to SOCSO and EPF, ensuring equitable risk-sharing. Financial responsibilities must also be designed with careful thought, such as phased implementation, targeting by age groups, leveraging technology and testing through regulatory sandboxes. Second, given platform first-mover advantages, network effects and monopsony risks,[7] governments may consider a two-tiered regulatory approach. The EU's Digital Markets Act, for example, imposes stricter rules on dominant platforms without overburdening smaller ones.

Next, union capacity must be strengthened through institutional support. With platforms' multi-sectoral landscape, sectoral bargaining may be helpful to amplify workers' voices. Enforcement and dispute resolution in the tribunal process must be supported, as workers will represent themselves and may lack the necessary resources and capacity to bring their case forward. Fourth, platforms must provide transparency around algorithmic decisions, disclosing how tasks are allocated, how ratings work, and whether appeals processes exist for deactivations. Finally, Malaysia should look to regional cooperation such as ASEAN to harmonise standards and prevent platforms from shifting operations to jurisdictions with weaker protections.

Some critics warn the act could inadvertently incentivise more workers into more precarious forms of employment and away from traditional jobs with stronger protections. As more Malaysians rely on platform work, leaving this workforce unprotected risks expanding the precariat and creating negative externalities, including heavier strain on an already burdened public health system. While some caution against overregulation, it is crucial to align policies with Malaysia's aspiration to build a knowledge-based economy with higher-skilled, more secure jobs. While platform work has created new opportunities for those needing supplementary income or lacking access to the formal economy, the literature shows it has not driven the sectoral shifts associated with structural transformation in developing economies, nor generated sufficient "decent" and productive jobs to support such change.[8]



Conclusion

Malaysia has taken a major step forward with the Gig Workers Act. It provides recognition, voice, and new institutional mechanisms that did not exist before. For the law to truly transform lives, it must also establish clearer responsibilities for platforms that exercise employer-like functions, while leveraging technology to enhance compliance and enforcement. Experience from other jurisdictions shows that there is no perfect formula; what matters is finding the right balance between preserving the flexibility that makes platform work attractive and ensuring that workers are not left to shoulder all the risks alone. If Malaysia moves in this direction, the Act will not just be a symbolic milestone but the foundation of a more equitable platform economy demonstrating how decent work and innovation can reinforce one another.

MDEC

MALAYSIA SHARING ECONOMY OUTLOOK 2025

FORWARD LOOKING FRAMEWORKS

Charting the Future: Policy & Possibility



Strengthening the Sharing Economy under the 13th Malaysia Plan: Agile Regulation as a Key Driver

STRENGTHENING GOVERNANCE

PREPARED BY



Mohamad Izahar bin Mohamad Izham



Muhamad Hilmy bin Mohd Yazid

AFFILIATION

ZaidIbrahim&CO

As the sharing economy continues to rapidly evolve, driven by technological innovation, new services, and shifting consumer behaviours, traditional regulatory approaches, while designed to protect the public interest, can unintentionally hinder innovation if they fail to adapt to these changes.

To enable the development of the sharing economy and to achieve the goals set out in the recently announced 13th Malaysia Plan, regulators must adopt agile regulatory approaches that are responsive, iterative, and outcome-focused.

The sharing economy represents a paradigm shift in how goods and services are exchanged, emphasising access over ownership. The Malaysia Digital Economy Corporation ("MDEC") defines the sharing economy as the accessing and leveraging of idle assets, goods, and skills of the crowd/people, facilitated via digital platforms. This model has gained traction globally, including in Malaysia, where platforms facilitating, among others, ride-sharing, accommodation, freelance services, and peer-to-peer lending have flourished, including leading industry players such as Grab, Foodpanda, Lalamove, and Airbnb.

The impact of the sharing economy is no small feat, with contributions anticipated to reach up to USD 150 billion to Malaysia's GDP by 2025 and a Compound Annual Growth Rate (CAGR) between 25 – 32%. Estimates from MDEC suggest that there are more than 230 sharing economy platforms in Malaysia, translating to upwards of 1.2 million jobs, driven heavily by gig workers.

As Malaysia embarks on its **13th Malaysia Plan ("RMK-13")**, which aims to foster inclusive and sustainable economic growth, it has placed the sharing economy as a central pillar in strengthening the digital economy (Strategy A1.8) and reducing inequality (Strategy B3.3). The goals set out in RMK-13 are indicative of the Government's emphasis on the sharing economy as a key driver of the nation's growth.

Key to the success of RMK-13 is the regulatory framework in which the sharing economy operates. As of this article, the sharing economy is regulated under a myriad of regulators and legal instruments, such as, among others, the Ministry of Finance, Ministry of Human Resources, Ministry of Domestic Trade and Cost of Living, Ministry of Transport, Ministry of Science, Technology and Innovation, and the Ministry of Digital. Key legal instruments include the Companies Act 2016 [Act 777], Income Tax Act 1967 [Act 53], Employees Provident Fund Act 1991 [Act 452], Road Transport Act 1987 [Act 333], Financial Services Act 2013 [Act 758], Islamic Financial Services Act 2013 [Act 759], and the soon-to-be-implemented Gig Workers Bill 2025 and Consumer Credit Bill 2025.

While necessary to ensure good governance, protect worker rights, and facilitate businesses, regulations must enable innovation and refrain from hindering the growth of disruptive technology. In the face of novel and complex regulatory challenges, regulators need to adopt a mindset shift from being traditionally reactive to contemporarily proactive when dealing with these developments.

A proactive mindset—where regulations are actively monitored, reviewed, and adapted over time to changing business and economic landscapes—prevents the "regulate and forget" mindset in favour of an "adapt and learn" approach. [2]

Therefore, to foster the development of the sharing economy, this article posits adopting an agile regulatory approach in designing and implementing regulatory frameworks for the sharing economy.



What is Agile Regulation and its Various Approaches?

While there is no specific definition of "Agile Regulation", various approaches have been developed over the years primarily by international organisations such as the World Economic Forum (**"WEF"**), the Organisation for Economic Co-operation and Development (**"OECD"**), and the Asia-Pacific Economic Cooperation (**"APEC"**).

The WEF Agile Regulation for the Fourth Industrial Revolution: A Toolkit for Regulators, published in December 2020 (**"Toolkit"**), defines Agile Regulation as an approach in rule-making that prioritises the future and sets clear outcomes for businesses, giving them space to experiment in how these are achieved. Simply put, it is a move away from the traditional command-and-control approach towards a more collaborative and innovative environment focused on delivering the outcomes of the regulations, as opposed to rigid processes and prescriptive rules. Comparatively, the OECD, through its Agile Regulatory Governance to Harness Innovation issued in 2021, describes Agile Regulation as a flexible, iterative approach to governance that adapts quickly to technological change while maintaining public interest, safety, and trust. Additionally, APEC is currently developing the Adopting Agile Regulatory Governance to Foster Innovation, set to be completed by 2025, as a toolkit for APEC economies to develop agile regulatory frameworks that not only foster swift technological advancements but also effectively assess the risks associated with integrating new technologies.

While there are various instruments that provide guidance for the implementation of Agile Regulation, this article focuses on the Toolkit provided by the WEF to explore the various approaches in Agile Regulation.

The Toolkit promotes seven (7) types of Agile Regulatory approaches. They are as follows:

Approach	Description
Anticipatory Regulation	Involves the identification of changes in the wider world over a given period and consideration of the implications of these changes (jointly or individually) for the regulator's current and future approach. This foresight enables regulators to invest in a more co-ordinated response to emerging opportunities and risks.
Outcome Focused Regulation	Involves a focus on the achievement of "real-world" outcomes for citizens and the environment. Also called outcome-focused, principles-based, or performance-based regulation, it defines high-level goals or outcomes that must be achieved. It is distinct from prescriptive, rules-based regulation, which defines in advance precisely what actions must or must not be taken.
Experimental Regulation	There are three approaches to experimentation: • Providing regulatory advice to innovators to help reduce uncertainty about the regulatory implications of their ideas. • Enabling testing under regulatory supervision. • Setting regulatory challenges for innovators.

Approach	Description
Data-driven Regulation	Involves governments producing machine-consumable versions of regulations alongside their natural-language versions. This idea has been described as "rules as code", machine-consumable regulation, or digital regulation. It could help reduce ambiguity in how regulation should be interpreted and make compliance faster, cheaper, and more effective. At present, the concept is most relevant to prescriptive, rules-based regulations that are used or implemented at scale (e.g., eligibility requirements, application processes, reporting requirements).
Self- and Co-Regulation	Involves industry-led governance in the public interest through self- and co-regulation, such as voluntary standards, codes of conduct and industry covenants, which can help deliver policy objectives more rapidly than regulatory intervention.
Joined-Up Regulation	Involves coordination across regulators. Also known as a "whole-of-government" approach, aimed to seize the opportunities and manage the risks of the Fourth Industrial Revolution
International Regulatory Cooperation	Involves collaboration across borders on the regulation of innovation to facilitate trade and investment. Where regulatory approaches diverge, businesses can face additional costs to understand requirements, adjust specifications and demonstrate compliance with overseas regulations. Such collaboration may take the form of unilateral alignment, bilateral, plurilateral or multilateral co-operation, or supranational institutions.

Table 4: World Economic Forum (WEF)'s Agile Regulation Toolkit

These approaches represent a wide range of tools for regulators to consider in designing regulations. Regulators may apply more than one of these tools at a given time, and careful consideration should be given to ensuring that the tools chosen are fit-for-purpose.



Why Should Agile Regulation be Considered in Dealing with the Development of the Sharing Economy?

At its surface, the sharing economy is characterised by rapid innovation in technology or business models and decentralised operations. From the advent of platforms such as Airbnb and Grab, which transform the way individuals are able to monetise their existing assets, to the provision of services through platforms such as Maideasy and Freelancer.com, the development of the sharing economy does not seem to be slowing down.

With this backdrop, it is crucial to consider how our regulations promote the growth of the sharing economy. Agile Regulation assist in this in five (5) key ways.

Promote innovation

Through approaches such as Regulatory Experimentation, with tools such as Regulatory Sandboxes, new and diverse innovations are provided platforms to test out their products and services within a controlled regulatory environment for effectiveness and efficacy. This is crucial, as normative behaviour suggests that once a new innovation comes into play, the immediate reaction of regulators is to evaluate its "legality" as opposed to taking a more facilitating role in determining "how" to make the innovation applicable to the wider audience.

Promotion of investments and cross-border collaboration

Various platforms operating in Malaysia do not originate locally. Companies such as Airbnb credit their formation to the United States of America, yet have found a home in Malaysia. Many such companies are waiting to establish themselves in Malaysia; however, it is crucial to ensure that these companies are able to navigate our regulatory environment. Under International Regulatory Co-operation, regulators are encouraged to align regulations with the best practices of other countries.

Ensures a concerted effort across the Government

Key to Agile Regulation is taking a "whole-of-government" approach in rule-making. Under the Joined-Up Regulation approach, regulators are required to ensure that any new regulatory regime does not overlap with existing mandates, that enforcement is coordinated, and that the design of regulations is aligned with a common goal.

Enhanced worker protection

When faced with growing concerns over worker protection, taking a more outcome-based regulatory approach, as opposed to a more prescriptive one, may yield greater results. Chief among these are innovations in regulatory delivery. When businesses are placed under the obligation of fulfilling certain outcomes or principles—for example, ensuring fair and liveable wages for gig workers—businesses tend to innovate in how they achieve those outcomes, including through insurance coverage, pay incentives, and restructuring working hours.

Builds consumer trust

At its core, the sharing economy operates on consumer trust in the goods and services provided by other individuals. Consumers trust that the listing provided on a platform reflects the exact service or goods they will receive. A trust deficit would significantly impact the sharing economy, with the likelihood of consumers becoming more hesitant to access this ever-growing market. Clear and palatable regulatory frameworks help secure this trust, ensuring consumers that providers are accountable for the goods and services they offer, and that recourse is available should it be otherwise.

What are the Use-Cases for Agile Regulation in the Sharing Economy?

Several countries have successfully implemented agile regulatory practices to support the sharing economy. **Singapore** implemented a regulatory sandbox through the collaboration between the Housing Board, FairPrice and BreadTalk in 2020, with the goal of mobilising food supply directly to residents of Singapore during Covid-19. This initiative was called Food and Groceries on Wheels and allowed vans to transport groceries to residents across 19 designated carparks, assisting elderly residents and less mobile individuals in obtaining their supply of goods.





The **United Kingdom**, through the Information Commissioner's Office (**"ICO"**), developed a regulatory sandbox aimed at fostering innovation while ensuring proper data governance, particularly regarding children's data. Launched in 2019, various innovators including companies and even government bodies such as the Department for Education for England (**"DFE"**) have utilised the sandbox to test new innovations regarding data governance. The DFE specifically is testing new mechanisms to allow post-16-year-olds to independently access, manage, and use their personal data when applying to and enrolling in further education institutions, a process identified as unnecessarily complex. Various impacts stem from the ICO sandbox, including the development of a "best interest of the child" framework. [3]

In **Japan,** a sandbox was established in 2019 through a collaboration between the Ministry of Economy, Trade and Industry, the National Public Service Commission, and the Ministry of Land, Infrastructure, Transport and Tourism to test the feasibility of the electric-scooter-sharing business model by Luup Co., Ltd. Key to this sandbox were the regulations identified, namely the Road Transport Act and the Road Transport Vehicle Act. The sandbox was aimed at confirming the safety and business feasibility of this new electric scooter model. Prior to the sandbox, electric scooters were classified as "motorised bicycles" under the Road Transport Act and Road Transport Vehicle Act.



Subsequent to the verification of the business model, the Road Transport Act underwent amendments in 2022, creating a new vehicle classification and classifying electric scooters as "Specified Small Motorised Bicycles", which operate under separate requirements from those of "motorised bicycles".

Closer to home, Malaysia, through RMK-13, has undertaken to strengthen the governance of the sharing economy through the establishment of the National Sharing Eonomy Committee (JKEP) and its action plan, the *Rangka Tindakan Ekonomi Perkongsian* (RTEP).

Under JKEP, 26 members, including ministries and agencies, are chaired by the Ministry of Digital and the Ministry of Economy, while members include the Ministry of Housing and Local Government and the Ministry of Domestic Trade and Cost of Living. The committee is responsible for coordinating the sharing economy and ensuring a concerted effort in catalysing the sharing economy as a key driver of digital economy growth. This development aligns closely with the Joined-Up Regulation approach by WEF, calling for a whole-of-government approach in law-making to prevent overlap in mandates and efforts.

Policy Recommendations

This article explores four (4) key recommendations for enabling Agile Regulation to drive the sharing economy and eventually realise the goals set under RMK-13.

Recommendation 1	**Development of reference documents for regulators on Agile Regulation**	A reference document in the form of best practice guidelines or toolkit would be the catalyst for the adoption of Agile Regulation by regulators
Recommendation 2	**Collaboration with key stakeholders in the Agile Regulatory Ecosystem**	Building on the recommendation above, regulators should increase collaboration with stakeholders involved in the promotion and implementation of Agile Regulations, including but not limited to the Malaysia Productivity Corporation, Futurise, and the National Technology Innovation Sandbox ("NTIS") to obtain, among others, advice on the application of Agile Regulations.
Recommendation 3	**Mainstreaming Agile Regulatory approaches**	Regulators should increase their utilisation of Agile Regulatory approaches, such as regulatory sandboxes by Futurise, NTIS the Central Bank of Malaysia, and Cross-Ministerial Sandboxes.
Recommendation 4	**Increase Public-Private Partnership (PPP)**	Key to the success of Agile Regulation is the industries being regulated. Constant engagement and collaboration between industry and regulators underscores the principles under Good Regulatory Practice (GRP).

Table 5: Author's Policy Recommendations

Conclusion

The sharing economy holds immense potential to drive economic growth, social inclusion, and environmental sustainability in Malaysia. However, realising this potential requires a shift in regulatory paradigms. Agile Regulation offers a promising pathway, enabling responsive, collaborative, and evidence-based regulations to be implemented. As Malaysia advances its 13th Malaysia Plan, embracing Agile Regulation will be crucial to unlocking the full benefits of the sharing economy in the years to come.



The Digital Revolution and the Sharing Economy: Creative Destruction of the Future of Work

PROGRESS THROUGH SHARING

PREPARED BY



Professor Paolo Casadio



Professor Geoffrey Williams

AFFILIATION

HELP University
university of achievers

WILLIAMS
BUSINESS CONSULTANCY SDN BHD

The Digital Revolution stands as the most powerful and impactful wave of innovation in human history, a force that has already fundamentally reshuffled the very fabric of our existence. It has altered what we do, how we think, how we learn, how we work and the lifestyles we pursue.

This profound transformation, which is greater in scale even compared to the Industrial Revolution, can be understood and conceptualised through the lens of economist Joseph Schumpeter's idea of "**creative destruction**." This economic concept describes the process of industrial mutation that incessantly revolutionises the economic structure from within, incessantly destroying the old one and incessantly creating a new one. It provides a useful framework for analysing the dual forces of disruption and opportunity unleashed in the digital age.

The Destructive Gale: The Future of Work and the Obliteration of the Old

The "destruction" phase of Schumpeter's cycle is playing out in the megatrend known as the "Future of Work." The relentless advance of digital technologies, from big data and artificial intelligence to automation and information processing, is rendering entire industries, business models, work tasks and job categories obsolete. This is not a gentle evolution but a "disruptive gale," to borrow Schumpeter's own term, that is clearing the economic landscape.

The collection and analysis of vast amounts of data, for instance, has revolutionised sectors from retail to finance, enabling predictive logistics and real-time inventory control that sideline traditional practices. Automation and robotics are streamlining factory floors, leading to increased productivity but also displacing workers who once performed routine and repetitive tasks. The rise of e-commerce giants has reshaped the retail landscape, leading to the decline of brick-and-mortar shops.

This process of "technological unemployment," a term also associated with Schumpeter, is a stark reality. More specifically, it fuels a persistent "structural unemployment," where a painful mismatch emerges between the skills demanded by the new digital economy and those supplied by an outdated education system.

Occupations that were mainstays of the 20th-century economy, such as secretaries and accountants, have seen their ranks dwindle, replaced by the demand for AI experts, programmers and data analysts. This obliteration of the old is not without its costs, leading to job displacement and economic hardship for those whose skills are no longer in demand. The paradox of progress, as Schumpeter noted, is that a society cannot reap the rewards of creative destruction without accepting that some individuals may be left behind, at least temporarily.



The Creative Spark: The Rise of the Gig Economy and a New Entrepreneurial Dawn

Yet, from the ashes of this destruction, a powerful creative force is emerging in the form of the "Sharing Economy," which is part of the more widely known "Gig Economy." This second megatrend represents the creative leg of Schumpeter's process of creative destruction, filling the void left by disruption with a new paradigm of work and enterprise. The very technologies that destroyed old jobs are now enabling new forms of income generation and entrepreneurial activity, independent of traditional corporate structures and government policies.

The gig economy incorporates a labour market characterised by new short-term contracts, freelance work and temporary positions, often facilitated by digital platforms. The sharing economy is a business and economic model based on peer-to-peer (P2P) activities for acquiring, providing or sharing access to business essentials including resources, facilities, goods and services. It is often facilitated by community-based online platforms.

These platforms connect individuals with specific skills to those who need them, creating a dynamic and flexible marketplace for talent, services and products. This model is particularly thriving in creative fields such as graphic design, content writing and web development, where specialised expertise is often needed on a project-by-project basis. It also characterises many professional fields, such as legal services, accounting and business advisory and training programmes that were previously provided in brick-and-mortar offices.

This new model offers a level of autonomy and flexibility that was unimaginable in the rigid, hierarchical structures of the industrial era and even modern-day service economies. Freelancers can often choose their projects, set their own hours and work from anywhere in the world, leading to a better work-life balance for many.

This fosters a new kind of entrepreneurial spirit, where individuals are empowered to build their own careers and income streams based on their unique talents and passions. The more profound and disruptive the initial "destructive" phase, the more fertile the ground becomes for the "creative" phase, leading to a proliferation of new opportunities and a more dynamic and resilient economy.



Beyond Disruption: Driving Productivity, Competitiveness and a New Learning Paradigm

The cycle of creative destruction is more than just a story of job turnover; it is the engine of productivity improvements and a critical driver of global competitiveness. By dismantling less efficient models, the digital revolution forces economies to innovate and enhance the quality of their goods and services.

This relentless pressure to improve is essential for nations and firms aiming to thrive in a deeply interconnected global market. The efficiency gains from automation, the market expansion through digital platforms, and the innovation spurred by data analytics all contribute to a more dynamic and vital economic landscape.

However, navigating this landscape requires a fundamental shift in our approach to human capital. The single most critical skill in the digital age is the ability to **learn how to learn**.

In this new reality, education is no longer confined to the walls of an institution but becomes intrinsically intertwined with learning as a continuous process that expands across all activities and periods of life. Traditional education models, built for the industrial era's stability, are no longer sufficient. We must move away from rote memorisation and toward a new paradigm that champions critical thinking, creativity and adaptability.

This means transforming schools and universities into ecosystems that foster lifelong learning, where individuals are equipped not with a fixed set of skills but with the cognitive tools to continuously evolve. Fostering this deep-seated adaptability is the bedrock upon which both individual success and national competitiveness will be built.

The Humanistic Society: Navigating Risks and Empowering Citizens

While this process of creative destruction is an unstoppable, bottom-up force, the role of the state is not to halt it but to steer it toward a humanistic outcome. This requires a delicate balancing act: fostering innovation while mitigating the significant risks that emerge from it. Two of the most formidable challenges are the rise of digital monopolies and the potential for government overreach.

The network effects of the digital economy have allowed a few "Big Tech" firms to achieve unprecedented market dominance, stifling the very competition that fuels creative destruction. At the same time, the vast amounts of data being generated present a tempting opportunity for governments to shift from being protectors of citizens to controllers of their activities. A state that succumbs to this temptation—prioritising surveillance over privacy and restriction over freedom—betrays the very promise of the digital age.

Therefore, the role of the government is twofold. First, it must act as a vigilant referee, enforcing antitrust laws to ensure market pluralism and enacting strong data-sovereignty rules to protect individual privacy and autonomy.

Second, and more profoundly, it must be a catalyst for human potential. The ultimate goal should not be to create a passive society dependent on safety nets like universal basic income, but to cultivate an entrepreneurial spirit in every citizen. This means building a dynamic framework that empowers individuals to engage in a wide spectrum of productive and creative activities—economic, social or ethical. By revolutionising education to foster creativity and lifelong learning, and by ensuring fair access to digital markets, the state can empower its citizens to become active architects of their own future.

In doing so, we can harness the transformative power of the digital revolution to build not just a more productive and competitive economy but a more meaningful and human-centred society. This is the path to a renewed humanism, where technology serves not to displace humanity but to elevate it.





Where Do We Stand?

We stand at a pivotal juncture in history, a moment defined by the profound tension of digital transition. The potential before us is immense: a world of unprecedented productivity, boundless creativity and hyper-connected markets that empower individuals as never before.

The risk, however, is equally stark: a future of deepening inequality, mass structural unemployment, monopolistic control by a few tech giants and the erosion of personal freedom under the gaze of a surveillance state. The path we take will be determined by the choices we make now.

In this context, the role of public institutions is not to over-regulate the economy but to cultivate an "open digital and human society." This means acting as a vigilant guardian of fairness and freedom, dismantling monopolies, protecting data sovereignty and ensuring that the gains of productivity are broadly shared.

More importantly, it means becoming a powerful catalyst for human potential, shifting focus from passive safety nets to actively fostering an entrepreneurial and creative spirit in every citizen. By revolutionising education to be a lifelong pursuit and ensuring that the digital marketplace is open to all, we can steer the immense power of creative destruction toward renewed humanism, building a future where technology does not merely drive efficiency but elevates human experience itself.

An Actionable Policy Agenda

The process of creative destruction in the age of AI, automation, digitalisation and the evolution of the sharing economy is, and will continue to be, largely market-driven. Government policy is not a cause or driver of fast-moving innovations in this space and cannot be based on unreasonable expectations.

Nonetheless, there is a key role for government agencies such as MDEC to lead in the identification of the key drivers of the future of work and the role of the sharing economy and platform economy in Malaysia and beyond.

Deep, evidence-based research drawing on stakeholder feedback, case studies from Malaysia and around the world, and analysis of emerging trends and best practices can be helpful in sketching a roadmap of the socio-economic impact of the sharing economy and platform economy on talent development and the role of universities.

An important aspect of this research will be the identification of the technologies that will drive development, along with non-intrusive and supportive policies to ensure access to these technologies.

New university models will also be required to support the effective roll-out of sharing-economy and platform-economy opportunities, and to encourage active participation from stakeholders. These new education and learning models may themselves adopt a sharing-economy format, with new platforms created to facilitate open-access education and training provided by academics in private practice.

A clear risk–benefit framework must also be developed for policy guidance, focusing in particular on the risks of over-regulation and the benefits of liberal markets in driving agile, creative, innovative and competitive access to sharing-economy platforms.

This process will be essential in creating a set of immediate and long-term priorities for Malaysia in terms of policy and stakeholder engagement on the sharing economy and platform economy. It will also help to place Malaysia among the regional and global leaders in leveraging sharing-economy platforms to maximise the benefits of the future of work.

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MALAYSIA SHARING ECONOMY OUTLOOK 2025



CLOSING



Closing Reflections: A Call to Action for Malaysia's Sharing Economy Future

SHAPING THE FUTURE

PREPARED BY



Nora Alia Yusri

AFFILIATION

MDEC

As we close this edition of the Sharing Economy Outlook 2025, we are reminded that the sharing economy is no longer a specialised concept. It is a transformative and continuously developing force that is reshaping how Malaysians live, work, and thrive. What began as a digital experiment has matured into a vital pillar of our national economy, offering new pathways for income, innovation, and inclusion.

This Outlook has brought together a variety of contributors, including academics, platform operators, policymakers, and workers, to provide a holistic view of the sharing economy's trajectory. From foundational technologies to regulatory frameworks, from rural gig platforms to global benchmarks, the insights presented here reflect a sector that is dynamic, complex, and full of potential.

From Foundation to Flourishing

Malaysia's journey in the sharing economy has been marked by steady progress. This growth is underpinned by a strong digital foundation, cloud computing, mobile technologies, artificial intelligence, and digital payments, that has enabled platforms to scale, adapt, and serve millions of users.

These technologies are not just enablers; they are equalisers. They allow individuals from all walks of life, urban and rural, skilled and semi-skilled, to participate in the digital economy. Platforms like GoGet and FieldGig exemplify this transformation, offering flexible work opportunities while addressing practical challenges such as labour shortages and informal employment.

Global Lessons, Local Leadership

Malaysia's experience is not isolated. Around the world, countries are grappling with how to harness the benefits of the sharing economy while mitigating its risks. From China's data-driven platforms to Denmark's cooperative models, global case studies offer valuable lessons on regulation, innovation, and social impact.

What sets Malaysia apart is our ability to localise these lessons. We are not merely adopting global trends, we are adapting them to fit our unique socio-economic context. This includes extending digital platforms to underserved communities, integrating social protection mechanisms, and aligning national strategies like RMK-13 with the realities of platform-based work.



The Human Side of the Platform Economy

At the heart of the sharing economy are the people who power it; gig workers, freelancers, micro-entrepreneurs. Their stories, challenges, and aspirations are central to this Outlook. As the chapters on worker rights and algorithmic management reveal, the digital economy brings both empowerment and precarity.

The rise of algorithmic management, for instance, has introduced new forms of control and surveillance, often without transparency or recourse. Workers face issues of classification, lack of benefits, and limited bargaining power. These are not just technical or legal issues, they are human rights issues that demand urgent attention.

Malaysia's Gig Workers Act is a step in the right direction. It acknowledges the growing importance of platform work and seeks to provide a legal framework for protection and recognition. However, as contributors to this Outlook have noted, legislation must be dynamic, inclusive, and responsive to the evolving nature of work.



A Call for Agile Governance

One of the key themes emerging from this Outlook is the need for agile governance. Traditional regulatory models, designed for static industries, often struggle to keep pace with the fluidity of digital platforms. What we need is a new approach, one that is iterative, collaborative, and grounded in practical data.

Under RMK13, Malaysia has committed to a comprehensive government-wide approach to the sharing economy. This includes coordination across ministries, alignment with national digital strategies, and the development of policy toolkits that support innovation while safeguarding public interest.

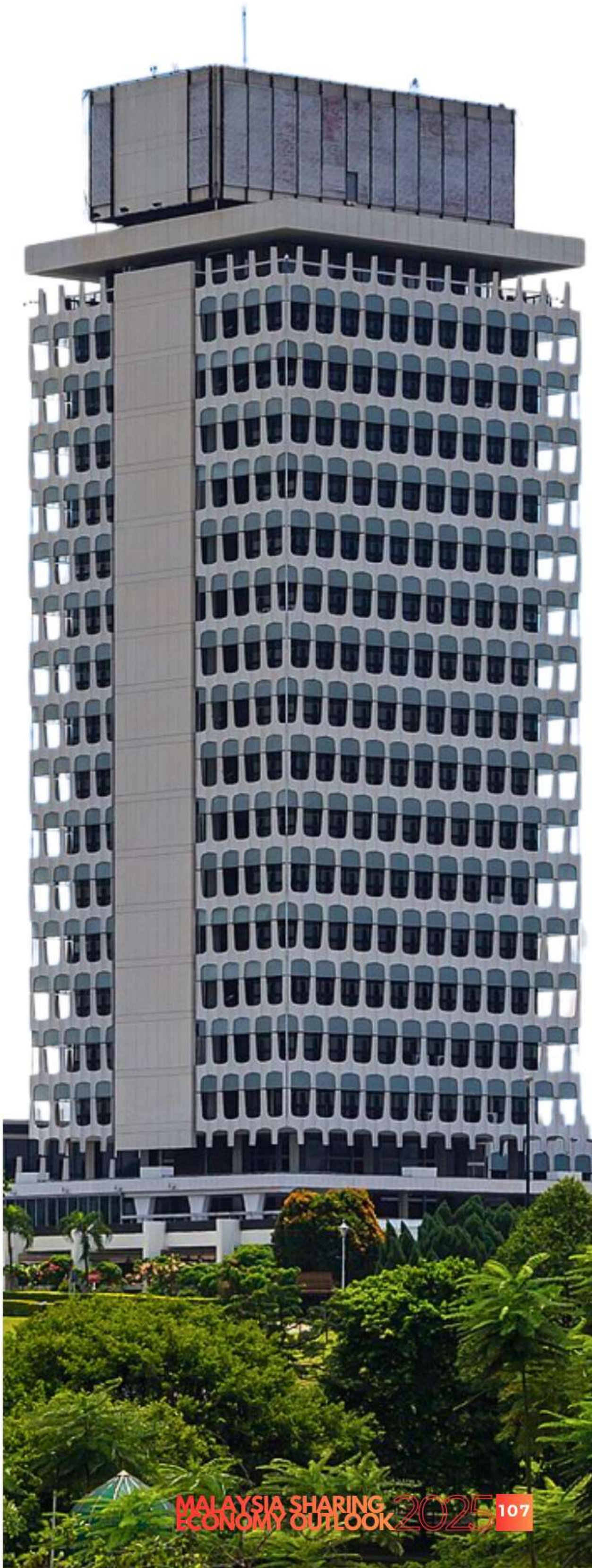
Agile regulation is not about deregulation; it is about smart regulation. It means engaging with stakeholders, piloting new ideas, and scaling what works. It means balancing economic growth with social equity and innovation with accountability.

From Participation to Empowerment

The sharing economy is often framed as a disruptor. But disruption alone is not a strategy. As we look ahead, we must move from reacting to change to designing the future we want. This means rethinking education, employment, and entrepreneurship in the digital age.

The future of work will be shaped by more than just technology; it will be shaped by values. Do we value flexibility over stability? Innovation over inclusion? Efficiency over equity? These are not binary choices but trade-offs that require thoughtful deliberation and collective action.

As one contributor aptly noted, the role of government is twofold: to act as a vigilant referee enforcing fair competition and as a catalyst for human potential. This dual role is essential if we are to build a sharing economy that is not only productive but also just and sustainable.



Recommendations and Next Steps

To ensure the sharing economy continues to grow in a way that is inclusive, sustainable, and prepared for the future, we propose the following key recommendations:



Strengthen Worker Protections

- Expand the scope of the Gig Workers Act to include minimum standards for pay, working hours, and dispute resolution.
- Encourage platforms to offer voluntary benefits such as insurance, EPF contributions, and upskilling programmes.



Promote Inclusive Digital Infrastructure

- Invest in connectivity and digital literacy in rural and underserved areas to ensure equal access to platform opportunities.
- Support the development of industry-focused platforms that address local needs, such as agriculture, caregiving, and logistics.



Foster Data Transparency and Ethical AI

- Mandate transparency in algorithmic decision-making, especially in areas like job allocation, ratings, and deactivation.
- Establish ethical guidelines for AI use in platform work, with input from workers, developers, and regulators.



Encourage Public-Private Collaboration

- Create inclusive stakeholder forums through collaborative design policies, pilot new models, and share best practices.
- Incentivise platforms that demonstrate social impact, such as those that prioritise worker welfare or environmental sustainability.



Align with RMK13 and Future National Plans

- Ensure that sharing economy initiatives are integrated into broader national development strategies, including digital economy blueprints and labour market reforms.
- Monitor and evaluate the impact of sharing economy policies through regular data collection and public reporting.

Conclusion: Moving Forward, Together

The Sharing Economy Outlook 2025 is more than a report. It is a roadmap. It presents a vision of what is possible when technology, policy, and people converge with purpose. It challenges us to look beyond immediate gains and to invest in resilience that is sustainable and inclusive.

As we move forward, let us remember that the true promise of the sharing economy lies not in apps or algorithms, but in its ability to empower people. Let us build an economy where flexibility does not come at the cost of security, where innovation uplifts rather than excludes, and where every Malaysian has a fair shot to succeed.

The journey ahead will not be without challenges. Yet with courage, collaboration, and commitment, we can shape a sharing economy that reflects the best of who we are and the best of who we aspire to be.

The future is not something we enter.

The future is something we create.

MDEC

MALAYSIA SHARING ECONOMY OUTLOOK 2025

SPECIAL REPORT



The Sharing Economy: Key Concepts, Definitions and Typologies

Over the past decade, a phenomenon that has gone by various names (e.g., "collaborative economy," "gig economy," "peer-to-peer economy"), and has come to be called "the sharing economy", has been transforming the way that collectivities around the world identify and access, develop, distribute, and use goods, services, and assets.

UNLOCKING VALUE

PREPARED BY



Dr. Kernaghan Webb

AFFILIATION

Toronto Metropolitan University

As discussed in this report, the sharing economy as an economic model has unique characteristics and form (framing a distinctive triangular relationship and structure) with significant social, environmental, economic, and governance implications.

On the one hand, the sharing economy creates unprecedented opportunities for innovation, wealth creation, and resource efficiency (and hence, among other things, improvements to the built and natural environment). The sharing economy model has applications developed for and by governments, the private sector and civil society, in both for-profit and non-profit contexts. On the other hand, different sharing economy applications raise complex challenges in terms of, for example, regulation, trust, and impacts on consumers, markets, workers, the natural and built environment, businesses and communities. Put another way, the rise in sharing economy platform-mediated economic activity is increasingly intersecting (in positive and negative ways) with conventional approaches to wealth creation, public policy, and socio-economic order.

This report organises its examination of the sharing economy by first discussing key concepts, definitions, and typologies of economic models, then exploring governance considerations—including the role of law—drawing on the concepts of sustainable governance and ecosystems. It further explores how different operating contexts (e.g., developed country vs. developing country) may affect sharing economy governance, assesses potential future applications, and concludes with reflections on opportunities, risks, and policy implications for fostering inclusive, accountable, and sustainable sharing economy systems.

Sharing Economy—Concepts, Definitions and Typologies

In order to gain an understanding of some of the key governance implications of the sharing economy it is important to first position the sharing economy as an economic model. After identifying key characteristics of the sharing economy, and identifying different types, we then compare and contrast the sharing economy as an economic model with other economic models. The related concept of the sharing economy ecosystem is then reviewed. We will also unpack the concepts of innovation and versatility as applied to the sharing economy model.



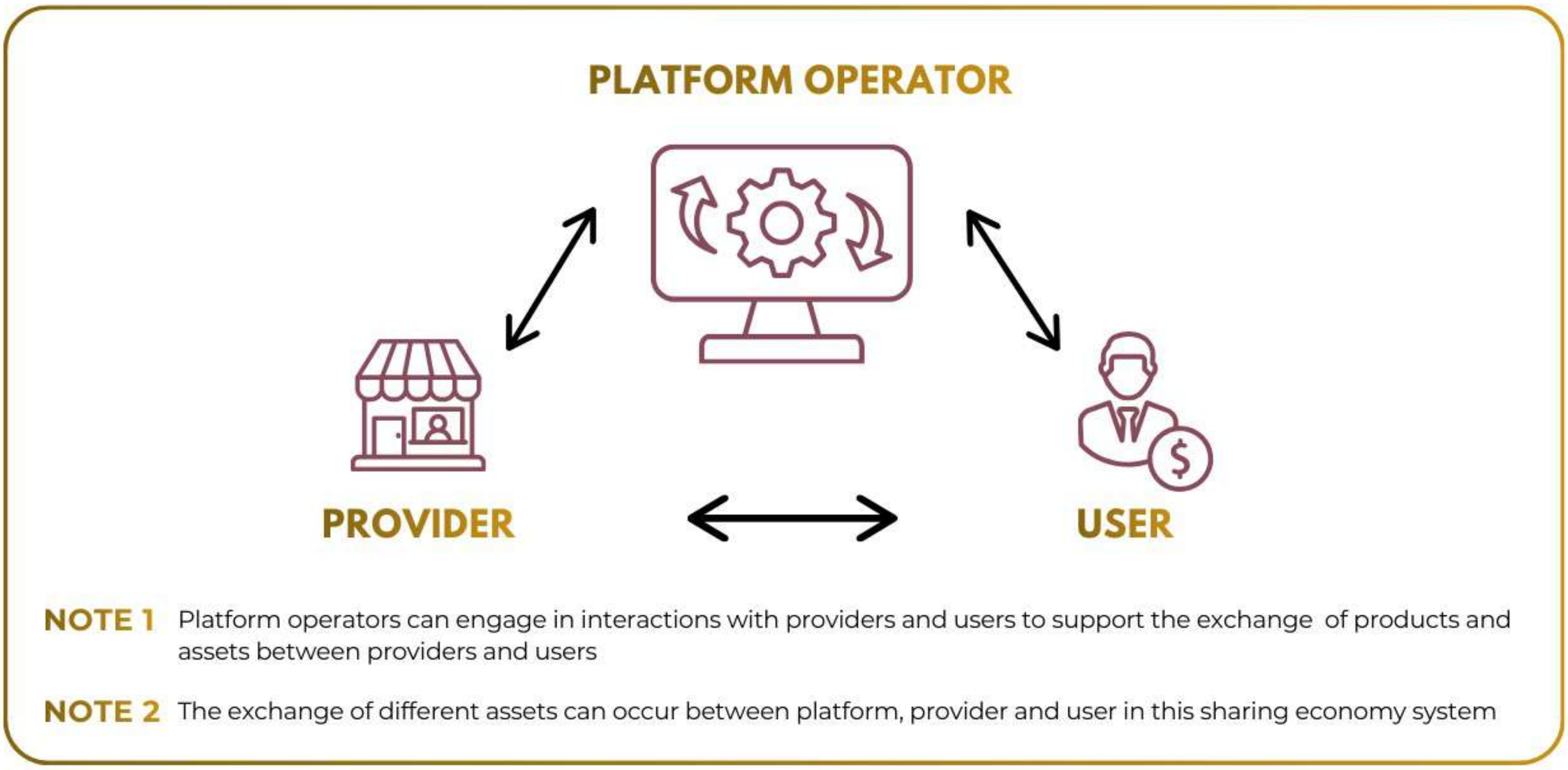
Definition of an Economic Model

As understood here, an economic model is a structured pattern for organising production, exchange, and value creation, characterised by identifiable actors, governance arrangements, and mechanisms of coordination (e.g., price, hierarchy, platform rules). Economic models differ in how they allocate ownership, risk, control, and information flows among participants. They provide analytically distinct ways of understanding how economic activity is organised—for example, whether the activity is organised through firms or through governments or civil society organisations, using commercial markets or otherwise, or hybrid combinations. We will compare different economic models and their strengths and weaknesses below.

The Sharing Economy Model

Drawing on the definition found in ISO standards,[1] the sharing economy is here described as an economic model adopting a triangular structure in which a platform (for purposes of this report, we will focus on digital platforms) facilitates access to or transfers goods and services (including provision of transportation, accommodation, or labour) or assets (e.g., buildings, vehicles, machinery, information/data) that are provided by one party (individual or organisation) and are here referred to as "providers" to another party (individual or organisation) referred to here as "users". In this report, following in general the approach developed by ISO, a platform is a digital mechanism that enables exchanges of goods, services, and assets between providers and users.

Sharing economy interactions are intermediated via the platform and typically involve distinct phases, such as onboarding, information disclosure, connection, transaction, delivery, rating/review, and dispute resolution. As described in ISO standards, [2] platform operators provide necessary processes and resources that are intended to ensure that transactions between provider and user are facilitated in a transparent, trustworthy, accountable, and inclusive manner. In alignment with ISO sharing economy standards pertaining to verification of their identity, capability, and capacity as well as legality of their products and/or assets, the individual and/or organisation that provides goods or services and/or assets on the platform is expected to comply with requirements set by the platform operators. Below is a diagram from the **ISO 42500: 2021 Sharing Economy** – General Principles standard:



NOTE 1 Platform operators can engage in interactions with providers and users to support the exchange of products and assets between providers and users

NOTE 2 The exchange of different assets can occur between platform, provider and user in this sharing economy system

Figure 14: Figure representing sharing economy

In effect, the platform (via the platform operator) structures the process for the identification of the potential providers and their goods, services, and assets, their matching with potential users, the execution of the transaction; and follow-up to the transaction, but the platform is independent from the provider and does not own or supply the underlying good, service, or asset. More will be said later in the report about details of the operation of the sharing economy model and about the broader ecosystem that supports it.

In keeping with the aforementioned distinctive triangular architecture, the sharing economy platform model can be and has been applied in many different contexts, including regarding short-term accommodation (e/g., AirBnb), transportation (e.g., Uber), equipment (e.g., garden tools), labour (e.g., FieldGigs), and land (e.g,, garden plots), sale of products (e.g., eBay), distribution of digital products (such as Youtube content providers/channels), or hybrid models (e.g., Amazon, which both sells its own products online, but also facilitates sales of non-Amazon products between providers and users via its platform). In other words, and as these examples illustrate, via the sharing economy model there can be a transfer of goods and of services (which together are sometimes called "products") and assets (which includes tangible things like access to a lakefront property, and intangible things like access to a Youtube video). In terms of roles, is is possible for governments to create and operate platforms, and it is also possible for private for-profit firms to be platform operators, and it is also possible for communities/civil society organisations to be platform operators. Similarly, depending on the application, it is also possible that governments can be providers (and so could private firms, and so could civil society bodies) and all three could be users, depending on the situation. Sharing economy applications can operate on a "for profit" or on a not-for-profit basis.

The sharing economy model differs from other economic models in its distribution of ownership and functions and in the production of goods, services and assets via external providers while centralising coordination, logistics, structuring of interactions and trust-building within the platform. The structural significance of this distinctive, triangular distributed wealth creation / distribution architecture lies in its ability to potentially unlock new forms of wealth creation from one set of dispersed actors by aggregating that dispersed capacity, lowering transaction frictions among otherwise unconnected providers and users, and creating the possibility of quickly scaled-up markets with comparatively minimal investment in terms of physical start-up capital.

The model's strengths—i.e., an ability to aggregate disparate providers, to mobilise underutilised assets, to distribute responsibilities, to scale-up rapidly, and to do so with a relatively asset-light structure—have to be balanced against potential operational challenges, in terms of impact on consumers, workers, and the environment. Examples of challenges include: how the platform can ensure consistent quality in the provision of products, services and assets given wide diversity in providers; how the platform can assure availability of qualified providers and assets; distributed platform accountability (given the different nature of the relationship between platform operator and the provider), and heightened susceptibility to information-related problems such as fraud. Compared to traditional models, in some circumstances, sharing economy applications in some situations also can have the effect of disrupting existing regulatory approaches and market relations, disrupting the nature of the worker relationship and increasing operational volatility.

We will now briefly examine and compare the sharing economy model with a number of other economic models – namely conventional firm-based production (a vertically integrated model, such as a local grocery store), the traditional market exchange model (e.g., a farmer's market), the franchising model (where a parent firm licences out operations to independent operators),



Conventional Firm-Based Production (Vertically Integrated Model)

A conventional vertically integrated economic model organises production within a single firm that owns and controls the assets, labour, and processes necessary to deliver goods or services—minimising reliance on external providers. Examples include steel producers, energy utilities, or firms like Tesla. Unlike sharing platforms, vertically integrated firms internalise ownership, labour, and production, and do not mediate between external providers and users. Co-ordination occurs through hierarchy, not platform-mediated matching. This model offers the potential for stronger quality control, a more predictable and controllable supply chain, reduced transaction uncertainty and potentially reduced costs on some matters, and clearer, more straightforward regulatory accountability. It could be superior in contexts requiring high reliability and control over all aspects of production and provision (e.g., pharmaceuticals, aviation). In terms of disadvantages, when compared with the sharing economy model, the traditional firm-based vertically integrated production model tends to require particularly high capital investment especially in the start-up phase, it is not easy to scale up, and to scale up in an inexpensive manner, and seems likely to be less effective at mobilising dispersed or underutilised resources. With respect to governance, it typically relies on organisations to ensure compliance with laws via its corporate hierarchy, where obligations of employer and employee obligations tend to be codified, and there are established regulatory frameworks on a wide expanse of issues (e.g., workplace safety, human rights, consumer protection, environmental protection).

Traditional Market Exchange Model

With the traditional market exchange model, economic activity is organised through individuated, one-off exchanges among independent buyers and sellers without a central coordinating firm or platform. Farmers' markets and open "*bazaars*" where citizens with cast-off equipment, toys, books etc., gather in a city lot and make one-off transactions with other citizens desirous of the cast off equipment is another example. Unlike sharing economy applications, the farmers' markets and open "*bazaars*" lack a central platform orchestrating matching, trust, search, or reputation systems; interactions are direct, bilateral, and location-bound. A key advantage of this model is its simplicity: with no central surveillance, coordination and control of the transactions, the markets can "pop up" and scale down with virtually no additional effort other than agreement to meet at a certain location. In economic terms, there are virtually no barriers to entry, and there is no possibility of centralised algorithmic control or biasing of transactions. On the other hand, the potential for such exchanges to be anything other than local (in terms of providers or users) is low, limiting the possibility for global "reach" or "scaling up". From a governance standpoint, markets of this sort are very simple, conducted in accordance with basic, conventional contract law, and minimal other legislated requirements (e.g., Sale of Goods Acts).



Franchising Model

Unlike the sharing economy economic model, franchising involves a parent firm licensing its brand, operations, and business model to independently owned local operators, who then must closely align all their activities with the requirements of the parent company. McDonald's is an example of a company that has adopted the franchising model (but note that McDonald's also directly owns and operates some stores). In comparison with the sharing economy model, franchising binds providers into a formal contractual system with strict operational requirements: they have very little "agency" to develop, source, or sell anything that isn't uniform across all the franchisees. If the desire is standardized quality, brand consistency, and predictable customer experience, the franchising model is a good fit. Given that individual franchisees rely to a considerable extent on the large investment made by the parent company in devising the products and Franchises require substantial investment from individual franchisees who, upon securing the franchise, will have limited flexibility. The franchise economic model potentially "scales up" quicker and with less capital investment than expansion-oriented conventional vertically integrated firms, but more slowly than asset-light sharing economy platforms. From a governance standpoint, the parent-franchisee relationship is governed by detailed contracts and franchising law, with strong brand protection obligations (intellectual property).

Cooperative (Co-op) Ownership Model

With the cooperative economic model, ownership of the organisation is by the workers (e.g., the Spanish multinational Mondragon, which operates in the finance, industry, retail, and knowledge sectors, with revenues exceeding eleven billion euros in 2021 and a workforce of around 80,000 people) or the producers (farmer co-ops), or its customers (the Co-Operative Group, UK's fifth-largest food retailer, operating nearly 2,400 food stores). Unlike the sharing economy model, where the platform operator is an organisation distinct in ownership and operation from the providers or the users, cooperatives exhibit collective ownership and control of all aspects. A key feature of cooperatives is the clear alignment of the enterprise with the perspective of the homogenous set of owners (e.g., worker interests and perspectives will be closely aligned with the direction and decisions of worker co-op, and a mirror respective alignment of producer interests and perspectives for producer co-ops, plus a similar respective parallel alignment for consumer co-ops). Whereas sharing platforms centralise control in the platform operator and maintain provider-user asymmetry, co-ops emphasise collective ownership and shared control. In terms of disadvantages, due to their ownership, co-ops are likely to scale more slowly when compared with sharing economy models, and co-ops face capital-raising constraints not faced by sharing economy applications. In terms of governance, co-ops are member-driven, requiring a participatory decision-making approach which may impede the ability to make rapid-response decision-making.

A Word About the "Sharing Economy" Lexicon

Over the past decade, as the numbers of and impact of platform-provider-user triangular model activity has grown, a variety of different labels have been used to describe the activity, including "collaborative economy", "gig economy", "peer-to-peer economy," "platform economy" and "sharing economy". Each of these labels conveys a different meaning that tends to highlight an important characteristic of the distinctive triangular relationship. Referring to the platform-provider-user relationship as "collaborative" puts emphasis on the fact that it takes the combined efforts of all three actors to complete the transaction. However, all economic activity involves collaboration, and so the descriptor does not convey anything particularly distinctive, and indeed, there is much about the triangular relationship that involves a competitive (e.g., among providers, and among platforms) or check-and-balance dynamic (e.g., between platform operators and providers). The "gig economy" label highlights the labour aspects of the triangular relationship, which are, indeed, distinctive. For the purposes of this report the "gig economy" is considered to be a particular type of sharing economy application, following the triangle model, emphasising the labour aspects.

But the sharing economy triangular model is applied in circumstances that have very little to do with labour (e.g., in access to property situations). And so the "gig economy" as understood here is a subset of the broader "sharing economy" model. The same is true regarding the "peer-to-peer" economy. There are definitely sharing economy situations where a peer (e.g., a neighbour) engages in an interaction with another peer (e.g. another neighbour). But there are also situations where via the sharing economy triangular model, a business provides a service to a consumer, and as such, we can see how "peer-to-peer" is a subset example (as is the gig economy) of the broader sharing economy category. The expression the "platform economy" is sufficiently open-ended and broad to encompass both conventional vertically integrated businesses that have a digital presence (website) as well as those businesses that operate a digital, triangular-structured enterprise. Thus, the "sharing economy" is just one type of "platform economy." It should be pointed out that the term "sharing economy" is in some ways misleading, because "sharing" is not really accurate to describe the oftentimes commercial nature of the transactions taking place pursuant to the triangular structure.



The Sharing Economy Ecosystem

As we have seen, the basic sharing economy model involves a triangular relationship among platform operators, providers and users and the interaction among these parties. The sharing economy ecosystem consists of not only the platform operator, the provider and the user, but also the network of interconnected individuals, organisations and mechanisms that support the sharing economy triangular relationship by providing services, resources and technology that assist in enabling, enhancing and improving the implementation of the sharing economy.

The components of the sharing economy ecosystem that support the platform operator, the provider and the user are referred to here as "the sharing economy supporting ecosystem".

The network of market players and other organisations in the supporting ecosystem may include insurance providers, payment gateways, financial institutions, training institutions, etc. Examples of ecosystem infrastructure would include mechanisms for financial payment, mechanisms for the provision of insurance, technologies to ensure cybersecurity, rating systems, tracking systems, etc. Taken together, the sharing economy ecosystem includes all of: platform operators, providers, users, and support market players (e.g., banks, insurance companies), actors that are not market players (e.g., the media) and also includes the mechanisms used to facilitate transactions (e.g., credit card payment systems). They all interact to create the sharing economy ecosystem.

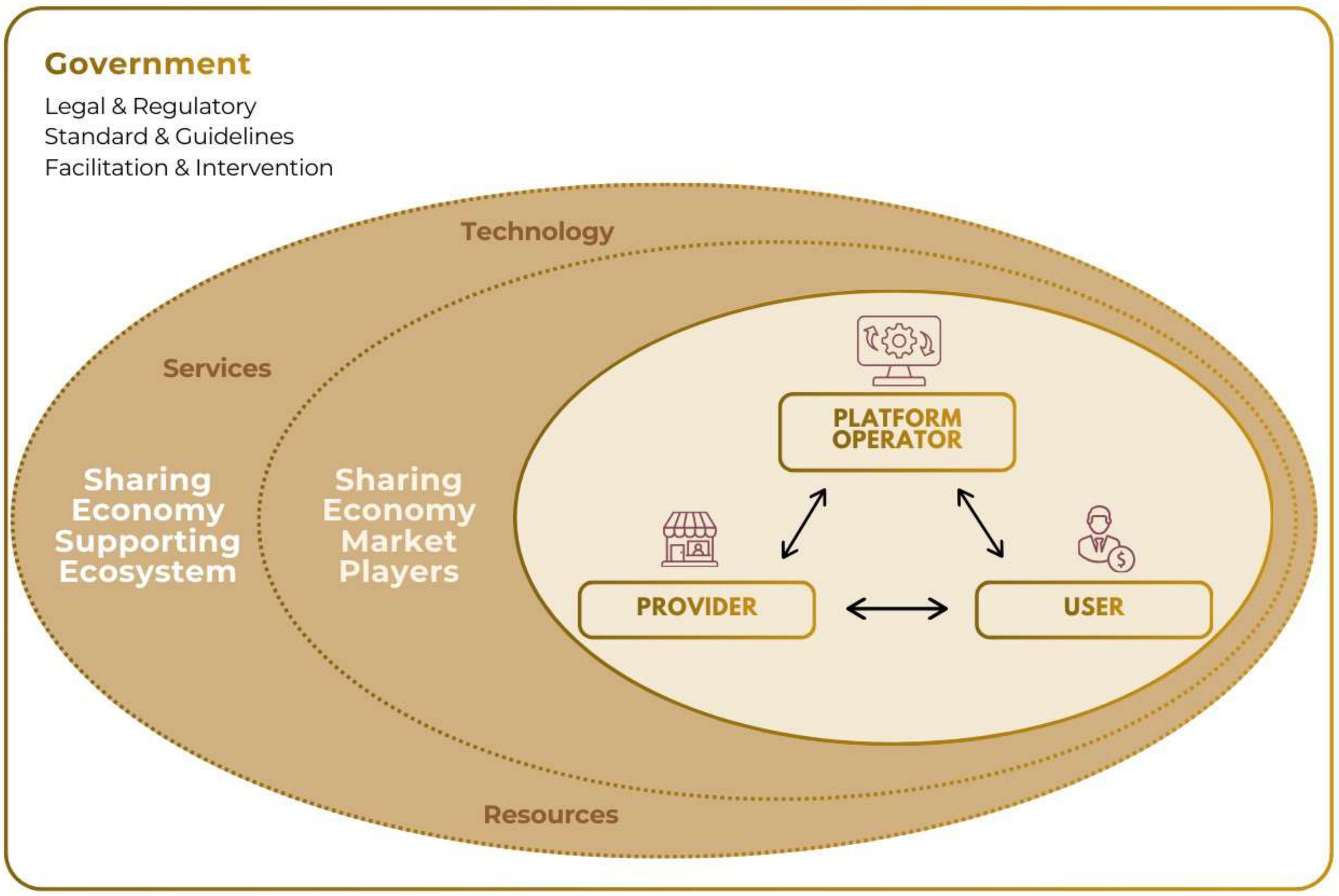


Figure 15: Figure representing relationship between the Government & the sharing economy

In a typical operating scenario, the user will communicate and exchange information on their requirements for a product and/or assets via the platform. The platform operator will then provide necessary mechanisms to communicate and ensure that the information is passed on and/or matched to the provider that meets the needs of the user. Delivery of products and/or assets only occurs once the provider and user establish a contractual relationship through the platform operator, governed by a service agreement that defines their respective roles, responsibilities, and expectations.

In addition to the platform operator, provider and user, there are also other actors who are directly and/or indirectly involved in or affected by this triangular relationship.

The most common additional actors are the government, market players as well as the supporting ecosystem actors. Governments provide the essential legal and regulatory structure within which sharing economy platform operators, providers and users operate, thus facilitating transactions while putting in place protections for customers, workers, competitors, the environment and other interests. Sharing economy market players (e.g., banks and other financial providers, cybersecurity providers, reputation review providers, logistics providers), perform key roles in support of platform operators, providers and users.

Innovation in the Sharing Economy

The sharing economy can generate distinctive innovations across economic, social, and environmental domains due to its platform-mediated coordination of independent providers and users. Economically, it lowers transaction costs and unlocks latent capacity, enabling rapid wealth creation and entrepreneurial opportunities that traditional firm-based or capital-market models may not easily realise; for example, Airbnb allows homeowners to monetise underutilised housing, and Turo allows vehicle owners to generate income from cars that would otherwise sit idle. Socially, sharing economy platforms foster new forms of interaction and trust networks among previously disconnected individuals, creating access to services and experiences for populations that might be excluded from conventional markets—examples include TaskRabbit enabling localised labor exchange or YouTube providing a platform for educational content creators. Environmentally, sharing economy models can reduce resource inefficiency and promote sustainability by extending the productive life of physical assets, such as car-sharing services lowering private vehicle ownership and carbon emissions, or tool-sharing platforms reducing the need for individual ownership of rarely used items. Compared with traditional firm-based, e-commerce, or capital-market models, the sharing economy emphasises utilisation and circulation of underused resources, rather than production or ownership, generating innovation that is simultaneously adaptive, scalable, and responsive to real-time demand, while also creating challenges in regulatory oversight, trust management, and equitable value capture.

Versatility in the Sharing Economy

The sharing economy is particularly versatile because it can accommodate a wide range of resources—physical assets, services, labour, and digital content—and facilitate both paid and unpaid exchanges across multiple contexts. Here, versatility is defined as the capacity of an economic model to adapt to different types of resources, transaction forms, and market conditions while remaining operationally effective. Unlike traditional firm-based, e-commerce, or capital-market models, which are optimised for specific asset classes, production modes, or ownership transfers, sharing economy platforms can integrate temporary access, permanent transfer, service provision, and digital replication within a single framework. This structural adaptability allows platforms to respond quickly to localised demand, underutilised capacity, and emerging economic opportunities, making the model uniquely capable of supporting innovation, inclusion, and resource efficiency across diverse economic and social environments.

While the sharing economy is structurally adaptable, its versatility is constrained by reliance on platform-mediated interactions, independent providers, and users with adequate digital access or trust. In contexts where regulatory frameworks, infrastructure, or digital literacy are weak, the model may struggle to operate effectively, limiting its reach compared with traditional firms or e-commerce platforms that can deploy owned resources or centralised logistics. Furthermore, versatility in principle does not guarantee quality control, reliability, or consistent value capture; unlike vertically integrated firms or regulated capital markets, sharing economy platforms often face trade-offs between flexibility and standardisation, potentially creating challenges in scaling, enforcing labour protections, and maintaining user trust across diverse environments.

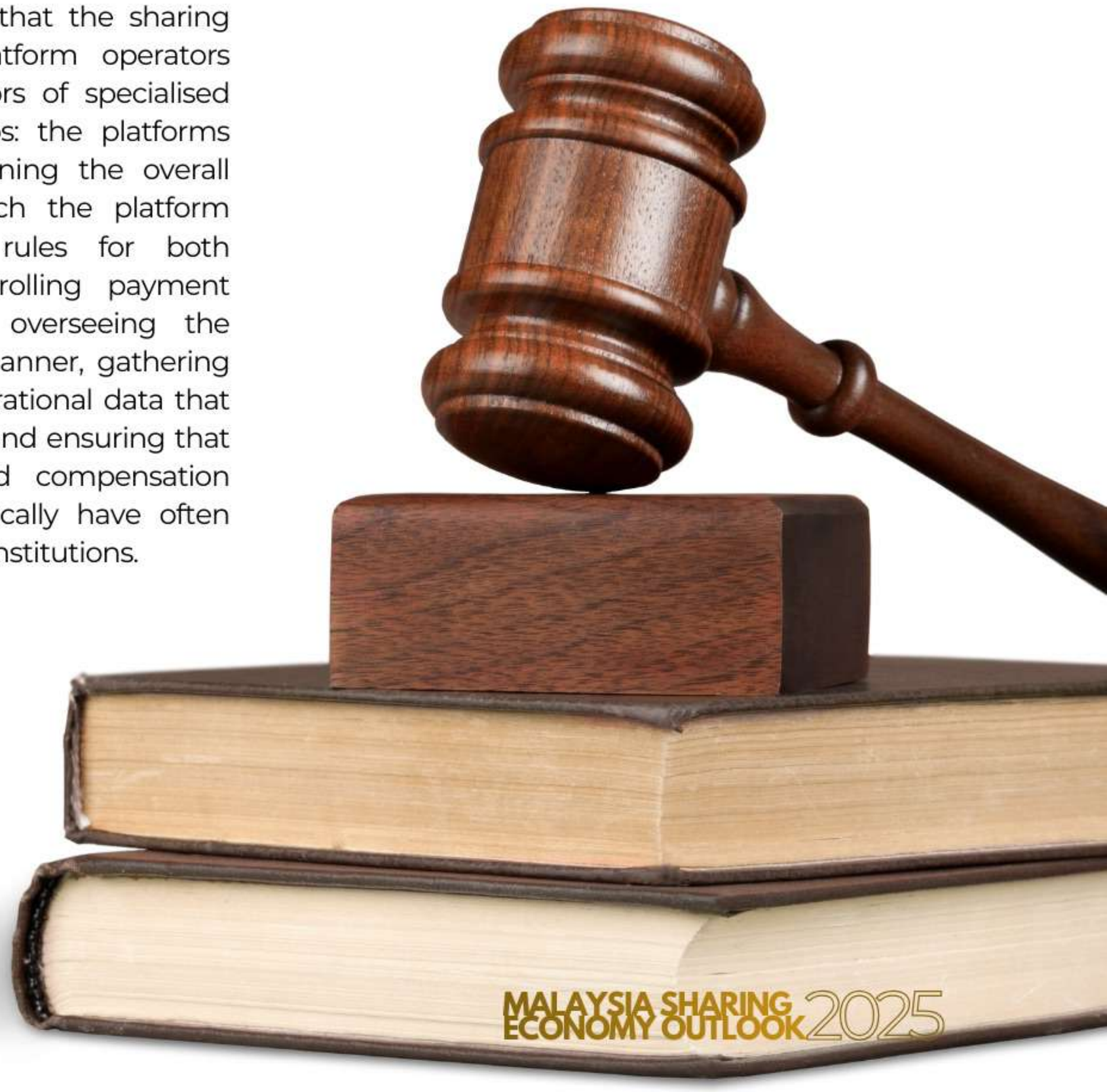


Governance of the Sharing Economy

Governance, as understood here can be considered the sum of the many ways individuals and institutions, public and private, manage their common affairs.[3] The sharing economy introduces unique governance challenges because platforms sit in a structurally ambiguous position—that is, they are neither producers nor traditional market intermediaries. Because the platform does not own or control the mechanisms of production in the manner that a conventional business does, the conduct of independent agents providing services and assets is controlled/structured indirectly through online mechanisms such as algorithmic management, data-driven rule-setting, and non-state-based enforcement mechanisms. Key operational issues include regarding jurisdictional uncertainty, regulatory mismatches, contested classification of providers (e.g., worker vs. independent provider), algorithmic fairness, and accountability for harms generated by actors the platform does not "employ" yet (to some degree) controls.

In some ways, it could be said that the sharing economy converts platforms/platform operators into "first order" private regulators of specialised market transactional relationships: the platforms have the responsibility of designing the overall reputational systems upon which the platform operates, setting behavioural rules for both providers and users and controlling payment mechanisms, carrying out or overseeing the resolution of disputes in a fair manner, gathering and analysing and acting on operational data that reveals problematic misconduct, and ensuring that penalties are implemented and compensation provided —functions that historically have often been carried out largely by public institutions.

These rule-making responsibilities raise core governance problems associated with the asymmetric information and power relationship between the platform and the users and providers; opaque (non-visible) algorithmic decision-making; potential inappropriateness of conventional approaches to provider classifications (e.g., worker vs. independent provider); challenges associated with enforcement across jurisdictions; fragmentation of liability distributed across many partners (e.g., is it the provider of the accommodation or the cleaning service associated with the accommodation which is liable for a broken lamp?); and data-control issues (privacy, security, confidentiality). Public authorities are faced with determining how much "regulatory space" (deference) should be given to the ways that platforms undertake governance, and how to allocate accountability and liability in a distributed model, on issues of, e.g., consumer protection, labour standards, and local externalities.



Sustainable Governance and the Sharing Economy

The sustainable governance concept[4] starts from the proposition that the best likelihood of addressing the complex, fast-evolving, multi-jurisdictional environmental, social and economic challenges we face in the 21st century will involve harnessing the unique energies and capabilities of all three of government, the private sector and civil society, using a combination of rule instruments (i.e., state and non-state normative documents that stipulate objective criteria of conduct), processes (such as, rule-making, rule enforcement, rule adjudication, auditing, certification processes), and institutions (state and non-state entities that carry out public interest-oriented functions, such as legislatures and standards bodies), with this combination of state and non-state actors, instruments, processes, and institutions sometimes operating collaboratively, and sometimes operating in more of a "check and balance"/rivalrous manner. In other words, sustainable governance adopts the position that governance of a particular activity involves not only governments and laws, but also private sector methods of regulation such as via ISO and other standards, and through civil society activity, such as consumer surveillance taking place through online reviews.

By examining the sharing economy model through the lens of sustainable governance, it is possible to identify its state and non-state components, and on that basis the governance strengths, weaknesses, gaps and opportunities can become more apparent. As applied to the sharing economy model, actors include not only the platform operator, providers, and users, but also financial intermediaries (for payments, insurance, or credit), technological partners (for tracking, authentication, and digital payments), logistical service providers (for delivery, transportation, or housekeeping), and independent certifiers ensuring quality and compliance. Instruments encompass legal frameworks, regulatory standards, platform policies, and provider-specific rules governing privacy, refunds, and service levels. Institutions include legislatures, courts, government enforcement agencies, and standards bodies that shape the rules of participation and accountability. The sharing economy ecosystem is animated through processes that span the identification of idle or underutilised resources, registration and listing on digital platforms, discovery and exploration by users, negotiation of terms, execution of the transaction, actual usage and return of the resource, feedback and rating mechanisms, and dispute resolution.

Together, these interdependent elements create a structured yet flexible system that enables resource optimisation, trust, and value creation while simultaneously requiring multi-level governance, cross-sector coordination, and continuous adaptation to technological, social, and regulatory change. Using the sustainable governance framework, it can also be possible to identify where, in a particular governing context, a government, private sector, or civil society rule instrument, process, institution, or actor could be added or modified to improve public or worker or consumer or environmental well-being. It is also possible to ascertain how a different "mix" of instruments, institutions, processes or actors might work better where the public infrastructure is weak or strong, or where there are or are not many competitors. We will return to this theme later in the report, when we examine how differently sharing economy models play out in different operating contexts.

Legal Aspects of the Sharing Economy Model

The sharing economy is fundamentally built on a dense lattice of legal relationships that govern how platforms, providers, users, and supporting actors interact. While digital interfaces create the appearance of frictionless exchange, each transaction rests on underlying contracts, regulatory obligations, and public-interest constraints that vary across jurisdictions. As a result, the legal architecture of the sharing economy is both foundational and contested, raising significant questions about authority, rights, responsibilities, and risk allocation.

Contractual Architecture

The sharing economy rests primarily on contract law, with platforms drafting extensive terms that govern relationships between platform–provider, platform–user, and provider–user. These contracts allocate risk, define responsibilities, determine payment and dispute mechanisms, and often heavily favour the platform through unilateral amendment clauses or liability disclaimers. However, the proliferation of interconnected contracts also complicates accountability and raises questions about fairness, transparency, and the enforceability of "clickwrap" terms across jurisdictions.

Constitutional and Jurisdictional Authority

Governance authority for sharing economy activities often falls across multiple constitutional actors, such as federal governments (e.g., competition, telecommunications, taxation), provincial/state governments (e.g., labour, contract, consumer protection), and municipal governments (e.g., zoning, business licensing, local transportation). This creates overlapping and sometimes conflicting regulatory claims, with no single level of government possessing full jurisdiction over the entire business model. As a result, governance often emerges through negotiated regulatory settlements or hybrid regulatory regimes, rather than through clear constitutional boundaries.

Consumer Protection

Sharing economy transactions raise classical consumer protection issues—such as misrepresentation, safety, quality, and remedies—because platforms frequently deny that they are suppliers, instead positioning themselves as intermediaries. Traditional consumer protection laws, designed around producer–consumer relationships, often struggle to address decentralized, peer-to-peer transactions mediated by algorithms. Regulators must therefore adapt rules around disclosures, refund rights, product safety, price transparency, and platform liability to ensure consumer fairness in an asymmetric digital marketplace.

Worker Protection and Labour Law

A central legal challenge concerns whether providers are independent contractors or employees—a classification that affects rights to minimum wage, workers' compensation, collective bargaining, and other labour protections. Platforms typically assert non-employment status to preserve flexibility and reduce costs, while many workers exhibit economic dependency and algorithmic control characteristic of employment. Courts and legislatures worldwide are experimenting with hybrid classifications, presumption-of-employment standards, and portable benefits frameworks to better address the realities of platform-mediated work.

Environmental Protection

Sharing economy platforms may lower environmental impacts by enabling resource efficiency (e.g., car-sharing reducing private car ownership), but they can also increase total consumption (e.g., short-term rentals stimulating travel or vehicle kilometres travelled). Environmental law intersects with the sharing economy through emissions standards, waste rules, building codes, and sustainability reporting requirements. Platforms that facilitate resource use without owning the underlying asset raise new questions about responsibility for environmental harms and the applicability of traditional regulatory levers.

Human Rights and Anti-Discrimination

Platforms may unintentionally embed discriminatory patterns through algorithmic decision-making in pricing, matching, or access, raising significant human rights concerns. Providers may also discriminate against users (e.g., rejecting riders based on name or photo), while platforms sometimes deploy identity-verification practices that raise privacy and equity issues. Applying human rights and anti-discrimination law to decentralised, digitally mediated interactions requires rethinking how responsibility is attributed and what due-diligence obligations platforms should bear.

Zoning, Land Use, and Local Governance

Short-term rental platforms and shared mobility services challenge local zoning and land-use regulations that were designed for long-term occupancy, hotels, taxis, or commercial operators. Municipalities respond through licensing schemes, caps, designated-use districts, taxation, and data-sharing requirements. Legal tensions arise when platform activity displaces housing supply or alters neighbourhood character, prompting cities to balance innovation with community protection and urban planning objectives.

Inter-Jurisdictional and Cross-Border Legal Issues

Platforms operate transnationally, but the legal obligations applying to them—tax, labour, privacy, consumer rights—are territorially bounded. This produces regulatory fragmentation, with platforms tailoring practices to each jurisdiction or exploiting inconsistencies to minimise obligations (e.g., data storage location, corporate domicile, liability shields). Cross-border transactions raise conflict-of-law issues, including which jurisdiction's law applies to disputes and how judgments can be enforced across borders.

Competition and Antitrust Law

Dominant platforms may exert market power through network effects, data advantages, vertical integration, or exclusionary contracting, raising antitrust concerns. While the sharing economy is often framed as increasing competition, it can also produce winner-take-all dynamics that reduce consumer choice and suppress rival platforms. Competition authorities are increasingly examining self-preferencing, price discrimination, data access, and gig-worker collective bargaining exemptions to preserve fair and contestable markets.

In summary, analysis here has shown that the sharing economy has many significant legal aspects, sitting as it does at the intersection of private contract, public regulation, and constitutional authority, while relying on digital infrastructures that transcend jurisdictional boundaries. Each legal dimension—consumer rights, worker status, environmental responsibility, competition, zoning, and human rights—reveals tensions between innovation, flexibility, and public protection. Effective governance requires integrated legal approaches that reflect the multisector, multi-instrument, and multi-level nature of the sharing economy, recognising that its success depends as much on trust, accountability, and institutional design as on technological efficiency.



Applying Sharing Economy Concepts in Developed and Developing Countries

The effectiveness and practical impacts of the sharing economy vary significantly when applied in different contexts because the operation of sharing economy models depends on different rule instrument, institutional, process and actor contexts, where there is different institutional capacity, regulatory clarity, enforcement strength, market structure, digital infrastructure, financial inclusion, and the presence or absence of social safety nets. These structural conditions differ sharply between advanced economies or developing or emerging economies, resulting in distinct opportunities, risks, and trajectories for platform-mediated services—particularly in transportation, lodging, and labour-oriented applications. For the purposes of analysis here, we will compare how sharing economy models play out differently in four different operating contexts: the United Kingdom, Sweden, Malaysia and Ghana.

In the **United Kingdom**, the sharing economy "lands" within a dense regulatory environment characterised by strong consumer protection law, established labour rules, and comprehensive planning and zoning frameworks. Platforms can scale, but they must navigate clear compliance expectations relating to licensing regimes, safety requirements, taxation (including VAT), and ongoing debates over worker classification. Ride-hailing, for example, is required to meet well-defined licensing, insurance, and safety standards, and enforcement mechanisms—from administrative sanctions to court-backed remedies—are robust and predictable. These obligations increase provider costs but enhance consumer safety and overall market legitimacy.

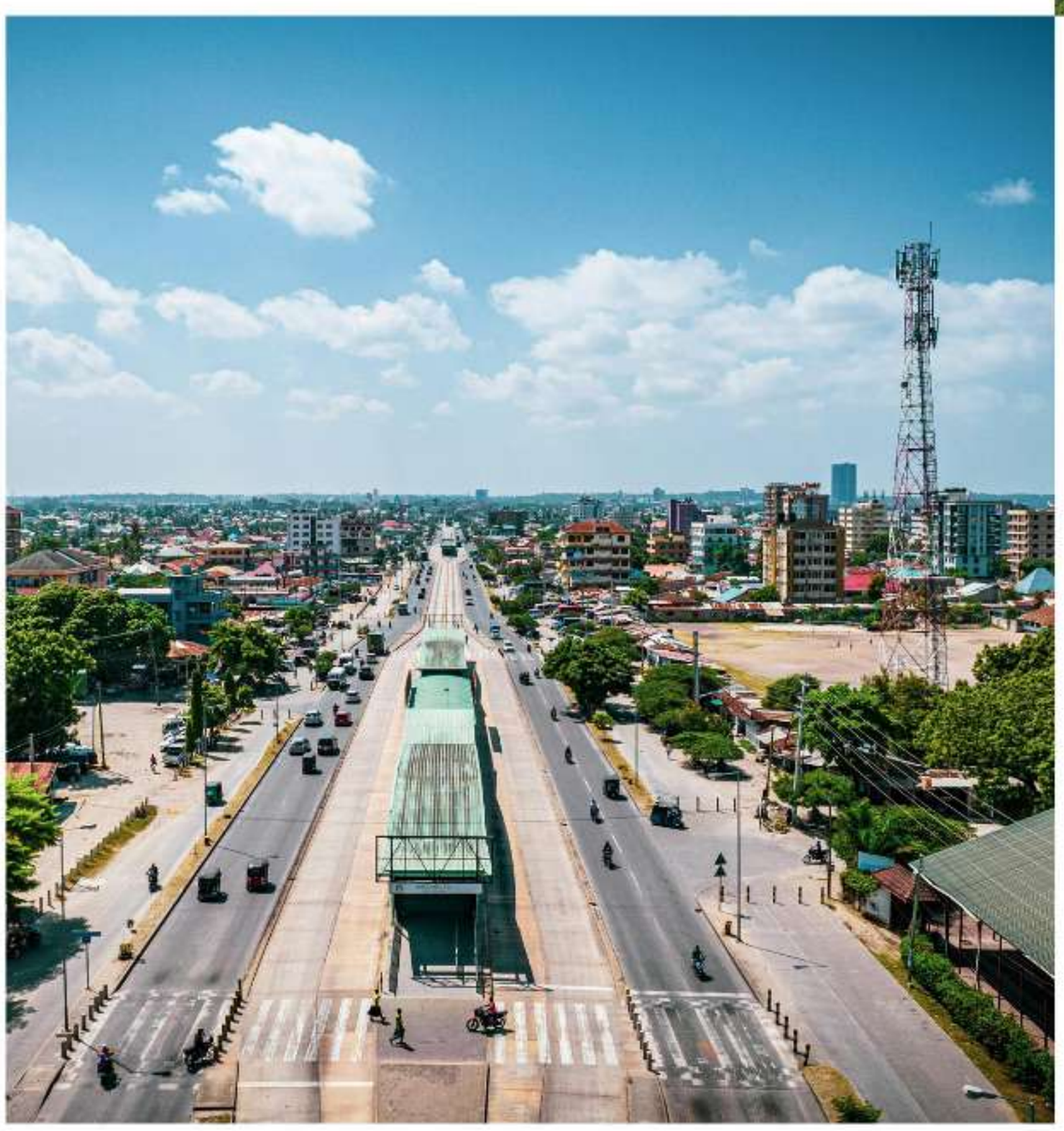




In **Sweden**, the sharing economy interacts with a welfare state that embeds strong labour protections, extensive social benefits, and a culture of high regulatory compliance. Platforms entering this environment often must adopt higher operational standards, subcontracting arrangements, or even formal employment models. The attractiveness of low-paid gig work is reduced by generous social benefits, while expectations that platforms contribute to social insurance are heightened. In the accommodation sector, stringent zoning rules, social housing policies, and municipal registration systems limit the rapid expansion of short-term rentals and require close platform–government cooperation. Detailed labour law, strong consumer rights, and well-developed institutions collectively enforce a high regulatory baseline.

In **Malaysia**, an upper-middle-income developing country with hybrid formal and informal institutions, the sharing economy takes root in an environment shaped by rapid smartphone adoption, unmet demand for mobility and delivery services, and flexible (though sometimes ad hoc) regulatory approaches. Platforms often innovate in partnership with government—particularly around digital payments and transport modernisation—but enforcement is uneven and can shift in response to stakeholder pressures. Ride-hailing platforms, for example, expanded quickly but faced intermittent regulatory crackdowns, contested licensing reforms, and negotiations with taxi associations. The regulatory regimes applying to the sharing economy are still evolving (with a new Gig Workers Act recently introduced), at the same time as the courts are evolving their understanding of how existing consumer and labour laws should apply.





In **Ghana**, where administrative capacity is more constrained and informality is high, the sharing economy can provide critical access to work, markets, and services, yet it also faces significant frictions. Limited access to formal financing, infrastructure gaps, and uneven digital access mean that platforms can generate meaningful income opportunities—especially in delivery, logistics, and micro-entrepreneurship—but weak enforcement increases the risk of worker exploitation, unsafe conditions, and limited consumer protection. Platforms enabling small traders to reach urban markets demonstrate strong entrepreneurial uptake, but structural constraints reduce the potential for scale and formalisation. Regulatory frameworks for digital commerce remain nascent and often depend on donor or NGO support for standards and capacity-building.

Across these contexts, transport platforms "land" differently because of variations in public transit quality, modal mixes, and levels of car ownership. In the UK and Sweden, ride-hailing competes or complements regulated taxi systems and integrated public transit networks; in Malaysia and Ghana, it often fills structural mobility gaps and can rapidly reshape urban transport patterns.

Similarly, labour protection regimes matter: Sweden's high-standard environment pushes platforms toward more formalised arrangements, while Ghana's informal labour markets allow expansion but leave workers largely unprotected. Regulatory clarity and enforcement also differ: the UK's clear legal frameworks raise visible compliance costs and favour well-capitalised incumbents; Malaysia's hybrid approach produces negotiated settlements; Ghana's enforcement gaps allow rapid growth but heighten vulnerability. Financial inclusion shapes participation as well—developed economies rely on mature digital payment infrastructures, while Malaysia and Ghana rely on e-wallets and mobile money, which both enable platform participation and require new regulatory oversight. Data governance and competition policy further diverge: developed economies increasingly regulate data portability and competition, whereas developing economies may lack tools to prevent foreign platform dominance.

The policy implications are therefore divergent. In developed countries, regulators have the capacity to impose high baseline standards on labour, safety, taxation, and data governance, which may limit some low-cost benefits but strengthen fairness and consumer protection. In developing contexts, sharing economy platforms can generate immediate gains in access, income, and entrepreneurship, yet without foundational safeguards these gains may be precarious, extractive, or unevenly distributed. Accordingly, advanced economies tend to focus on redistributive correction and platform accountability, while developing countries must prioritise basic regulatory capacity building, stronger consumer and worker protections, inclusive digital infrastructure, and mechanisms to ensure that local providers and communities capture a fair share of value generated by the sharing economy.

Future Opportunities and Challenges for the Sharing Economy

The sharing economy has the potential to expand into underexplored sectors such as healthcare, education, renewable energy, and urban infrastructure, leveraging platform-mediated access to underutilised resources, skills, or digital assets. For example, peer-to-peer energy trading, shared medical equipment, or community-based educational content could increase efficiency, reduce costs, and broaden access. However, realising these opportunities faces significant challenges, including regulatory uncertainty, privacy and data security concerns, trust and liability management, and the need for robust digital infrastructure. Furthermore, scaling into sectors with high public safety, ethical, or social stakes requires careful governance, standardisation, and stakeholder coordination to avoid unintended negative consequences, such as inequality, exploitation, or systemic risk.

As the sharing economy expands into new sectors, regulatory and governance frameworks will need to evolve to balance innovation with safety, fairness, and accountability. This may include adaptive, sector-specific regulations, co-regulation with platforms, standardised dispute resolution mechanisms, and digital monitoring systems to ensure compliance with labour, consumer protection, and environmental standards. Emerging tools such as smart contracts, decentralised trust protocols, and algorithmic transparency could enable platforms to self-enforce rules while remaining scalable and responsive. Effective governance will also require multi-stakeholder engagement—including governments, civil society, and platform operators—to manage systemic risks, ensure equitable value distribution, and maintain public trust, particularly in sectors where shared resources carry high social or ethical stakes.

Conclusions

The sharing economy—defined by its triangular structure linking platform operators, independent providers, and users—has evolved into a distinctive and increasingly influential economic model. Unlike traditional ownership-based, firm-based, cooperative, or purely digital-market models, the sharing economy's value proposition arises from enabling access to underused assets (including digital content) through multi-sided platforms that orchestrate trust, matching, and transactions. Its emergence has been propelled by advances in digital infrastructures, new forms of data-driven coordination, and a growing social appetite for flexible access rather than ownership. Yet what makes the sharing economy truly unique is not simply its technology, but its relational architecture: a hybrid marketplace that blends elements of barter, rental, service provision, and peer-to-peer exchange, while relying critically on the broader ecosystem of financial, legal, technological, logistical, and certification actors that sustain platform operations.

Because the sharing economy diverges in structure and logic from other economic models, it "lands" differently across contexts. Developed countries such as the United Kingdom and Sweden typically have deeper digital infrastructures, stronger regulatory capacities (e.g., privacy rules, competition oversight, labour protections), and higher trust in institutions—conditions that support safer, more predictable platform-based exchanges. In contrast, developing countries such as Malaysia and Ghana often exhibit uneven connectivity, more informal labour markets, inconsistent enforcement capacity, and wider regulatory gaps. These structural differences can either heighten opportunity (e.g., leapfrogging traditional taxi or logistics sectors through app-based mobility or last-mile delivery platforms) or exacerbate risk (e.g., consumer harm, labour precarity, or regulatory arbitrage). The same Uber-style mobility platform, for example, may introduce flexibility and convenience in Sweden while primarily filling infrastructure gaps in Ghana, with different implications for worker protection, safety standards, and oversight.

The sharing economy has also proven unusually innovative and versatile. Economically, it unlocks dormant resources, reduces transaction costs through digital matching, and stimulates new forms of micro-entrepreneurship. Socially, it can broaden access to services (accommodation, transportation, tools, knowledge) and strengthen community-based exchange networks. Environmentally, it supports reduced material throughput by enabling intensified use of existing assets, from cars and homes to electronics and specialised equipment. At the same time, these benefits coexist with governance challenges: consumer vulnerabilities (privacy, safety, misrepresentation), worker precarity (classification disputes, algorithmic control, inadequate protections), environmental risks (if platforms accelerate consumption rather than reuse), competition concerns (dominant platforms exerting gatekeeping power), and cross-jurisdictional inconsistencies (global platforms navigating local zoning, labour, and tax rules).

A sustainable governance lens helps make sense of these complexities. The sharing economy is not governed solely by platform rules or market dynamics; it is shaped by interactions among multiple actors (platforms, providers, users, governments, standards bodies, insurers, payment firms, data auditors), instruments (laws, standards, platform policies, insurance mechanisms), institutions (legislatures, regulatory agencies, courts, private standard-setters), and processes (resource identification, registration, transaction, use, return, review, dispute resolution). In this ecosystem, the state, private sector, and civil society each contribute complementary capacities: governments provide rule-of-law foundations and enforcement; platforms supply technological coordination and innovation; standards bodies offer scalable, flexible governance; and users and providers generate real-world feedback loops that pressure platforms to improve accountability. When aligned, these forces can balance innovation with protection—enabling the sharing economy to flourish while mitigating its externalities.

Taken together, the evidence suggests that the sharing economy's future remains exceptionally promising. Its versatility, capacity for continuous innovation, and ability to mobilise underused resources position it well to grow across sectors—from mobility and accommodation to tools, skills, health, energy, and knowledge-intensive domains. Yet this bright future is not guaranteed. It hinges on well-structured governance: clear legal frameworks to safeguard consumers and workers; competition frameworks that prevent abuse of dominance; environmental standards that ensure genuine sustainability; zoning and licensing mechanisms tailored to platform operations; and coordinated global-local regulation for cross-border platforms. With such guardrails in place—deployed through a sustainable governance approach that leverages laws, standards, platform design, and ecosystem actors—the sharing economy can evolve into one of the most dynamic, inclusive, and environmentally aligned models of economic coordination in the twenty-first century.

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TEL +603-8315 3000
FAX +603-8315 3115
EMAIL clic@mdec.com.my
WEBSITE mdec.my



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