



CHALLENGE  
FUND  
FOR  
YOUTH  
EMPLOYMENT

# Platforms for Digitally-Delivered Work in Sub-Saharan Africa

## A Landscape Scan II

*July 2023*



# Platforms for Digitally-Delivered Work in Sub-Saharan Africa: A Landscape Scan II

## July 2023

### Contents

- Standard Brief: What is Jobtech? .....3
- Introduction: Platforms for Digitally- delivered Work .....6
- Business Models .....8
- Subcategories..... 11
- Sector Analysis .....16
  - Business and Sector (Challenges and Opportunities) .....16
  - Worker and Impact (Challenges and Opportunities).....18
  - Further Reading .....20

This landscape scan was produced by EDU and the Jobtech Alliance team at Mercy Corps and BFA Global with support from the Challenge Fund for Youth Employment. Thanks to Jennifer Otieno, Tracy Mwaura, Wadzi Comfort, Bethany Hou and Chris Maclay for their contributions.

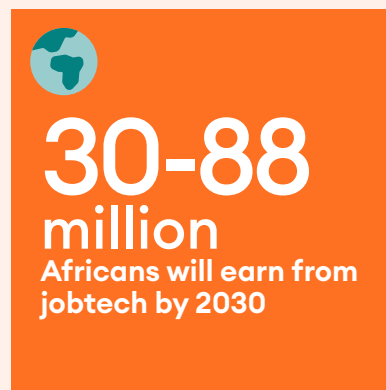
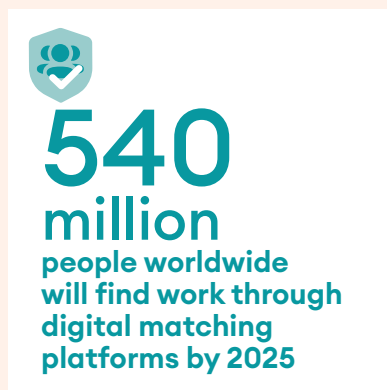
This v1 edition was produced in June 2023 and is one of a series of five landscape scans on the jobtech sector in Africa. The other Landscape Scans also available are:

- i. Platforms for Offline Work
- iii. Digital Services for Microenterprises
- iv. Technology-Enabled Skilling
- v. Digital Tools for Worker Enablement

If you have feedback on the content of this Landscape Scan for future iterations, please contact [info@jobtechalliance.com](mailto:info@jobtechalliance.com)

## Standard Brief: What is Jobtech?

'Jobtech' refers to digital platforms which connect people to work opportunities that build livelihoods. Simply put, Jobtech is the future of work. [540 million](#) people worldwide will find work through digital matching platforms by 2025, with significant growth expected in Africa; [30-88 million](#) Africans will earn from jobtech by 2030. Jobtech involves the use of technology to enable, facilitate, or improve people's productivity to access and deliver quality work. Today, we count over 500 jobtech platforms in Africa.



See the below table for the [Jobtech Taxonomy](#) defining the five major categories and definitions within the space.



### Platforms for offline work

#### Category definition

Platforms where work is mediated online but delivered offline, also known as “location-based platforms” as per the World Bank.

#### Subcategories

1. Taxi / ride hailing / delivery / logistics
2. Home services / technical services
3. Cleaning / domestic work
4. Care services
5. Job boards / recruitment platforms
6. Distributed manufacturing



### Platforms for digitally delivered work

#### Category definition

Platforms where work is mediated and delivered online, sometimes known as “cloud work.”  
The category does not include online jobs when the work is not delivered through the platform (i.e., job boards).

#### Subcategories

1. Skilled online freelancing
2. Managed services / global business services / BPO (including managed microtasks)
3. Task-based or distributed microwork / microtasks
4. X-to-earn / play-to-earn
5. Platforms for creative content producers / influencers
6. Trading platforms for digital products



### Digital services for micro-enterprises

#### Category definition

Platforms that improve access to market, business performance, or productivity of self-employed individuals or microenterprises. The category does not include pure fintech players or players targeted only at larger scale SMEs.

#### Subcategories

1. E-commerce marketplaces
2. Business management tools / vertically-integrated platforms
3. Social commerce / digitally-enabled agent models



### Tech-enabled skilling

#### Category definition

Edtech platforms that equip people for the world of work.  
The category does not include platforms with no tech product.

#### Subcategories

1. Course / guided / cohort-based learning
2. On-demand / self-paced learning
3. Digital apprenticeships / mentorship / internships
4. Professional networking / labour market information platforms
5. Assessment / credentialing





## Digital tools for worker enablement

### Category definition

Digital platforms that provide workers with tools that enhance their rights, benefits, and protections.

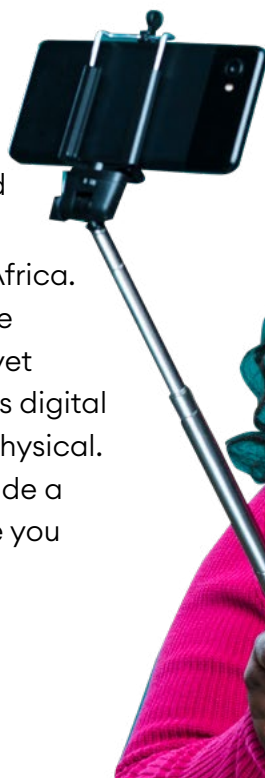
The category does not include tools with no tech product or tech integration.

### Subcategories

1. Identity / reputation
2. Alternative data tools / benefits
3. Rights / legal / collective engagement

Jobtech has huge potential to alleviate the youth unemployment challenge in Africa. We have seen that jobtech has the potential to create new work opportunities that were not previously possible, improve regularity and quality of work, size of income, and overcome traditional barriers to access for marginalised groups. But we've also seen that it can create bad work as well as good, and create new barriers to access for marginalised groups. The market fundamentals are challenging, and there is a lack of innovation in the space. Few startups have succeeded and few funders know how to effectively contribute. There is little shared knowledge about what does/doesn't work, and a lack of visibility and community limits scope for collaboration.

Our goal of these landscape scans is to provide an introduction to jobtech for entrepreneurs, investors, researchers, and policymakers alike. It will shed light on the vast potential that jobtech has to enable the jobs of the future, but will also critically reflect on some of the challenges and dilemmas that are inherent to the growth of jobtech across Africa. Ultimately, our goal is to inspire thinking on how this nascent, yet overlooked part of how Africa's digital economy interfaces with the physical. We hope these scans will provide a helpful starting point to inspire you and challenge your thinking.



**Jobtech has huge potential to alleviate the youth unemployment challenge in Africa. We have seen that jobtech has the potential to create new work opportunities that were not previously possible, improve regularity and quality of work, size of income, and overcome traditional barriers to access for marginalised groups.**



## Introduction: Platforms for Digitally- delivered Work

Platforms for digitally-delivered work are platforms where work is both mediated and delivered online. This sector is often also known as “cloud work”. What sets this category up differently from platforms for offline work is that it is not constrained in the same way by weak purchasing power in many African markets. Instead, platforms for digitally-delivered work can connect workers to service buyers across African borders and beyond to lucrative markets in Europe, North America, and beyond. Accelerated in part by the COVID-19 pandemic, platforms for digitally-delivered work have grown hugely over the past few years.

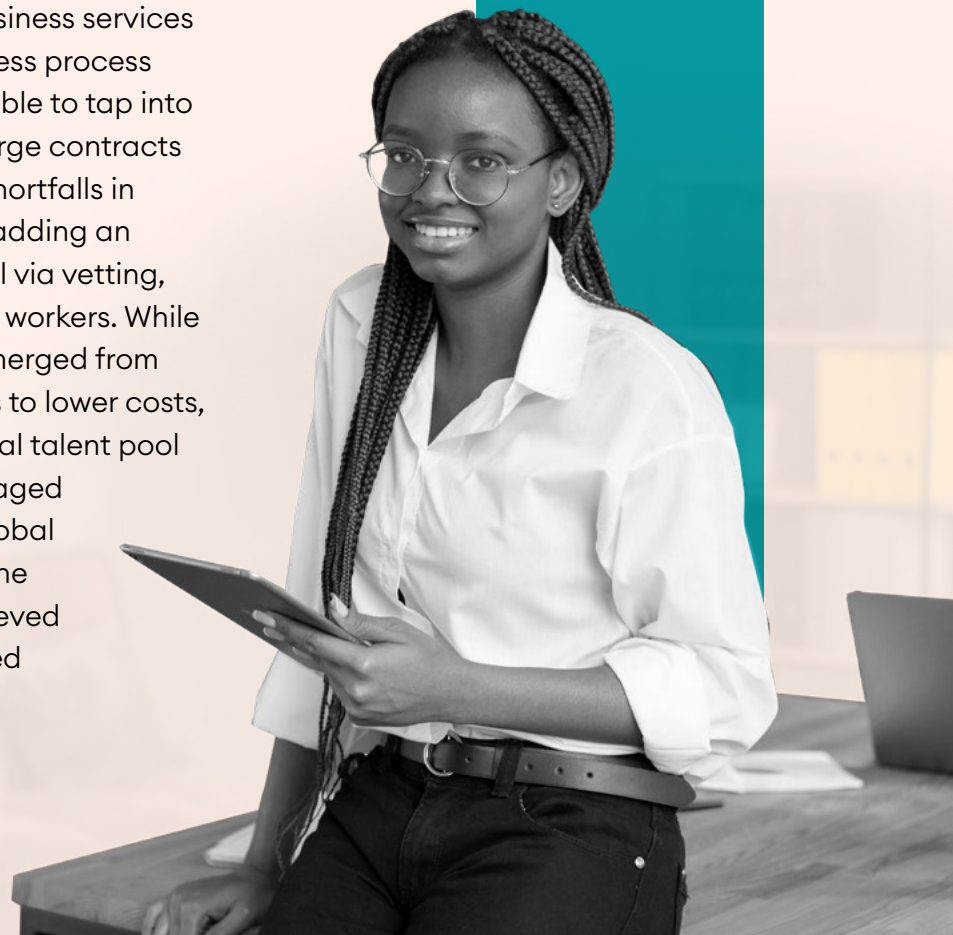
Freelancing has certainly driven the category forward, involving skilled service providers using platforms to deliver services such as content creation, graphic design and software development to customers across the world.

‘Microwork’ has also gained prominence. Initially focused on transcription and content moderation, it has since evolved to a much wider range of activities including data annotation for artificial intelligence (AI) programs. While freelancers are generally individually responsible for selling their services and capturing demand, microwork platforms tend to play a much bigger role in curating work for users and managing quality.

Similarly, an emerging global business services sector (traditionally called business process outsourcing or ‘BPO’) has been able to tap into international markets offering large contracts by managing skills and quality shortfalls in the freelancing market through adding an additional level of quality control via vetting, skilling, and managing output of workers. While the digital outsourcing sector emerged from the desire of international actors to lower costs, today we see outreach to a global talent pool and the emergence of well-managed niche service providers. While global BPO has existed in Africa since the early 2000s, this sector has achieved greater scale via formal managed service jobs in the last few years.



**Freelancing has certainly driven the category forward, involving skilled service providers using platforms to deliver services**





**On the more creative side of digitally-delivered work, there are a wealth of new platforms enabling young people to earn money online, from everything from music production to gaming.**

On the more creative side of digitally-delivered work, there are a wealth of new platforms enabling young people to earn money online, from everything from music production to gaming. Some platforms are tapping into the booming creator economy and enabling creators to take advantage of the growing global appeal of African music, movies, and culture to monetize their work and sell both domestically and internationally. Other ‘X-to-earn’ platforms enable young Africans to earn (in the form of cryptocurrency or fiat) through gaming, trading, voting, or any range of activities. Just as the sector looked very different a decade ago, it will continue to evolve quickly in the future.

Through a literature review and key informant interviews, researchers sought to understand the challenges and opportunities for platforms for digitally delivered work in Sub-Saharan Africa. The following sections define the business models utilised in platforms for digitally-delivered work, the subcategories outlined in the [Jobtech Taxonomy](#), and insights about both business opportunities and jobs impact outcomes from work in this sector.

## Business Models

The business models of platforms digitally-delivered work in Africa are not unique to the continent, and have similarities to many of the business models in platforms for offline work; they tend to either earn revenue by charging commission on a transaction, or by charging for 'leads', and can charge either the service provider, service buyer, or both. There is also some overlap with business models of digital services for microenterprises, particularly for creative sectors.

While not exhaustive, the table below highlights some of the common business models used by platforms for digitally-delivered work in Africa:



### Listing fee

**Business implications:** Either the employer or the service provider (more common in gig marketplaces) pay to list or promote the service or vacancy via the platform. This model facilitates discovery through aggregation.

**Limitations:** Model relies on willingness to pay, which can be limited both from employers, and for service providers who have low incomes and/or trust in such platforms' ability to generate jobs (particularly in weaker economies). Platforms may focus on quantity over quality of vacancies or service providers in order to maximise revenue, which could negatively impact the overall user experience and harm the platform's reputation in the long run. In addition, freelancers or workers source demand themselves, leading to more informal gigs / employment models vs. managed services. This comes with the disadvantages of sporadic, non-full time employment but has better flexibility for the worker. Most lead generation platforms in Africa have to supplement with other revenue streams.





### One-, two-, or multi-sided commission fee

**Business implications** Commission is taken from transactions with suppliers, consumers, and/or third parties paying. The platform sets rules regarding openness, governance, logistics and pricing, and puts suppliers and consumers in direct touch with one another.

**Limitations:** There is the challenge of balancing supply and demand without disadvantaging one party on the platform (e.g., discounts that disadvantage workers), and many platforms have struggled with commission transparency. Full transparency leads to users tricking the system, but opaqueness leads to low user rights and worker manipulation. In addition, commissions are often set by the platforms and are usually non-negotiable by workers.

Demand is matched with supply via buyers choosing profiles, which could encourage [winner-take-all dynamics](#) on the platform.



### Subscription / membership fee

**Business implications:** Platforms charge consumers either a flat or a variable fee per month or per year according to a subscription plan based on the frequency of use, specific services or the number of requests. The platform collects the subscription fee from consumers and then releases the money to the service providers without a commission. The demand side is usually charged in this model.

**Limitations:** Subscription models are unpopular in Africa B2C markets, and can be difficult to scale.



### Freemium + secondary revenue streams

**Business implications:** Platforms offer core services free of charge, but offer additional services at cost. This could involve gig matching platforms charging for financial services. It could also involve third parties like advertisers paying to host ads or content.

**Limitations:** Given generally low scale of platforms, relying on secondary revenue streams can be risky.



## Managed service

**Business implications:** A BPO (business process outsourcing) or GBS (global business services) company wins contracts and then manages the work with either full-time staff, part-time or freelancers.

**Limitations:** There are stricter requirements for hiring staff compared to freelancing platforms, where anyone can participate. Scale is constrained by the availability of supervisory and managerial talent.

However, workers in this model often receive full-time employment, receive benefits as employees and have job security. They can be assigned to multiple companies and earn additional income (depending on the agreement with the BPO). Additionally, workers are not individually responsible for winning demand in the managed services model. Last, accessing demand from large enterprise buyers can be difficult and is not facilitated through a matching process.



## Grant-funded

**Business implications:** Some platforms have developed sustained partnerships with philanthropic actors to screen, train and place candidates, often in emerging sectors or for marginalised jobseekers.

**Limitations:** User implications vary across models, though grant-funded models have additional financial / technical resources to support users.

There is limited scale potential, and relationship-building on the philanthropic side often requires an entirely different team capacity.



**Platforms may focus on quantity over quality of vacancies or service providers in order to maximise revenue, which could negatively impact the overall user experience and harm the platform's reputation in the long run**



## Subcategories

The [Jobtech Taxonomy](#) outlines six subcategories of platforms for offline work:



### Skilled online freelancing

**Description:** Platforms which match skilled workers (clerical, writing, professional services, virtual assistants, software) to gigs or ongoing work delivered through the platform. Supply and demand are matched via a matching algorithm or the buyer choosing profiles. Some of the examples of platforms are Fiverr, Upwork Inc., etc. .



### Managed services / Global business services / BPO (including managed microtasks)

**Description:** Businesses which manage projects or contracts (largely for other businesses) delivered by multiple semi-skilled / skilled workers such as call centre sales or customer care agents. Supply and demand are matched via a dedicated sales team that wins contracts with enterprise buyers.



### Task-based or distributed microwork / microtasks

**Description:** Platforms which connect semi-skilled / skilled workers to individual digital microwork tasks. Supply and demand are usually matched via an algorithm based on worker qualifications, in which workers are screened for their skills and provided with a list of suitable tasks.



### X-to-earn / play-to-earn

**Description:** Platforms which provide earning opportunities for platform participants by undertaking certain activities through the service (e.g., playing, voting, creating).



### Platforms for creative content producers / influencers

**Description:** Platforms which enable influencers or creatives to increase their earnings through increased distribution or market reach, or business management.



### Trading platforms for digital products

**Description:** Platforms which enable people to earn income through the purchase and trade of digital products like cryptocurrency arbitrage platforms or NFT trades.

Each subcategory is explored in more depth in the following sections, with most relevant insights including definitions, challenges, themes, and company examples.



## Skilled online freelancing

More traditional skilled online freelancing is what people tend to think of first within this sector. It encompasses platforms that match skilled workers with gigs or ongoing work through the platform. Studies estimate that Africa holds between [4.5%](#) and [10.1%](#) of the world's freelancers – a number that is expected to grow in the coming years. Typical jobs include anything from administrative work, to writing, to design, to software development.

The freelancing space is dominated by global players such as Upwork, Freelancer, and Fiverr, notably because they are closer to international demand, but African platforms seek to curate tighter-knit communities. Ethiopia-based [Gebeya](#) is likely the largest of these (revenue of ~\$45M), with a focus on connecting tech talent to customers, particularly within Africa. Other smaller platforms such as Nigeria-based [TERAWORK](#) offer a wide range of freelance jobs. Others design for specific sectors or niches, such as Africa-focused but US-based [Meaningful Gigs](#), which offers contract-based work for creatives in Africa.

Beyond access to clients, the other key challenges for African freelancing platforms are skills, quality control, and client management. While Africans across the continent are increasingly digitally-literate and capable of delivering on such platforms, they may lack high-demand technical skills, or the soft skills to bid for work, maintain client relationships, and manage deadlines. There have also been [multiple claims](#) that potential customers often screen out candidates in Africa, particularly Nigeria, causing African freelancers to use VPNs to work around the system.

The above reasons are why there is a growing sector of managed services, where the platform does more than just connect a service provider to a service buyer by also managing the entire delivery process, as will be covered next.



## Managed services / Global business services / BPO (including managed microtasks)

Rather than just facilitating a connection between a customer and an individual, managed services take a greater role in managing the actual service delivery. These platforms or businesses manage projects or contracts (largely for other businesses) delivered by multiple semi-skilled/skilled workers, who may be full-time employees or contractors themselves. These managed service platforms both have the capacity to manage quality of service delivery and actively train up employees or contractors.

Global business services (GBS) encompass the broader category covering the outsourcing of business and digital services, while business process outsourcing (BPO)



covers more traditional services. Enterprise buyers outsource specific functions and services to both BPOs and GBS providers, rarely outsourcing an entire department to managed service providers. [CCI Global](#) is one African-grown BPO, while [Sama](#) and [CloudFactory](#) manage data annotation services for international clients and have each grown to thousands of workers.

Some GBS providers and BPOs offer ‘impact sourcing’ in which a business will prioritise, hire, and promote career development for people from socially or economically disadvantaged backgrounds. This trend is discussed further in the “Sector Analysis” section.

The role of tech in these companies varies, with the spectrum ranging from ‘automated platform’ to more traditional businesses. But, given the nature of the work, custom-built platforms tend to play a major role on the delivery of the service, on the worker side if not the customer side.

There’s also a spectrum as to the levels of management. [Andela](#), one of the African startup ecosystem’s first unicorns, has raised almost \$400M from a range of investors including Mark Zuckerberg and is a talent accelerator that vets, trains, and connects top African software developers with companies around the world. Andela does not manage the delivery of the service, but provides the HR and management infrastructure to ensure that outsourced team members perform well in their respective roles. [Tunga](#) in Uganda has a similar model. [Tana](#) in Kenya is a tech-enabled marketplace that connects remote workers to global-companies, with a focus on early-career tech and data roles.

Other platforms are focused more on the delivery of the service, which tends to involve going deeper into specific verticals or niches. [Hugo](#) in Nigeria and global player [Majorel](#) are focused on customer success and experience management, and [Hodi](#) works in sales generation.

Africa’s ample supply of educated youth has become one of its core GBS/BPO value propositions, and with a large population of youth entering the labour market, Africa is well-placed to harness this growing sector.



### Task-based or distributed microwork /microtasks

While [Sama](#) and [CloudFactory](#) (mentioned above) drove forward the AI-training or data annotation sector in Africa through a managed service model, the micro-distribution model, which is primarily a crowdsourcing model, distributes microtasks through platforms that allow workers with minimum qualifications to deliver on complex tasks which are broken down to small, individualised pieces of work.

[Amazon Mechanical Turk](#) was the sector creator, with other major global players such as [Appen](#), [Scale](#), and [Toloka](#) emerging over the last decade. All these platforms rely on workers to annotate or label raw source data from videos, text, and audio. Toloka [claims](#) that 360,000 Africans across 44 countries have completed tasks on their platform. These platforms give users the chance to complete microtasks that support the development of new AI products and research.

The high potential of microwork to provide income for low-skilled individuals has encouraged a large number of philanthropic actors to explore the space. For example, the World Food Programme launched the [Digital Microwork project](#) to pilot microwork training and placement solutions. However, given the nature of AI and machine learning becoming more sophisticated, it also means that the tasks that workers are being asked to do are getting more sophisticated. As recently as five years ago, microworkers may have been identifying items in pictures as a ‘task’, but a task today may be working on tasks as complex as sentiment analysis to fake news research. This has increased barriers to access, and made it much harder for distributed platforms to maintain quality. Therefore there has been an increasing role of managed services, and a blending between the two - instead of one task being matched to one individual, a group or ‘agency’ bids for a contract for (for example) 10,000 tasks to be done by 20 people and manages quality across the users. While the increasing capacity of AI has led to the end of some historical data tagging work, there is still confidence that new roles will emerge due to the continued interest in [human-in-the-loop](#) models.

Other platforms have distributed different sorts of digital tasks which benefit from geographic distribution or diverse user groups. Mauritius-based [Rwazi](#), for example, is a distributed data collection platform that recruits ‘mappers’ to collect localised data on a range of products and customer behaviours.



#### Platforms for creative content producers / influencers

According to [Antler](#), the global creator economy is now worth over \$100 billion, with over 200 million active creators. Africa is poised to take its share of the market, with enormous export potential and a comparative advantage among African youth.

While easy to overlook as a ‘jobtech’ platform, at least tens of thousands of Africans earn money from posting videos on [YouTube](#), either from advertisements or from paid sponsorship. Other platforms more directly enable creators to monetize their work. Global player [Patreon](#) as well as local platforms like [Selar](#) or [Flok](#) allow creators to monetize and sell digital content to their fans.

Local influencer platforms are tapping into this growth potential. Several homegrown solutions empower micro-influencers to earn and connect with relevant brands. [Wowzi](#) is a creator commerce platform that helps connect brands with advertising, developing,

and marketing research tools to manage African influencers' impact, while [Aifluence](#) and [Twiva](#) have similar offerings, the latter of which includes a significant social commerce component.

There is a significant overlap with [vertically-integrated digital services for microenterprises](#). Global platforms like [Substack](#) enable writers to manage, distribute and monetize newsletters, while Kenya-based [HustleSasa](#) enables creators to sell digital and offline products.



### Trading platforms for digital products

There is a [whole world of nascent platforms](#) which are providing unique ways for Africans to earn money online. Largely built on blockchain, these platforms enable a wide distribution of 'activities' which are monetizable, from playing, to learning, trading, voting or more. [Axie Infinity popularised the play-to-earn sector globally](#), which saw hundreds of thousands of people during the COVID lockdown earning hundreds of dollars each month growing and battling 'Axies' in a video game. This encouraged a growth of similar platforms, such as UK-based game OpiPets, [which targeted African markets in its 2022 expansion](#). Kenya-based [Usiku Games](#) is another play-to-earn example which focuses on gaming for social impact, with messages around education, gender inclusivity, and African culture. Africa-focused [Jambo](#), a DRC-based startup, has raised \$37.5M of venture capital, and is seeking to build Africa's web3 user acquisition portal through learn-to-earn, play-to-earn, and more. This is an extremely nascent sector, with significant concerns about long-term viability of these models, and the volatile value of tokens or cryptocurrencies risking livelihoods of users (Axie Infinity has, for example, been called '[the biggest ponzi scheme in crypto](#)' and the value of its in-game token has dropped over 90% since 2021).

Other platforms have provided tools for people to earn from this volatility, trading in cryptocurrencies and non-fungible tokens (NFTs). While few of these platforms are designed as 'jobtech platforms,' they cannot be overlooked, as we have seen a large number of Africans utilising them in efforts to earn cash. Some of these platforms even enable users to 'mint' NFTs, creating digital assets which can be sold to international customers.



**Other platforms have provided tools for people to earn from this volatility, trading in cryptocurrencies and non-fungible tokens (NFTs).**

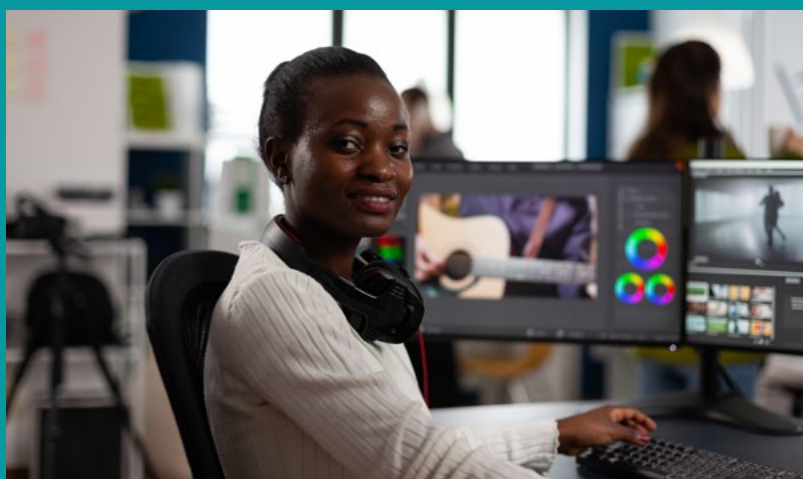


## Sector Analysis

We see the following trends as key themes for platforms for digitally-delivered work over the coming years, both for business and job outcomes. We have separated sector analysis into two buckets: business and sector (challenges and opportunities) and worker and impact (challenges and opportunities).

### Business and Sector (Challenges and Opportunities)

**Significant role of government in sector growth:** In order to harness the potential of digitally-delivered work, African leaders are awakening to the need for skill-building and job-creation programmes in the space. From [Kenya](#) to [South Africa](#) and [Rwanda](#), governments are piloting programmes to help youth cultivate digital skills and new models to create job opportunities for young people in digital skills and global business services. [Harambee](#) is a South African social enterprise that connects key stakeholders including the government, private sector, and over 4 million youth to accelerate youth employment. Kenya's Ajira Digital Program is a government initiative driven by the Ministry of ICT, Innovations and Youth Affairs to empower over one million young people to access digital job opportunities. The program seeks to position Kenya as a choice labour destination for multinational companies as well as encourage local companies and the public sector to create digital work. The government digitization projects already create viable microwork that can be delivered on digital platforms. Similarly, efforts are being made in Ethiopia to grow the '[FROG](#)' (freelancing, outsourcing and gigs) sector. Lastly, to address the first challenge of physical enablement of remote work, several governments are providing community digital hubs including D-Hubs delivered by the Development Bank of Southern Africa and the [Jitume Program](#), which additionally provides upskilling and online courses for young people. You can read more on the role of government in jobtech [here](#).



“

From Kenya to South Africa and Rwanda, governments are piloting programmes to help youth cultivate digital skills and new models to create job opportunities for young people in digital skills and global business services.





While access to mobile network, electricity, and data is rapidly improving across the continent, data costs are still high. Governments across the continent are starting to invest in infrastructure and technology initiatives aimed at supporting the growth of the tech sector.

**Physical enablement of remote work remains a challenge:** Physical enablement of remote work includes workers having a fully functional home workspace including a laptop, consistent internet and electricity, furniture, and monitors. Remote work brings down the cost and increases scalability of a workforce. If a company has to invest in enablement and offices in Sub-Saharan Africa versus choosing more-enabled locations like the Philippines, this region may not attract as many investors or opportunities. In addition, traditional loan providers do not traditionally provide asset financing models for freelancers. However, one of the benefits of the managed services model is that the firm managing the services can provide support to their employees or contractors to address these issues (compared to freelancers). For example, CloudFactory provides workers with high-quality laptops.

**Digital barriers remain an access to assets:** While access to mobile network, electricity, and data is rapidly improving across the continent, [data costs are still high](#). Governments across the continent are starting to invest in infrastructure and technology initiatives aimed at supporting the growth of the tech sector. Similar to CloudFactory providing laptops, BPOs often provide their employees with CPUs for power cuts and fixed mobile internet connections if fibre lines go down.

**Uneven distribution of work on platforms:** It is important to emphasise that marketplaces often have highly uneven distributions of work. A small number of users often earn the vast majority of jobs or income on a platform. In 2018, [only 6.8% of profiles on Upwork](#) had ever earned a single dollar from the platform. This means that even platforms with large sales and with a large number of users may not be creating large quantities of jobs. Although a common phenomenon, this is often negative for the business as well as users. There are [practices that can reduce the likelihood of this happening](#), both in terms of how a platform is managed and how it converts new users. Additionally, managed service providers are more likely to provide permanent employment and stable work opportunities to combat this problem.

**Lack of market parity on pay levels, and fear of a race-to-the-bottom:** Some digital workers in Africa are unaware of their market rates globally, resulting in under-charging in order to be competitive, and there are fears that many digital work tasks will simply end up going to the lowest bidder. Specifically, anonymous microwork is at risk due to its episodic and commoditized nature. Since they participate in multiple parts of the value chain, GBS companies can afford to pay workers more and are less at risk of the race-to-the-bottom. Other platforms have responded to this challenge by building their value proposition not on cost but on quality, opening talent recruitment to a new pool of candidates.

**The role of generative AI has the potential to take away a range of jobs before they arrive:** Connected to the above, there is a fear that AI will make many [lower-level digital work](#) and [entry-level](#) jobs redundant. These are specifically the jobs that many freelancing and managed service platforms had sought to bring to Africa over the coming decade. This is such a fast-moving sector that it is hard to entirely predict accurately, but we're [already seen](#) examples of digital work jobs disappearing thanks to ChatGPT and similar platforms. We can be sure that the rise of AI will significantly limit the growth of digital work outsourcing to Africa.

## Worker and Impact (Challenges and Opportunities)

**Getting paid across borders is a problem:** Cross-border payments are an issue for the whole continent, and one that significantly affects digital workers. Major platforms have typically required payment through Paypal or Payoneer, the former of which was not available for Africans until recently. [Research by Mercy Corps](#) found that microworkers in Kenya were paying as much as 28.8% to move money across borders, and piloted the use of stable cryptocurrencies to reduce the transaction cost to 2%. [Raenest](#) was established to solve this payment problem in Africa, and [HoneyCoin](#) is focused specifically on payment solutions for creators in Africa selling across borders. Global player [Cadana](#) automates contractor payments to over 80 countries.



**Cross-border payments are an issue for the whole continent, and one that significantly affects digital workers.**

**Unclear trajectory of ‘impact sourcing’:** Impact sourcing is the practice of prioritising, employing, and promoting high potential workers who come from socially or economically disadvantaged backgrounds. Most notably, supply chain logistics have prioritised achieving the lowest possible cost for sourcing and distribution. This sector has seen major initiatives in impact sourcing including the [Global Impact Sourcing Coalition](#) which was sunsetted in 2020 due to lack of funding.

While ‘impact sourcing’ can have a myriad of benefits from high quality work (from the user perspective), [15-40% lower attrition](#), diversity of workforce, to social impact, its future is unclear as there are no clear standards around the quality or type of impact sourced work (see the [content moderation controversy around Meta and B-Corp Sama](#), a company that prioritises impact sourcing). However, there are a few major players continuing to innovate within “impact sourcing” on the continent, including Zambia-based [Impact Enterprises](#) and [The Impact Sourcing Institute of South Africa](#). Only time will tell if ‘impact sourcing’ is able to deliver on its value proposition without compromising on quality of work.

**Difficulty in measuring size of sector:** A common phenomenon in freelance work is that of hidden hierarchies; where one user with a successful account subcontracts work to other users. Another phenomenon is that some gig workers are unable or unwilling to register their identities for legal and tax reasons. A 2022 HIIIG and GiZ dialogue event estimated the ratio of subcontracted workers to actual registered online profiles in Kenya to be as high as [27:1](#). A lack of accurate data may make it difficult to measure the true impact of platforms for digitally delivered work on users.



**While platforms for digitally-delivered work don’t have the same demand-side constraints as platforms for offline work due to their international nature, they require matching the skills required by international clients.**

**Potential for worker-owned platforms:** A more positive possibility of emerging technology, in this case blockchain, is collaborative ownership of platforms. US-based [Braintrust](#), which has raised over \$100M, is a matching platform for tech talent, where the workers themselves vote for decisions on platform governance with tokens which they earn by doing jobs on the platform. While appetite for this among African digital workers may not be there yet, this is something to look out for in the future.

**Hire-train-deploy and the role of upskilling for digital work:** While platforms for digitally-delivered work don’t have the same demand-side constraints as platforms for offline work due to their international nature, they require matching the skills required by international clients. This has resulted in many businesses taking a hire-train-deploy approach. [Andela](#) famously pivoted away from training to placing higher-skilled tech talent, as they found insufficient demand for lower-skilled coders and their costs of building the talent pool were too high. However, there could be opportunities for doing so within individual niches, or with non-profit models like [The Room](#).

## Further Reading

1. [Jobtech Alliance - Reading Library](#): comprehensive library on resources useful for jobtech platforms and others in the ecosystem
2. [Harvard Business Review - The Microwork Solution](#): definition and examples of players within the “impact sourcing” space, with 5 key principles to success that Samasource has used (caveat that this article is from 2012, with Samasource / Meta controversy yet to come)
3. [International Labour Organization - 2021 World Employment and Social Outlook](#): report on the role of digital labour platforms in transforming work; covers key features, sectors, estimate of size, and key trends incl. AI, financing
4. [NFX Podcast - The Decision Framework’s Behind Fiverr’s Success with Micha Kaufman and Gigi Levy-Weiss](#): founder and CEO of Fiverr (one of the largest global platforms for digitally-delivered work) discusses decisions made in the early days of the company
5. [Transformational Upskilling - Platform-Led Upskilling Case Studies](#): covers several case studies on platform-led upskilling
6. [Jobtech Alliance - Why your jobtech platform needs to be aware of “winner-takes-all” outcomes](#): details winner-takes-all-outcomes and hidden hierarchies, a major consideration of such platforms, and how platforms can overcome such challenges
7. [The Flip Podcast - The Future of Work is Remote](#): explores 3 different buckets of remote work and key trends / challenges within each
8. [The Future of Work](#): details the increasing usage of cryptocurrency and the importance of crypto economies in the future of work