WORKING WITHOUT BORDERS

The Promise and Peril of Online Gig Work

Short Note Series #5:
The Role of Local Online Gig Platforms

S4YE SOLUTIONS FOR YOUTH EMPLOYMENT

WORLD BANK GROUP Jobs

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This Short Note is part of a series building on the report that aims to promote discussion among policymakers and practitioners on opportunities in online gig work.

While local/regional platforms may not have received as much attention as global platforms, they play an important role for the local labor market and the local private sector ecosystem in many developing countries. These platforms have several advantages over global platforms that make them better suited for some types of work (e.g., work requiring an understanding of cultural context). From the labor supply side, features such as the use of local languages or local payment mechanisms may make it easier for groups previously excluded from global platforms to work and participate in the gig economy, making them an important means for inclusion in the digital economy. From the demand side, these platforms play an important role for local private sector development as providers of talent resources for local MSMEs and startups in developing countries who often don't have the capacity to hire expensive talent. In addition, as local/regional platforms are concentrated in one or few select countries or region, such platforms may be more inclined to collaborate with national governments on development policy goals like training or social insurance measures initiated by the government. Nevertheless, many regional platforms struggle to reap benefits of network effects or derive a sustainable revenue from platform activities and are likely to seek alternative business models to be able to grow.

This note addresses the following questions: *What are the distinguishing features of local/regional gig online platforms, compared to global ones? What role can local/regional online platforms play on both the supply side (in supporting inclusion in developing countries) as well on the demand side (in addressing needs of local firms)? What challenges do local/regional platforms face in building a sustainable business model, and how can these challenges be addressed?*.

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1   The Importance of local/regional Online Gig Platforms

Local/regional platforms are often overlooked in studies or analyses, with global platforms being front and center in the literature. Generally speaking, online gig work are tasks or work assignments performed and delivered online by workers, like image tagging, data entry, website design, or software development. Most research on the online gig economy has focused on workers on large global platforms. Very little is known about online gig[1] platforms (or workers who use them) that are more local or regional in nature.

In contrast to global platforms, local/regional platforms provide online gig opportunities in specific countries or regions and have distinctive features that differentiate them from global platforms. Within the realm of online gig platforms, regional/local platforms have emerged as key players in the development of local economies. Unlike global gig platforms (e.g. Upwork, Fiverr), which connect employers and workers globally, local/regional platforms connect

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[1] The term "gig" comes from the music industry and can be understood as a one-off job for which a worker is paid for a particular task or for a defined period.

employers and workers from one or a few countries within a region, as is the case with Workana[2] and SoyFreelancer[3] in LAC, Ureed[4] in MENA, and Flexiport[5] in India.

With local/regional platforms being catalyzers for local development, filling the knowledge gap on these platforms is key. Local/regional platforms are worth studying from a development angle, as they can facilitate access to labor opportunities for local gig workers that may otherwise not be able to compete in global platforms due to entry barriers such as English language skills. In addition, these platforms can help firms access talent with local and cultural knowledge, supporting local private sector development. For governments, these platforms can be key partners to advance policy goals, such as expanding social security insurance. However, scant data and literature on these platforms lead to knowledge gaps. For instance, the Online Labour Index (OLI), a database that tracks several of the largest online labor platforms, only measures major global platforms which are mostly English-speaking, though recently they have added 6 platforms in Spanish and Russian.[6]

The team extracted and analyzed data on local/regional platforms through a comprehensive database mapping, interviews with regional platforms, and firm surveys. A global database mapping was conducted by combining existing databases from previous research with a subset of two databases (CB Insights, and Pitchbook) of over 850,000 firms, filtered for gig platforms using data science methods such as natural language processing. Website traffic data was incorporated as a proxy to measure platform activity. A methodology to determine whether the operational focus of platforms was global or regional/local was also introduced. To complement these findings, the team conducted detailed interviews with 24 regional/local platforms, including founders, CEOs, and senior management. In addition, data from a survey of over 20,000 firms, conducted through social media and targeted email outreach, was used to understand the demand side of regional platforms.

Findings from the World Bank analysis reveal that contrary to popular perception, most online gig work platforms are regional/local. Not only are regional platforms key for local development— they are also more numerous than global ones. Out of 545 online gig work platforms across the globe, almost three-quarters (73 percent) can be considered local/regional. This number is a significantly higher amount than is reflected in OLI.[7]

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[2] Workana is the largest freelance and remote work platform in Latin America. The platform was founded in 2012 and has grown over time within Latin America as well as beyond; in 2018, the platform expanded its presence to Southeast Asia.

[3] SoyFreelancer is an online freelancing platform based in San Salvador and catering primarily to the Latin American online gig work market. As a Spanish-language platform, it brings together over 140,000 online freelancer.

[4] Ureed is an online marketplace connecting employers from around the world with freelance talents in MENA across a variety of professional fields. The platform was founded in 2016.

[5] Flexiport is an online freelancing platform launched in 2014 offering both a marketplace for online freelancers and clients as well as third-party staffing services. The platform caters to the demand and supply for gig work in India.

[6] The OLI tracks projects/tasks posted on the five largest English-language online labor platforms, representing at least 70% of the market by traffic. In addition, since 2020, the OLI 2020 covers six non-English language platforms: three in Spanish and three in Russian. For details, see Kässi and Lehdonvirta (2018).

[7] Datta et al. (2023).

Figure 1. Share of gig platforms classified as global and local, %
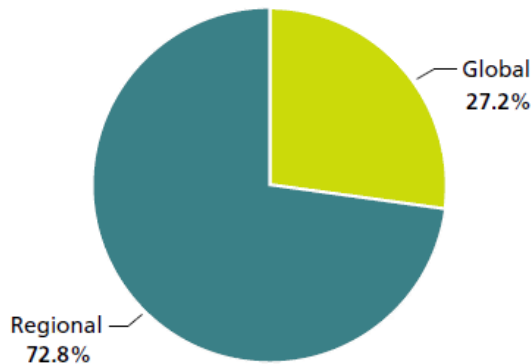
Source: Study team database.

Although regional platforms attract less traffic than global ones, they play a significant role in certain regions. The share of regional platforms is higher than global ones (73 percent), yet they attract only 29 percent of the traffic. This finding implies that most users continue to be drawn to global platforms due to their network effect. However, regional platforms are particularly prevalent in specific regions, taking up larger shares of traffic in North America (63 percent) and the Europe and Central Asia region (49 percent) than in other regions. In terms of regions where these regional platforms operate, the vast majority (70%) are operational in North America and Europe and Central Asia. Many of these platforms are focused on European or Russian-speaking countries. Around 10 percent of regional platforms focus on countries in East Asia and the Pacific, 6 percent each on the South Asia region and Sub-Saharan African countries, and only around 3 to 4 percent on Middle East and North African countries and Latin America and Caribbean countries.

Figure 2. Traffic shares of global and local platforms by region (monthly average, 2022, %)
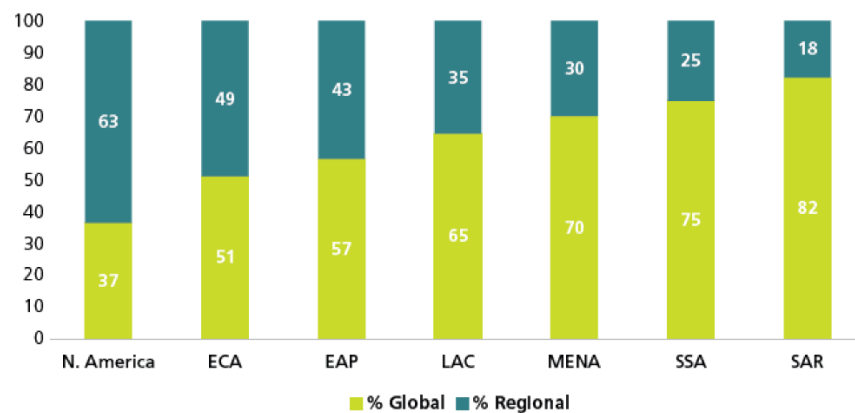
Source: Study team database.

Note: EAP = East Asia and Pacific; ECA= Europe and Central Asia; LAC = Latin America and the Caribbean; MENA = Middle East and North Africa; N. America = North America; SAR = Southeast Asia region; SSA = Sub-Saharan Africa.

In the next sections, the distinguishing features of local/regional platforms, and their role in promoting local development is analyzed.

2   What Are the Distinguishing Features of Local/regional Platforms, as Compared to Global Platforms?

Distinguishing features, such as location, size, network effects, and language differentiate regional platforms from global ones. Local/regional platforms connect employers and workers from one or a few countries within a region (e.g. SoyFreelancer and Workana in LAC), while global ones span several regions (e.g. Fiverr). Local/regional gig platforms are smaller in size than global platforms, with a user base of around 444,500 and approximately 242,300 unique registered users.[8] In contrast, global platforms have a significantly larger user base, with an average of 1.2 million registered users and 515,300 unique registered users.[9] Although regional/local platforms are significantly smaller than global ones, their key features, including language, currency, payment mechanism, and employer type, play a crucial role in promoting the inclusion of some categories of online gig workers in developing countries and fostering local private sector development.

Table 1. Key differences between global and regional/local platforms

	Global Platforms	Regional/local platforms
LOCATION	Global	Span a few countries or region
SIZE AND NETWORK EFFECTS	Significant number of workers and employers from countries from around the world	Varying in size, with a base of workers and employers located in a specific region or country
EMPLOYERS	A variety of employers, spanning from MSMEs132 and startups to big corporations	Predominantly MSMEs and startups (especially in the case of the smaller platforms)
LANGUAGE	Predominantly English	English or local languages, depending on the region/country
TASK TYPE	Broad ranges of tasks	Tending towards more limited, specialized ranges of tasks such as IT-related tasks or digital marketing related tasks
CURRENCY	Predominantly USD	USD and/or local currency
TRANSACTION VALUE	Likelihood of higher pay due to a broader range of employers and work opportunities	Often lower pay as the market is limited regionally / locally
PAYMENT MECHANISM	Different payment mechanisms (e.g., bank transfer, PayPal, Payoneer); in some cases, online gig workers from countries	Payment mechanisms adapted to the solutions available locally

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[8] Datta et al. (2023). Workers can be registered on multiple platforms (multihoming). The registered worker estimates are divided by 1.834 to account for multihoming and yield unique registered workers. The multihoming factor of 1.834 was derived based on survey data collected for this study.
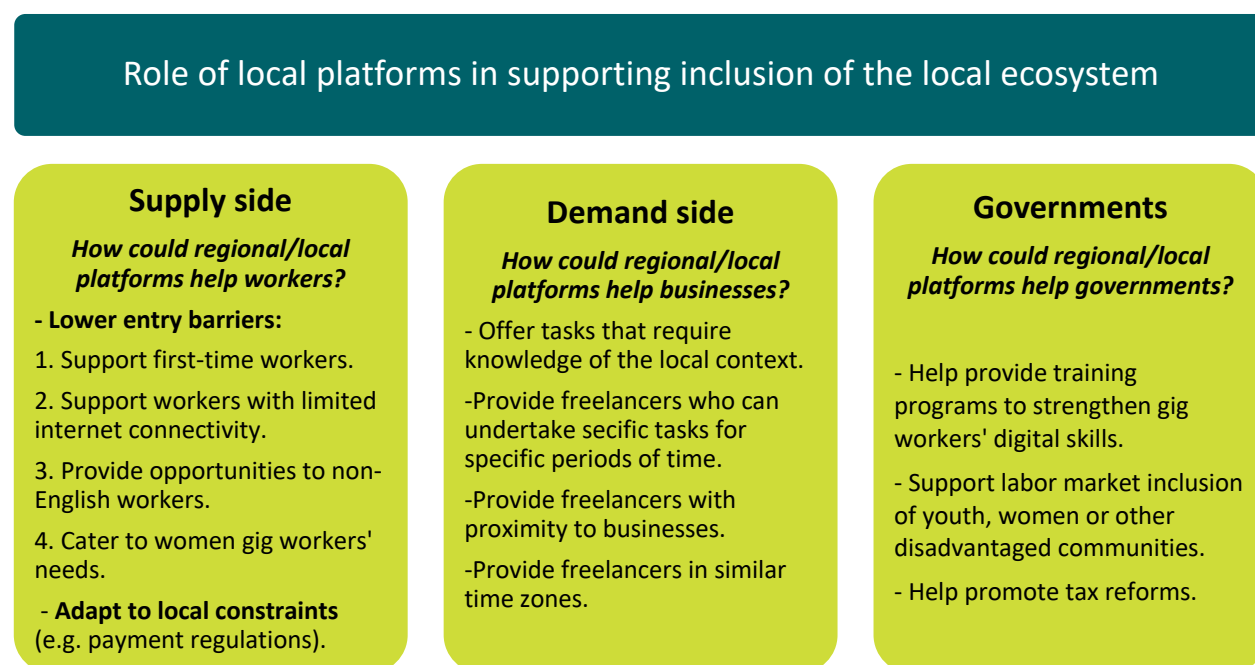[9] Idem.

	Global Platforms	Regional/local platforms
	where certain payment methods are not accessible may be indirectly excluded	
(A)SYNCHRONOUS COMMUNICATION	Potentially significant differences in the time zones of workers and employers	Closer time zones between clients and workers

3   The Role of Local/Regional Platforms

Local/regional platforms play an important role in supporting the inclusion of some categories of online gig workers and local private sector firms and startups.

Figure 3. Role of local platforms in supporting inclusion of the local ecosystem

Role of local platforms in supporting inclusion of the local ecosystem

Supply side

How could regional/local platforms help workers?

- **Lower entry barriers:**

1. Support first-time workers.

2. Support workers with limited internet connectivity.

3. Provide opportunities to non-English workers.

4. Cater to women gig workers' needs.

 - **Adapt to local constraints** (e.g. payment regulations).

Demand side

How could regional/local platforms help businesses?

- Offer tasks that require knowledge of the local context.

-Provide freelancers who can undertake secific tasks for specific periods of time.

-Provide freelancers with proximity to businesses.

-Provide freelancers in similar time zones.

Governments

How could regional/local platforms help governments?

- Help provide training programs to strengthen gig workers' digital skills.

- Support labor market inclusion of youth, women or other disadvantaged communities.

- Help promote tax reforms.

From the supply side, these platforms help local gig workers by lowering entry barriers and adapting to local constraints. For online gig workers, competing as a gig worker on a global scale can present significant entry barriers and constraints such as local payment systems that are incompatible with those used in global platforms. Because of these challenges, many gig workers in developing countries often resort to concealing their true location by masking their IP address or creating fraudulent profiles that portray them as workers from countries like the United States or the United Kingdom, in fear of not being employed otherwise.

- **Lowering entry barriers for gig workers.** Among the key entry barriers to global platforms are the high competition, limited internet connectivity, and poor English language skills. Local/regional platforms lower entry barriers by:

✓ **Supporting first-time workers/youth.** First-time workers and youth may face less competition than in global platforms, where the large pool of experienced gig workers may reduce their visibility. In addition, first-time gig workers or youth doing their first job can meet with clients in person and resolve issues that they may encounter more directly than in the impersonal online context of global platforms.

✓ **Supporting people with limited access to connectivity.** Regional platforms' physical proximity to online gig workers positions them as vital players in granting workers, especially those in remote areas with limited connectivity, the necessary access to participate in online gig work. Project Karya,[10] a Microsoft study that aims to make digital work more inclusive and accessible to workers from rural communities in the village of Amale in India, provided inexpensive Android smartphones (less than US$50) and earphones to project participants. Participants agreed to return the devices at the study's end and received payment based on the device condition. The target village lacked data connectivity, so an offline file storage app was developed, along with the Karya Box, a 4G dongle-powered connectivity solution. One physical and eight virtual Karya Boxes were deployed successfully, helping participants complete tasks offline, then upload them near the Karya Box. Another example of the role regional platforms can play in providing individuals with proper connectivity access is Elharefa, a local platform in Egypt, which develops coworking spaces and helps onboard people with limited connectivity at home.

✓ **Providing opportunities for non-English speaker workers.** Online gig workers living in non-English speaking countries may encounter language barriers when attempting to enter the online gig work market, as global platforms are dominated by several English-speaking countries. Data collected by the OLI reveals that India, Bangladesh, and Pakistan contribute to over 50 percent of the supply of online gig work.[11] However, previous studies may have underestimated the size of the non-English-speaking gig workforce. In a global survey, 57 percent of online gig workers replied in a language other than English (see Figure 4). Moreover, two-thirds of the online gig workers who use regional platforms completed the survey in a language other than English, while half of the workers on global platforms responded in English, showing the role regional platforms play in including non-English-speaking gig workers.[12] Regional platforms have made notable efforts to cater to workers who primarily speak the local language. For instance, Workana gig workers, who primarily work in Spanish or Portuguese, consider English to be one of the least important skills for success in online gig work, indicating that English is not a prerequisite to succeed in that platform.[13]

✓ **Catering to the needs of women gig workers.** Over 85 percent of online freelancers at SheWorks!,[14] an online gig work platform in LAC, are women. SheWorks! promotes flexible work schedules among its clients to ensure that workers can find the right balance between their online work and other

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[10] For more information on Project Karya, see https://www.microsoft.com/en-us/research/project/project-karya/

[11] The OLI collects data from the five largest English-language online gig work platforms, and six non-English-language platform (three in Russian and three in Spanish). Online Labor Index 2020, Online Labor Supply, http://onlinelabourobservatory.org/oli-supply/.
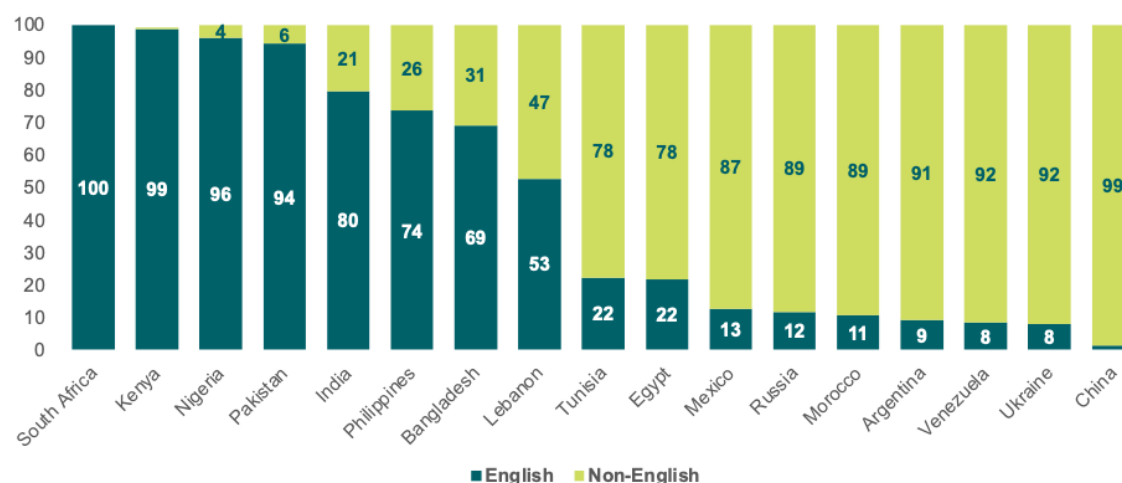
[12] Datta et al. (2023).

[13] Datta et al. (2023).

[14] SheWorks! is a digital platform that connects businesses with certified remote-ready professionals. SheWorks! brings together talent primarily from Latin America and empowers women to tap into opportunities of online gig work.

commitments, such as caring for children or other family members. More broadly, online gig work platforms can support the inclusion of women in the labor market through flexible work opportunities. On SoyFreelancer, also in LAC, more than 50 percent of workers are women, a higher proportion than the share of women in LAC's labor force (41.42 percent).[15] Similarly, a larger share of women work on Flexiport in India (36 percent of the workers on the platform) than the share of women in the total labor force (20 percent).[16]

- **Adapting to local constraints, such as online payment regulations.** Limited access to viable means to make and receive online payments internationally prohibits some workers from accessing global platforms. For example, PayPal is not available in all countries. To address this constraint in Nigeria (where PayPal was not available before 2014), Jolancer[17] offered bank transfers as a payment option for Nigerian workers. Jolancer also allows clients to make payments using the Nigerian online payment solution Flutterwave, a FinTech company catering to the needs of the regional market. In some cases where currency conversion is difficult, online gig workers prefer payments in local currency, which local platforms offer. By contrast, workers are more likely to be paid in US dollars on global platforms.[18]

Figure 4. Distribution of the language of responses by online gig workers in the global survey conducted by the World Bank

Source: Datta et al. (2023).

On the demand side, these platforms help private sector development by helping businesses, especially startups, find workers with a better understanding of the local context. From the demand side MSMEs and startups trying to establish a new business do not

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[15] Country/regional averages for the share of women in the total workforce were retrieved from WDI.
[16] Datta et al. (2023).
[17] Founded in 2013, Jolancer is a dedicated marketplace for skilled African Freelancers to register their profiles, post the service they offer and bid for projects in their line of expertise. The platform was originally intended for the Nigerian market only, but it evolved beyond Nigeria, being used now by workers and clients in other countries as well.
[18] On Fiverr, while prices may be shown in different currencies, the payment currency is US dollars. On Upwork, prices are shown only in US dollars, but billing may be done in the local currency for certain countries.

have the resources to hire talent and need the flexibility to hire for shorter, concrete tasks (for instance, designing a logo). Gig workers can be a valuable source of cost-effective talent for resource constrained MSMEs and startups in developing countries. Together, low- and middle-income countries account for 40 percent of traffic to gig platforms. A fifth of the visitors (18 percent) are from low and lower-middle-income countries (driven by India, Ukraine, the Philippines, Indonesia, Pakistan, and Nigeria) and 22 percent from upper-middle-income countries- Russia, Brazil, Mexico, Belarus, and Turkey.[19] Specifically, local/regional platforms support local private sector growth in developing countries by connecting local businesses with:

- **Tasks that need knowledge of local context:** Tasks, such as marketing, require knowledge of the local market and context as highlighted by interviews with Ureed and SheWorks![20] In this sense, gig workers are a valuable source of cost-effective talent for resource constrained MSMEs and startups. Capitalizing on this need to understand the local context, Wowzi, a Kenya-based influencer marketing platform, offers options for companies to create locally relevant social media campaigns.
- **Flexible talent for local entrepreneurs and startups:** Startups and small businesses starting out often lack the resources to hire full-time staff. They benefit from flexibility in hiring, particularly for short-term needs that can be outsourced more easily (such as designing a logo). Local platforms help connect them with talent in a flexible and cost-effective way.
- **Tasks that require gig workers to be in physical proximity to businesses:** Interviews with several platforms confirm that some companies prefer freelancers to work with them in person, highlighting the importance of building trust in platform-employer and employer-worker relationships. In-person collaboration is more feasible on regional/local platforms.
- **Workers in similar time zones:** 17 percent of firms that opt for regional platforms report choosing these platforms because they could find freelancers in the same time zone as their company. In contrast, only 6 percent of those hiring through global platforms selected this option. Several interviews with platforms confirm that time zone proximity is an important factor when hiring gig workers. For example, on SheWorks!, online freelancers in Latin America and the Caribbean work most often with clients who are local or based in the United States since they appreciate small time zone differences. Workana decided to open an office in Malaysia to be closer to clients in East Asia and the Pacific and to limit time zone differences, thus increasing their responsiveness to customers.

For Governments, local /regional platforms can be valuable partners on various development and policy goals. Given the proximity of local platforms to local contexts, governments may leverage these platforms to:

- **Provide training programs to strengthen gig workers' digital skills**: To enable online gig workers to thrive in the competitive gig economy, digital skills are key. These skills range from basic (e.g. needed for micro-tasking platforms with uncomplicated, repetitive assignments) to intermediate and advanced skills (needed for complex projects). Collaboration between platforms and affiliated service providers with governmental bodies can usher in tailor-made digital skills training initiatives targeted at gig workers. Project Karya in rural India, is a standout example of how short training sessions (~30 minutes per day) can effectively empower gig workers with very basic digital skill sets, to generate

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[19] Datta et al. (2023).
[20] Datta et al. (2023).

income through online gig platforms.[21] In the course of the text-based training program, the Project Karya team showcased to participants the simple act of typing their name on a smartphone. Even though for many participants it was the first time using a smartphone, the majority could proficiently input their name after only five minutes of training. Another case is Ureed's "Mastering the World of Online Freelancing" program, an International Finance Corporation (IFC)-led program that aimed to promote the digital inclusion of Ureed women freelancers from Jordan and Lebanon through a tailored training program (more information in the following paragraph).[22]

- **Support labor market inclusion of youth, women or other disadvantaged communities:** Programs enabling vulnerable populations to access these online gig jobs could be used as short-term instruments to support social and economic inclusion in a rapidly changing world of work, and contribute to closing the digital divide among and within countries. A key example of a program targeting women is the aforementioned "Mastering the World of Online Freelancing" Ureed program.[23] Women who enrolled received a fee waiver for one year from Ureed (i.e., the women would get 100 percent of the payment from the client). In addition, Ureed gave clients a discount if they hired from the pool of women and changed their matching algorithm to prioritize women in their searches. 24 percent of the women who enrolled completed the program. These types of programs can also support labor market inclusion of vulnerable populations in areas where mobility is a binding constraint, such as in conflict-affected situations. An example of a program that aimed to use online gig work to support youth labor force participation in conflict-ridden areas is Click-on Kaduna, a World Bank operation (P159231) in Nigeria that trained youth in a fragile region to participate in gig work, with a total of 940 youth being trained and over 50 percent being women.[24] Governments may also take an active role in promoting the inclusion of vulnerable populations. For example, Malaysia's eRezeki[25] program was designed to provide low-income households—namely, the bottom 40 percent, with income opportunities that involved conducting digital assignments via online platforms.

- **Promote tax reforms**: Platforms like YouDo in Russia have worked with the government on tax programs to formalize gig work. The tax regime is designed to recognize gig workers as self-employed.[26] This initiative was first tested in several regions in Russia and then expanded at the national level. The tax regime requires that a small percentage of the transaction cost be paid to the government as tax revenue, with the applicable tax rate being 4 percent for individuals and 6 percent for those registered as legal entities. This collaboration between the government and YouDo helped retrieve transaction data, making it easier to track the progress of the tax regime. In turn, transaction data could be used to streamline tax calculations.

- **Expand social protection and insurance through local platforms**: Regional platforms' direct communication channels with online gig workers can be leveraged to increase enrolment in government social insurance schemes. A case of how gig platforms can work jointly with social security authorities is in Mexico, where the National Commission of

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[21] See "Project Karya," Microsoft, July 1, 2017, https://www.microsoft.com/en-us/research/project/project-karya/.
[22] IFC (2021).
[23] Center for State and Local Government Excellence (2018).
[24] Solutions for Youth Employment (2019)
[25] Fore more information, see https://erezeki.my/.
[26] Federal Tax Service of the Russian Federation, Special tax regime for self-employed citizens, https://npd.nalog.ru/.

Retirement Savings conducted a massive campaign to incentivize DiDi[27] drivers and couriers to register and save for retirement using the AforeMovil app.[28] Although this campaign was done through a global platform rather than a regional/local one, and with location-based gig workers rather than online gig workers, it is a model that could be replicated to expand social protection for local gig workers.

4 Challenges local platforms face in establishing a viable business model and strategies/solutions

Interviews with several platforms revealed that many regional/local platforms struggle to establish themselves as viable businesses.[29] Many local platforms are founded by entrepreneurs who have a strong background in technology but who often have limited financial/business experience. Many local platform founders shared how challenging it has been to grow their platforms and generate the necessary revenue from a pure labor-matching platform revenue model. Among the main challenges these platforms face in establishing a viable business model are the limited network effects (e.g. difficulties in attracting enough users) and difficulties finding the right pricing model. In the face of these challenges, some local platforms have pivoted to adapt their business models by changing their strategy and pursuing alternative monetization methods.

The lack of network effects presents challenges for local/regional platforms, affecting their funding, client engagement, and worker attraction. Scale and network effects are important from both the demand (potential clients) and supply side (freelancers). From the client's perspective, a platform with a larger pool of workers means higher chances of finding the right type of worker for a particular task. From the perspective of the worker, a larger set of tasks posted on the platform and a wider range of employees can mean greater work opportunities. Tapping into network effects is particularly challenging when starting up a new platform.[30] Smaller local/regional platforms may struggle with getting adequate visibility, with giant global platforms often appearing first in most search engines. As a result, local platforms tend to struggle with funding and face difficulties in engaging clients and workers. For instance, although 73 percent of platforms are regional/local, they only attract 29 percent of the overall traffic.[31]

Many local/regional platforms struggle with finding the right pricing model that would ensure business sustainability. Online gig work platforms are all for-profit companies, and they usually rely on a combination of fees and/or subscription plans to generate revenue. Based on the sample of global and local/regional platforms interviewed for the World Bank study, the commissions charged to the worker generally range between a minimum flat fee to 20 percent.[32] Facing the challenge of attracting sufficient users, local/regional platforms struggle to find the right pricing models, sometimes leading to higher fees. High fees charged to the workers can drive the

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[27] DiDi is a Chinese mobile technology platform with a wide range of services (ride-hailing, taxi-hailing, food-delivery, etc.) across markets including Asia-Pacifric, Latin America and Africa.
[28] Forbes Mexico (2021).
[29] Datta et al. (2023)
[30] Graham et al. (2017)
[31] Datta et al. (2023).
[32] Datta et al. (2023).

supply away, creating disincentives for client usage. As such, a viable pricing option for platforms seeking to achieve a critical mass of users is key.[33]

To address the lack of network effects and difficulties finding the right pricing model, some local platforms change their business model. Strategies they use to establish themselves as viable businesses include 1) offering tailored services to business clients, such as contract staffing services; 2) offering special packages to freelancers to incentivize them to use the platform; 3) lowering prices on the supply side; 4) developing an "enterprise model" to partner with large multinational companies/governments.

On the demand side, some platforms have implemented third-party contract staffing services to provide additional administrative support for managing freelancers. For example, Flexiport, an Indian platform founded in 2014, introduced an offline extension focused on offering third-party contract staffing services, enabling comprehensive client support and enhancing sustainability. Similarly, other platforms like Findworka, a Nigerian platform established in 2016, transitioned from a freelancing platform to a recruiting and placement organization. This strategic shift ensures a diverse pool of vetted workers, allowing efficient matching of individuals with specific client needs, and enhancing the platform's sustainability.

To address the challenge of high fees on the supply side, some platforms offer special pricing packages with added incentives. Rather than raising fees for all users, some platforms have started offering special packages to incentivize freelancers to use the platform and to pay for using it, such as elite freelancer programs. For instance, Soyfreelancer, offers an elite freelancer program. Elite freelancers pay a monthly $4.99 fee, and enjoy various privileges such as reduced commission rate, more freedom in communicating with clients compared to regular freelancers, and priority visibility when clients search for workers.[34] Another example is Asuqu, a Nigeria-based platform that introduced the "Asuqu Elites" category for freelancers who have completed a minimum number of tasks on the platform. Asuqu utilizes this pool of freelancers to match them with clients seeking longer-term engagements.

To address high fees on the demand side, some platforms have adopted an "enterprise model." An enterprise model involves partnering with large multinational clients or governments, providing them access to a special team of freelancers. For instance, Workana uses an enterprise model where they prioritize understanding the needs of the client organization, propose several candidate workers, and facilitate the matching process. Once the matching is done, Workana does not actively manage the relationship between the worker and the client.[35]

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[33] Engels & Sherwood (2019).
[34] It's important to note that only a small percentage (2%) of freelancers on SoyFreelancer hold elite status.
[35] Note that global platforms like Upwork also offer similar "enterprise models."

Table 2. How Local platforms adapt their Business Models

Challenges to Establishing a Viable Business Model	Strategies and Solutions to Establish a Viable Business Model	Case Study
Lack of network effects	**-Demand side:** Changing the business model to offer tailored services to business clients (e.g. recruitment and placing; third-party contract staffing)	Flexiport's offline extension of the platform focused on third-party contract staffing. Findworka's transition from a freelancing platform to a recruiting and placement platform.
	-Supply side: Offering special packages to freelancers to incentivize them to use the platform and to pay for using it (e.g. elite freelancer programs).	- Soyfreelancer's elite freelancers. - Asuqu's "Asuqu Elites" category of freelancers.
Difficulties finding the right pricing model	- Lower prices on the supply side. - Develop an "enterprise model" to partner with large multinational clients/governments.	Workana's enterprise model.

5 Conclusion

Local/regional platforms play a vital but less understood role in supporting the labor market inclusion of some categories of gig workers and providing much needed cost-effective talent to local startups. These platforms have features, such as the use of local language, or local payment mechanisms that lower entry barriers for local online gig workers. Local startups and entrepreneurs use these platforms to find freelancers who could complete certain tasks for which hiring full-time workers is either too expensive or not possible in the offline labor market. Thus, local gig platforms help the development of a local entrepreneurship and private sector ecosystem, promoting local job creation. For governments, local/regional platforms can be strategic partners on local policy goals, such as training disadvantaged youth or social insurance measures for informal workers. Despite the increasing number and the important role of local online gig platforms, such platforms struggle to establish viable business models or reap the benefits of network effects needed for sustainable growth.

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